



# **STANDING COMMITTEE ON THE ECONOMY**

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**STANDING COMMITTEE ON THE ECONOMY**

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Cypress Hills



[The committee met at 15:15.]

**The Chair:** — All right. Good afternoon, everyone. Welcome to the Standing Committee on the Economy. I will be chairing the meeting this afternoon, Colleen Young. And we have committee members here with us: Ken Francis, Doug Steele. And we have sitting in for Jeremy Cockrill, Terry Jenson. And we have sitting in for Jim Lemaigne, Greg Lawrence. And we have committee member Aleana Young as well.

Pursuant to rule 148(1), the following estimates were committed to the Standing Committee on the Economy on March 31st, 2022: vote 1, Agriculture; vote 23, Energy and Resources; vote 26, Environment; vote 16, Highways; vote 89, Immigration and Career Training; vote 84, Innovation Saskatchewan; vote 35, Saskatchewan Research Council; vote 90, Trade and Export Development; and vote 87, Water Security Agency.

Today the committee will be considering the estimates for the Ministry of Immigration and Career Training. We will take a brief recess at about 5:15 and then consider the estimates for Innovation Saskatchewan and the Ministry of Trade and Export Development.

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

**Subvote (IC01)**

**The Chair:** — We will now begin with vote 89, Immigration and Career Training, central management and services, subvote (IC01). Minister Harrison is here with his officials this afternoon. And I would ask that when officials speak for the first time at the mike that they just mention their name and their position so the Hansard operator can record it.

Minister Harrison, you may begin with any opening remarks and introduction of your officials this afternoon.

**Hon. Mr. J. Harrison:** — Thanks very much, Madam Chair, and thank you to committee members for being here this afternoon. I am pleased to be here to discuss the 2022-23 budget for the Ministry of Immigration and Career Training, or ICT.

Before I get started I would like to introduce the officials. Joining us from ICT, to my right, Clint Repski, our deputy minister. And we have officials behind so I won't say exactly where they're sitting, but behind: Darcy Smycniuk, assistant deputy minister, training and employer services; Christa Ross, assistant deputy minister, immigration and career services; Grant Hilsenteger, assistant deputy minister, corporate services; Neil Cooke, director, financial compliance; and Ken Dueck, executive director, strategic planning and policy. And also Jeff Ritter, our CEO [chief executive officer] of the Saskatchewan Apprenticeship and Trade Certification Commission, or SATCC, is with us as well. And my chief of staff, Richard Davis, is here also.

ICT has an extremely important role in Saskatchewan's economic growth. It is responsible for helping individuals prepare for, obtain, and keep jobs, and for supporting employers

with the development, recruitment, and retention of workers. The work of this ministry is critical as Saskatchewan enters a period of unprecedented investment, bringing billions of dollars in major projects to our province.

The need to attract and retain skilled workers for our province is clear. A strong Saskatchewan requires a strong economy, and a strong economy must be supported by a strong labour force. The ministry has a critical role in the upcoming year to progress Saskatchewan toward achieving our 2030 growth plan goals, which include creating 100,000 new jobs and growing our population to 1.4 million people.

While some challenges from the pandemic are still being felt, Saskatchewan's economic recovery and strong export focus continue to steer the economy toward a strong recovery and growth. Saskatchewan's labour market has fully recovered, with employment back to what it was before the pandemic in February 2020. Some economic indicator sectors have now exceeded pre-pandemic employment levels, such as building and support services, wholesale trade, retail trade, and construction.

From February 2021 to February '22 more than 30,000 new jobs were created in Saskatchewan. We now have the second-lowest unemployment rate in the country at 4.7 per cent, the lowest it has been in our province in seven years. People are working and Saskatchewan is back on track. And ICT's work over the past year has been instrumental.

The ministry's support for businesses during the uncertainty of the pandemic is a major contributor to our strong economy. Some of those initiatives included extending the Re-Open Saskatchewan training subsidy to support businesses with training costs as they adjusted to the impacts of the pandemic. It reimbursed eligible private sector employers 100 per cent of employee training costs up to a maximum of \$10,000 per business. The successful program was then transformed into the Re-Skill Saskatchewan training subsidy which was launched in December.

The economic recovery work experience was launched as a one-time pandemic recovery initiative to help address the gap of skilled labour shortages in key sectors. The business response team also continued its excellent work in supporting business as they navigated the impacts of the pandemic, fielding and responding to thousands of calls and emails from business owners across the province.

The ministry also took steps to continue building Saskatchewan's pool of skilled workers and to deliver on its commitment to create economic opportunities for under-represented groups. Over \$17 million in new funding was provided for skills training programs in Saskatchewan Polytechnic and the Saskatchewan Apprenticeship and Trade Certification Commission. This funding supports the government's commitment to train newcomers and persons with disabilities for jobs and increase the number of apprentices in the province.

ICT provided \$2 million in funding to Northern Career Quest to facilitate industry-led training programs, employability supports, and employment services to 400 Indigenous job seekers.

The training voucher program was created to make retraining accessible and affordable to workers impacted by recent economic challenges.

The digital literacy for job seekers initiative helped individuals with limited experience acquire the digital skills they need to enter and compete in our labour market.

Two new supports for women entrepreneurs were launched: the scale up for entrepreneurs program and the digital literacy for entrepreneurs program. These programs, along with a *Women Entrepreneurs in Saskatchewan* report will help women and under-represented entrepreneurs scale their businesses and secure financial self-sufficiency.

ICT continues to operate the Saskatchewan immigrant nominee program. It provides settlement services to help newcomers and immigrants make a new home in our province.

The hard-to-fill skills pilot program was launched in response to strong demand and need for labour in our province. The program is offered under the SINP [Saskatchewan immigrant nominee program] and will enable Saskatchewan employers to recruit workers through overseas missions or other international recruitment activities into select jobs that have significant recruitment challenges.

The new tech talent pathway was also created under the SINP to attract highly skilled technology professionals to the province. As well, our government provided \$638,000 to create the bridging to employment program for internationally trained newcomers to support them in joining the labour market and settling in to communities across Saskatchewan.

At this point I think it's appropriate to highlight some of the ongoing work the ministry has done to welcome displaced newcomers to our province. These efforts will continue into the next fiscal year and are supported by budget '22-23.

The unprovoked and unjust attack on Ukraine by Russia has created the largest displacement of people in Europe since World War II. Our government and ministry have reacted quickly and responded decisively, committing to receiving in Saskatchewan an unlimited number of people fleeing Ukraine. The ministry is partnering with the Ukrainian Canadian Congress of Saskatchewan to provide community coordinators who will help families connect to resources such as settlement services, language training, and employment services to integrate into the province and workforce.

This is in addition to the regular settlement services available to newcomers around the province through ICT. These services include orientation and referrals to key resources, information, and other service providers in the community. While we are still unsure how many Ukrainians will come to Saskatchewan, we are committed to welcoming as many who would like to come.

We have also had recent success with bringing Afghan refugees to Saskatchewan. The federal government committed to settling 40,000 Afghan refugees after the takeover by the Taliban in Afghanistan last year. The Government of Saskatchewan is supporting these efforts and has so far welcomed over 300 Afghan refugees to our province, with about 300 more expected

to arrive in 2022. We will continue to work closely with the federal government and service providers to ensure Afghan refugees are well positioned for long-term success in the province.

It's a long list of accomplishments and actions showing how ICT is addressing our province's workforce needs now and into the future. This focus is reflected in the priorities of budget 2022-23. The 2022-23 budget for ICT is \$158.2 million, a decrease of 20.5 per cent from last year, which is entirely due to the reduction in one-time COVID-related transfers from the Government of Canada and a program transfer to the Ministry of Social Services. ICT's budget will continue to focus on programs and initiatives ensuring Saskatchewan builds its skilled workforce, which will continue to enhance economic recovery and stimulate economic growth for the province. It also provides continued funding to support employers and individuals as the province recovers from the economic impacts of the pandemic. When combined with federal funding and a base increase under the labour market transfer agreement, this budget will continue delivering initiatives geared towards attracting and retaining skilled workers.

One of the key initiatives this fiscal year is the creation of the Office of Labour Mobility and Fair Registration Practices. Saskatchewan currently does not have legislation requiring regulatory bodies to comply with domestic trade agreements or support fair registration practices, particularly for internationally trained workers. There are currently workers residing in Saskatchewan who are licensed to work in other jurisdictions but unable to transfer that licence to work in our province.

To realize the benefits of the massive investments in major projects we have worked so hard to bring to Saskatchewan, we need these workers. If we can't bring in skilled people, our standard of living and our provincial economic growth will suffer in the long term. And we're going to be introducing — I put up notice of introduction today — a bill that will do just that, *The Labour Mobility and Fair Registration Practices Act*. The Office of Labour Mobility and Fair Registration Practices will make Saskatchewan the destination of choice for international and domestic professionals.

Budget 2022-23 also provides ongoing funding to ICT to support the delivery of employment and training programs, in-services, establishing a foundational skills framework for Canadians to participate in the labour market, and federal funding through the labour market transfer agreement.

Some of the other budget highlights include \$2.5 million for the Re-Skill Saskatchewan training subsidy. This extension of the Re-Open Saskatchewan training subsidy will reimburse eligible private sector employers 100 per cent of employee training costs up to a maximum of \$5,000. Two million dollars is also set aside for Skills for Success, a new foundational skills framework program. And this funding is part of a three-year contribution agreement with the Government of Canada.

There is also a \$1.4 million increase for the carry-over of the labour market transfer agreement funding.

There are also some reductions in the budget which include a reduction of \$20.6 million reflecting the transfer of the provincial

training allowance program which is being replaced by a new education training incentive within the Ministry of Social Services. ICT will retain \$5.2 million in 2022-23 to administer the PTA [provincial training allowance] until the summer of 2022. And I think July is when the program will be officially transferred.

There's a decrease of \$25 million reflecting the completion of one-year, top-up funding from the federal government. This included 17 million for the workforce development agreement programming, and 8 million for employability assistance for persons with disabilities. And this came from a federal commitment two years ago that was rolled into two budget cycles — one-time funding.

There is also a \$500,000 reduction in the apprenticeship training allowance, ATA, to better align funding with demand for those training to become apprentices that require income support. A similar reduction of 853,000 for skills training will align for northern skills training with existing demand for services.

To meet existing priorities in the ministry, certain operational increases have been managed by reallocating resources across the ministry. For example, there is a \$2.6 million reduction in funding for the modernization of agreements, programs, and services project that has been reallocated to support ongoing stewardship and improvement of IT [information technology] assets that provide digital services and online information to our clients.

A significant share of ministry expenses is offset by federal revenue allocated through the LMTAs [labour market transfer agreement]. Despite the reduction in one-time funding from the federal government that I mentioned earlier, there will be a base increase of 1.14 million to the two transfer agreements for 2022-23 to \$86.7 million. The '22-23 budget for the Ministry of Immigration and Career Training strikes the right balance between managing spending while also investing in needed services, programs, and infrastructure.

[15:30]

Saskatchewan is entering an exciting time in which unprecedented investment will create tremendous opportunities and economic growth. In order to meet the moment, we must meet the demand for a skilled workforce, develop skills for in-demand jobs, and attract a stable labour supply. I'm confident this budget will allow ICT to do just that.

Thank you, Madam Chair, and thank you to the committee, and look forward to questions to myself and officials.

**The Chair:** — Thank you, Minister. When members of the ministry are speaking, if you are asked to reply to something, I'd ask you to come to one of the chairs at the front. And you don't have to touch the button to make your lights come on; the Hansard operator will take care of that. So thank you.

And I will now open the floor to questions from committee members and recognize Ms. Young.

**Ms. A. Young:** — Thank you, Madam Chair. And thank you, Minister and officials, for all of your work over the year and

certainly for being here today.

I have a rough plan for how I anticipate approaching questioning. I'd like to begin with some questions specifically from stakeholders, largely from organizations that work with newcomers; and then following that discussion, move on to some questions around settlement dollars, federal government; and then the last piece around job and labour market and training. So I hope to kind of stay within those four areas, although we will see where the next couple of hours take us.

To jump right into it, a specific question about the time that it is taking SINP applicants to get visas to come to Saskatchewan. There are many cases that come forward obviously that you'd be aware of where there are people waiting for a considerable amount of time. The application might have been made in 2019, 2020, and there's been no action taken. Is Saskatchewan, on our side, able to look at files or ask those questions to IRCC [Immigration, Refugees and Citizenship Canada]? Or is that largely out of the control of the ministry and the program to help address some of those lengthy waits?

**Hon. Mr. J. Harrison:** — I'll maybe make a brief response, Madam Chair, and then ask Christa to maybe go into some more detail. But you know, I think for the benefit of folks who are watching at home right now or are reading *Hansard* at some point into the future, it's important to really understand the way and the nature of the immigration system in Canada, which really is a shared area of responsibility between the federal and provincial governments. And there are different responsibilities that the federal and provincial governments have in administrating and administering that system.

When it comes to the provincial nominee program, we really have endeavoured and I think been very, very successful in managing our response times in a very positive way. And I think, you know, it depends on the stream. Christa can kind of speak to the details, but we're talking weeks as far as the administration time between application and adjudication decision being reported out for a lot of our streams through SINP.

The challenge that often exists for those who are seeking to go through a federal stream or have their applications processed through SINP, there's a back-end processing that's done by the federal government. It is much slower. And in cases, those are measured in months or years as to the length of time.

And I can tell the committee that this is always a point of discussion when we meet as national immigration ministers at the FPT [federal-provincial-territorial] table with the federal ministers, that you would find across provinces, regardless of party, a real push to have the federal government allocate resources that would allow the processing times to come down. And the feds have instituted different streams of their federal system that are more quickly adjudicated, although it's still very, very, very slow. And that is a very, very real frustration on the part of, you know, obviously on the part of government, but I think much more so on the part of the folks who are seeking to have their applications dealt with.

So that's something that we constantly bring up with the Government of Canada. It's frankly something we think we could do a better job at than they could. And I think that that's a case

also that's been made by provincial and territorial ministers of immigration, provincial specifically. But, Christa, maybe if you want to speak to some of that too.

**Ms. Ross:** — Sure, thank you. So Christa Ross, assistant deputy minister of our immigration, employment, and career development division. So just to build off of what the minister's already said, with the Saskatchewan immigrant nominee program, it's essentially a two-step process. So individuals, either on the worker side or an employer side, can make direct application to us, and that's where we have control and can influence the length of time it takes.

So the minister was right that we have different pathways and different categories. I'll just give you a couple of examples. For instance, under one of our categories or several of our categories that are more employer-driven and it's an individual applying who has a job offer from a Saskatchewan employer, we're processing those in about two to three weeks. But by processing, I mean that leads to us approving and nominating that individual.

With that nomination, they can then apply to the federal Department of Immigration for two things. They can apply for permanent residency, and that's the process that is taking long and is taking even longer over the last couple of years. But they can also apply for a temporary work permit that allows them to come to Saskatchewan and start working for their employer while their permanent residency application is being processed.

And it's just there's some interesting contexts, I guess, in the last couple of years as to how it's come to be that the federal processing is taking 18, 19, maybe even in some cases up to 22 months. And it can largely be attributed to the pandemic, or at least why there's been so much growth in the last couple of years. In 2020 there was only about half of the planned arrivals of newcomers to Canada, so there's a 50 per cent shortfall. So that added to the federal backlog.

And then to compensate, in 2021 the federal government implemented a number of measures to increase the number of permanent resident landings. But they did so in a way where they were increasing the numbers of temporary foreign workers or international students that were already in Canada and fast-tracking their applications for permanent residency. So that further increased or added to the backlog that is overseas in visa offices around the world. So that's where you're seeing the 18-, 19-, 22-month processing time.

We do continue to advocate for expediency and for the feds to address their backlog. They have announced a number of measures over 2022 that they'll be implementing to bring down their own backlog.

And then to answer your specific question just around, can we inquire, certainly if it's a provincial nominee we can inquire on their behalf on the status of their application. It gets a bit more complicated if it's not a provincial nominee — say if it's a family member who's trying to bring somebody through the federal family sponsorship — just for privacy reasons. It's more difficult for us to get updates and information from the federal government if it's not an SINP nominee.

**Ms. A. Young:** — Thank you very much. One quick follow-up:

my understanding from the organization is that these are provincial nominees, with of course that employer offer here. So for individuals or organizations that are facing this challenge — and I of course don't have all the specific details, recognizing they do go through the IRCC process — where specifically should people be directed within the ministry if there is that opportunity and avenue for the Sask SINP?

**Hon. Mr. J. Harrison:** — So thanks, Madam Chair. I would say that, you know, for inquiries that are related to the SINP, obviously we have our points of contact within the ministry that are, you know, publicly available as to the contact information there.

With regard to, you know, files that are before the federal government, though, as Christa rightfully pointed out, it really is out of our hands at that point. We can make inquiry in the context of provincial nominees, but really I mean the processing and priority and sequence that's done is entirely up to the federal government. And they really are going to make their own decisions on that. And you know, we continue to advocate, though, that those adjudication processes be done much more quickly than they are.

**Ms. A. Young:** — Thank you. In regards to the regional or provincial research that's been done on economic inclusion of newcomers, could somebody offer some comment in regards to how this is being used to support the province's career-training strategies and activities?

**Hon. Mr. J. Harrison:** — Great. Thanks, Madam Chair. So I'm going to give maybe a bit of a brief answer here just on some of the top-level numbers, and then Christa's going to have some comments as well.

So as far as the employment rate for new immigrants under five years in Canada, ages 25 to 54, we do have that data that shows there is a 77 per cent rate of employment, which is above the national average in that regard. As far as our retention rate of new immigrants to the province, it's 70 per cent after five years which is quite good as well. There is, you know, mobility amongst folks who are arriving in different jurisdictions, but we view 70 as pretty good, and 77 per cent is above the national average as far as those who are employed.

And as far as kind of the inclusion elements, you know, I really am of the view that our partner agencies in the settlement services sector really do a very, very good job. And that's, you know, the folks who really deliver those services which I talked a bit about in the intro. Government doesn't do the delivery. We do the partnering with agencies that do that work.

And I would just kind of state as far as, you know, retention and inclusion in the labour market, the biggest thing is having opportunity. That really is what it comes down to. And that means being able to take advantage of jobs that exist in the province and jobs that are going to exist, which is why, you know, for us really coming back to a growing economy is a very, very, very important component to this.

And you know, as far as kind of how we're going to have more success as far as labour market integration for those who have foreign credentials as well, this is something we really view as

being very significant. And I can't actually talk about the details of the bill yet because the House doesn't have possession of it. It won't be introduced in the House until tomorrow. But I can tell the Assembly it's something that we're very excited about, that we think is going to make really a very, very significant difference, that will make Saskatchewan be a preferred destination for those with credentials earned internationally, in Canada. It will.

And that was what our objective was when we set out putting this program and office together was to make Saskatchewan the destination for newcomers, because this is going to be the place where your credential and skill can be not just necessarily recognized, but we hope that's a part of it, but also where you're going to have the tools if you need to maybe upgrade in a couple of specific areas, that those are going to exist in a very, very specific way. So that would be kind of my introduction. Christa.

[15:45]

**Ms. Ross:** — Sure. Thank you. Just to add to that, and not being familiar with the specific research project that you've mentioned, but I'll just say kind of a general comment that, you know, we're always looking or reviewing new research that's coming out, whether it's from within government or without. We're also very diligent about evaluating the outcomes of our own programs, for instance, the Saskatchewan immigrant nominee program. It's a federal requirement, but one that we're happy to comply with, to evaluate, do a very thorough kind of start-to-finish evaluation of that program every five years.

So this next year coming up, or I guess our current year, is when we're due to do another evaluation. So through that process, it provides useful information and feedback on how newcomers are doing in Saskatchewan when it comes to employment and retention, and the minister's already shared some of those stats. But also considering that about 70 per cent of newcomers who come to Saskatchewan are coming through the Saskatchewan immigrant nominee program, keeping track and knowing the outcomes of that program are very important and a key indicator of kind of how immigration to Saskatchewan overall is doing.

But I think also . . . So there's research; there's evaluation. We work very closely with our third-party partners who are obviously very much on the front line working directly with newcomers. So we're in regular contact and there's a really good feedback loop there, I would say, that helps us to adjust our programs and our services as well. And then always throughout we're working closely with the federal government who is also making their own direct investments into settlement services in Saskatchewan. So they spend about 40 million a year providing funding directly to many of the same service providers that we're providing funding to. So we work closely with them, you know, as they do their own research and evaluations as well, to see what those learnings are and how we can apply those and make adjustments to our own programs and services, but to also make sure that what we're doing is complementary to what they're doing and not duplicating as well.

**Ms. A. Young:** — Thank you very much. One quick follow-up on that. The employment numbers provided I believe was 77 per cent. Is that for Saskatchewan specifically? And the same number for retention I believe last year was 71 per cent referenced. And

I didn't write down the number the minister provided but I think it was perhaps 70. Is that accurate year-to-date or is . . . That's the current year's — I'm seeing nodding — the current year's numbers?

**Ms. Ross:** — Sorry, the 77 per cent employment rate is Saskatchewan-specific, and so is that retention rate. I'll just explain where we get that retention rate from. It's from a federal database that's called the IMDB [Longitudinal Immigration Database] which essentially brings together immigration landing data and tax filer data. And there's a bit of a time lag so when I say, or when the minister said 70 per cent, the latest data we have through this database is as of 2019.

**Ms. A. Young:** — Thank you. A few more questions in this subject area which . . . Forgive me if I'm not also an expert on this. The majority of these questions are coming through settlement agencies here in the province. But one concern that's been flagged a number of times is that, you know, there are many second-generation newcomers who fall through the cracks of some of the supports offered, obviously. And they wouldn't be considered with the program criteria, and specifically mental health is a large component for people. And on behalf of the sector there's interest in knowing what, if any, programs exist or are being considered to take into consideration the needed support for mental health from a multicultural lens.

**Mr. Repski:** — Thanks for that question. Clint Repski, deputy minister of ICT. It's a good issue that you raise. The forum that we would take this sort of feedback through would be through the deputy minister's human services meetings that we do have. But as you indicated, if it's a second-generation newcomer issue around mental health, I mean that would be very much in the domain of the Ministry of Health. But this is very much the type of conversation that we would have to make sure that we do have that cross-ministry approach to an issue like this.

**Ms. A. Young:** — Thank you. So my understanding is that for many of the programs that do serve newcomers, there is obviously specific criteria. And while the eligibility will vary per program, many newly naturalized citizens would be exempt from that just on the basis of being naturalized citizens now. For those who may still be having some challenges or difficulty with integration or struggling to settle into their new communities, their new home, is there opportunity or consideration given to expanding eligibility criteria?

**Ms. Ross:** — All right. Thanks for the question. And maybe I'll just build off a comment I said earlier where, you know, we work closely with the federal government on coordinating settlement services so that we're complementing what they're spending their 40 million on every year. And one way we do that is through our eligibility. So we don't necessarily just mirror eligibility criteria that the federal government has, because they're more explicit around eligibility being for permanent residents for a lot of their settlement services. So we've actually tried to complement that by making some of our services available to temporary residents as well as recent or new citizens. So we don't have the same kind of hard cut-off as the federal government does for much of their settlement services.

**Ms. A. Young:** — Thank you. So understanding there's a bit more flexibility on that provincial consideration of eligibility

criteria then.

**Ms. Ross:** — That's right.

**Ms. A. Young:** — Great. Thank you. Two specific questions, and I'm a bit out of my depth here recognizing they're coming from this sector, one specifically about the incorporation of a new call centre. And I understand there's some frustration from service providers around the incorporation of this call centre perhaps not being brought into the conversation as early as they might have liked. Are you able to share any metrics or outcomes that would be associated with the ongoing implementation of that call centre and working through what sound like some kinks?

**Hon. Mr. J. Harrison:** — Yeah, thanks, Madam Chair. We really haven't set up a new call centre, so we're not entirely sure. There is a federal call centre that had been activated which we think might be what the member's referring to. But that would probably be the best we could offer, but Christa, if you wanted to maybe add some more. I mean we do receive significant numbers of inquiries in the course of a year obviously, and maybe Christa could speak to that.

**Ms. Ross:** — Yeah, I'm just I guess a bit unclear. You know, a common complaint or frustration we hear is about trying to get through either email or via phone to the federal government, to IRCC. So I don't know if that's the nature of the question or concern.

We did, at the beginning of the pandemic or in the early days of the pandemic when we sent everybody home, we did quickly pivot to using SaskTel's hosted contact centre technology just so . . . Yeah, just to have more people available around the province to take phone calls. So I guess it's a different phone number. It's a bit of a different technology. But even prior to that, at least for our immigration services, there is, you know, there is still just a couple of phone numbers where people called and it would kind of bounce around to the next available person. So just switching to the SaskTel technology hasn't been a significant change, at least from my perspective.

I can share . . . Just to give you a sense of what our volumes are on our client service for immigration, so through that hosted contact centre, last year in 2021 we took about 16,000 phone calls, and we also responded to about 60,000 emails. So a lot of that is more about federal processes or federal questions just again because we try to make ourselves much more available and responsive than I think what people might experience trying to navigate IRCC's call centre or email.

**Ms. A. Young:** — I appreciate that. Thank you. So a question that I hope is appropriate for your ministry and not better directed to the feds, but I will confess my ignorance on this part as well. With the immigrant settlement and integration agencies in the province, I understand from the comments made today the funding comes both federally as well as provincially. And I suppose an initial question perhaps is, what subvote is that a part of? Perhaps I can answer my own question. And to not beat around the bush, the concern, recognizing these are independence agencies, I assume largely non-profits operating, frustration seems to be around contracts remaining status quo in terms of funding and then as a consequence, you know, the ability of those agencies to offer increases to their staff, matching what we'd see

from, you know, kind of other increases that we'd all experience in regards to cost of living or certainly those with negotiated contracts. So I'm not sure if that helps clarify.

But if it's a specific subvote and I can answer my own question, happy to, but to restate more concisely, the concern is around status quo funding for some of the immigration settlement and integration agencies and their ability to offer cost-of-living increases and retain good quality staff as a consequence of that status quo funding.

**Hon. Mr. J. Harrison:** — I'll maybe respond to that, Madam Chair, and ask Christa maybe to get into a bit more detail. But as far as the actual subvote, it's (IC04) is the subvote. And there's a specific line item in the subvote for newcomer and settlement, and it's \$8.554 million. So that is where we allocate the resources for that particular element.

You know, as Christa said earlier, the federal government put a significant number of resources as well, and this has really been an area where, you know, I think it would be fair to say that we have felt that there would make sense for a streamlining as to how these resources were allocated. And I would make the case that we would be much better positioned as a province to allocate these resources, having a much better understanding I think of our local conditions, labour markets, all of the other factors that are determinants of settlement success, than does the Government of Canada.

So again that's something that I think we wouldn't be unique as far as provinces in putting forward that position. And I think ultimately you actually will see a transfer of federal resources that are allocated in this area right now to provinces for administration. And I think that will happen. But you know, I think we're working through some of those discussions which will likely go on for some period of time. But that's one particular area where I would say that we can do a better job than Ottawa.

And you know, we work hard to try and not duplicate through our different contractual arrangements with settlement agencies. But there's times when we actually don't know what the services being offered by the federal government are through contracts that they've entered into with the same agencies. So you know, we do our best to try and not duplicate, but my concern is that sometimes we probably do. And I think we could probably do it more efficiently through one funding body. But Christa, if you wanted to say anything more.

[16:00]

**Ms. Ross:** — Sure. And maybe I'll just offer a bit of context about our approach, or generally speaking, when it comes to managing our contracts. And we do kind of approach it more as a project or on a project basis. So we do regular formal procurement. So that would look like going through a negotiated request for proposals to enter into new multi-year agreements. So there's always opportunities for negotiation as we go through that process, right. So if a service provider would like to continue to receive funding from us for certain programming that we're going through a procurement process for, that's an opportunity to negotiate what they think they need in terms of resourcing and just capacity to be able to deliver those programs.

And you know, you're talking about settlement but I would say that kind of applies more broadly speaking. But settlement is also a bit unique, just given . . . So you're right. We have our 8.6 million for settlement that is the same as it was last year. And then the federal government is providing funding to many of the same organizations with their 40 million. So it does create a bit of a complex, I guess, relationship to manage when we're not the primary or the core funder I guess for many of these organizations, I would say. But yeah, I think, you know, the opportunity is as we update or renew agreements and go through these formal procurement processes, that's the opportunity to re-evaluate what's needed.

**Ms. A. Young:** — How many organizations would currently have contracts with the ministry through that stream, that 8.6? I was also going to ask if that's up or down, year over year.

**Mr. Repski:** — We don't have that specific information with us today.

**Ms. A. Young:** — Thank you. The minister spoke of the humanitarian crisis currently occurring as a result of Russia's invasion of Ukraine, and Saskatchewan's commendable commitment to accept as many refugees or people temporarily seeking a safe place to land as possible. And looking at that 8.554 being static year over year, in the context of the current geopolitical state of the world, is that commitment match then . . . In my understanding it would be matched by federal dollars not contained within the newcomer and settlement subvote.

**Hon. Mr. J. Harrison:** — Yeah, I mean it doesn't really work on the basis of a proportionate commitment from the federal and/or provincial government, which some of our other labour market programming at least has a kind of notional element to. Settlement services are entirely delivered separately.

So you know, but what I would say though as far as resources for support for either displaced or refugees from Ukraine, is that basically if we need to increase the resources, we will. And we really, though, have that being very much contingent on the numbers that are going to be arriving, and we just don't know what those numbers are at this point.

You know, one of the things that we — and not just Canada but other jurisdictions — are very much seeing is that, you know, Ukrainians who have fled their home, particularly in the eastern part of Ukraine, a lot have stayed within Ukraine and went into parts of the country and the West particularly, where the degree of conflict isn't the same as it would be in the suburbs of Kyiv or Kharkiv or, you know, in the Donbas.

So you know, we've seen an internal displacement within Ukraine. And there has been, you know, a refugee flow of large numbers into neighbouring countries surrounding Ukraine. So you know, Poland's been one of the very large points at which Ukrainians have been relocating to, some of whom . . . And it's important to remember too that this is really quite, you know, a different circumstance as far as refugee flows and displacement than we had seen in other jurisdictions — Afghanistan or Syria — in that by and large the folks who are being displaced are middle-class people, you know, who have standards of living that are not entirely different from what we are very fortunate to enjoy in this province.

And the other thing — and you know, I think the Premier spoke to this today and spoke to this after he met with some of the refugees in Germany — is that there is a very strong desire on the part of those who were forced from their homes to return to Ukraine, and entirely understandable.

I think if we, you know, could make that mental leap, as difficult as it would be, to be in such a horrific position that we were forced from our hometowns and our communities and our province, that the desire would be to return home as soon as we could possibly manage that. And I think that that is very much the hope for the overwhelming vast majority of Ukrainians who have been forced to flee their home.

And I think a lot of those decisions, as far as permanent residents, will be determined by how, you know, literally how the war concludes. And if that means that Ukraine is successful, which I think we all very much hope for — and Canada's obviously providing support in that regard, as are most other Western countries — I think people would want to go home. And that would mean even if they, you know, had to go and be a part of a rebuilding effort.

And so I think that that's why we just don't know yet, as far as what the numbers of refugees or those who are displaced are going to be even in the short term, but most definitely not in the medium and long term. We just . . . We're not sure.

So you know, we did make the additional allocation to the Ukrainian Canadian Congress to help with the settlement component. But also important to remember that even as far as, you know, the contractual relationships we have with settlement services, that really doesn't get at what the costs are beyond, you know, working with those settlement agencies to provide, you know, language training and some of those things. When you're talking about what the probably largest costs are in the areas of health care and the areas of education, those don't show up in a line item in Immigration and Career Training. Those are a part of the broader budgets for other ministries and aren't really broken out as far as the financial implications for different categories of refugees.

So you know, I guess the short answer though is that what resources are necessary to support the numbers that we get, either in the short, medium, or long term, those resources will be made available.

**Ms. A. Young:** — Thank you. And those two community coordinators . . . Pardon me. I'm assuming it's two. I actually don't know. The community coordinators spoken of in partnership with UCC [Ukrainian Canadian Congress] I guess, how many are there? Where are they located? And are they contained within this budget allocation?

**Ms. Ross:** — So for the agreement with UCC, the 335,000 to have them acting as a bit of a provincial point of contact or coordination, through that agreement they'll be able to hire up to five community coordinators. And my last update, I don't believe they have actually hired all five as of yet. And my understanding is the intention is to have them based in Regina, Saskatoon, and Yorkton, and then potentially see again numbers and kind of final destinations to determine where other resources may be needed.

**Ms. A. Young:** — Thank you. So perhaps moving to some of the labour market programs, I guess perhaps the best place to start might be going — I believe this was a classic Warren McCall question — going through each of the items here and getting an understanding of . . . Of the amount of money allocated here in estimates, how much is federal? Because that will likely help make some of my questions more specific around individual programs.

**Hon. Mr. J. Harrison:** — Yes. Thanks, Madam Chair. And we're kind of shifting officials around here a little bit, so appreciate the focus on different elements. That makes it easier actually to do that. So with respect to the question though, there are two major federal transfers, and I referenced it in my opening remarks, but the total is \$86 million. But those are allocated between the workforce development agreement and the labour market transfer agreement.

So those are the two mechanisms by which the federal government transfer . . . There's different, there's different focuses in those programs. I wish it was one. I think we're still working on that with the federal government. But when I first became minister in this file, there were four at that point, and we have made a long-running case about why . . . I think at that point, I think Jason Kenney was my opposite number actually as a federal minister at that point.

And I was making the case that four is ridiculous because there used to be the labour market development agreement, there was the LMDA [labour market development agreement] for persons with disabilities, there was the workforce development agreement, and there was a Targeted Initiative for Older Workers. I think those were the four different streams.

And we've made the case for years that it should be collapsed down and rationalized. And we actually got that across the line. There were two along with colleagues from other jurisdictions who equally made that case as well. But anyway, long answer to the question of which the short answer is \$86 million.

**Ms. A. Young:** — Thank you. Yes, I have followed the narrative throughout estimates of years past. You can see the evolution represented at this committee as those things shifted.

Perhaps I'll re-ask my question though. That \$86 million, I suppose what I'm trying to establish is when we get down into, say, the allocations under the labour market programs, is there, for example, \$10 million under essential skills, \$2 million under skills training, 23 under workforce development? If that helps clarify my question.

[16:15]

**Mr. Repski:** — Regarding the 86 million in the two envelopes in which we get those dollars, you can't specifically align the estimates with that fee of 6 million. There's pieces of it smattered within different subvotes within. The way that it works is the two envelopes that we have have certain reporting criteria and certain eligibility criteria, and those are going to be peppered throughout the Estimates book here. So on an annual basis, we provide a roll-up and a summary of how we spent those federal dollars to the federal government to make sure that the eligibility criteria and reporting requirements are being met. But you can't do a one-to-

one from this book.

**Ms. A. Young:** — So then in regards to the one-to-one, if I'm looking at lines where the allocation has decreased, that is not then due to changing federal funding. That's a decision that's being made within Saskatchewan?

**Mr. Repski:** — It depends. If you wanted to look at a specific line, we could give you the rationale of why. But as the minister indicated in his opening comments, the vast majority of the reduction this year was either a transfer of a program or it was a \$25 million reduction of one-time federal funding. So depending on what allocation and subvote you're looking at, we'd give you the rationale for why the decrease is there.

**Hon. Mr. J. Harrison:** — And maybe I could add a bit to that as well. So there's a bit of an explanation around the one-time WDA fund, the workforce development agreement funding that was provided in summer of 2020, I believe that's right . . . Yeah, summer of 2020, which was rolled out the door very rapidly by the federal government, to the point where I remember right before the election, we had to make a kind of special arrangement so that we could sign the WDA amendment. And that was the case with all provinces. Had to do it very, very rapidly.

And I think that was \$42.2 million for the one-time WDA top-up agreement, and there was a global kind of national amount that was allocated per capita for provinces across the country. There was then, you know, because of the constraints within the fiscal year, we weren't able to spend all of the \$42 million in that fiscal. And that was not unusual; I think other provinces had the same issue.

So we negotiated an agreement that allowed us to carry over unused portions of that one-time WDA top-up into last fiscal, which was 25, I think. There was eight we used for EAPD [employability assistance for people with disabilities] programming and 17 for kind of more standard WDA programming. So those resources came off.

You can, under the agreement, the WDA agreement, you can roll over a percentage every year. And I forget off the top of my head . . . [inaudible interjection] . . . 5 per cent. Okay, there you go. You can roll over 5 per cent of the unused WDA portion into the next fiscal, so we actually were able to roll some of the additional resources into this fiscal. So I think it was 1.4 or 5 million dollars. But the decrease that shows in the WDA funding was entirely a result of the two-year-ago commitment that the federal government made, having been used between the last and this fiscal year. Long backstory.

**Ms. A. Young:** — Thank you. Am I remembering accurately? This was discussed last year in terms of the execution of that agreement just before the last provincial election. Is that the same agreement that was discussed?

**Hon. Mr. J. Harrison:** — Yes.

**Ms. A. Young:** — Yeah. And of that, perhaps you could, somebody could clarify, with the agreement that was negotiated to allow the rollover of funds into the next fiscal, that was above and beyond the 5 per cent?

**Hon. Mr. J. Harrison:** — So the way the agreement works, the 5 per cent wasn't related to the top-up funding. The 5 per cent is related to the base funding under the criteria of the WDA. So the 42 was rolled over because we negotiated a separate agreement to be able to move the 25 into the next fiscal year.

**Ms. A. Young:** — And of that 25 million, how much was spent in that fiscal year?

**Hon. Mr. J. Harrison:** — Between the two streams on the EAPD, employment assistance for persons with disabilities, in the WDA funding, all of it was spent.

**Ms. A. Young:** — Great. And that 1.45 million that was referenced, that was unused through the WDA?

**Mr. Repski:** — That'll be the carry-over into the next fiscal year. So the 25 was from year one to year two. This is the carry-over of year two to year three.

**Ms. A. Young:** — Thank you. And there was not any additional funding that was essentially left on the table? That 1.45 million was the . . .

**Mr. Repski:** — We will spend that as well. We're anticipating, sorry. We're anticipating to spend it as well.

**Ms. A. Young:** — Perfect. And just not to put too fine a point on it, but I understood that 1.45 is the 5 per cent max that could be rolled over into this coming fiscal year, and there was not money above and beyond that 5 per cent that was left last fiscal.

**Mr. Repski:** — The 1.45 would be the remainder of the 42.2 that was originally committed to.

**Ms. A. Young:** — Thank you. So then understanding it's not a simple matter to look at each allocation and break out the federal dollars, if we could perhaps just go through them line by line, understanding that some are up and some are down, and get an understanding of why that is. Yeah, and I don't need to go through like salaries necessarily, but essential skills, skills training, the labour market programs in particular.

**Hon. Mr. J. Harrison:** — Okay, well maybe how we'll do this then. Maybe I'll ask Clint. Or I'm not sure who wants to kind of go through all of this, but go ahead, Clint.

**Mr. Repski:** — Sure. So looking at subvote (IC04), the changes are . . . So if you look at essential skills, it's a \$2 million increase, which is a newly negotiated program we have with the federal government for Skills for Success programming. That's a program that is to be agreed upon by the end of the month, but we're anticipating \$2 million for that.

The skills training budget, that has an \$853,000 decrease to align the northern skills training budget with existing demand for services. So that's where that decrease is happening. The WDA, that has a reduction of 15.6 million. That's a net. So that's a \$17 million decrease resulting of the reduction of that one-time carry-over offset with a 1.4. So 17 less the 1.4 is the 15.6. No change on SATCC.

Provincial training allowance, that's a reduction of 20.58 million,

which is to reflect the wind-down of the program and the transition to the Ministry of Social Services. The apprenticeship training allowance line item has a 500,000 decrease to align with existing demand for services. The EAPD, employability assistance for persons with disabilities, has an \$8 million reduction. That's the remainder of the 25, so the 17 less this 8 is the \$25 million one-time funding reduction.

You'll see under the Canada-Saskatchewan Job Grant an increase of 2.5 million. That's to reflect the new program that was rolled out for the Re-Skill Saskatchewan training subsidy. And as we discussed already, the newcomer and settlement dollars remain static.

**Ms. A. Young:** — Thank you very much. For, I believe it was to programs, apprenticeship training allowance and northern skills, it was referenced the decrease is due to demand for services. Am I to understand that's just there's simply not the uptake on those programs?

**Mr. Smycniuk** — Darcy Smycniuk, assistant deputy minister of training and employer services. On the apprenticeship training allowance, it is a \$500,000 reduction, just reflecting utilization in the apprenticeship training system right now. We're running about 4,000 apprentices through the system annually, and this amount supports those who require income support. And it's aligned with what we think the utilization expectation will be.

With respect to northern skills training, that's an allocation that we provide to Northlands College. It has been underspent for the last three years. They have accumulated a pretty significant reserve, so we are asking them to continue to . . . The budget has been set at the actual expenditure level for the last two years, but they can increase expenditures, if there's program demand, using access to their reserve accounts up to that full budget amount if they need to.

**Ms. A. Young:** — Thank you very much. And just one point of clarification, perhaps two points, on the apprenticeship training allowance. I believe it was mentioned that the 4,000 subscribers to this program, clients to this program, are folks on income support. Am I understanding that?

**Mr. Smycniuk:** — Yeah. The apprentices in the system are eligible for EI [employment insurance], so this is a program that's supported through that. Not all of them require income support as are participating in the program, but again those that do will have access to that income support.

**Ms. A. Young:** — Thank you. So you have to be eligible for EI in order to be eligible for that program.

**Mr. Smycniuk:** — That's correct. Yes.

**Ms. A. Young:** — Okay. Thank you. And on the northern skills, understanding what you said about that allocation being underspent and the significant reserve, do you have available the number of individuals who access that programming, even over those last three years that you've referenced? Just mostly curious if it's increased, decreased — how demand is shifting as opposed to simply just funding.

**Mr. Smycniuk:** — Going back, since '16-17 we would see

enrolments averaging around 484 in that fiscal year. It's dropped down to 102 in '20-21. So you can see the declining trend on that basis. So it looks like it's stabilizing at that level over the last two years, and hence the reflection in the budget.

**Ms. A. Young:** — Thank you. And is that of concern in regards to, like, the viability of the program?

**Mr. Smycniuk:** — This is an allocation that the Northlands stewards on behalf of northern Saskatchewan. They do have a skills training allocation that is fully subscribed to as well, which is around \$2 million. So this program really is meant to support some of the programming offered and considered through the northern labour market committee in northern Saskatchewan, and it responds to some of the demands and priorities at that table. So there's a health care aspect to that which is intact and fully subscribed, and the balance is based on priorities determined through that committee.

**Ms. A. Young:** — Thank you. For the areas where there has been a reduction — and I understood largely due to one-time federal grants — thinking specifically around the employability assistance for persons with disabilities, I guess was there any . . . With that funding now being lost because it was one-time funding, I'm curious about why it wasn't backfilled with provincial funds. Or if this program was a success and a good use of dollars, what happens next?

[16:30]

**Mr. Repski:** — Regarding the top-up dollars for EAPD, when we're looking to one-time funding there were a number of initiatives that were entered into over the last couple of years — self-employment program for persons with disabilities, so supporting career decision-making for youth; newly remarket entrance; workers in transition; looking at targeted employment supports for persons with autism; expansion of EAPD through SARC [Saskatchewan Association of Rehabilitation Centres] for expanded employment supports for persons with disabilities doing, again, full participation in the labour market.

With those programs still continuing on as part of our carry-over . . . When these were originally created it was under the understanding that this was in fact one-time funding from the federal government. So when we were looking for opportunities to better support that community, it was with the intention of having it as one-time funding. And that's exactly what these programs were set up to do. So they do have end-of-service lives of either . . . Most were I think March 31st, a handful of days ago, and some are continuing on to this fiscal year as they run their course. That being said, we're going to be working with them to get their reporting of the success. At this point in time indications are it's been positively received, but we're still waiting on final reporting to determine the relative success of those programs.

**Ms. A. Young:** — Thank you. So understanding that the programs and services that would be delivered through that funding line that you've just referenced, those will be rolled down or shut down due to the one-time nature of that funding. But there is going to be evaluation done based on the outcomes of those services and programs delivered?

**Mr. Repski:** — Thanks. That's exactly right. When we look at

the \$8 million reduction of the one-time funding, we'll be evaluating throughout the success on a go-forward basis. But yeah, that's why the reduction is there.

**Ms. A. Young:** — Thank you. Moving perhaps to the provincial training allowance. And maybe a question for the Chair, understanding there's \$5 million currently under ICT and the remainder has transferred over to Social Services. Questions about the provincial training allowance: are some eligible for this committee, and then the majority about the program going forward eligible through Social Services?

**Hon. Mr. J. Harrison:** — Yeah, no problem. If I could, Madam Chair. No, we can respond to questions with regard to the PTA. The program's still running until July. So we've funded it until the summer as we kind of work through the hand-off to Social Services. So you know, if members have questions about the provincial training allowance program, we're happy to respond.

**Ms. A. Young:** — Thank you. So the \$5 million still estimated for this program, I believe it was referenced in introductory comments that the majority of that funding was for the administration of the programming still coming through ICT. Am I also to understand from the minister's last statement that it also includes the program up until July funded through that \$5 million as well, or is that \$5 million the cost of administering the program?

**Mr. Smycniuk:** — The \$5 million is a holdback to administer the program and deliver income support to individuals enrolled in eligible training programs to June 30th.

**Ms. A. Young:** — Thank you. Under the program that is being wound down as of June 30th under ICT, who is eligible under that program through the Ministry of Immigration and Career Training?

**Mr. Smycniuk:** — Eligibility is open to individuals participating in adult basic education or central skills programs or skills training programs of less than 12 weeks or some short skills duration programs offered through some select CBOs [community-based organization].

**Ms. A. Young:** — Thank you. And how is that going to shift with the transition of the programming to the Ministry of Social Services?

**Mr. Smycniuk:** — The eligible programs are still going to be determined by the Ministry of Immigration and Career Training. The assessment around the income support will be what's shifting over to the Ministry of Social Services.

**Ms. A. Young:** — And what was the maximum an individual could be eligible for under the Ministry of Immigration and Career Training?

**Mr. Smycniuk:** — Given that the PTA was an income-tested program, that would vary based on the needs of individuals, so depending on their family circumstance and size of household and number of assets and those kind of things. That would be determined on that needs assessment.

**Ms. A. Young:** — Thank you. I did try and wade through the

eligibility document and got kind of bogged down where it, you know, speaks of the working parents or number of individuals in the household. Is there an annual max that somebody could subscribe to this program for?

**Mr. Smyeniuk:** — Given that the program is administered on our behalf through the Ministry of Advanced Education, and that calculation . . . I don't have the formula that they use to actually calculate the maximum thresholds.

**Ms. A. Young:** — Okay. So that's a question that could go to Advanced Education then, theoretically. Is there information available as to how many individuals subscribed to the provincial training allowance last year and, if available, going back to pre-pandemic levels?

**Mr. Smyeniuk:** — For the last number of years, the last two years, we have averaged around 4,000 unique individuals accessing income support through the program. That number has been probably as high as 4,700 going back four or five years.

**Ms. A. Young:** — And how is the eligibility criteria or distribution of funding going to shift under the transition to Ministry of Social Services? I guess perhaps a very specific question. My understanding is this program was available to individuals accessing income support through the province, but previously did those individuals have to be on the SIS [Saskatchewan income support] program or SAP [Saskatchewan assistance program]?

**Mr. Smyeniuk:** — They did not have to be and they will not be required to be clients of the SIS or the SAID [Saskatchewan assured income for disability] program at this point. When they enrol in an applied program, they will then apply to the Ministry of Social Services for the income support.

**Ms. A. Young:** — Thank you. And is that income support provided on the basis of the program that the individual is enrolled in or is it more of a flat . . .

**Mr. Smyeniuk:** — It's not dependent on the program. So it could be a 12-week-or-less skills training program or an ABE [adult basic education] program. That doesn't differentiate it. It is based on a flat-rate assessment through the Ministry of Social Services, the two programs, and then topped up with the ETI [education training incentive] which will range from 50 to \$200 a month on top of those SIS or SAID rates.

**Ms. A. Young:** — Pardon me, ETI!

**Mr. Smyeniuk:** — Is the education training incentive. That's the new program replacing the PTA.

**Ms. A. Young:** — Okay. So sorry. Is there an additional program or is the provincial training allowance being renamed the ETI?

**Mr. Smyeniuk:** — The provincial training allowance is going to be sunset and the education training incentive program will be the new program to replace it.

**Ms. A. Young:** — Okay. Thank you. And those benefits that you mentioned, are those paid out weekly or monthly or at the completion of the program, up front?

**Mr. Smyeniuk:** — I can tell you with the provincial training allowance program that we pay at the end of the month in advance for the next month. The administrative structure of that benefit for the ETI is probably best posed to the Ministry of Social Services.

**Ms. A. Young:** — Thank you. I will leave all questions about the ETI then and what it will look like moving forward after June 30th, to Social Services.

Looking at adult . . . all the jobs training and financial support programs currently offered through the ministry — and recognizing the clock — I'm curious about . . . I believe I have the list of adult basic ed: articling student program, digital literacy, economic recovery work experience, financial help for people looking for work, GED [general equivalency diploma] testing program, provincial training allowance which we've canvassed, the scale up for entrepreneurs initiative, and the training voucher program, as well as the workforce development for people with disabilities.

I am interested in a couple of those just in regards to general numbers of subscribers to the programs. Also looking back, if possible, to pre-pandemic numbers, the 2019 number for a sense of normalcy, as well as any financial thresholds that may be required for the program.

So maybe starting, while respecting the clock, with adult basic ed. Is this program, just for my own understanding, only accessible for new Canadians, or would the adult basic ed also available to individuals who haven't completed high school within that calendar period be housed under this?

**Hon. Mr. J. Harrison:** — You know, I'll just kind of give a brief overview on ABE program, adult basic education, and then maybe Darcy can go into a little more detail. But adult basic education is available to anyone in the province who wishes to access that programming. And there are, you know, different levels of adult basic and, you know, we deliver those through a number of partnerships with organizations.

But I can speak to the example I know of in Meadow Lake at North West College that delivers adult basic education programming. Almost, I think, the majority of the programming is not just delivered to Indigenous learners, but is actually delivered on-reserve, which is really quite a unique thing which we started doing . . . I don't know. We probably started doing that 15 years ago or so.

Most jurisdictions do not deliver provincial programming on First Nations and there's, you know, a variety of jurisdictional reasons I won't go into and bore folks with. But we just decided that we were going to cut through that because the reality is that there really is a need and necessity and, you know, very much an eagerness on the part of Indigenous learners who, you know, might have had challenges but are, you know, really much desiring to access some of these programming.

So we deliver through our college partners and other partners as well. But adult basic is delivered to, you know, essentially any learner in the province who wishes to upgrade their education. But Darcy, maybe turn it to you.

**Mr. Smycniuk:** — Yeah. Our essential skills programming is comprised, really, of a suite of non-credit and credit programs, so from basic literacy up to grade 12 completion. Those programs are fully subscribed to the levels that they are active during this pandemic.

We've seen a bit of a drop in enrolment given the fact that these students sometimes have challenges with access to transportation to get to programs or access to adequate internet or computers and those kind of things to actually work on the programs, so enrolments have peaked. Back in '17-18 they were 6,500; '18-19 we were just over 7,000; in 2020-21 we were around 4,850. So those numbers have . . . We don't have the '21-22 numbers in yet. Those programs do run to the end of May and their college fiscal reporting year is end of June, so we won't see those reports for some time. But the numbers have been down through the pandemic.

**Ms. A. Young:** — And to what do you attribute that drop? Online learning? Zoom not being for everyone?

**Hon. Mr. J. Harrison:** — Yeah, you know, we would kind of attribute that to a number of factors. You know, first and foremost, I mean the implications of some of the changes in learning necessities, given COVID, were really probably near the top of the list on that.

[16:45]

I mean the online learning mechanism is, you know, I think for some people it's fine; it works well. But for others it really doesn't. And I think that there was an element of that that led to the reduction in the number of learners in the ABE program. I would expect that we're going to see additional pressure on that program. Maybe pressure isn't the right word of characterizing it, but I think we're going to see additional utilization in that ABE space as we move into the next couple of years. I think it's probably a likelihood, and you know, perhaps even larger numbers. So that would be kind of our thought on that, Madam Chair.

**Ms. A. Young:** — Thank you. And that increased demand or pressure on that programming due to hopefully . . . or due to the end of the pandemic, due to increased immigration, is there a specific consideration being given?

**Hon. Mr. J. Harrison:** — I think it would be a reflection of, you know, some learners who might not have been able to participate as online learners. I think you're likely going to be more inclined to participate in a traditional ABE learning environment likely than before, so that's why I think you would find more. As far as, you know, international in-migration fuelling ABE, really there is an element, but it really is not the largest component of adult basic education. So you know, as far as the number of learners, you know, I think it's nearly 60 per cent that are Indigenous learners, I think, is through the essential skills programming, largely ABE. Over half are Indigenous. So I think we're going to probably see more utilization of that programming as we go ahead.

**Ms. A. Young:** — Thank you. Are there numbers available for the subscribers, clients — I'm not sure what terminology you'd use — in-house learners for the digital literacy for entrepreneurs

initiative?

**Mr. Repski:** — Under digital literacy for entrepreneurs, our agreement states that we will have up to 307 entrepreneurs or self-employed persons who would be eligible for this. Given the ongoing duration, and the reporting hasn't come in yet, we're not sure if it's fully subscribed yet.

**Ms. A. Young:** — Thank you. And a reminder, when is that reporting expected?

**Mr. Repski:** — This contract runs until November 30th of '22. I suspect we'll be getting updates throughout this current fiscal year, but I would expect a final report to be in the first quarter of '23.

**Ms. A. Young:** — Thank you. And I believe this program was referenced in introductory comments, both individually and also as a part of initiatives for Women Entrepreneurs. So just to make sure I'm clear, are there two distinct programs, or is this the same?

**Mr. Repski:** — Yes, it is two separate programs. The one that you referred to under Women Entrepreneurs of Saskatchewan, it is a separate agreement where they have up to 50 entrepreneurs in that category.

**Ms. A. Young:** — Thank you. And the reporting timelines would be the same for that program, I imagine.

**Mr. Repski:** — Yes.

**Ms. A. Young:** — Thank you. And same question for the economic recovery work experience.

**Mr. Repski:** — For the economic recovery work experience, we actually have 18 service providers who will be delivering on this project, and they're going to provide opportunities for up to 500 impacted workers. The timelines on that contract, given that this is a fairly new rollout of this program, it does go to December 31st of '22. So it even pushes it out even a little bit further.

**Ms. A. Young:** — Thank you. So that should be up for discussion by estimates next year.

**Mr. Repski:** — Let's cross our fingers.

**Ms. A. Young:** — All right. And just on that, are you able to give me then an abstract, an example of some of the service providers who would be responsible for delivering that program?

**Mr. Repski:** — So of the 18 service providers that we have for economic recovery work experience, we have: 3A Academy & Consulting Ltd. in Lloydminster; Battlefords Immigration Resource Centre Inc. in North Battleford; the Canadian Council on Rehabilitation and Work here in Regina; Cumberland College in Tisdale; East Central Newcomer Welcome Centre in Yorkton; File Hills Qu'Appelle Developments in Regina; George Gordon Developments in Regina; the Global Gathering Place in Saskatoon; The Humboldt Regional Newcomer Centre in Humboldt; the Keewatin Community Development Association in Air Ronge; Lifemark Health corporation in Saskatoon; Moose Jaw Multicultural Council in Moose Jaw; Regina Open Door

Society in, you guessed it, Regina; The Regina Work Preparation Centre Inc. in Regina; the Saskatchewan Abilities Council in Saskatoon; Southeast Advocate for Employment in Estevan; Southwest Newcomer Welcome Centre in Swift Current; and Tourism Saskatchewan in Saskatoon.

**Ms. A. Young:** — Thank you. And the scale up for entrepreneurs initiative?

**Mr. Repski:** — Scale up for entrepreneurs is with Women Entrepreneurs Saskatchewan. They're going to assist 50 entrepreneurs to acquire skills and knowledge to grow and scale their businesses in Saskatchewan. Again this is a fairly recent addition and the contract expires January 31st of '23.

**Ms. A. Young:** — Thank you. And the workforce development for people with disabilities. We've canvassed this a bit, but I am curious about the overall number of subscribers or customers through that program. I believe, Deputy Minister, you referenced a variety of streams that individuals may be accessing some of this funding through. And I'm looking again just for numbers through any or all of those streams.

**Mr. Repski:** — So regarding EAPD, we had 73 agreements with 52 different entities — I don't have a list; I won't run through them for you today — with up to 3,008 participants.

**Ms. A. Young:** — Thank you for not burning the clock listing all of those off individually. Appreciate it. If available and amenable, would be very open to getting that list. And perhaps I will leave that there.

Moving briefly to SaskJobs, perhaps a high-level question. How does SaskJobs identify a successful outcome? You know, recognizing the purpose for identifying job opportunities, helping individuals build their resumes, connecting to employers, I believe there's some interview preparation services offered as well as serving as a job bank. But what counts as successful resolution to client services for SaskJobs?

**Hon. Mr. J. Harrison:** — So, Madam Chair, we're just seeking to clarify. So saskjobs.ca is the job-matching service that we run as a web-based portal for employers to post available jobs, for job seekers to obviously be aware of what jobs are out there and make that connection.

So I'm not sure if the member is asking about the web service particularly, or whether referring to the SaskJobs offices, which are technically the Canada-Saskatchewan jobs labour market offices. They had a very lengthy formal name and nobody really knew what they were or did, so we simplified the branding for the public. And that's how the Can-Sask labour market recruitment offices — I think they're longer than that, the title even — are branded.

**Ms. A. Young:** — Okay, thank you. So SaskJobs the website and SaskJobs the career service development are separate SaskJobs, and both are under ICT. Okay. So then my initial question — I do have questions for both then — was in regards to SaskJobs the career service, which does list, you know, opportunities for job searching and matching as well as assistance with obtaining employment and is . . . I guess, how many job seekers who access these services are employed, say — I'm not sure if you have an

internal metric; I'm open to it if it's three months, six months, one month — are actually employed after?

**Hon. Mr. J. Harrison:** — We'll track down some of the data. I would just say though that the website and the offices are not unrelated in that, you know, we have an integration as to the outcome and what we're seeking to achieve. So there is an integration in that regard.

[17:00]

There's a slightly different function as to how we get at that, but I think we're just going to try and track down some of the data as far as the number of interactions and outcomes as far as the offices. We have 10 offices in total. Is that right?

**A Member:** — Yeah.

**Hon. Mr. J. Harrison:** — Yeah.

**Ms. A. Young:** — And are all those offices open, functioning, business as usual?

**Mr. Repski:** — Yeah, throughout the pandemic we were obviously looking for ways to pivot to make sure we can still serve clients. But as frequently as the rules around the province allowed, we had in-person as well as online and phone calls and other meetings. But trying to make ourselves as available through as many mediums was really important to us as we continued on.

**Ms. Ross:** — So I can just add a bit more context for the 10 offices. So they have remained open to the public, and they offer a variety of services. So early in the pandemic . . . I mentioned the hosted contact centre, the SaskTel technology that we adapted or implemented. And that, along with some other digital tools, has allowed us to provide virtual services which we had not been able to do or had not adopted pre-pandemic.

So our offices are business as usual, but even to this day we still find that more clients are opting to engage with us through some kind of electronic or virtual means rather than coming in person. But having said that, we do have what we refer to as a business centre or a resource room-type service in each of those 10 offices.

So we do have in-person traffic coming in, and those services look more probably what you would think of in terms of, you know, access to a computer and internet to search for jobs, to work on a resumé, etc. But we also provide a much more, I'll say in-depth, individualized service where we'll meet with individuals. We'll develop an individualized career action plan with them and kind of walk them through what their needs are. And often it involves referring to many of the programs and contracts that we just mentioned.

So just to give you a sense of volume, if that's what you're interested in, we had in 2021 over 20,000 client contacts. So that would be coming through our hosted contact centre as well as email. We had over 13,000 clients who went through the process of registering with us. So you know, the difference between the 20,000 and the 13,000 would be people who are just looking for a quick referral or just need, you know, a little bit of direction to where they can find a certain resource or where they can connect with a particular service.

So 13,000 clients who registered with us, and then we had about 7,250 individual action plans that were created in that year. So that's again providing that more kind of deeper level, in-depth, individualized service to understand what their needs are, what barriers they might be facing in terms of engaging in the labour market, and then develop an action plan. And we've tried to incorporate a more robust assessment at the beginning of this process so we have a more consistent way and, I would say, a more thorough way in which we're able to work them through an action plan and identify what those barriers may be.

So this is, you know, people who are coming to us, who are seeking our service. And we have put quite a bit of effort in the last year with a great marketing team that we have to support us to get the word out about the service being available and how to reach us. So that's people coming to us.

There's also a few different client groups who we are doing proactive outreach to. One would be new or recent applicants to employment insurance. So we have a service. It's kind of a partnership we've done in collaboration with the federal government. It's called targeting, referral and feedback. Through this system, or this service, we're able to get information about individuals in Saskatchewan who have just recently applied for employment insurance, so presumably that would mean they have been laid off. So we're able to get that information in order to do a proactive outreach to those individuals to make them aware of the services that are available to them.

And in 2021, again just to give you context, we contacted over 15,000 individuals through that targeting, referral and feedback to make them aware of the services that are available to them to help them get back into the workforce as quickly as possible.

**Ms. A. Young:** — Thank you. And in regards to tracking the ultimate outcome of employment for those individuals, are those numbers that would be available in regards to even, say, the individuals who access those very specialized plans and then ultimately, you know, hopefully find stable, secure, prosperous employment as a result of that?

**Ms. Ross:** — We certainly do track the outcomes. It's a bit complicated, especially, you know, we're talking about individuals who have their own journey that we're just trying to help them along. So I mentioned the number of action plans that were created, so over 7,000. And what we do track and what we would I guess measure ourselves against or measure the outcomes of is the reason for that action plan being closed.

So was it closed because the individual found employment and so they no longer need our service or they're no longer participating in one of the programs we've referred them to? Or is it closed because they have gone on to other training and no longer need our service? Or is it closed because they've simply just perhaps stopped engaging with us or, you know, other life circumstances have come up? So that is information that we do collect and we are able to report on.

I think, you know, there's always lots of I guess caveats or nuance around it because we could be . . . Just the clients we're working with are so diverse, right. So we could be working with somebody for a year or more, or somebody could be much more kind of transactional and could be coming through our service in

just a matter of weeks. So it's kind of hard to . . . Yeah, I guess it's just a little bit complicated. But to answer your question, yes, we certainly do track that information. It's just a very kind of fluid process I guess I would say.

**Ms. A. Young:** — Thank you. Year over year, are the same measures being used in regards to reasons that individuals leave the program? Okay. And those are reported internally within the ministry or . . . Okay. Not externally, I'm hearing.

Moving to credential recognition, I believe this was discussed last year and it was touched on at a couple points . . . There's a couple of different points tonight, I believe under — and forgive me if I'm mistaken — the bridging to employment. There was I think, was it five and a half, \$600,000 available last year in the budget, and then the labour mobility and fair registration practices being introduced tomorrow. In regards to that FQR [foreign qualification recognition] budget, can the minister or one of his officials speak to the allocation in this year's budget?

**Hon. Mr. J. Harrison:** — Yeah, I'll maybe just give a high-level answer. I wish I could get into more detail on the bill, but we actually can't — for officials as well — we actually can't talk about the details of it yet until the House is in possession of the bill. So that won't be until Wednesday when introduction is given.

So what I would say, we'll speak to some of the programming that is in place in the budget. Maybe Christa, I'll ask you to do that. But what I would say, the high level with regard to the direction we're going in is, you know, recognizing and understanding that we have a very significant and acute labour market challenge on our hands, especially in certain sectors right now, which is only going to become more challenging given the, you know, just very large amount of investment coming into the province. It's going to mean that we are going to be challenged on that labour market front. So I mean there's a number of prongs in that response to how we're going to address that.

But one of the really significant ones has to be making sure that credentials that individuals have earned — whether it be in other parts of the country or whether they have been earned and acquired in other parts of the world — that are unrecognized need to be recognized, you know, with keeping in mind of course that there are legitimate standards that regulatory bodies maintain. But with a very clear direction as to how we can get to the point where those who have credentials earned either elsewhere or internationally can get to that point where those credentials are recognized.

I mean everybody knows and has heard about the stories of, you know, folks who have been . . . foreign-trained medical professionals who are driving taxis. I mean that's kind of the kind of prototypical story, I guess. But that actually happens, and we need to find a way to get to the point where that's no longer happening. And it's, you know, for the benefit of obviously the individuals, but also there's a broader benefit to maximizing of the use of skills that have been earned and learned elsewhere.

So the bill that we're going to be introducing is going to be the farthest reaching and most significant legislative measure that any other province in Canada has taken. And we have spent a significant amount of time and effort in working through this in

the last number of months, and you know, we really think it's going to be something that is going to make a very big difference. But with regard to . . . That's probably all I can say on the bill. But with regard to some of the programming, Christa, maybe you want to speak to it. We only have a few minutes left.

**Ms. Ross:** — So you're right that we have a \$570,000 budget for foreign qualification recognition work. Just to give you sort of as context for how we approach our work in this area, I guess similar to comments I made earlier, it is really more on a project basis. So often it's working with regulatory bodies or professional associations to help them build the pathway and the capacity to have a pathway available for internationally educated professionals who may already be in Saskatchewan and are trying to find their way into their profession or who are overseas and still trying to determine what their options are.

So just to give you a bit of a flavour I guess for what that work looks like, I can share some of the projects or at least occupations that we focused on in this last year. So we've had some ongoing work with the University of Saskatchewan to support international medical graduates, as one example. We've also had some work going on to support internationally educated dieticians where there's a shortage of in the province. Internationally trained information technology professionals — we've been working with that association to help them build a mentorship-type program. Dental assistants is another area we've focused on, dental therapists. And then a number of smaller projects when it comes to engineers.

Yeah. That's just to give you a sense of I guess the professions and the regulatory bodies or associations, whichever the case may be, that we've been working with over the past year.

**Ms. A. Young:** — Thank you. I'm sincerely excited to see the introduction on, I suppose, Wednesday and learn more about the program and the opportunities. Perhaps recognizing the clock, one last very specific question.

In the *Labour Demand Outlook* that the ministry put out I believe in 2019, there was significant opportunity forecasted for the economy — I believe 24,000 jobs anticipated to be new or as a result of economic growth, and 74,000 of the anticipated jobs being replacement jobs. Just looking for a high-level . . . I mean if you have the numbers for current forecasts.

I understand this was projected from 2019 till 2023 and likely would have seen some significant shifts as a result of the pandemic, but if there are current figures available, specifically in regards to new jobs created through economic growth vis-à-vis in comparison to those replacement jobs.

**Hon. Mr. J. Harrison:** — So maybe I'll give the final response and, you know, we'll say thank yous here in a second. I'll respond to the query. You know, obviously between 2019 and today there's some stuff that happened out there that has had a significant economic impact. But what I would say is that where we are positioned as a province and jurisdiction right now is really a very enviable position to be in from an economic standpoint with very strong commodity prices. Obviously that has a significant impact. But the reality is that we were securing record amounts of investment into this province prior to the commodity price spike over the last number of months.

[17:15]

We are going to be seeing what really is unprecedented amounts of investment into the province which is going to result and manifest in additional economic opportunities for folks who are living here and who we want to attract to move to this province going forward. And we just think it's a very, very bright future that we have economically here in Saskatchewan, and something we're very much looking forward to. So you know, I know we'll probably have the opportunity to maybe hit on some of those themes a little bit more in the estimates for Trade and Export Development.

But I do want to say thank you to our officials here tonight for being here and your professionalism and expertise. And it's just genuinely appreciated by myself, as minister, and by, I think, all members because you serve all members of the public and do it in such an efficient and professional and dedicated and diligent way through a difficult period. So I just want to say thank you very much.

**The Chair:** — Thank you, Minister. So having reached our agreed-upon time for consideration of these estimates, we will adjourn consideration of the estimates for the Ministry of Immigration and Career Training. Ms. Young, if you have a final comment that you'd like to make.

**Ms. A. Young:** — No, I would just add my thanks and appreciation certainly to the Chair, committee members, the minister, and all officials for being present here tonight and the work that you do over the course of the year.

**The Chair:** — Having concluded that, we will recess now and the committee will recess till 6 o'clock.

[The committee recessed from 17:16 until 18:01.]

**The Chair:** — All right. Welcome back, committee members. We have a few changes in committee members who will be sitting here this evening. In for Jim Lemaigre this evening will be Daryl Harrison, and in for Doug Steele this evening will be Travis Keisig, who should be arriving . . . They both should be arriving shortly.

**General Revenue Fund  
Innovation Saskatchewan  
Vote 84**

**Subvote (IS01)**

**The Chair:** — So we will now consider the estimates for Innovation Saskatchewan, and we will begin with vote 84, Innovation Saskatchewan, subvote (IS01). Minister Harrison is here with his officials, so if you wouldn't mind beginning by introducing your officials and then your opening remarks, Minister.

**Hon. Mr. J. Harrison:** — Sure, well thanks. Thanks very much, Madam Chair, and I am pleased to be here for the consideration of the 2022-23 estimates for Innovation Saskatchewan. Here with me from Innovation Saskatchewan: on my right, Kari Harvey, our chief executive officer; Rebecca Gibbons, executive director, operations, behind; and Avery Vold, director of corporate

strategy. And we also have Brent Sukenik, our acting president and CEO of Saskatchewan Opportunities Corporation. Also here is my chief of staff, Richard Davis.

Innovation Saskatchewan was established in 2009 with the mandate of advancing the Government of Saskatchewan's innovation agenda. It does this by providing recommendations and advice on research, development, science, and technology and by promoting and funding the research and technology sector in the province.

Madam Chair, we know that our province's future economic success will depend increasingly on knowledge and innovation. To help ensure success, Innovation Saskatchewan will focus on four key goals: (1) funding research that creates economic impact, return on investment, and is aligned with Saskatchewan's research and development priorities; (2) building and supporting a growing and inclusive technology sector; (3) focusing resources into areas of our province's natural economic strengths, for example establishing Saskatchewan as a world-class ag tech hub; and (4) making Saskatchewan a destination for researchers, entrepreneurs, and tech companies by promoting the Saskatchewan advantage.

To achieve its goals, the agency manages research and innovation investments on behalf of the Government of Saskatchewan. It also works collaboratively with industry and stakeholders to partner, fund, and support initiatives aligned with our government's priorities.

To further support growth of the research and technology sector, I want to highlight our budget day announcement regarding the creation of a single innovation agency in the province. This decision will involve moving the Saskatchewan Opportunities Corporation, operating under the business name Innovation Place, under the authority of Innovation Saskatchewan. By integrating SOCO's [Saskatchewan Opportunities Corporation] impressive infrastructure and services with Innovation Saskatchewan's mandate and programs, the province will better support the innovation ecosystem, the creation of jobs, and the attraction of start-up companies and research partners to Saskatchewan.

We've already witnessed examples of this potential. In 2020, during the height of the pandemic, Israeli-based genomics company NRGene proceeded with hiring the first Canadian staff and establishing their new office in the Saskatoon Innovation Place Research Park. This was the result of close coordination between Innovation Saskatchewan and SOCO in matching the right R & D [research and development] grants as well as office and lab space for this innovative, high-growth company. NRGene now has 12 staff and a state-of-the-art wet lab in Saskatoon, serving clients in the province's agricultural research hub. This is in large part due to the collaborative effort of Innovation Saskatchewan and SOCO. By promoting both specialized infrastructure and programming in one comprehensive package, the province will strengthen its reputation, mandate, and programs, and maximize the economic potential of its research infrastructure assets.

This fiscal year, Innovation Saskatchewan will receive a budget appropriation of 122.227 million. The \$93.5 million increase is due to a one-time grant to facilitate the transfer of ownership of

SOCO assets from the CIC, Crown Investments Corporation, to the authority of Innovation Saskatchewan. Innovation Saskatchewan's remaining program and operating budget remains the same as the previous fiscal year at \$28.737 million. The budget continues to provide strong support for the innovation and technology sector, which will play an important part in Saskatchewan's future economic growth.

A key highlight of Innovation Saskatchewan's budget is an increase to the annual Saskatchewan technology start-up incentive, STSI for short, tax credit cap. This increase will bring the cap from \$2.5 million to \$3.5 million. The STSI program was introduced in 2018 to offer a non-refundable 45 per cent tax credit to individuals, corporations, and venture capital funds that invest in eligible technology start-ups. Since launching, \$46 million of private investment has been attracted. In other words, the program has leveraged 3.5 dollars of Saskatchewan investment for every \$1 of tax credits approved. This investment has accelerated the growth of our tech companies, creating 195 new jobs among 80 eligible start-ups. The program has also increased the size of the province's investor pool. 286 Saskatchewan investors have been approved under STSI, with 62 per cent of them new to angel investment.

The response to the STSI program has been overwhelmingly positive, with significant industry demand. In 2021-22 fiscal year, the program was oversubscribed by \$1.3 million in tax credits, resulting in a 50 per cent increase to the amount of investment submitted to the program compared to the previous fiscal year. By increasing the cap to 3.5 million, the province is responding to the sector's positive momentum. It clearly demonstrates the government's commitment to supporting growth of the province's tech sector by ensuring a competitive business environment that stimulates growth.

Innovation Saskatchewan's 2022-23 budget also includes the following continued important commitments aligned with our four strategic areas: 1 million for the Saskatchewan Advantage Innovation Fund along with 1 million for the Agtech Growth Fund, programs that aim to accelerate the commercialization of new technologies in ag tech, mining, energy, manufacturing, education, and health care. 2.82 million for the Innovation and Science Fund, which matches federal funding for research projects in Saskatchewan universities, colleges, and research institutes.

\$375,000 to Co.Labs to continue building the tech ecosystem in Saskatchewan, fuelling growth in start-ups as well as supporting the scale-up of current Saskatchewan tech companies. 2021 was a record-breaking year for Co.Labs: 206 jobs created by start-ups, \$10.2 million in investments attracted by start-ups, close to the last four years combined; and 9.5 million in revenues generated by start-ups, beating last year's record of 5.6 million. In five years of operations, Co.Labs has incubated 145 start-ups who have created 457 jobs and generated \$24 million in revenue.

\$400,000 to the technology ecosystem program to advance programs to meet tech industry labour market needs, and \$100,000 for the Innovation Challenge, a program where the government seeks technological solutions to public service delivery challenges from Saskatchewan's innovators and tech entrepreneurs, and the made-in-Saskatchewan technology program, which enables Saskatchewan-based tech start-ups to

pilot their projects.

And these programs are having an impact. For example, Rivercity Innovations was the winner of our first Innovation Challenge in 2018, developing an asset-tracking device in response to the Ministry of Justice's question, "How can technology be used as a solution to improve safety and security of rural citizens and property?" Rivercity Innovations went on to secure contracts with other government ministries and local RMs [rural municipality]. Today the company employs 14 people and its products are sold around the world.

Innovation Saskatchewan is also investing 3 million in the ag tech venture capital fund, Emmertech. This is part of the 15-million commitment announced last year, investing 3 million over five years in the venture capital fund managed by a local credit union. The goal with this investment is to ensure that homegrown ag tech start-ups have access to local venture capital to continue scaling and growing in Saskatchewan and Canada. This investment is part of a larger strategy to position Saskatchewan as a leader in ag tech.

A few years ago we began implementing a suite of programs and investments to help grow the ag tech sector and help founders overcome common challenges in the ag tech space, such as access to capital. These programs included the launch of the Agtech Growth Fund, support for the Cultivator's Agtech Accelerator, and the Emmertech venture capital investment.

Saskatchewan has a natural advantage in agriculture, and the government aims to capitalize on that and become a leader in the ag tech space. We are already seeing a lot of momentum. For example, Precision AI, an ag tech company that uses drone technology to strategically apply crop protection products to eliminate weeds, has grown from 8 to 28 employees just in the last year. This company received funding from the Agtech Growth Fund and participated in the Cultivator incubator in Regina. In 2021 they secured a \$20 million venture capital investment.

Innovation Saskatchewan will also continue our core funding of 4.149 million to the Vaccine and Infectious Disease Organization, or VIDO. This funding, in addition to our previously announced \$15 million, will support the establishment of Canada's Centre for Pandemic Research in Saskatoon.

These enhancements include opening the Vaccine Development Centre, a containment-level-3-capable biomanufacturing facility that meets good manufacturing practice requirements, one of only a few in the world; adding containment level 4 capacity, which will allow VIDO to work with any pathogen; and building a new animal facility capable of housing a wider range of animals, which will expand preclinical research and development capacity.

These important enhancements will attract new talent and develop the next generation of scientists, and will support researchers from Canada and around the world to develop vaccines and therapeutics for humans and animals.

Additional ongoing research-specific funding commitments in this year's budget include 4.1 million for the Canadian Light

Source, a major national science facility at the University of Saskatchewan; 2.5 million for the Sylvia Fedoruk Canadian Centre for Nuclear Innovation as it continues to lead nuclear research in the areas of medicine, agriculture, energy, and materials; 1.675 million for the Petroleum Technology Research Centre, which provides project management and funding support for research into enhanced oil recovery and CO<sub>2</sub> storage; \$256,000 for the industry-led International Minerals Innovation Institute, which supports digital mining transformation; and 4.8 million to the Saskatchewan Health Research Foundation, which provides funding for high-impact and peer-reviewed health research relevant to the province.

By maintaining funding levels to research institutions, increasing the STSI tax credit cap, and creating a single innovation agency, Innovation Saskatchewan is supporting growth of the province's economy through innovation. Innovation Saskatchewan works closely with its numerous partners and stakeholders to ensure these investments are successful, and this has been demonstrated by the tech sector's impressive growth in 2021-22. For instance, investors continue to show interest in technology start-ups. Since renewing the program for another five years last year, a record 9.5 million has been invested through the STSI during the last year alone.

And local anchor tech companies continue to demonstrate accelerated growth. In May 2021, 7shifts, a local tech company offering scheduling software to restaurants, announced a \$21.5 million raise in ven cap funding, and not even a year later it raised an additional 80 million. 7shifts plans to use its capital to double its current staff complement of 160 people.

Also in 2021 local tech company, Vendasta, announced that it closed 119.5 million in venture capital investment, and this is the largest tech-VC [venture capital] round in Saskatchewan history. This again translates into a lot of new jobs.

Saskatchewan continues to trend upwards in venture capital investment, ending 2021 with a record level of 210 million in venture capital deals. As you can see, Innovation Saskatchewan's investments have been paying off. It's clear technology will play an increasingly important role in the province's future and in growing our economy. Being proactive and collaborating with key stakeholders is critical to ensuring the province's tech sector thrives.

We recognize that growth in this sector means we will have to address a shortage of skilled technology workers in the province. To help attract and retain skilled workers and sustain this growth, Innovation Saskatchewan has been working on several initiatives, including hosting technology job fairs to connect talent with potential employers and working with the Sask tech industry group in post-secondary institutions on curriculum, such as Sask Poly.

[18:15]

Innovation Saskatchewan also continued its collaboration with ComIT, a non-profit organization that delivers coding and programming training for underemployed or unemployed individuals. In 2021 Innovation Saskatchewan partnered with ComIT and its new Indigenous learners program which ran free online introduction courses aimed at Indigenous students

interested in an information technology learning path. The intention is to create awareness and interest in ComIT's three-month coding course, which 72 per cent of graduates have gone on to gain employment. Currently 47 per cent of participants in the Indigenous learners program are registered for ComIT's three-month course.

In 2022-23 Innovation Saskatchewan will continue to leverage the Saskatchewan advantage: strong wages and a lower cost of living for workers, a robust tech sector that embraces start-ups, small businesses and large corporate players in a collaborative environment where the private sector works with government to achieve mutual success. In addition, the move to a single innovation agency provides a focused approach to enhance the tools for Saskatchewan entrepreneurship, research, and investment attraction.

And thank you, Madam Chair. My officials and I would be pleased to answer questions from the committee.

**The Chair:** — Thank you, Minister. So we will now consider the estimates from the Ministry of Innovation Saskatchewan vote no. 84, subvote (IS01). And I'll open the floor to questions from committee members and recognize Ms. Young.

**Ms. A. Young:** — Thank you, Madam Chair. And thank you to the minister for those introductory comments and the CEO and directors for being present here tonight. I really appreciate it. Looking forward to the next 45-odd minutes.

To make sure I understand, of the \$93.5 million increase to Innovation Saskatchewan, is that just essentially SOCO moving into Innovation Sask?

**Ms. Harvey:** — Kari Harvey, CEO of Innovation Saskatchewan. So yes, it's basically an accounting function whereby there's an investment that CIC has in the assets of SOCO of 93.5 million and so this process will allow us in a transparent way to, I guess, pay CIC back for the investments.

**Ms. A. Young:** — Perfect. Thank you. Kind of four areas of questions that hopefully I can get to tonight. I'd like to start with SRC [Saskatchewan Research Council] and then VIDO, and then if there's time . . . Pardon me?

**Hon. Mr. J. Harrison:** — SRC is a separate subvote.

**Ms. A. Young:** — Oh, separate vote. Oh, pardon me. I thought . . . It is not part of this subvote. Pardon me. I believe last year it was part of this subvote. It is no longer.

**Hon. Mr. J. Harrison:** — We consider them usually on the . . . Traditionally we've done the estimates for SRC and Innovation at the evening or the same sitting, but yeah, they're separate entities.

**Ms. A. Young:** — Okay, and pardon me, I apologize. So are they still to be scheduled then at some point?

**Hon. Mr. J. Harrison:** — Yeah, they'll be likely scheduled for next week. I think we're working with . . . To work between House leaders on scheduling these things are a big challenge, and so we're working on it.

**Ms. A. Young:** — Okay. Well I will do that. I will feel very prepared going into potentially next week then. My apologies.

So then I guess moving to my second line, which was going to be VIDO, which was of course referenced in the introductory comments. And I understand that VIDO entered the first vaccine, I believe COVAC-2, into clinical trials February of 2021 and I'm hoping for some expanded comment or update on that.

**Hon. Mr. J. Harrison:** — Maybe I'll just give a brief update off the top of my head here and then we'll ask Kari, maybe if you wish to go in some more detail. But we are making significant progress on the construction on the manufacturing facility. I think we are hoping to open this spring. Is that right? Yeah, so that is a very, very positive development.

The vaccine testing is in phase 3 trials right now and that is primarily being tested in Senegal, I believe, is where they're doing the phase 3 clinical on it. My understanding is that it's been very effective against a number of different variants of COVID-19, but that phase 3 continues. And those are obviously very extensive trials and very, very costly trials as well to do a phase 3. So that work continues on VIDO.

And we're continuing to move forward with the upgrade of the facility so that we can do the level 4 containment work, which I think there's only going to be one other lab in Canada that's at level 4. Is Winnipeg level 4? Yeah. And in addition to that we'll have an animal facility, housing facility at the VIDO site, which will really be the thing that allows us to do some very advanced sort of work as far as vaccine development. So, Kari, maybe you want to go into a bit more depth on that?

**Ms. Harvey:** — Sure. Just to add to what the minister has shared. As the minister referenced, this next phase of clinical trials is quite extensive and will require an estimated, you know, about \$100 million is kind of what they're looking at. So VIDO right now is actively securing or working to secure private partners as well as other granting agencies that can help support the funding that's . . . to help support the . . . to secure the funding to support the development of the vaccine.

I would also just mention that in November of this year VIDO was also the recipient of a \$6 million grant from the Coalition of Epidemic Preparedness and Innovation, or CEPI as it's also known. That funding is to build on the platforms for emerging diseases, so to develop subunit vaccine platforms. So it's related to the COVID vaccine, but it's really isolating certain parts so that it can be used for, you know, further focus on long-term, you know, emerging diseases, basically for animal and human health.

**Ms. A. Young:** — Thank you. And the acquisition of that funding that you spoke of for VIDO, forgive me, I didn't catch the number. Was it 100 million, in the hundreds of millions?

**Ms. Harvey:** — Hundred of millions, correct.

**Ms. A. Young:** — Is that anticipated? That's expected? The successful acquisition of that funding?

**Hon. Mr. J. Harrison:** — So maybe I'll just . . . Kari can kind of speak to some of the details on this. So we have been working with the Government of Canada as far as the joint funding

arrangement for the new capabilities and capacities at VIDO. So we, you know, have already committed our \$15 million to the overall plan, which is to have the Canadian pandemic centre of excellence be VIDO. And you know, the Government of Canada has committed over \$59 million as well to that same project, and I think the majority of that is for the pandemic centre. There was an element of that that was for the Covax development as well. But the federal government have . . . And I think I've said in this House, I've thanked Minister Champagne who has been very, very good to deal with on this particular topic. And you know, I think we're making good progress. But, Kari, I'll maybe turn it to you.

**Ms. Harvey:** — Yeah. So I think really at this point, you know, they're really seeking that support from smaller pharmaceutical-type companies. I understand that they have a list of international . . . I don't have the names of all of them on me right now, but I know that they are pursuing, you know, some partnerships. And that's really where they're going to be able to secure that additional funding, is now through large part through the private sector and companies that are interested in purchasing the IP [intellectual property] as well.

**Ms. A. Young:** — Thank you. And is there a point of diminishing returns for that? Like, is there a timeline during which the inability to secure that funding starts to become more problematic?

**Ms. Harvey:** — I think that, you know, really this research . . . They're learning a lot through, you know, the development of the vaccine. I think that, you know, there's a recognition, you're right, that as far as the current situation of vaccine development in terms of COVID boosters and whatnot, they're probably not going to be in a position where they're going to be, you know, supporting in that effort. But I think again, the issue is, or the key is is that they're developing, you know, subunit information that's going to be used in order to be able to develop the next phase of vaccines related to SARS [severe acute respiratory syndrome], COVID, you know, viruses that may emerge.

**Ms. A. Young:** — Thank you. Moving on to the manufacturing facility, the last annual report I believe speaks to this being completed in 2021, and obviously that is not the case. And spring was alluded to, so I'm hoping for a status update of the manufacturing facility.

**Ms. Harvey:** — So the manufacturing facility is in fact scheduled to be opened in the upcoming months, is kind of what we're expecting. There was a bit of a delay through, you know, construction issues and whatnot. There was, you know, some additional design work that happened that was unexpected. And so that has delayed the process.

But they are hoping in the next, you know, few quarters or this upcoming quarter or at least in the next half-year, it will be opened up. And it does need to be . . . they will have to still go through a bit of a commissioning process as well. So that won't happen, or that won't be completed, you know, until further in the year.

**Ms. A. Young:** — Thank you. So is there an anticipated date for either facility being open and operational?

**Ms. Harvey:** — I don't have a specific date except that it will . . . we are expecting it to be open and operational. It will be opened in this year but likely operational in the latter half of this year or early next year because of the commissioning work.

**Ms. A. Young:** — Thank you very much. Are you able to provide an update on some of the priorities for the Petroleum Technology Research Centre for the coming fiscal year? I'm specifically interested in the Heavy Oil Research Network and the opportunities present, specifically in the Lloydminster area in the province.

**Hon. Mr. J. Harrison:** — All right. Well thanks, Madam Chair. I'll maybe just give a brief high-level and then turn it over to Rebecca. So the funding for PTRC [Petroleum Technology Research Centre] is remaining in this fiscal at \$1.675 billion and, you know, obviously PTRC has done some very, very good work but has faced some challenges in that the federal government have moved out of some of the previous commitments they had had in this space.

And they, you know . . . I guess you'd have to ask them precisely why. But I think they've actually said, which is they're just not interested in providing research resources for oil recovery. So unsurprising maybe, but that's where they are at. But the HORNET [Heavy Oil Research Network] project, which I think was referenced, is continuing moving forward. And I know PTRC are continuing to look at some of the partnerships that they have already, further building some partnerships in this space as well. And maybe I'll give it to you, Rebecca.

**Ms. Gibbons:** — Rebecca Gibbons, executive director, Innovation Saskatchewan. So PTRC has just recently undergone a change in leadership. It's got a new CEO that began in the middle of February, and so it's currently undertaking a bit of a strategic plan and a strategic renewal.

With regard to the HORNET program, it still continues. There was a recent RFP [request for proposal] that was issued in February of this year, with the deadline for short proposals on March the 7th. And so there's going to be a bit of an evaluation process for that. And there was close collaboration with industry members for development of that RFP as well.

**Ms. A. Young:** — Thank you. But I guess just to clarify, with the changes in federal government funding through Enercan and SDTC [Sustainable Development Technology Canada], there has not been like, a backfilling, I suppose, provincially for some of those industry-matched research projects to date?

[18:30]

**Ms. Gibbons:** — No, there hasn't. Basically what they're looking to do is they're looking to do a bit of a refocus on the HORNET program to focus their energies on net zero and look at sort of the use of horizontal wells and see if that can actually contribute to net zero opportunities. So the new CEO has been tasked with business development and for looking at further industry partners that can help basically mitigate that federal funding shortfall.

**Ms. A. Young:** — Interesting. I look forward to updates on this as that planning proceeds. Looking on to DEEP [Deep Earth

Energy Production Corp.] geothermal, is there a status update that could be provided? You know, is the well design finalized as well as the outcomes for that commercial geothermal power facility being contemplated?

**Ms. Gibbons:** — So with regards to geothermal and PTRC, they're currently looking at sponsoring a research project with the University of Regina. And basically this would be a multidisciplinary project with different engineering departments. So it's currently in the planning stages at this point in time.

**Ms. A. Young:** — Thank you. And I appreciate that. But just maybe based on the answer, DEEP is no longer covered under Innovation Saskatchewan at all? No? Okay, pardon me. Thank you for that answer then.

In regards to the Saskatchewan Advantage Innovation Fund, since the publication of the last annual report, what additional funding is being allocated this year?

**Ms. Harvey:** — The funding for SAIF [Saskatchewan Advantage Innovation Fund] is a million dollars. And that's the . . . Yeah, and we're continuing that amount of funding as well.

**Ms. A. Young:** — And is it the same 46 projects that continue?

**Ms. Harvey:** — I'm sorry?

**Ms. A. Young:** — Is it the same previously identified, previously funded projects that are continuing and rolling over into this year?

**Ms. Harvey:** — So the way it works is that we have to . . . We manage the cash flow on an out-year basis. So we have a couple of intakes each year to review, well, basically the processes. We look at a letter of intent that comes through first. We have an expert committee that then reviews those letters of intent to identify projects that we want to have come back for full proposal, and then the expert committee again would review those proposals. And then they would make recommendation to us on which projects we should be supporting.

And so we generally have a budget of a million dollars. We have had that over the past few years. And so we have to manage the cash flow and the number of projects that we can approve on an annual basis based on, you know, what we have available, depending on if we have some commitments from previous year, commitments and projects as well.

**Ms. A. Young:** — Thank you. Being new to this as a critic portfolio, just perhaps a couple of questions in regards to Innovation Saskatchewan now additionally managing the assets that previously would have been under SOCO. So that would mean, as I understand, Innovation Saskatchewan is now essentially the landlord for those research parks. Is that fair to say?

**Ms. Harvey:** — So we would be the landlord for the businesses that are in the research parks.

**Ms. A. Young:** — But not the, like, physical buildings themselves?

**Ms. Harvey:** — No, that is correct. So we will be taking over the management of the research parks, but that function of SOCO that was previously under CIC will come in its entirety. And we are going through a bit of a transition or integration review process to determine what that will look like in the end. But for all intents and purposes, we will be the manager of the parks.

**Ms. A. Young:** — Okay.

**Ms. Harvey:** — Correct.

**Ms. A. Young:** — So the Innovation Place management function is now under Innovation Saskatchewan. And like, the infrastructure assets, like the buildings themselves, are now also part of Innovation Saskatchewan?

**Ms. Harvey:** — Like, we're going through a transition process to allow for that.

**Hon. Mr. J. Harrison:** — Yeah, so until the bill . . . I haven't introduced the bill, so we're kind of in that same issue that we had in the last sitting. And so Kari and Rebecca are being careful how they characterize it.

**Ms. A. Young:** — Pardon me. That wasn't my intent, sorry.

**Hon. Mr. J. Harrison:** — But I'll be introducing the bill tomorrow, I believe. Yes. So anyway the very high level is that all of the roles that will be played by SOCO currently, the intention is that that will be continued by Innovation. But I don't want to prejudge the will of the House on any of that.

**Ms. A. Young:** — Thank you, appreciate that. Apologies, I was not trying to be intransigent on that point. And feel free to tell me then if this is not a fair question. In regards to the research done at research parks, there is very good research that goes on in Saskatchewan, some of it publicly supported, a lot of it supported by the private sector, whether in tech or oil and gas. And a significant amount of that will be proprietary as well. And I'm interested in learning more about any standards in regards to cybersecurity or managing the security of information and research that may exist or are being considered.

**Mr. Sukenik:** — Brent Sukenik, acting president and CEO for Innovation Place SOCO. Cybersecurity, we have a robust program to manage the cybersecurity of our own company. But all of those efforts for the tenants of Innovation Place would be their responsibility.

**Ms. A. Young:** — So individual tenants may have standards exceeding or falling below those of Innovation Place, and the cybersecurity as it relates to the individual tenants is just up to them. There's no role or function played currently by SOCO?

**Mr. Sukenik:** — That is correct, yes.

**Ms. A. Young:** — Okay. I think I will save my further questions on cybersecurity, so you're off the hook. Thank you. I appreciate that.

In regards to the incentives discussed, are any of those being considered retroactively? Specifically, you know, some of the oversubscription to the very successful programs was noted. And

I'm wondering if, as stated, those are open retroactively or only going forward and new applications are required.

**Ms. Harvey:** — Yeah, so with the STSI program, which as you noted, it was oversubscribed by about 50 per cent, those will be processed in this year's . . . I guess, out of this year's allocation for sure.

**Ms. A. Young:** — So then do those previous applications essentially consume any of the funding allocated for this year going forward, or are there still opportunities for new applicants or however you'd term them?

**Ms. Harvey:** — Yeah, so you know, as the minister mentioned, we have increased that annual cap of tax credits that we're able to process under the program from 2.5 million to 3.5 million. And so you are correct. About 1.3 million is estimated about what we expect last year's investments to, I guess, take up in terms of that allocation. So we will see, I guess, \$2.7 million.

**Ms. A. Young:** — Thank you. And just one last question for the Agtech Growth Fund. Am I right in remembering there was one year skipped due to the pandemic?

**Ms. Harvey:** — Yes. So the first year that we introduced the program, we had a late budget, and so we actually introduced the program later than what we would normally see in a regular budget cycle. So we only did one intake for that particular year. But we're now back on track, and so AGF [Agtech Growth Fund] follows a very similar process to what I'd outlined around the SAIF program, and it follows the same timelines as well in terms of the EOI [expression of interest] requests and the proposal requests and what have you.

**Ms. A. Young:** — Okay, thank you. So it was just that one intake that was skipped then?

**Ms. Harvey:** — Correct. That's correct.

**Ms. A. Young:** — Okay, great. Thank you, Madam Chair. No further questions.

**The Chair:** — All right. Seeing there's no further questions, we will adjourn our consideration of the estimates for Innovation Saskatchewan and move forward to consideration of the estimates for the Ministry of Trade and Export Development.

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

**Subvote (TE01)**

**The Chair:** — We will begin with vote 90, Trade and Export Development, central management and services, subvote (TE01). Minister Harrison, do you need to change out officials for that? We'll give a recess of five minutes.

[18:45]

[The committee recessed for a period of time.]

**The Chair:** — Welcome back, everyone. We will now consider

the estimates for the Ministry of Trade and Export Development and we will begin with vote 90, Trade and Export Development, central management and services, subvote (TE01). Minister Harrison, you can introduce your officials here with you this evening and make your opening remarks.

**Hon. Mr. J. Harrison:** — Well thanks very much, Madam Chair, and thank you to committee members. I am pleased to be here to discuss the 2022-23 budget for the Ministry of Trade and Export Development, or TED.

Before I get started, I would like to introduce the officials joining us: Jodi Banks, deputy minister; Richelle Bourgoin, assistant deputy minister, international engagement; Kevin France, behind, assistant deputy minister, strategic policy and competitiveness; Grant Hilsenteger, assistant deputy minister, corporate services; Renata Bereziuk, our executive director for international offices; Sara Nicholls, executive director, international offices; Rob Swallow, executive director, trade policy; Robin Speer, acting executive director, marketing and communications; Corrine Fuchs, director, financial planning and operations; Karen Holtby, executive director, strategic policy and planning; and Matt Smith, director, Indigenous development.

TED is the lead ministry for international relations actively increasing Saskatchewan's presence around the world through our trade missions and our network of international offices. The ministry works to grow our export markets, attract private investment, and ensure Saskatchewan businesses remain competitive on a global scale.

TED has played an essential role in the past year as we began to emerge from the global COVID-19 pandemic. The ministry will continue to be a vital part of the growth plan now that Saskatchewan is back on track. A strong recovery is under way in our province, one driven by our businesses, entrepreneurs, and workers. Thanks to their hard work and determination over the past few years, we remain confident that we will meet the ambitious goals outlined in our growth plan.

These goals include creating 100,000 new jobs by 2030, increasing the value of our exports by 50 per cent by 2030, growing private capital investment in Saskatchewan to \$16 billion annually, growing the number of international markets to which Saskatchewan exports more than \$1 billion, and growing Saskatchewan's agri-food exports to \$20 billion. Saskatchewan's GDP [gross domestic product] grew by 3.5 per cent in '20-21 and private forecasters estimate it could grow by as much as another 5.6 per cent this year, with nominal GDP growth over 20 per cent.

Saskatchewan has emerged from the pandemic in a strong economic position compared to other provinces. Urban housing starts have grown above the national average in 12 of the last 20 months. Retail trade in 2021 increased by 2.24 per cent over 2020, again exceeding the national average. Our unemployment rate has been below the national average every month since March 2020 — 30,000 jobs have been created since the beginning of 2021, the second-highest rate of job growth in Canada. The value of Saskatchewan's exports grew by nearly 25 per cent to more than \$37 billion in 2021. And this growth occurred despite a worldwide economic slowdown, significant supply chain disruptions, a significant drought year in the ag

sector, and until very recently, a relatively slow recovery in the energy sector.

Agricultural exports hit a record 17.5 billion in 2021. Agri-food exports alone accounted for nearly half of Saskatchewan's total export sales and have now grown by more than 56 per cent over the last decade. Our government will continue working with our research partners to maintain this growth. Saskatchewan is home to one-third of Canada's ag-biotech sector and is a world leader in ag innovation. We will continue to focus on the development of value-added processing projects in the ag sector, with the goal of increasing value-added processing-related sales to \$10 billion by 2030. And this work is well under way. Federated Co-operatives Ltd. is investing in an agriculture complex that includes a canola crush plant in partnership with AGT Foods, and a renewable diesel facility which will be the largest in Canada. This project alone will create economic benefits estimated at \$45 billion.

Forestry is currently the largest sector in northern Saskatchewan. It supports nearly 8,000 jobs and relies heavily on Indigenous workers and businesses. In 2021 Saskatchewan's forestry sector achieved an all-time high of \$1.8 billion in total sales, a 60 per cent increase over 2020. In September 2021, the government announced timber allocations to support nearly \$1 billion in capital investments in the sector. These projects include development of an oriented strand board mill in Prince Albert, upgrades to increase production at the Big River saw mill, expansion of the Carrot River saw mill, and the re-opening of the P.A. [Prince Albert] pulp mill. We are well on track to achieve the government's goal of doubling forestry sector growth by 2030.

Saskatchewan's wholesale trade increased by 34.7 per cent between January 2021 and January 2022. Driven by growth in the farm equipment, motor vehicle parts and accessories, food and beverage, and machinery equipment sector, Saskatchewan is currently the national leader in wholesale trade growth. We are at the forefront of Canada's economic recovery. We have the food, fuel, and fertilizer the world needs.

And no less important, we are committed to sustainable development of these essential resources. Sustainability is an integral part of our economy. We understand that more and more, consumers want to know where the food on their tables comes from. They want to know what energy producers are doing to minimize their carbon footprint. They want to know that the goods and products they buy are made using environmentally friendly and socially responsible practices. This represents a great opportunity for Saskatchewan.

We know that Saskatchewan has a transparent and responsible value chain that provides healthier, more sustainable food to the world. And we know that this province is an emerging leader in the sustainable development of our natural resource and energy sectors.

In January 2021 the government announced a partnership with Innovation Saskatchewan and Foresight cleantech accelerator centre to establish a world-class cleantech accelerator program in Saskatchewan. The goal of the program is to build an ecosystem that supports provincial businesses and industries to develop viable innovations to address climate change. But we understand

that solutions to sustainability challenges will also be found in new and innovative technologies and practices developed by the people within the industries themselves.

Our government has a strong suite of programs that support investment and innovation in cleantech such as the Saskatchewan Advantage Innovation Fund, the Innovation and Science Fund, Agtech Growth Fund and Agtech Venture Capital Fund, the Saskatchewan commercial innovation incentive, the Saskatchewan petroleum innovation incentive, the oil and gas processing investment incentive, and the Associated Gas Conservation Program, amongst others.

We have seen an unprecedented level of private investment announced in the province in the last 12 months. Husky's Midstream's \$82 million Saskatchewan Gathering System expansion project, the first completed in-service pipeline project under the provincial oil infrastructure investment program.

Northern Nutrients facility near Saskatoon, a \$25 million space that will be the first in Saskatchewan to produce non-potash fertilizer in 30 years and will supply 28 000 tonnes annually for domestic and export markets.

North American Helium opening Canada's largest helium-purification plant near Consul, a \$32 million facility that will produce more than 50 million cubic feet of purified helium for commercial sale every year.

Red Leaf Pulp's project to commercialize new technologies to produce pulp from wheat straw just planned to include construction of a \$350 million facility that will be the first of its kind in Canada.

Ceres Global Ag building a new \$400 million canola crush plant at the site of their grain terminal location at Northgate with existing direct-rail access to the United States on the BNSF.

Avena Foods' construction of a \$20 million oat processing plant in Rowatt.

Agrocorp Processing opening new facilities in Cut Knife and Moose Jaw, adding new capacity to their pulse-based plant protein business.

Decibel Cannabis expansion of their growing facility located on Thunderchild First Nation from 80,000 square feet to 130,000 square feet.

Completion of the new 42 000 tonne capacity G3 grain elevator in Swift Current.

Expansion and upgrades in Ingredion's plant-based protein facility in Vanscoy.

Viterra beginning construction on a world-class canola crush plant in Regina with an expected capacity of 2.5 million tonnes.

Richardson International is investing to double processing capacity at its canola crush plant in Yorkton, expanding it to 2.2 million tonnes, which will be completed in 2024.

Cargill beginning construction on a new \$350 million, 1 million

tonne crush plant that will be operational by 2024.

BHP's confirmation of the previously announced Jansen potash mine, the single largest corporate investment in Saskatchewan's history. Once complete, the facility will produce roughly 4.4 million tonnes of potash annually, generating tens of billions in taxes and royalty revenues over the life of the project.

Collectively, these and other projects total more than \$13 billion worth of private capital investment. They will create nearly 9,000 jobs during their construction, and they will create an estimated 2,330 permanent jobs in sustainability-focused industries like potash, oilseed crushing and refining, oat and pulse processing, forestry products, renewable diesel, and critical minerals. Now is the time to build on this momentum.

I would like to specifically address three new or additional budget expenditures that align with TED's mission to increase private capital investment, increase the value of Saskatchewan's exports, and boost our presence in new international markets. First, the Ministry of Trade and Export Development helped Saskatchewan's business community get their products to the world through an ambitious international engagement strategy.

With that in mind, the 2022-23 budget includes increased funding for our eight international trade offices. In recent months, we've opened four new trade offices in Mexico, United Arab Emirates, United Kingdom, and Vietnam. These complement the offices that already are open in Japan, India, Singapore, and China.

The nearly 3.1 million increase in funding for these offices allows them to continue to advance Saskatchewan's economic interests in these important and emerging markets. Our international officials connect Saskatchewan businesses with investors and customers abroad. They encourage direct foreign investment and help Saskatchewan exporters navigate the local business culture and regulatory rules. They are a key component of Saskatchewan's growth plan to increase exports by 50 per cent by 2030.

Second, the budget includes new enhancements to the Saskatchewan value-added agriculture incentive. This incentive provides a tax rebate, available on capital expenditures of \$10 million or more, on newly constructed or expanded value-added agriculture facilities in the province. To support further large-scale investments, we've enhanced the program to utilize a graduated tax credit structure as follows: 15 per cent tax credit on expenditures up to 400 million, 30 per cent tax credit on expenditures between 400 and 600 million, and 40 per cent tax credit on expenditures exceeding 600 million. The dollar value of the credit for any single project will be capped at \$250 million.

This incentive has made Saskatchewan even more competitive in the value-added processing space. Enhancing the program will only increase that level of investment and secure our position as a global leader in the ag sector.

Third, the budget includes \$475,000 to create the Saskatchewan Indigenous Investment Finance Corporation. Our First Nation and Métis communities play a vital role in the provincial economy as business owners, contractors, and employees within a range of industries, especially natural resources and agriculture. Saskatchewan has a growing number of Indigenous-owned

companies employing thousands of people and generating millions in revenue each year. The SIIFC [Saskatchewan Indigenous Investment Finance Corporation] will provide \$75 million in loan guarantees to improve access to capital for Indigenous communities and their development entities to invest in natural resource development and value-added ag projects.

[19:00]

Truth and reconciliation must include economic reconciliation, and the Government of Saskatchewan has made this a key priority. We're excited about the potential for the SIIFC to increase Indigenous participation in these sectors.

In addition to these new items, the budget continues to provide support to the ministry in its ongoing mission to promote Saskatchewan through global marketing campaigns. We have a great story to tell about the opportunities, industries, and resources this province is blessed with. We need to continue to tell that story and promote our province around the world.

In closing, I want to say again that Saskatchewan's economy is on track. We must continue to build a business-friendly climate with attractive programs and provide a stable, efficient, and predictable regulatory environment. All the economic indicators I mentioned earlier point to tremendous opportunity for our province in the years ahead, and this budget allows us to build on our past success as we engage existing partners and new innovators, both locally and globally, to make Saskatchewan their destination of choice.

Thank you, Madam Chair. I'm happy to take questions, and our officials are as well.

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

**Ms. A. Young:** — Thank you, Madam Chair, and thank you, Minister. And to the very many officials present here tonight, welcome. I appreciate you being here on a beautiful Monday evening at that.

My first group of questions will focus on the Saskatchewan Indigenous Investment Finance Corp. And with the stated goal of this being to support Indigenous participation in the province's natural resource and value-added ag sectors, I'm curious as to the rationale behind making this specifically targeted for forestry, mining, oil and gas energy, and value-added ag, and, yeah, perhaps looking for some comment on that before I proceed.

**Hon. Mr. J. Harrison:** — I'm happy, Madam Chair, to maybe make some comments on SIIFC. This is one we can talk about because this has actually been introduced in the House, unlike the last two statutes we had to be a bit careful about. But we did introduce and give first reading today on the Indigenous Investment Finance Corporation statute. You know, obviously we've given some notice that we were moving in this direction, both in the Speech from the Throne and then obviously in the budget speech as well.

And you know, I can tell you this has really come out of our experience in the forestry sector in northern Saskatchewan. That

was really what was the catalyst for this, and I would say specifically the experience of Meadow Lake Tribal Council, which for obvious reasons I know very well, and you know, the leadership thereof, and others I've worked with very closely over 20 years.

So you know, what we've really seen is just an incredible growth in the forestry sector that has been led by MLTC [Meadow Lake Tribal Council] and companies that comprise MLTC — NorSask, Mistik — that are Indigenous-owned companies managed and operated by members of First Nations who are part of the Meadow Lake Tribal Council, probably the most successful economic organization in First Nations of anywhere in Canada.

And it really has been a result of a long-term vision by the leadership of Meadow Lake Tribal Council to be leaders in developing the forestry resource in northern Saskatchewan, not just northwest but northern Saskatchewan. And we just saw, you know . . . I think MLTC would say the same thing. I mean, by having this growth be led by First Nations, it has made a tremendous difference in the ability to conduct in what, in a lot of other areas, is a very challenging industry to be in.

MLTC does this in a very, very responsible way. Through Mistik they have the FSC [Forest Stewardship Council] forestry certification, done very responsibly, environmentally responsibly, with all of the economic benefits accruing to First Nations that are members of Meadow Lake Tribal Council.

So last year for example, based on the success of the forestry sector, MLTC leadership were able to pay to each member First Nation a million-dollar dividend, which really is just a remarkable thing. And what it allowed them to do as well, by leveraging that success in the forestry sector, was moving into the bioenergy production space. So the Meadow Lake bioenergy centre is going to be going operational very, very shortly, like in the next number of weeks, constructed through, you know, the challenging times of COVID and all of the construction issues that went along with that.

They have done just a tremendous job. But you know, how do you replicate the success? And it's really a challenge for First Nations because First Nations can't actually go to the bank in the same way that another corporate entity would be and say, hey we have assets and based on those assets we want to borrow to invest in a business entity. And the reason for it is because banks have a very challenging time in providing capital to First Nations or First Nations businesses because of the rules around how you can realize on collateral. Basically you can't use as a leverage then or as an asset to borrow against anything located on First Nations.

So what you really have is a genuine case of market failure in this, where First Nations that have absolutely every ability, in kind of a normal circumstance, to borrow and obtain financing for capital projects are not able to do it because of the fact that banks can't use as collateral anything that's located or could be located on First Nations. So this is a space where government really has to be in, or else there is just going to be, you know, what I think probably we've seen for a very long time, where First Nations can't borrow money through traditional mechanisms.

So with the Indigenous Investment Finance Corporation, which is kind of based on a couple of models, our municipal finance corporation here in Saskatchewan being one of them which, you know, operates in a way that I think will be somewhat similar to how SIIFC operates, but also the Alberta Indigenous Opportunities Corporation. I think that there's, you know, kind of based on those two experiences how we really set up Indigenous Investment Finance Corporation, and with some, you know, a lot of advice from First Nations leaders as well in how we structure this corporation.

So again based on the discussions with a lot of our stakeholders, I mean the focus is on areas where we have a comparative and competitive advantage, and that in a lot of places is, you know, food, fuel, and fertilizer. That's what we as a province have really focused on, and you know, that is the appropriate place for . . . You know, we want First Nations to be a part of developing these projects in an equity context, not just kind of in a . . . You know, there are formal requirements for different elements of projects going to completion, but we really want to have First Nations involved in an equity participation way in projects that are going to be going forward in the future. And this will give another tool for First Nations to be involved in those projects.

So that really is kind of, you know, a bit of a long answer, but that's really the story behind the Indigenous Investment Finance Corporation.

**Ms. A. Young:** — Thank you, appreciate it. What about capital access support for Indigenous participation in other sectors, you know, whether tech, finance, realty? Were there conversations on that given, you know, some of the challenges outlined by the minister in his response?

**Hon. Mr. J. Harrison:** — No. I mean, like this was really a function of the success that we've seen of Indigenous investment into the natural resource sector, and that was really the catalyst for that. So I mean, you know, we're not going to function as a bank as the government, but there are certain areas where we can be facilitators for First Nations to be involved, in that equity participation sense, in projects that make sense. And that's what this is all about.

**Ms. A. Young:** — And, Minister, you've spoken extensively about First Nations, but my understanding, based on the communications from the ministry, is that this is obviously also open to Métis communities, as well as Indigenous organizations more broadly. Can you clarify?

**Hon. Mr. J. Harrison:** — Yeah. Yeah, it is for Indigenous organizations that are involved. I mean, the experience we've had thus far is primarily First Nation-driven development. But we have been, you know, inclusive in the context of having Indigenous organizations. And then part of our board of directors, I think, actually we have a representative from the Métis Nation on that board as well.

**Ms. A. Young:** — Thank you. Sorry, the criteria for what constitutes Indigenous organizations?

**Mr. Smith:** — Yeah, so as part of the development of the SIIFC, we've got a group of Indigenous business leaders providing advice to us. And as part of that process, the definition will

include entities owned by First Nations, tribal councils, or Métis communities, or the MNS [Métis Nation of Saskatchewan] as well.

**Ms. A. Young:** — Thank you. So only organizations that are formally owned by First Nations, MNS, so not necessarily just majority Indigenous-owned.

**Mr. Smith:** — No, the goal is to have the companies owned by communities or tribal councils or First Nations.

**The Chair:** — Could I just ask you to state your name and position for the record.

**Mr. Smith:** — Oh, sorry. My name is Matt Smith. I'm the director of Indigenous economic development.

**Ms. A. Young:** — Thank you. I believe the appropriation for the Saskatchewan Indigenous Investment Finance Corp. is in (TE01) and (TE03). Are the increases on those lines — I think it's around a half million dollars — is that reflective essentially of the expenses required to operate?

**Mr. Smith:** — The 475 is for the operational expenses for one year. The intention is to add a small loan-guarantee charge to successful applications, which will ultimately make the corporation self-sufficient.

**Ms. A. Young:** — Thank you. And a loan-guarantee charge, is that dependent on the size of the loan, or is that essentially a flat rate?

**Mr. Smith:** — It's a flat rate.

**Ms. A. Young:** — Thank you. In regards to the risks associated with those loan guarantees, who owns the risk? Is it government? And are there provisions for, you know, God forbid, potentially doubtful investments?

**Mr. Smith:** — So it would depend on the particular deal structure on whether or not, you know, a bank is guaranteeing a portion of the loan as well, or if the corporation would be guaranteeing 100 per cent of the project. That would be dependent on the specific application, but they go in to evaluate the risk on the projects. We will be utilizing a third party to provide a risk assessment and make a recommendation to the SIIFC board on the level of risk associated with the project.

**Ms. A. Young:** — Thank you. But potentially it could go up to that full 100 per cent?

**Mr. Smith:** — It's possible, yes.

**Ms. A. Young:** — Thank you. And in regards to the loan guarantee, and perhaps this isn't clear yet, but who's eligible to make those loans guaranteed by the ministry?

**Mr. Smith:** — It will be done by the board of the SIIFC.

**Ms. A. Young:** — Okay. So that's the formal governance structure in terms of the benefits for loan guarantees? Great, thank you. I believe I have no further questions about the Indigenous Investment Finance Corp., although I am interested

to watch it proceed and look forward to learning more about it as the years go on. Thank you.

Looking back over the past year, one of the initiatives of the ministry was of course *The Supporting Saskatchewan Restaurants Act*, which was, you know, has been canvassed rather thoroughly over the past year. And with it expiring in August, I'm wondering if there's information available as to the cost of that to the ministry.

[19:15]

**Hon. Mr. J. Harrison:** — We don't think that there was any cost associated to the ministry itself. With that, there may have been, which we'll bring to the committee's attention if there was, but we don't believe that we had any costs associated.

**Ms. A. Young:** — So on that piece there's no real cost to government. This is still a sector that for some are struggling to get back on their feet, although I do appreciate some of the changes brought forward in the budget — specifically the piece around VLT [video lottery terminal] revenues I think has been incredibly well received. But you know, there's no real cost to government; it's just something appreciated by consumers and provides less vulnerability for small businesses. I'm wondering if there's any contemplation of considering something similar as the sector recovers.

**Hon. Mr. J. Harrison:** — I can expand on "no," but we're not going to be regulating the charges that can be, you know, voluntarily entered into by customers and providers. I think we had this discussion last year, and we're not going to be.

**Ms. A. Young:** — Thank you. I didn't hear that initial answer. Also something canvassed thoroughly last year was of course the business response team, and I'll admit I'm not sure what the status is. Is this currently still operational, or did this end along with emergency orders or public health measures?

**Hon. Mr. J. Harrison:** — Well, Trade and Export hasn't been responsible for the BRT [business response team] since the summer of 2021. It was transferred to Immigration and Career Training at that point.

**Ms. A. Young:** — Forgive me, sorry. Did we not . . . Was it not present here for estimates last year though?

**Hon. Mr. J. Harrison:** — Because the last budget cycle we had had authority or responsibility over an element of the budget year for the BRT. But ICT has had it for the entire last fiscal year.

**Ms. A. Young:** — Well I suppose then missed my chance on that one. So moving perhaps to the trade offices then, I believe last year there was a framework document referenced by Deputy Minister Banks in regards to kind of international engagement and performance measures and how those were being evaluated going forward, but I understood it was under development. Is that finalized?

**Ms. Banks:** — Yes, we have been able to put together and finalize some metrics around measuring what the, you know, the value of the international trade and investment offices. Just keeping in mind of course that as we said last year and as the

budget reflected, you know, they were being brought on, the original four were brought on at the beginning of last year. And then over this past year we were bringing on the additional four over a number of months, and in fact the last two have just come on over the last number of weeks. And so some of the offices are in different places than others. But maybe I will turn it over to our ADM [assistant deputy minister] of international engagement to walk you through kind of some of the metrics to date.

**Ms. Bourgoin:** — So to some degree it depends on the location, what our priorities would be in that particular market. So for example in the United Kingdom, up until recently I would say that we were primarily focused on investment because the UK [United Kingdom] is one of the top source countries for foreign direct investment in Canada. But with the unrest in Eastern Europe, there are certainly trade discussions that have started to evolve, and so that would be reflected in the results for next year for sure.

In the last year, as we onboarded those additional offices, we really focused on the number of trade and investment leads that were generated from those offices, but as well through the contacts that we have with Global Affairs Canada and the Trade Commissioner Service, because we are co-located in seven of our eight offices.

We really were pleased to be able to do a number of in-market events, as public health restrictions were reduced around the world where our offices are located. And so we've started to see, even towards the end of last fiscal, the ability for Saskatchewan business, Saskatchewan research institutions, our partners, to be able to travel to market and take advantage of some of those services.

We looked at trade missions themselves, and so we were able to facilitate a number of those, either directly with our business partners or with the support of other governments and officials, and the minister in two cases as well. We looked at how we measure those international partnerships, so very specifically around the ability to connect academic institutions, research and development institutions, innovation opportunities like the Agtech Accelerator as an example. And a really interesting partnership between Economic Development Regina and start-up RiSo in India is another example. We talked about industry and business partnerships, and so the opportunity to collaborate and exchange ideas, to work together toward sort of, at that time, post-pandemic economic goals that we share.

We also did a number of joint activities with our partners at STEP [Saskatchewan Trade and Export Partnership]. And so the STEP contract is maintained within the Ministry of Trade and Export Development, and we work very closely to be able to connect the information that those offices collect in market to get it back into Saskatchewan, and then looked at just in . . . We also measured the number of events that we participated in, things that were focused on attracting skilled workers or international students, for example.

**Ms. A. Young:** — Thank you. You began by giving a bit of an update of the development specifically related to the United Kingdom. I'd be happy and interested to learn more in regards to their other offices that currently exist and the hopes and plans for those.

**Ms. Bourgoin:** — Oh, definitely. And you know, when I was speaking of those, that was a very general answer to some very specific work that my colleagues are doing in the field. So in the UAE [United Arab Emirates], you might be interested to know that there is a number of Saskatchewan-based business that operates in the UAE already. It's their significant trading partner. We focused, not surprisingly, on food security and on opportunities to grow both in the pulse sector and canola as well. At the same time, the UAE is very focused on energy security. The minister had an opportunity to speak to that end when he was in the UAE in January.

In Singapore, the Singapore market has been a little slower to open just for international engagement, but really connecting within the ASEAN [Association of Southeast Asian Nations] region specifically. As an example, the first shipment of quinoa from Saskatchewan was in Singapore a number of months ago. And so there's an excellent opportunity to develop that market, particularly as we see a growing middle class in the ASEAN region who are looking for alternative healthy ingredients.

When I think about Vietnam as an example, so under CPTPP [Comprehensive and Progressive Agreement for Trans-Pacific Partnership] we have an excellent opportunity again with a growing middle class that we haven't engaged before, looking for opportunities to have choices in their diet that haven't typically been there. But at the same time, Vietnam is an excellent partner for us from a post-secondary education perspective as well.

In China, the role is very specifically focused on addressing market access issues at this time. And so we use our team there almost as an early warning system to ensure that the relationships that we have in place can be well stewarded from a commercial perspective.

In Mexico, our Mexico office opened just at the beginning of March. And so it's really been focused right now on the existing partners that we have and ensuring they're aware that those additional supports are in place. But for example, there's a ban on exports of glyphosate and GMO [genetically modified organism] corn. And so that's just a market access issue that Rob can speak more effectively to than I can. And then, you know, I think more generally, just allowing our team to identify the pathways by which they can tell that Saskatchewan story in the markets where we're operating. And, Minister, you might want to add some context.

**Hon. Mr. J. Harrison:** — Yeah, I would. No, that's very good. I mean Richelle was doing a great job, and the team, in managing our offices, doing a great team. You know, one of the things I think has become even more clear in the last number of weeks — which is a message that we have been, you know, pushing in markets around the world for a long time, but I think it's become even more clear in a lot of markets around the world, the validity of that message, which is around the concepts of energy security and food security. And the fact that here in this province — and I think Canada in kind of a more general sense, but really when we're talking about energy and food security, we're talking about Western Canadian energy and food — that we are the long-term, stable, reliable partner that you can rely on.

And that is our value proposition that really puts us in a different

place than I think a lot of competitors and even, you know, at this point maybe even worse than competitors in the case of Russia, for example I mean, who are exporting very similar products to those that we are. And I think in the European market particularly right now, those concepts of energy security and food security are being brought into very, very stark relief.

You know, in Germany, for example, where they rely on, you know, it's 50-plus per cent of their gas supplies, for example, come from the Russian Federation. And you know, they're at the point right now where they're having to basically, not formally ration, but are having to be insistent with populations that they turn the heat down in their house, that they don't drive unless necessary, that there are some very real challenges right now which could become even more stark in Germany probably before some other countries.

But all of these things — food security. You know, there was a time I think where, you know, there was a real understanding that this was kind of a cornerstone of having a developed society, was having very secure supplies of food. I think it's got to the point though where it was just taken for granted that there would be food security, in the European market there would be food security. Well suddenly it's been brought into stark relief that these things are things you can't take for granted. So who are you going to rely on as your long-term, stable, reliable partner in these spaces?

And the other thing I think that some countries are finding out is that when you compromise on your energy and food security you are going to pay a price on your economic and ultimately potentially your political sovereignty. And these are things that I think a lot of countries and, I think probably more broadly, a lot of populations thought were concepts that no longer existed anymore. Well there's a real world out there and these questions are becoming very real very quickly.

So you know, our value proposition as a province is that we can be that long-term, reliable, stable partner to supply your energy and food security needs. And that is a message that I think we had a very high degree of receptivity to previous. But I think now it's even more stark. And that is the message that we are going to be continuing to push around the world. That's what the Premier was talking about with Jodi and Richelle just a few days ago in Europe. And that is going to be what we're talking about as we continue to engage internationally.

And we are going to continue to engage internationally very assertively because this is a province that really is dependent on exporting what we produce. And that is, you know, you have folks that can criticize that and all of the other stuff. We're going to keep doing it. Because this is what this province does and this is what the basis of the wealth and our standard of living in this province are. And, you know, these are the folks who are responsible for making sure it happens.

**Ms. A. Young:** — I want to come back to a couple of things in there, but specifically the reference made in terms of the Chinese office existing and having a bit more of a function there in regards to flagging market access issues. Can you expand on that a bit?

**Ms. Banks:** — Maybe I'll just start. You know, we have had a

presence in China for a number of years. Back when we had a very small office, you know, the managing director at that time was very much focused on just, you know, really around getting agriculture products into China. And that of course is, generally speaking, our largest exports into China.

When we had an opportunity to change the model, you know, we did change the model so that they would be co-located with Canada. And we did that for a number of reasons. But of course it became very clear that sort of the rule of law in China was not necessarily at that time, and so for many reasons, including security, we determined we would co-locate with Canada in that market.

And since, you know, back a couple of years ago when, they stopped the export of our canola seed from certain companies into the country, you know, we've been a lot more careful around our businesses. We've been providing support and advice to our businesses around how to do business in China.

[19:30]

And so I think — and I'll turn it back to my ADM colleague — but I think it is around just, you know, really understanding how business is being done in that country. And then right after we, you know, we sort of moved into this pandemic and, you know. China has been over time, like all countries, but has been quite locked down. And in fact is, you know, Shanghai is locked down again right now.

So I think, you know, the comment was partly around we've been working very closely with Canada. We've been, you know, we wouldn't . . . We haven't been doing any trade missions into China. We haven't, you know, those kinds of things. And so maybe, Richelle, you can build on that a bit.

**Ms. Bourgoin:** — Precisely. And so my apologies for any confusion. Really focused on what is a long-standing trade relationship between Saskatchewan and China. And thanks to my colleague, Sara, who pointed out I've also missed a very important priority in that office, and that's advanced education. And so China would be one of our longest standing partners in terms of post-secondary recruitment from international destinations. And so that's some work that continues as well.

There in fact was an opportunity for the Ministry of Advanced Education that was facilitated by our office just as recently as a few weeks ago with the China Education Association for International Exchange in Beijing. And as things start to open up again, we are seeing some participation that's being facilitated by our office in Shanghai at food shows and events where buyers are present.

But to the deputy's point a little earlier, it's just simply not possible for our partners in the private sector or in our research institutions or in the community to travel at this point to China for a number of reasons.

**Ms. A. Young:** — Thank you. In regards to some of those, you know, some of the geopolitical tensions that we canvassed in this committee last year, I'm wondering what, if any, diplomatic or economic impacts continue to be seen in that market in that country with all the challenges but what is also a very important

trading market for Saskatchewan?

**Hon. Mr. J. Harrison:** — You know, with regard to China, we talked about this a bit last year. And you know, I've been pretty open publicly as well in saying that part of our international engagement strategy is creating a diversity of international markets that we would be trading into and not have the very, very high proportionate reliance that we had on a couple of markets. And China was one of them, historically.

That doesn't mean that we're not going to continue to do a degree of business with China. We obviously are, but I think we have to see it for what it is, which is a transactional relationship. It's not a long-term partnership. You know, the fact that the Chinese on different occasions have thrown up what we would view as just arbitrary non-tariff trade barriers to our product imports when it suited them for whatever geopolitical or internal domestic economic reason isn't really what long-term trading partners do.

So you know, we have our eyes pretty wide open with respect to working and trading and doing business in the Chinese market. I can tell you I'm not going to be going to the Chinese market. I think at one point the Chinese ambassador to Canada said, on the record, that there was just a very small chance that you would be arbitrarily detained and put in prison. So that's reassuring that it's a very small chance that that would happen. So you know, we just have to be very aware of the nature of that particular market.

So I mean we have really worked to diversify our trading partners into southeast Asia. And I think that that's part of the opportunity that we have in Japan and into, you know, through Singapore and some of the other markets in that particular area of southeast Asia into Vietnam. I just think we have a tremendous opportunity in Vietnam. That's a market we really I think are going to do very well in.

Korea has been an important market, which I think is going to be an increasingly significant market for Saskatchewan, given the fact that we've had now in place for, you know, over five years a free trade agreement with Korea. Being a part of the Trans-Pacific Partnership has provided a high degree of certainty to our companies that, you know, are the ones that actually do the business and do the trading in these markets. But I think having that graduated and predictable tariff reduction calendar and schedule makes things a lot easier.

And you know, India's going to just continue to be a very, very important market for us. And you know, I think we are . . . Are we over a billion this year with India? Last year were we over a billion? Yeah. You know, it's a bit fluctuation with India and that has to do with basically the domestic pea crop, and there's some . . . Yeah, so anyway there's some issues there. But you know, I think that our relationship with India is just very, very important. And we've worked very hard in building that relationship at the political level, which you really have to do, you really have to do in that market.

So we're going to continue to work hard in India because that really is just a very, very large growing middle-class market that are demanding more protein in their diet, constantly demanding more protein in their diet whether, you know, that be through our pea and lentil production or other alternatives. But we really have a great opportunity there. Not just a great opportunity, we have a

great present, but we're going to have a great future in India too. So that's part of the story in Asia, you know, diversifying away from the very heavy proportionate reliance we had on that one particular market.

And we think that we're going to have just really very real opportunities into the Middle East and increasingly in Europe, where I think there's kind of probably a perception out there in the public that we do a lot of back and forth with Europe and those are our big trading partners. It's not actually true in a proportionate context actually. We do way more with Asia and west.

But I think increasingly we're just going to have a broader number of opportunities in a larger number of markets with a greater understanding of the value proposition that we bring as Canada in a general sense but really, when you're talking about a lot of these commodities, Western Canadian and even Saskatchewan-specific when you get into potash and uranium and ag products.

**Ms. A. Young:** — Thank you. So circling back to the offices, I believe most of them are open. Seven out of eight are co-located. What's the general status of . . . pardon me. Which is the only one that's not co-located?

**Hon. Mr. J. Harrison:** — The one in London is not co-located, and I'll actually, I'll tell you why. We actually had sought to be co-located in the UK in Canada House, which is a beautiful building, wonderful location just off Trafalgar Square. And we were told that the office was unavailable. We wouldn't be able to secure a location in Canada House — disappointing. So we worked with some of our other partners internationally, and one of the . . . well Quebec has a building just down from Canada House and were very, very amenable to having Saskatchewan co-locate with them. So I think we have an entire floor. You were just there, Jodi.

**Ms. Banks:** — Well, yes. A nice space . . .

**Hon. Mr. J. Harrison:** — Yes, very, very nice space in Quebec House. So we're co-located with Quebec in London.

**Ms. A. Young:** — A whole floor, wow. It is a beautiful building. In regards to all the offices, so they are all up and running? Perfect. And a question back to circle to some of the minister's kind of more broad, wide-ranging comments on food and fuel and energy and food security, and kind of a broad question. I've been wondering, and you're all the experts, in regards to some of the changing nature of canola here in Saskatchewan as it kind of straddles potentially that space for food and for fuel, what does that do to the canola export market for Saskatchewan? And what does that do to the work that's ongoing for the province in terms of export?

**Hon. Mr. J. Harrison:** — Well I'd maybe offer some thoughts. Maybe Richelle and Jodi, if you want to add something as well. But I mean canola is obviously a very, very important crop for us, and one where we really did feel that there was an opportunity to add value to some of the exports that we historically have done for canola seed outside of the country. You know, obviously I think that was a sentiment the market shared as well. And you know, to see the just really truly historic investment into canola

crush capacity here in the province over the course of the last year speaks to the market fundamentals around canola and also I think to the future that, you know, companies and the governments see for canola as a crop going forward.

So you know, I think it speaks very well. But you know, there's increasingly more market I think for this product which is . . . It's a superior product, right? Canola oil is just a better product than some of the competitors, whether that be soy or whether that be palm. And that's why I think we have the opportunity to expand in a, you know, proactive way where some of those products are sold. Jodi, maybe you want to speak to this.

**Ms. Banks:** — Sure. I can speak to a bit. I mean I think, you know, one of the things that we are always attempting to do is to . . . We're obviously known for our commodities. But you know, as part of Saskatchewan's plan for growth, we're looking to add value to the commodities that we do grow. And so you know, we have had a very significant canola export the last couple of years. It's been greater than \$3.6 billion in just the seeds alone. But of course we would love to add value here at home where, you know, the jobs and the value stays here. And so we see, and as Minister Harrison mentioned, you know, there's clearly being seen a business case to do just that with the number of investment announcements that we've heard.

And so you know, we're working really hard with our partners internationally to talk about not only the health benefits of canola oil but the environmental benefits as well of using canola oil, particularly when you compare it to the palm oil sector and others. And so you know, we're working to talk about the health benefits in many of those countries and in places where it hasn't necessarily taken. We think there's huge opportunity in a number of those countries that haven't, particularly in Asia, that haven't, you know, that have been using palm oil for many years.

We also think that there's a significant market for canola meal, which is the other by-product, whether it be in animal feed or others. We can, you know . . . or pet food. There's a number of research projects going on around best ways to use that by-product and get some value out of it. So we think that there's room to have it be an export of the food grade, but also we do know that some of the companies are looking to turn some of it into renewable diesel. And any time we're able to again talk about the sustainability of our energy sector, we're happy to do that too.

**Hon. Mr. J. Harrison:** — Yeah, I would just add to Jodi's very good comments as well just around that sustainability piece, right. I mean the, you know, per-unit cost of production when it comes to carbon emissions, how we produce canola here in Saskatchewan versus how palm oil, for example, would be produced in Indonesia or somewhere, Malaysia. It's, in order of magnitude, more efficient and sustainable on top of being a better product in addition to that.

So that is going to be a part of, you know, a part of our global brand. And you know, we've talked about that. I think we introduced that in the Throne Speech as well, talking about sustainability Saskatchewan. And that's, you know, it's not just kind of a logo you stamp on something. It's actually how we are selling our products globally as being the most sustainably produced from basically any context you can look at in the

energy, in the fertilizer, or in the food production side of energy production. It is the most efficient production and sustainable and clean production anywhere in the world. And we should be proud about it.

**Ms. A. Young:** — Thank you. And in regards to, you know, the trade offices obviously being part of the international engagement strategy, taking Saskatchewan product to the world, advancing Saskatchewan in the international markets, can you clarify the working relationship between STEP and the offices?

**Ms. Banks:** — Maybe I'll start. So Saskatchewan Trade and Export Partnership is an arm's-length organization, but we provide three point . . . I think last year it was \$3.268 million funding to them to fund I would say the majority of their operations. It is a membership-based organization, and they do also have, you know, membership dues that they collect as well.

[19:45]

It is a very close relationship. Myself and my ADM colleague and one other, deputy minister of Agriculture, sit on the board of STEP. And so we are working very closely with them to ensure that we are sort of providing that level of support to businesses in the province and that they're able to take advantage of all of the different tools that we have, including these new offices. And so you know, STEP works directly with those businesses. You know, they embark on trade missions. They embark . . . Over the past couple of years some of them of course have been virtual but providing that direct support.

There's some support programs that they have in place that can help financially to those businesses. But it is again, we work closely with them to ensure that Saskatchewan businesses can expand their ability to export their products internationally, and where they need additional support, whether it be to understand language, culture, regulatory standards, etc., that there is an organization in place to help them do just that. Richelle, if you have anything to add. Okay.

**Ms. A. Young:** — Sorry. And that final comment, the organization in place to help them do just that is STEP or the trade offices?

**Ms. Banks:** — Well STEP is that . . . I mean we work with businesses every day as well directly, but you know, the members of STEP, those businesses often will start with STEP when they're . . . For example, when we were in the UK last week, there was a number of businesses and STEP came along. And you know, while we were there they were having business meetings, you know, business-to-business. STEP helps them sort of arrange those business meetings. They're able to, you know . . . And on most of those missions, you know, over time deals get concluded.

And where we can help provide support as well is now we will have somebody that stays back. Our managing director now in London, if there's follow-up to be done can be that presence on the ground, you know, if there's additional work to be done to get a deal concluded. If businesses want to come back, they will now have somebody that can take them around and help provide those business-to-business . . .

And so we work in partnership. You know, it starts with STEP, but we're also doing a lot of that same work.

**Ms. A. Young:** — Thank you. So just to make sure I understand, I assume the goal is not to duplicate efforts or things that are already under way, but there is understandably a lot of the same metrics and a lot of the same KPIs [key performance indicator] being used, certainly by staff and also by the trade offices, whether it's, you know, trade missions, deals in market, market intelligence reports, market intelligence leads.

Like I understand these are all functions that STEP provides, provided. And you know, in this budget we see funding for STEP stationary, obviously increased investment in the offices now that there are eight. So I'm really just trying to get a better understanding of where the distinction of roles is or how complementary they act. It sounds like, Deputy Minister, from your comments, STEP does the initial stages and then the trade offices . . .

**Ms. Banks:** — You know, I think in this particular case that the additional funding for the offices was just a culmination of having those last offices come on board multi-year. And so we're spending the next . . . You know, we've already been working very hard over the last number of months and over the next year to work directly with STEP, because like you said, there was plenty of work to be done. We don't want to be duplicating for sure.

And so again for those companies that are members of STEP, they will, you know, be able to take advantage of some of the programs that STEP has, for example their market access program and the trade accelerator program that actually provides small amounts of funding for companies to go abroad and do business. And so you know, they've got some of that, I guess, direct hands-on kind of support.

But what we are going to be doing now is being able to provide that continued support that isn't just that first mission into market. It's that we'll be able to now have that consistent presence at the end. And we'll be working directly with STEP on a day-to-day basis. I think we see it as an additional tool.

**Hon. Mr. J. Harrison:** — Yeah. And maybe I'll add to that. I mean, they're very complementary. I mean, STEP and TED work in a complementary fashion, and I think are very much mutually supportive in those ways. I mean, I would just kind of point as an example, right . . . I mean, you know, STEP's really, really good, I think, at supporting small and medium companies that are looking to get into a market and really just don't know how to do that, right. So you know, STEP can work with companies in being able to do that initial analysis about what a market might be, a good one to be in. Our offices support that as well. I mean, on the ground we would be able to make connections and relationships on the ground — in country, directly — in addition to doing a lot of other stuff that the offices do.

For example, when we were in the UK before Christmas, I mean, a lot of the discussion was around — with senior leaders in the British government — about the Canada-UK trade negotiations, and making sure that our interests were protected in that bilateral negotiation between Canada and the United Kingdom. I'm not entirely sure Canada would always have our particular trade

interests at the top of their list in negotiating a bilateral free trade agreement. We wanted to make sure that our interests were at the top of the list with those who were in the decision-making capacities in the British government, understanding where we were coming from and why. And I think we did a good job of that.

So the office though continues to follow-up. Ranissah's continuing to do work with that. So I mean, there are different roles. I mean, STEP wouldn't be in a position to be advocating for a bilateral trade negotiation. I mean, that's just kind of not what they do, right. They're supporting small- and medium-sized enterprises into entering and selling products into markets where they aren't in right now. So they're different, but they're complementary. And they're a part of a broader international engagement strategy which we really have worked very hard on over the last three or four years, and which is coming to fruition.

**Ms. A. Young:** — Is there any concern that, you know, hearing the comments around small and medium enterprises and the relationship to STEP that — as an arm's-length organization that does in some part rely on membership dues — that they may anticipate a decrease in membership? If businesses, obviously seeking the path of least resistance and path to most success, would then go directly through the offices? Or is that not a concern?

**Hon. Mr. J. Harrison:** — The amount of STEP's budget that are comprised of membership dues is less than 10 per cent, I think. We pay about 90 per cent of the bill, yeah, so I wouldn't worry about that.

**Ms. Banks:** — If I could add as well, STEP will actually support any business. They don't necessarily have to be members. But those that are members have access to certain pieces of programming that non-members might not have. And so you know, that's something we'll definitely keep an eye on, I think, going forward. But the intent is to ensure, you know, that STEP remains a relevant partner and doing the work that they need to do, and that again it is part of and a piece of our international trade strategy.

**Ms. A. Young:** — Thank you. And recognizing the different roles that each office will have by virtue of their location, the market or markets that they're choosing to serve, but also recognizing of course, you know, it's public money and there have been trade offices in the past. And other organizations, you know, such as STEP do report out regularly, annually with very clear indicators in terms of . . . oh I don't know, trade reports or the number of market intelligence reports or trade missions or successful deals that they've done in market.

Again I recognize that each office may have different outcomes, but as these offices continue to be a part of Saskatchewan's economic plan in future, can you clarify what, if any, reporting of successes or year-over-year measures people can anticipate?

**Hon. Mr. J. Harrison:** — Jodi and Richelle maybe can speak to that particular question. I just want to put another example as to the value of having long-term, sustained international engagement. India's an example of this. So we've been in the market now for about a year on the ground. I think we have the longest-serving trade commissioner in the Delhi embassy right

now.

And there had been about five rounds of preliminary trade negotiations a number of years ago — six, seven years ago — with India on a bilateral trade agreement with Canada, which we've been very, very supportive of. And in fact I have encouraged successive federal ministers under the Trudeau government to continue to pursue a bilateral trade agreement with India which, you know, there has been some interest in doing in the early part of the Trudeau government. That was entirely derailed after the trip that the Prime Minister took to India and basically blew up the relationship. And it wasn't only owing to kind of the, you know, items of dress that he was wearing. It was much more deeper than that. The relationship was significantly damaged.

Those, though, discussions have been re-engaged in as of a few weeks ago, and we've been very encouraging of those discussions to move from an informal to a formal negotiating position. So that for us though . . . and for Canada. I mean the trading relationship between Canada and India really is a trading relationship between Saskatchewan and India because about — depending on the year, it fluctuates a bit — but between 40 and 60 per cent of bilateral trade between Canada and India is actually between Saskatchewan and India.

Once again, do I trust the federal government to have our trade interests at the top of their list in negotiating a bilateral trade agreement with India? Forgive me if I tell you that I am not sure that that would be the case.

We need to have a long-term sustained presence on the ground from a senior trade commissioner with an understanding, and who the Indians understand is the person representing the largest component of that negotiation. It makes a huge difference. And the fact that . . . Well, Richelle, you were there — I mean this was like very recently — and in some of the discussions that just happened. And that would not have been the case but for the fact that we've had a long-term presence on the ground in India. It just wouldn't be the case.

And this is a market worth a billion dollars to us right now that could be worth multiples of that into the future. But we have to get that bilateral trade agreement right. And that means we have to have sanitary and phytosanitary standards that are enforceable and predictable on imports.

So that's our kind of sword issue in the bilateral negotiations. So anyway, I mean I understand that the opposition don't like these offices. I get that. But these are very real and tangible reasons why we have to be there, because this is absolutely vital to what our future economic interests are going to be.

**Ms. Bourgoин:** — If I can maybe just add to the minister's example, one of the very real and measurable impacts of having that office in Delhi in the last year was that in fact on the day that India's chief negotiator met with Minister Ng, because of the relationship that our managing director had with the Ministry of Economy, our deputy met with the chief negotiator even prior to Canada having the opportunity. Of course it was much more extensive and official, but even to be able to reflect some of the things that we think are priorities in terms of not only our commercial relationship but our responsibility to provide our

experience.

Some of the ag research as an example, some of the environmental effects of burning crops in the Northwest and Northeast of India that has a significant effect on air quality in Delhi, and how the research that occurs at the University of Saskatchewan could have a positive impact. And so I think to be able to get out in front of those really key decision makers and to be trusted as a reliable partner, it has quite a positive benefit.

But to speak specifically about reporting out, I think one of the things that's most important in doing this work is to ensure that not only the business community sees value but the people of Saskatchewan see value in the investment. And to be able to do that, we expect absolute transparency in talking about what works, sometimes talking about what hasn't, and to be able to identify those opportunities to continue to really achieve what we expect and set out to do.

[20:00]

So we do anticipate reporting, recognizing with some of those KPIs, we're really measuring, in the short term, outputs. Because for some of those outcomes, it takes a little bit of time to steward those relationships, and multi-billion-dollar investments typically aren't made in a short period of time. There's lots of considerations.

But when we look at how we report out, I'll use a very specific example from the minister's mission to the UK in December. In fact they're here, I think, today, Jodi? That the minister had the opportunity to meet with a company that's considering a serious investment in Saskatchewan. And then over time with our colleagues in Regina in the economic development division and through our network, we've been able to continue to work, you know, at a very operational level to address some of the questions to be able to connect that investor with partners in Saskatchewan, and now have advanced that discussion to the point that I actually think they are here today. They arrived today and will spend some time meeting with partners, looking at sites, you know, seeking opportunities to, I think, inform their decision.

But it's very encouraging from our perspective that that's moved at the pace that it has, all things considered, with ease of travel not being very simple in the last number of months. And so I think, you know, we're really excited to share the work that's going on. We're really proud of it. And I think that our managing directors in those offices are very committed to ensuring that they are filtering that information back so that we can really measure the value for the investment.

**Ms. A. Young:** — Thank you. And recognizing the ongoing nature of that and the travel that will accompany it — you know, the minister has referenced, he's been on trade missions obviously in the past few months — are there costs available for those trade missions to date?

**Ms. Bourgoин:** — We're just in the final process of concluding. Some of them weren't immediately charged. So there's things that we want to reconcile and make sure our partners in corporate services have gone through, that we've coded things appropriately and a bit of that process. We expect that probably in the next week or two, we'll have them posted publicly.

But roughly speaking, the cost of the UK trade mission was around \$32,000 for the entire delegation. That included the deputy and myself. And the cost to the mission to the United Arab Emirates that included the same delegation was around . . . Sorry, UK was 32, and the UAE was around 30.

**Ms. A. Young:** — Perfect. And forgive me, I'm not actually sure how this works. So the Premier's most recent trip, if those are in service of obviously a variety of factors, from refugees to market development, will those also flow through TED?

**Ms. Bourgoin:** — I believe so. And I think they will be posted by the end of April. We have not had a chance to reconcile those yet.

**Ms. A. Young:** — Yes. Madam Chair, could we take a five-minute break?

**The Chair:** — Sure. We will recess for five minutes.

[The committee recessed for a period of time.]

**The Chair:** — All right. Welcome back from recess, and we will continue on with questions from our committee members.

**Ms. A. Young:** — No further questions concerning the trade offices, but I still would like to talk briefly about exports and some of the work that's been done. Certainly internationally has been spoken of, but obviously there were significant interprovincial trade barriers as well. And I understand that the ministry sits at several tables that look at addressing that. And we did canvass this a bit last year, and I'm looking for an update on the state of some of those barriers. And then I will have some specific questions about products.

**The Chair:** — If I could remind ministry folks to state their name and position when they speak for the first time at the mike. Thank you.

[20:15]

**Hon. Mr. J. Harrison:** — Yeah, maybe I'll just start off and give a little bit of a high-level view as to where I see the internal trade file at. And then Rob will kind of fill in all of the blanks after that, I think.

So anyway, internal trade. Geez, there could be and have been books that are very boring written about internal trade. It's a challenging thing; it really is. You know, I think the general consensus view is that the number of internal trade barriers within Canada is too high, and I totally agree with that. If they were easy to get rid of, they would all have been gotten rid of a long time ago.

It's a very challenging process working with, you know, 10 jurisdictions across the country with authority within their particular provinces or territories to make regulation in specific areas that end up being different from each other across borders. And that really is what kind of the internal trade barriers are.

It's not, you know . . . I think people might have a view that there are somehow tariff barriers or something between provinces. That really isn't what it is. I mean it's really regulatory

differentiation. That's really what the internal trade barriers that exist in the province, in the country, are with kind of an added degree of complexity with a federal government that have the most trade barriers in place, frankly, of any jurisdiction on top of that. So in a highly decentralized federal state, you end up with these sort of challenges.

So the response to those challenges have been, you know, first the Agreement on Internal Trade which had been, you know, more so the governing process than any sort of outcome as far as the resolution of trade issues for a long time within Canada. We updated that over the course of many, many rounds of negotiation internally from 2014, '13, '14, somewhere in there, to conclusion in '17, '18, I think. I think I was the only minister that was actually minister through all of those. Maybe Brad Duguid in Ontario was actually as well. But there were about 11 ministerial rounds of negotiation in that.

And I think through that, we have the outcome being the Canadian Free Trade Agreement, much superior to the AIT [Agreement on Internal Trade] in that you ended up with a negative list, which was, you know, in trade parlance terms a significant advance over the Agreement on Internal Trade. And you actually had a reconciliation process, a regulatory table that was responsible for doing reconciliation of regulations with all of the provinces involved.

And really that is the hard work, but that is actually how we're going to make progress on internal trade barriers within Canada. And it takes time and it's highly detailed. It's line-by-line regulatory reviews largely conducted by officials with, you know, ministers that might give a degree of direction on some of them. But it takes time and it's a lot of work.

So there have been some wins on the reg reconciliation table through the CFTA [Canadian Free Trade Agreement] process. You know, we have our New West Partnership trade agreement which remains probably the gold . . . it is the gold standard within Canada as far as a trade agreement. And that is, you know, between the four western jurisdictions: Alberta, Saskatchewan, and Manitoba and Alberta. So you know, that's been in place now for about 15, 16 years, the predecessor being the TILMA [Trade, Investment and Labour Mobility Agreement] agreement.

So you know, we've made progress on a lot of these but it's a tough file. And you know, I think that we have the process in place to continue to make advancements on regulatory reconciliation, but that really is where the next phase is. It's not going to be in broad, sweeping trade agreements that are, you know, all-comprehensive because, I mean, it's too complicated for those sort of agreements to actually be agreed to for one thing and work for another.

So the real hard work is going to be around that regulatory review process that's done in a multilateral format. And we have the process, but you know, it's still challenging. I don't know, Rob. Do you want to add to all of that because you've been involved in all of these?

**Mr. Swallow:** — Sure. Thanks, Minister. I'm Rob Swallow. I'm the executive director of trade policy and regulatory modernization. Yeah, so the RCT [Regulatory Reconciliation and Cooperation Table], the regulatory co-operation table, as the

Minister says, has been around for almost five years now. And in that time we've completed 11 reconciliation agreements, six of which Saskatchewan signed on to. The other five were not really areas of our interest or in our . . . We didn't have anything to reconcile, I guess, so we weren't a part of those.

But the process is set annually. We have a work plan where a jurisdiction is able to bring items forward. We consult with stakeholders nationally, and also provincially we consult with our stakeholders as well. So that's kind of how items get onto the work plan, you know, the ones that Saskatchewan has kind of led on. Most recently we were leading the liaison on food inspection and meat inspection; truck driver certification, so commercial truck driver entry-level training; Canadian electrical codes. And we were successfully involved in the negotiations, the ones on construction codes and corporate registration.

So as the minister mentioned, yeah, it is very technical work. So the RCT relies on other organizations, working groups that are the technical experts. And the reconciliation table is there to provide guidance on how to bring these agreements under the Canadian Free Trade Agreement, which allows it to be, I guess, more codified, more legally binding so that provinces and territories don't go backwards on any commitments that they make under the RCT, which is a unique feature, I guess, of the Canadian Free Trade Agreement.

**Ms. A. Young:** — Thank you. I believe last year there were 10 endorsed agreements, and Saskatchewan had signed onto five which I believe included the weight allowances for wide-base single tires, the national occupational health and safety agreement, Canadian registration number for pressure equipment, updates to construction codes, and extra-provincial-territorial corporate registration and reporting. That's correct?

**Mr. Swallow:** — Yes.

**Ms. A. Young:** — For the five?

**Mr. Swallow:** — Yes, that's correct. And the latest one we just recently signed on was occupational health and safety for fall protection equipment.

**Ms. A. Young:** — Excellent. Thank you. And I believe it was identified last year that there were additional items being considered on an ongoing basis, which I believe were financial services, alcohol including direct-to-consumer aspect, cannabis procurement, and labour mobility.

**Mr. Swallow:** — Yes, that's correct. So under the Canadian Free Trade Agreement financial services was not included, so that was added on afterwards, I guess. So those negotiations are ongoing. With the pandemic, because I guess provincial officials were focused on other areas, they've kind of slowed down a bit. But there's been a large press now, I guess, to finalize financial services.

Cannabis as well, negotiations are ongoing on those, with a hopeful . . . hopeful that this year they'll be wrapping up. And then on the alcohol file, there was a working group that was tasked with looking at whether direct-to-consumer sales of alcohol could be possible across the country. And they've completed their work and have now created a task force to

hopefully implement a system in the near term.

**Hon. Mr. J. Harrison:** — Yeah, maybe I'll speak to one of these too. I mean, financial services was one we spent a lot of time on in the initial negotiation. And it's a really challenging one for a couple of jurisdictions. I'd say one jurisdiction in particular, Ontario. It's a very challenging one. So Ontario is chairing a working group right now on dealing with . . . There's kind of two outstanding issues on financial services. It's non-discrimination and it's person-to-government dispute resolution. So Ontario is chairing a working group on that which, if the non-discrimination issue gets dealt with, I think that might lead to a broader ability to agree on financial services being covered in the broader agreement. But you know, that remains to be seen whether we can get there.

**Ms. A. Young:** — Thank you. And perhaps one specific question on alcohol: are you able to provide some more context in regards to that issue being at the table and specifically around the direct-to-consumer aspect? Essentially like what is Saskatchewan pushing for at this table?

**Hon. Mr. J. Harrison:** — Well you know, I think that there's a view that DTC, that direct-to-consumer interprovincial trade is possible in alcohol. And I think that, you know, there's been a number of kind of ad hoc bilateral arrangements that have been entered into on that. You know, the biggest thing with all of the discussions around alcohol and internal trade discussions, I mean it's all around revenue protection, right? I mean that's the reality when it comes to the discussions around alcohol. So provinces are all very cognizant of the revenue protection obligation that they have or view the obligation as existing on that front. So everything kind of gobs around that when you're talking alcohol.

So I mean, I think it is feasible. I think it is possible that we can get to a national DTC agreement, but the provincial monopolies that all exist, you know, it's going to be a process as to how that gets unwound. I actually think it will at some point. I actually do believe that it will. You know, I think that there's a process for that actually to happen, but that's likely going to take time before we can get there. It's going to be a few more of these things. It is complicated but I think that there's a Gordian knot to be cut there too. But anyway, as for right now we're working on the DTC issue.

**Ms. A. Young:** — So just to clarify for my own understanding of how that table works, for those additional items still being worked on that are ongoing, does the Government of Saskatchewan essentially approach each of those items, like positionally, or is it more of . . .

**Hon. Mr. J. Harrison:** — No, I think that our position is that we want to see a liberalization in trade in this area, but we are going to be responsible about how we do that in that we're not going to disadvantage the treasury vis-à-vis another jurisdiction in order to do it.

So you know, would we like to get to the point where, you know, we're able to move on these things? We do, but we have to do that in a responsible way that's not going to disproportionately impact our treasury versus others. That's basically what it is. And as far as the kind of the direct-to-consumer discussion, the reason that the challenge exists, it's around the collection of remittances.

I mean that's really what it's about.

**Ms. A. Young:** — I'm not even trying to focus on alcohol on any of those items. But, appreciate it.

**Ms. Banks:** — If I may, I think, you know, one of the things I think that is clear on this file is that there can be incredibly technical work being done. And so the role of, you know, the trade policy group in TED is to be, you know, an expert in the rules around trade and how trade and the CFTA . . .

But we work very carefully and closely with our colleagues, you know, if it's labour mobility, you know, whether it's in Education or ICT, if it's alcohol, you know, the SLGA [Saskatchewan Liquor and Gaming Authority] and others, Justice. And so again we are, you know, we're a facilitator and a coordinator on this role. And so we bring the parties together and ensure that, you know, Saskatchewan's approach to these things is being . . . And where we need, we will get direction accordingly.

**Ms. A. Young:** — Thank you, Deputy Minister. You know, my questions weren't specific to alcohol, though it is clear to note the increase in international exports for Saskatchewan products, for things like beer in particular have increased significantly whereas those interprovincial exports have stayed relatively steady over the past seven years.

But the RCT itself, understanding you folks consult with stakeholders and bring forward priorities to that table representative of the interests of the province and those impacted by or frustrated by regulations, are you able to share . . . I couldn't find like the annual work plan to see what, if any, priorities are being brought forward from this jurisdiction.

**Mr. Swallow:** — So in the past year, we haven't. Entry-level training was one that we did bring forward two years ago now, but in the past year we haven't. The work plan currently has, I believe, 20 items on it, so there's been a big focus on trying to get some of those items done before adding additional items.

Two new items were added last year by jurisdictions, by British Columbia and by Alberta. So those were additional items that were added last year. But as I mentioned, yeah, the real focus is on kind of the 20 outstanding items. And those work plans are available publicly on the Canadian Free Trade Agreement website. The Canadian Internal Trade Secretariat houses those items and has the work plans. More details are available there, and annual reports and those type of things.

[20:30]

**Ms. A. Young:** — And in regards to the province bringing any further areas forward for consideration, that will happen once those 20 are drawn down considerably, like within the next two years, five years, recognizing the period of time it's taken to get through 10?

**Ms. Banks:** — We haven't held formal consultations with stakeholders on this particular file, but we talk to industry on a very regular basis, and we talk to them around, you know, whether there's regulatory barriers, whether there's red tape that they're struggling with.

So you know, we're always having those conversations. And so if there are regulatory barriers to them being successful, you know, we're tracking that. And so I don't know exactly when the right time will be, but as we start to, as we continue to work through some of the pieces on the plan, we'll go back and do a more formal consultation with stakeholders and bring some additional Saskatchewan pieces where we think we need to.

**Ms. A. Young:** — I look forward to learning more about that given the areas of expansion, obviously for interprovincial trade. One quick question: I believe it's the red tape reduction committee, and there's an annual report put out every year. And forgive me, the name of it's escaping me right now. But I don't believe the annual report for '21-22 was out as of Sunday. Is that anticipated at any point?

**Ms. Banks:** — So that annual report is tabled at the same time as the rest of the annual reports, and so will be tabled at the end of June or beginning of July.

**Ms. A. Young:** — Okay, anticipated question: the Harper & Associates contract, I believe, was up for renewal on March 31st. Was that renewed, and if yes, what were the terms, dollar values, and . . .

**Ms. Banks:** — The Harper & Associates contract was renewed at the same value as it was the previous year, for 240,000. And it has been renewed for two years.

**Ms. A. Young:** — So expiring again then, 2024?

**Ms. Bourgooin:** — Yes, with an option to extend for one additional year.

**Ms. A. Young:** — And the contract costs for Harper & Associates, I believe, last year were in the international offices branch budget. Does that remain the same? Okay. And likewise for Nelson Mullins?

**Ms. Bourgooin:** — The Nelson Mullins contract is actually in the international relations branch, where we do most of the US [United States] work.

**Ms. A. Young:** — And when was that contract up for renewal?

**Ms. Bourgooin:** — It was just March 31st of this year. So it's been extended as well.

**Ms. A. Young:** — And for an additional two years, with a one-year option to renew?

**Ms. Bourgooin:** — One year.

**Ms. A. Young:** — And also at the same dollar value as . . .

**Ms. Bourgooin:** — Yes. And so that's 380,000, but that's in US. So you would see somewhat of a difference from time to time when it's posted in Public Accounts just because of the exchange rate.

**Ms. A. Young:** — Thank you. And other external consultants paid for, funded, partners that the ministry has?

**Ms. Bourgoin:** — And so in terms of partnership, our biggest one would be STEP, and the deputy spoke to that a little bit earlier. As well, from time to time we would partner with organizations like the chamber of commerce, as an example, and particularly in some of our international locations. We also have a substantial contract with Global Affairs Canada, and that's for our co-location agreement.

**Ms. A. Young:** — Perfect. And what would the value of that contract be?

**Ms. Bourgoin:** — We haven't actually had a full year yet because we've just been onboarding those offices. And so we anticipate, when we are fully subscribed with a year — and what Global Affairs does is actually determine the co-location costs based on the actual costs of the previous year — we expect that it will be around 7 million.

**Ms. A. Young:** — Thank you. A question in regards to marketing now. The ThinkSask campaign, does that remain ongoing?

**Ms. Banks:** — Yes, the ThinkSask campaign continues.

**Ms. A. Young:** — And happy with the outcomes and investment there?

**Ms. Banks:** — Yeah, we've been doing quite a bit of work to really profile, you know, the important Saskatchewan messages — the companies, the CEOs, the cheerleaders — to really talk about why Saskatchewan is the place to do business. And very similar to what Minister Harrison went through previously, you know, really highlighting that Saskatchewan has the highest quality, most sustainably produced products in the world; that we're a global leader in these sustainable practices around resource extraction, mining, and agriculture; and that, you know, we have that opportunity to be known as the best supplier or partner in the world.

And so whether it's agriculture, energy, potash, uranium, critical minerals, or the rare earth elements, you know, we're out there trying to . . . We're doing pieces on innovation, tech, and we're just always out highlighting kind of the key pieces that are happening in Saskatchewan and hitting out into the world to really tell our story.

**Ms. A. Young:** — Thank you. And is there an agency of record for that, or is that work done in-house?

**Ms. Bourgoin:** — We have an agency of record. It's LMNO, based in Saskatoon.

**Ms. A. Young:** — Excellent. Thank you. And the majority of that advertising work, is that done in province or is that external facing, given the subject matter, and you know, the obvious goals around increasing foreign investment?

**Ms. Banks:** — That's done in Saskatchewan.

**Ms. Bourgoin:** — As well as it was.

**Ms. Banks:** — Yes, the work itself is done in Saskatchewan, apologies. But we actually do have a campaign that is outward facing, is in markets where we have offices, and is focused on

ensuring that it's supporting the work of the offices in those locations or in those regions.

**Ms. A. Young:** — And that marketing work, is that done primarily through traditional media? Is that online? Is it a social media campaign? Help me understand the foreign advertising portion of that.

**Ms. Banks:** — Sure, it is sort of a multi-faceted approach. We do sort of traditional social media. Where it makes sense to do so, at times we do editorials in print. We do a lot of video work. We've been increasingly doing short videos that either, you know, highlight individual companies or individual CEOs or individual sort of initiatives that are happening in the province, whether they be sort of, you know, one to two minutes long. And so we're doing a lot of those kind of pieces as well. And so it is sort of a multi-faceted kind of approach to getting our message out.

**Ms. A. Young:** — Thank you. And is there a cost associated with the dollars spent externally in those various markets?

**Ms. Banks:** — Yes. So from April 1st, 2021 to March 31st, 2022, TED spent \$1.8 million on advertising and print materials to support their four lines of business, whether it be trade, investment, attraction, economic development in those priority centres.

**Ms. A. Young:** — And there wouldn't be a breakdown available in terms of ad dollars spent in province?

**Ms. Banks:** — So the breakdown for the campaign was 275,000 was spent on a spring 2021 international digital campaign. And so that was really focused on in particular those first four international offices. And of that 40,000 was paid to, at the time Phoenix was our ad agency of record, paid to Phoenix to manage the campaign, and 235,000 was spent on advertising, on the actual advertising.

In 2022, just over 250,000 was spent with LMNO, our new agency of record, to develop a 2022 campaign. We spent just over 310,000 on video production. Again I spoke about sort of the preference on having a lot of video content so that we can push it through multiple different, whether it be through LinkedIn, Twitter, and through our actual ThinkSask portal.

We did an additional run on online advertising of just under 650,000 focused on Asia, the US, and Europe. And then we did some through LinkedIn, focused in US, India, UK, Germany, Singapore, and then the Netherlands. So we've been working really hard to kind of get focused in the areas in those regions where we have those international offices.

**Ms. A. Young:** — Thank you. And the \$310,000 for video production, was that also through LMNO or is that a separate . . .

**Ms. Bourgoin:** — Through LMNO, but it may have been in some cases subcontracted by the agency to deliver those services. They don't have the full suite in-house.

**Ms. A. Young:** — Thank you very much. Questions in regards to some of the incentives discussed this evening, and I think I will begin with the Saskatchewan value-added agriculture

incentive. So I guess the obvious question is, why make the changes retroactive to 2018?

**Ms. Banks:** — So as you noted in budget, we had expanded the SVAI, the Saskatchewan value-added agriculture incentive, to provide a graduated tax credit structure for rebates. So a 15 per cent tax credit on expenditures up to 400 million, 30 per cent tax credit on expenditures between 4 and 600 million, and a 40 per cent tax credit on expenditures exceeding 600 million.

And the reason for the retroactivity is really to ensure that we are providing kind of an equal and fair playing field. And so, you know, this was just brought in in 2017, late 2017. And as we've referenced, you know, many of these agriculture investments being made in the province happen over time. And so, you know, it starts with the idea process and then they go out and get the capital needed. They work through sort of the, you know, all of the important pieces that it takes to get an actual processing facility up and going, whether it be environmental assessment, you know, getting the financing in place, etc. And so this incentive helps provide some certainty around the financing piece. And so, you know, it takes time is really . . .

And when we recognized the value in doing this expansion, the reality was to date at that time there was really only one project that had been fully approved. We have 14 now that are conditionally approved, and they're all at different stages. And so we just wanted to really ensure that for those projects that were in that kind of . . . They're all along in sort of different stages. And so we just wanted to ensure that, if those companies, for example, wanted to expand or if they were seeing that their projects were maybe coming in higher than they had originally, that they were able to take advantage. Or somebody new coming in would be able to, you know, would have an advantage that they wouldn't have.

[20:45]

And so we just wanted to provide that equitable sort of access to the incentive. And again, they will need to get to a point where they are up and going and processing in order to take advantage of that. And at this point again we only have the one that's in that sort of fully approved status.

**Hon. Mr. J. Harrison:** — And if I could add as well, I mean, the big picture . . . and this is important to keep in mind. This program has been remarkably successful in attracting investment into the value-added ag space. Remarkably successful. And there was no guarantee that these investments that were going into canola crush were going to go to Saskatchewan. There were no guarantees on that.

The reason why companies made the decision to make those investments here is because their return on their investment in Saskatchewan was higher than in other jurisdictions. And this program played a big role in that. You know, there are other areas where we aren't as competitive with regard to investment decisions, primarily around power generation where, you know, on a proportionate basis we're just more expensive here.

But you know, the reason that we put this in place though was to incentivize the sort of investments that, you know, have been made. I mean, it really was. And you know, we've adjusted the

program as well to try and incentivize making larger investments, even on the part of companies that have maybe already announced an intention to look at a particular project, that we've made it more attractive for them to increase the size of their investment as well.

So I mean, this program really has been just unbelievably effective though, and because of it we're going to see billions of dollars of investment into Saskatchewan.

**Ms. A. Young:** — So sorry, just to circle back to something the deputy minister said. I believe it was, you know, noting the success of this program, it was, there was . . . Help me understand. There was only one project fully approved, and now with the changes to retroactivity, there are 14 in some stage of approval?

**Ms. Banks:** — It is not because of that. So as we were going through and as these companies are, you know, moving along the process, when we were looking at implementing this additional expansion to the incentive, there was really only at the time, there was . . . Right now we have 14 projects that are sort of at various stages along. And so the retroactivity didn't cause that, but they were already, like I said, in different places along, getting their . . . whether they've announced or have contacted the program.

And so what we just wanted to ensure was that they were all able to take advantage of this expanded . . . And if their projects had gotten larger, if they had decided they wanted to do more, that they would all be able to take advantage of the expanded incentive.

**Ms. A. Young:** — So then of those 15 that you referenced, the 14 plus 1, how many of those would have been ineligible had it not expanded?

**Hon. Mr. J. Harrison:** — Yeah. Thanks, Madam Chair, appreciate it. So sorry, Jodi kind of explained the question. So I mean, the reality is that, on the retroactivity — I believe that was the question — you know, I think I said in my first answer on this, what we were trying to do in incentivizing and changing the program was creating the incentive for companies that had already or were considering making investments, looking at making larger investments.

And in order for that to be a level playing field for companies who had already maybe, you know, made that investment already or had, you know, been conditionally approved, that it was only fair that we would expand it so that companies could all take advantage of that, whether they were considering or whether they had already made that decision. So I think that, you know, really was the biggest thing.

And the central consideration in changing the dollar value really was in kind of dragging up investment. That's what we were trying to do. You know, I think companies would probably have to be the ones to say whether that had been a consideration for them in the magnitude of projects that they're going forward with, but you know, I'm not going to speculate what they'd say. But I mean the idea was that we would create the incentive for them to invest more into a project that they were looking at already or may have announced already.

**Ms. A. Young:** — So then there would have been some level of negotiation then between government and the beneficiaries of this tax credit prior to the budget?

**Hon. Mr. J. Harrison:** — No. No, I wouldn't say that there's been any negotiation with companies about any kind of elements of that. But what we really were trying to do . . . And you know, I would say that we're even considering some options on, you know, perhaps even some other areas where we have value-added programming. But what we want to do is create the conditions for companies that are going to be making an investment already to make a larger investment. And whether they do or not, I mean those decisions are up to their boards.

But you know, having that policy framework in place where they would have an incentive, much like the program itself existing in the first place, you know, really in this area where we do have a comparative advantage in the ag space, and we knew we have a, you know, we have a program that, you know, has been well received, that we wanted to be able to try and drag investment upwards. The kind of policy objective of the program in the first place was to drag investment forward, and by kind of putting in the tiered structure, we were dragging it upwards as well.

**Ms. Banks:** — And as the minister noted, you know, while we were not in direct negotiation with any companies, we were hearing feedback from companies that were wanting to make significant investments in the agriculture value-added space that, you know, that initial 15 per cent maybe wasn't . . . They were looking for additional support when we were talking about, you know, making those investments that would have been, you know, greater than the 600 million.

**Ms. A. Young:** — And so the tiers themselves were established obviously by TED, and deciding whether or not how a project fits into one of those tiers, I assume that's work that's also undertaken within the ministry.

**Ms. Banks:** — Yeah. I mean really, at the end of the day, I think again where a company decides to sort of focus their investments, you know, some of them, some of these agriculture value-added projects can be quite, quite small. You know, we do have a \$15 million . . . oh, sorry, \$10 million. Those investments must be more than \$10 million to qualify. We have some that are, you know, between that 10 million and less than 100 million.

And so the tiers will have sort of no interest. You know, we're not going to drag up, I'm sure, those significant . . . And those are very specific and focused projects. But we were hearing from some companies that were wanting to make significantly larger investments that, you know, whether there was an opportunity to provide those. And so you know, we worked with, within the sector, we worked with our partners at the Ministry of Agriculture to understand kind of what those projects look like and what those costs might be, and sort of came up with those tiers through that work.

**Ms. A. Young:** — Thank you. Hearing that your ministry received feedback around that 15 per cent kind of not being adequate, you know . . . The next tier jumps to 30 per cent for that secondary scale of project up to the \$600 million range, and then the subsequent tier jumps to 40 per cent for anything in excess. Can you help clarify the rationale for . . . You know, I've

heard what's been said about the 15 per cent being not enough, but the 30 and the 40 and the scale of the projects accompanying each of those steps.

**Hon. Mr. J. Harrison:** — I would say that that was just, you know, that was where we landed on as to what the appropriate number would be. Finance were involved in that too actually. Finance was very involved in the quantum and the fact that we put a cap per individual project on the overall amounts. So you know, ultimately that was the recommendation that came to cabinet that was agreed to as being, you know, an appropriate degree of support with a cap on it per project. And again the objective being that we want to create the incentive and drag up the value of investments on these projects in the ag value-added space.

**Ms. A. Young:** — And I guess, does the government or the ministry anticipate paying out or anticipate that full \$250 million tax credit being used?

**Hon. Mr. J. Harrison:** — Well it would depend on the quantum of investment that was made by a particular company. So I mean, that's not really up to us. I mean we do the conditional approvals at the front end, but you know, the companies are the ones that, you know, ultimately are the . . . You know, they prove to us how much that they spent on their capital project and that determines what rate of reimbursement they're eligible for. So you know, to get the full 250 million, you'd . . . What's the maximum project valuation of? It's under a billion I think. Right? Yeah. So I mean it really is entirely dependent on what a company spends on a project as to what their reimbursement would be as far as this.

[21:00]

But I think what's important to remember though, I mean the objective of new-growth tax incentives is to create the conditions for investment to happen that otherwise wouldn't have happened. And this is why I said right at the start why this program has been so successful because, if we didn't have the SVAI in place, I will guarantee you that we would not have got the investment into the canola crush plants. Guarantee we wouldn't have. It would have gone to Alberta and it would've gone to Manitoba because they would have had an economic advantage in attracting those investments.

So the fact that we have a program that, you know, we put in place where there, you know, is forgone tax revenue that would be owing against corporate income tax over, you know, up to a 10-year period of time, up to a set amount of that overall capital investment, means that in addition to kind of the long-term income tax or corporate tax revenue that we will derive, we will also get all of the value from the capital investment from the jobs created from all of the spinoffs that go along with that, in addition to the fact that our farmers are going to have a local offtake point for their canola which, you know, is a significant value to them as well as far as their overall cost and profit.

So this is what I mean. I say this in the House sometimes, that these investments just would not have happened if there had been other policy choices made. I think I say it a little differently in question period than that, but the point being that but for new-growth tax incentives like this one in place, these projects and investments would not have happened because it wouldn't have

made sense for companies to do it.

**Ms. A. Young:** — So then hearing that, and certainly lots of good projects have been announced connected to this incentive, it's good news. It's great to see, you know, the investment and the jobs, both in construction and for the long term certainly. Am I right in understanding this has a five-year window currently as introduced?

**Ms. Banks:** — Yeah. It is at this time scheduled to sunset December 31st, 2027.

**Ms. A. Young:** — So from 2018 till 2027, projects are eligible.

**Ms. Banks:** — At this time that is the, yeah, the time frame whereby . . . But again, it will be reviewed and can be extended.

**Hon. Mr. J. Harrison:** — Yeah, but again I mean I would just add to that. Jodi's right. I mean it can be . . . And you know, there likely will be a review process. But again the actual objective from a policy perspective of this is to drag forward investment, right?

So the way you do that is by creating an incentive within a particular period of time and window so that a company that might be considering making an investment at some point in the next decade would say, oh geez, I have an incentive right now to make this investment in the next, you know, five-year period of time, so I'm going to do that. I'm going to take advantage of that opportunity right now because to me that's worth more than the uncertainty that might be the case in 7 years or 8 years or 10 years, right? So again that's kind of the underlying policy rationale for doing new growth.

**Ms. A. Young:** — So what is the anticipated fiscal impact both separately for the retroactivity and then also looking forward to 2027?

**Hon. Mr. J. Harrison:** — Well you know, that's probably a question that would be better put to Finance. But what I would say to this, you know, in a broad sense, is that if we didn't have this program in place, there would be no fiscal impact because we'd get no investment.

So there would be no jobs. There would be no projects. There would be no long-term tax revenues, which again is the reason why you put in place tax incentives, is the incentive for companies to make investments. And you get all of those benefits in the long term for the cost of a 15 per cent corporate tax rebate or reduction in a limited period of time. So this is why I say again that these would never have happened under other policy directions because they would never have done them.

So you know, to the member's question, I mean Finance can kind of . . . It's very much dependent on the overall uptake of the program, but you know, there would probably be the possibility of giving a notional kind of overall tax expenditure. It's not an outlay. It's a tax expenditure in a formal context. But again none of these investments would happen if you didn't have the program. So I think the argument, I wouldn't agree with it. I would say that.

**Ms. A. Young:** — Sorry, not sure what argument I'm putting

forward. But just to understand, like, even for the retroactivity piece, these projects would have been announced potentially four years ago, and there's no sense of the fiscal impact. Is that what I'm hearing?

**Hon. Mr. J. Harrison:** — No. I mean, I think I'm just . . . I just fundamentally disagree with the premise of the question, which is that somehow this is an expenditure. This isn't. This is about projects that wouldn't have happened but for the fact that we had a new-growth tax incentive in place. That's a very, very different fundamental understanding of what we're talking about here and I just, fundamentally, I disagree with the premise of the question.

So you know, why we've put these in place is a combination of — which I've explained a couple of times now — of dragging investment forward and dragging it upwards. That's the objective, and I think we've been seeing just some very, very good success in that regard.

**Ms. A. Young:** — If I rephrase the question to what revenue is the government anticipating forgoing in regards to this incentive, is that a more palatable framing of the question?

**Hon. Mr. J. Harrison:** — Well again, I mean, I just, I don't agree with the premise because there would be no revenue to have been forgone if these investments didn't happen. So basically what they would be arguing is saying that it's not worth having these investments made if you have a 15 or, you know, whatever, 18 per cent, sort of overall impact on future corporate tax revenue owing, it would be better not to do it at all. That's just a silly argument, Madam Chair.

And this is exactly why this House looks like it does, because that's the argument the other guys would make. And we would say, you know what? We want to get the billions of dollars of investment. We want to have canola crushed in Saskatchewan. There's a billion . . . there's a lot of reasons for that. So I mean, I'm just going to fundamentally disagree with the premise of the question. And you know, the member might not like that, but I think that's exactly, exactly why this House looks like it does.

**Ms. A. Young:** — I think the only person who's saying that is the minister. I think I've been clear that these are good projects that have been announced. And there is a lot of excitement, and there should be cause for celebrating this investment in the jobs. But this is also public money that we're talking about, and as I understood it, the job of this committee to ask about things announced in the budget, and it literally says, for further information contact the Ministry of Trade and Export Development. But I can move on.

What projects specifically that were not eligible are now eligible?

**Ms. Banks:** — They're all eligible. It is just about what tier they're eligible in. And all we have at the initial stage is an estimate of the proposed capital expenditures. But until they get to the stage where they are actually processing, we will not really know where that expenditure will fall and whether it will move into a different tier or not. So they do give us, you know, an additional . . . or an original sort of estimate, but to sort of . . . It's at the stage where they are still in the business plan stage.

And what they come to us is to get this conditional approval so

they can go back to their financial institutions and others and say that we've been conditionally approved to receive this based on the business plan that we have, that we are being deemed to be a value-added agriculture project that will, if we continue down the plan that we are going, we will be able to receive this incentive. Now again if anything changes, it's just a conditional acceptance.

And so in that process they give us a very high-level sort of estimate of what their capital expenditure is expected to be. But we also know that over time projects change, expenses go up, you know. They may determine that they are going to do more or different or bigger. And so I don't think we can really answer that question until they move into that next stage, when they come back to say, okay we're ready to start, this is actually where we're at, and this is where we're going to fall on our capital expenditures.

**Ms. A. Young:** — So recognizing the different tiers, there certainly would have been some contemplation for when determining the retroactivity to 2018 instead of say, you know, 2019 or 2014. So why in particular was that year chosen?

**Ms. Banks:** — It was just chosen to go back to when the incentive was first brought in because again so many of the companies are, you know . . . It just takes the time that it takes. And so we wanted to ensure that again any of those projects — because projects change, costs increase, plans change — we wanted to just ensure that if they wanted to do more that they would be able to do so. And if they had first come to us in 2019, and then we announced something and we're not going backwards, that they would be put at that disadvantage to projects that are going forward today.

**Ms. A. Young:** — So safe to assume then, all projects from 2018 to date are likely to subscribe to . . . or like, they will be eligible for the tax incentive, and many of them may simply be moving up a tier.

**Ms. Banks:** — If, you know, there are probably only, like I said a number of minutes ago, many of the projects are fairly small in nature and will likely not move up a tier anyway. But we do know that there's a handful of significant value-added agriculture projects have been announced, and if those come to fruition, they're quite large.

But we did want to ensure again that some of those ones that may have been, you know, maybe just around that 200 or 250 or \$300 million, that if, you know, if they had an opportunity and if they wanted to expand or if they, you know, if they were seeing changes possibility or if they were delaying a secondary project, they may want to choose to do it now rather than later.

So we just wanted again to ensure that those companies had all the information and were being considered on an equal footing.

**Ms. A. Young:** — It's perhaps two last questions on this. Recognizing the scope of the incentive and qualifying projects, does the ministry have any numbers that they are able or willing to share in regards to the full — forgive me; I forget the way that I'm supposed to phrase it — forgoing of tax revenue up until 2027?

**Hon. Mr. J. Harrison:** — Jodi can speak to this too, but I would

just say that there's really not a way to know for sure until we are aware of what the capital investment is. And that's a constantly moving number in a good way, in that more value-add ag companies are taking the opportunity to make investments into the value-added agriculture space.

And I think there's going to be more. I mean in fact I know there's going to be more investments made in this space in a very significant way, and it's not just in canola. I think there's going to be new parts where we're going to see significant additional investments.

So you know, basically if the question is like how successful is the program going to be, we don't really know yet. And you know, it's dependent very much on the quantum that ends up being spent on the capital front as well. And I think even the companies themselves would say that they're not entirely sure. You know, even the kind of nameplate value of a project doesn't necessarily mean that's going to be the final cost of a project, you know, given a whole variety of factors around supply chain disruptions, labour costs, those sort of things. So I mean they aren't even probably entirely sure. I think that there, you know, are likely discussions that are going on in corporate boardrooms about what the overall costs are going to be for different projects.

[21:15]

But you know, as far as how, like how successful is the program going to be in incentivizing new investment? You know, and in the next 10 years . . . I mean and it's hard to even calculate that because the way the program is set up there. You can take, as a corporation, a different amount per year up to a certain amount, for year one, year two, year three. I think it's 50, 30, 20 years. I forget exactly what it is. You know, you can do it all within three years or you can do it over 10 years.

So you know, it's really going to be a combination of dozens and dozens of companies who have made investments making decisions about, you know, how they want to structure their tax credit. So you know, in addition to that, you have the great X in the equation which is what is going to be the overall number of projects that are going to be, you know, going forward because of this program as well.

**Ms. Banks:** — We have, you know, obviously done the analysis. And you know, at the end of the day, it's a tax credit against corporate income tax that's paid. And so once those credits are used up, as the minister said, whether it be over 2 years or 10 years, you know, the remaining taxes that come in, as well as the ancillary benefits around, you know, workers, jobs, whether it be construction or good, high-paying jobs in the processing sector, after, you know . . . we know that that revenue forgone is more than made up for in additional benefits to the province. And so again, and none of those tax credits are issued until the project is fully up and fully running, and those tax dollars are being created in the province. It is done that way by design so that, you know, there is no benefit.

You know, we're competing against many other jurisdictions, many other provinces, particularly in the US, around incentives that are grants paid upfront. And sometimes those projects never happen. And so you know, we've been really cautious and careful about ensuring that, you know, these benefits are happening only

when and if these projects come to fruition. And we know sometimes they don't.

And so you know, we're very confident in the fact that we are putting these incentives in place to ensure that, you know, they can take them to the bank, they can get the financing they need, and then they can start on that construction. And when that processing begins, they can see the benefit. And we continue to see the benefit after that as well.

**Ms. A. Young:** — And for the tiers, if there's a project that's currently housed within, say like tier one, and the company makes an additional investment that would potentially boost them into the second tier, what are the criteria for that investment having to be . . . Does it have to physically be in the same project or could it be a secondary location?

**Ms. Banks:** — Yeah, I think it has to be one project and it has to be, you know, a cohesive project. I think we'd have to look at, you know, siting and some of those things, but the business plan would have to come in as one project.

**Ms. A. Young:** — So what I'm hearing theoretically, you know, case-by-case basis, but an expansion would be considered a full stand-alone. A secondary project would not, on a case-by-case basis.

**Ms. Banks:** — Yeah, they would have to be able to demonstrate that it is one project and that if, again if it's . . . I don't know. If there was different processing pieces and they happened to be in different spots but it was all happening at the same time, you know, we may look at the ability to have potentially different geographies or buildings. But again, that demonstration of having to have it be one project would be . . .

**Ms. A. Young:** — And the evaluation of that takes place within the ministry? Is that a decision within the ministry? How does that evaluation process work?

**Ms. Banks:** — Yeah, so the Ministry of TED, Trade and Export Development, and the Ministry of Finance work together to review the applications and provide rulings on those.

**Ms. A. Young:** — Thank you. And the tail on this incentive is, I believe you said 10 years, 10 years out. So from 2027, I guess, you'd be looking at 2037 if it's not renewed. If blah blah blah . . . yes.

**Ms. Banks:** — Yes, so if there are projects that come in right at the end and they are conditionally approved, then they get their certificates of . . . They have 10 years to use them. So that's correct.

**Ms. A. Young:** — And does that clock reset with potential expansion, as just discussed in the previous question?

**Ms. Banks:** — If it is a separate project, it is being treated as a separate . . . They would have to start that process over again.

**Ms. A. Young:** — Thank you. Question about the Saskatchewan lean improvements in manufacturing, Saskatchewan lean improvements in manufacturing incentive. Agriculture? Pardon me, then I will send this to Trent. And one very boring budget

question from me in regards to the non-appropriated expense adjustment of \$70 million.

**Ms. Banks:** — So that's with construction projects within our ministry to create some additional office space to house our deputy minister's office so that we can . . . We had office space together, so it's just an office space renovation.

**Ms. A. Young:** — So that money was spent to move the entire ministry into one facility?

**Ms. Banks:** — It was to ensure that the deputy minister's office, including the ADMs, were all together in one space as opposed to being . . . We were previously housed in a number of different places within the ministry.

**Ms. A. Young:** — Okay. Forgive me. I'm not sure where all of your offices are. But now I understand they are under one roof.

**Ms. Banks:** — Under one roof, yes.

**Ms. A. Young:** — Thank you, officials, for your time tonight, and thank you to all committee members. I appreciate it. I have no further questions.

**The Chair:** — Seeing as there are no further questions from committee members, the time that was deemed allotted for this evening was till 10 p.m. for TED and we were short 16 minutes. So in speaking with the Opposition House Leader this evening, she has agreed that this will be time served for TED incomplete, right. Minister, if you have any closing remarks.

**Hon. Mr. J. Harrison:** — Sure. Thanks very much, Madam Chair. I want to thank members of the committee for their time and questions this evening. It's appreciated. And thank my officials of course and great team at TED for their more great work over this past year as well. And just kind of underline the Opposition House Leader and I, as Government House Leader, have agreed that the time would be counted as the fully scheduled time for both this committee and for the Innovation meeting earlier as well. So that can be made note of for the purpose of the 75 hours under the *Rules and Procedures*. So again, just though, thank you to everyone, and I hope everybody has a good night.

**The Chair:** — Aleana, if you have any closing comments or any comments you want to make? You're good? Okay, seeing no further questions or comments, we will adjourn our consideration of the estimates for the Ministry of Trade and Export, and I would ask a member to move a motion of adjournment.

**Mr. Francis:** — I so move, Madam Chair.

**The Chair:** — Mr. Francis so moves. All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee stands adjourned until Tuesday, April the 5th, 2022 at 7 p.m. Thank you, everybody.

[The committee adjourned at 21:26.]