



# **STANDING COMMITTEE ON THE ECONOMY**

## **Hansard Verbatim Report**

**No. 11 — April 1, 2026**

**Published under the  
authority of  
The Hon. Todd Goudy  
Speaker**



**Legislative Assembly of Saskatchewan**

**Thirtieth Legislature**

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## STANDING COMMITTEE ON THE ECONOMY

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[The committee met at 15:30.]

**Chair D. Harrison:** — Welcome to the Standing Committee on the Economy. I'm Daryl Harrison, the Chair of this committee. And we have MLA [Member of the Legislative Assembly] Clarke, chitting in for MLA Conway; Tajinder Grewal; Racquel Hilbert; Sally Housser; Kevin Kasun; and Kevin Weedmark.

The first item on our agenda today is consideration of the estimates of the Ministry of Environment. We will then recess at 5:30. When we reconvene at 6:30, we will consider Bill 35 and then move into consideration of estimates and supplementary estimates no. 2 for the Ministry of Energy and Resources.

**General Revenue Fund  
Environment  
Vote 26**

**Subvote (EN01)**

**Chair D. Harrison:** — So no. 2, consideration of estimates, Environment. So we will begin with the consideration of the 2026-27 estimates for vote 26, Environment, central management and services, subvote Environment 01.

Minister Rowden is here with ministry officials. I would ask that officials please state their names before speaking for the first time, and please don't touch the microphones. The *Hansard* operator will turn your microphone on when you are speaking to the committee. Minister Rowden, please introduce your officials and make your opening remarks.

**Hon. Darlene Rowden:** — Good afternoon, members of the Standing Committee on the Economy. I am Darlene Rowden, Minister of the Environment. Here with me this afternoon are members of our team: Kevin France, the deputy minister of Environment; Kevin Murphy, the assistant deputy minister of the resource management division; Wes Kotyk, the assistant deputy minister of the environmental protection division; Jessica Kilbride, the assistant deputy minister of the corporate services and policy division; Marsha Powell, the executive director of the budget and reporting branch; Kyle Worth, acting executive director of the climate resilience branch; and chief of staff in my office, Josh Hack.

I'm pleased to be here today to present to you the 2026-27 Ministry of Environment estimates and to highlight some of the initiatives this budget will support.

Overall, this budget reflects the government's continued commitment to protecting Saskatchewan and ensuring the long-term well-being of its people. It reinforces our responsibility to manage our natural resources carefully and to respond to emerging environmental challenges with clarity and purpose. It strengthens ongoing initiatives to protect our province's natural environment while also supporting responsible, sustainable economic growth that benefits communities across Saskatchewan.

This balanced approach ensures that environmental protection and economic development remain aligned, practical, and achievable. This includes ensuring that the industries driving our

economy have the regulatory certainty, timely services, and stable environmental conditions they need to operate and invest with confidence.

By prioritizing environmental stewardship alongside economic opportunity, this budget helps preserve Saskatchewan's natural beauty and resources. It ensures they remain vibrant and resilient for future generations while also supporting the industries, workers, and communities that contribute to our province's continued success.

For 2026-27, the ministry's overall budget submission was \$97.717 million. This year's budget supports key Saskatchewan growth plan commitments in accordance with its core lines of business, including environmental protection, resource management, and climate resilience.

In addition to the critical core work undertaken by the ministry every day, there are a few key initiatives from this budget I would like to expand upon. These further strengthen our ability to protect Saskatchewan's environment and support sustainable growth across the province.

First I would like to highlight the business transformation initiative. Saskatchewan is a critical mineral powerhouse. The business transformation project has been built around creating a digital client experience for accessing and leveraging ministry information and services. Environment CRM [customer relations management] application is the last CRM system in government to be replaced. Therefore government is keeping old infrastructure around with significant cost and risk for this single system.

We are investing \$2 million to advance phase 3 of the ministry's multi-year business transformation initiative, because modernizing this system is essential to protect service reliability, reduce operational risk, and meet the expectations of a rapidly growing resource sector.

This funding will allow the ministry to replace outdated tools, improve digital security, and restore efficient online services that industry depends on for . . . in our timely regulatory decisions. Without this investment, delays, inefficiencies, and security vulnerabilities would continue to grow, creating real barriers for companies making major investment decisions in Saskatchewan.

With phase 3 of this project, the ministry is committed to ensuring regulatory and permitting decisions are clear, consistent, predictable, and timely to support industry's investment decisions and community engagement. This work will help protect Saskatchewan's competitiveness and strengthen confidence in our regulatory system.

Next I would like to detail the grant increase to our recycling partner, Sarcam. Reflecting an increase in beverage container recycling, the 2026-27 budget includes an increase of \$117,000 to an overall amount not to exceed 37 million in grant payments to Sarcam through beverage container collection and recycling programs.

In '24-25, Sarcam collected and recycled approximately 491.6 million containers and a return rate of 82.6 per cent, the

second highest in the country following Alberta with 82.9 per cent, exceeding the national average of 75.9 per cent.

Sarcan's operation led to over 43 million pounds of resources being diverted from landfills across Saskatchewan. Sarcan continues to be a critical partner in overall waste reduction in the province. Their work protects our environment, reduces pressure on municipal landfills, and supports a strong, circular economy.

In addition to the beverage container program, they have partnered with other recycling programs such as electronics, paint, and batteries to create a one-stop shop for customers to drop their recyclable items, contributing to the reduction of waste entering our landfills.

This grant increase helps protect the long-term sustainability of these services, supports Sarcan's growing operational needs, and ensures they can continue to meet rising recycling volumes across the province.

Next I'd like to highlight the work planned around the Saskatchewan Fish Hatchery. The hatchery plays a central role in protecting healthy fish populations and supporting sustainable angling opportunities across Saskatchewan.

The hatchery is responsible for the production of all fish stocked in the province's public water bodies. The existing infrastructure has exceeded its intended lifespan and is at significant risk of critical system and equipment failure. This budget allocates 700,000 to initiate preliminary design work for the modernization of the Saskatchewan Fish Hatchery. This is an essential step to protect the facility, the broodstock, and the long-term sustainability of our fisheries. This investment will explore feasibility of modernizing the facility to improve efficiency, reduce operating costs, and address biosecurity risks. Modernization will also strengthen our ability to protect fish health and prevent disease outbreaks.

In addition to the hatchery modernization, the ministry will also commence planning of a new stand-alone walleye-intensive rearing facility. Advancing the modernization and rearing facility at the same time will allow the ministry to find efficiencies and achieve economies of scale. This combined approach protects program continuity and ensures we can meet future stocking demands. We intend to take funding from the Fish and Wildlife Development Fund to support the implementation of both initiatives.

I also want to note that the Saskatchewan Wildlife Federation has been asking us to do this work. Protecting the long-term health of our fisheries will require sustained investment, careful planning, and continued partnership with stakeholders across the province, which leads into ensuring this important project is funded.

When purchasing a hunting licence in Saskatchewan, hunters are also required to purchase an annual wildlife habitat certificate. Proceeds from the sale of this certificate are deposited into the Fish and Wildlife Development Fund.

For the upcoming '26-27 angling season, the habitat certificate will be extended to purchases of angling licences. Annual angling licences will require the purchase of a \$20 angling habitat

certificate, while one- and three-day angling licences will require a \$5 certificate.

Individuals who purchase both an annual angling licence and a hunting licence in the same year will only require the purchase of a single habitat certificate. Saskatchewan residents age 65 and older, under 16 years of age, or who are veterans — all who are exempt from purchasing angling licences — will also be exempt from purchasing the angling habitat certificate.

The extension of the habitat certificate to angling licences is expected to generate an additional \$2.1 million annually. This new revenue will help protect long-term fisheries management by providing stable funding for stocking, habitat enhancement, and conservation programs. All revenue will be deposited into the Fish and Wildlife Development Fund to support modernization and expansion at the fish hatchery and support long-term fisheries' stocking and enhancement activities. This ensures that anglers' contributions directly protect the resources they rely on.

The Ministry of Environment currently administers a hunter harvest survey for each hunting licence sold in Saskatchewan. Hunters are asked to complete the survey following the hunting season, providing details such as dates and locations hunted and animals harvested. Data collected from these surveys are an important tool for wildlife biologists to assess game population trends and adjust hunting quotas.

Although the surveys are mandatory, completion rates have plateaued at about 60 per cent. Effective August 25th, 2026, hunters who fail to submit their required hunter harvest survey will be charged a \$15 fee when purchasing their next hunting licence. This new surcharge is intended to provide a stronger incentive for survey completion. Higher completion rates will protect the accuracy of wildlife data and support responsible quota decisions.

I would also like to note a recent change to non-resident game bird licences that supports both wildlife management and the long-term sustainability of Saskatchewan's outfitting industry. Saskatchewan is recognized as a premier game bird hunting destination, and hunters contribute significantly to rural economies. However we have received complaints about some non-residents using full-season licences to offer unauthorized outfitting services.

To address this concern, non-resident hunters will now be limited to three five-day short-term licences. This reduces opportunities for illegal outfitting while maintaining access for legitimate hunters. The five-day term licences for non-residents in 2026-27 will be \$225 for the first five days, \$150 for the second five-day renewal, and \$150 for the final five-day renewal. This is expected to generate revenues of nearly \$4 million. The Saskatchewan Commission of Professional Outfitters and the Saskatchewan Wildlife Federation have expressed support for this change, which protects licensed outfitters, rural communities, and the integrity of our wildlife management system.

[15:45]

The work we have presented today is only the beginning. There is still significant progress to be made, and this budget positions

us to continue strengthening the programs and services that protect Saskatchewan's environment and support the people who rely on it. We believe these measures will help us continue to protect our natural environment while also supporting sustainable, economic growth. They reinforce our commitment to responsible resource management, stronger partnerships, and long-term environmental resilience across the province.

This budget reflects a balanced, practical approach that supports both environmental protection and the industries and communities that depend on it. I would like to thank the Committee on the Economy for your attention and support, and I look forward to your questions.

**Chair D. Harrison:** — Thank you, Minister. I will now open the floor to questions. I recognize MLA Clarke.

**Jared Clarke:** — Thank you, Chair. And thank you, Minister, for your opening remarks. Looking forward to good discussion this evening. To start I'm going to pass it over to my colleague, MLA Young.

**Aleana Young:** — Thanks, Jared. Minister, on November 20th, 2024 the Canada-Saskatchewan equivalency agreement regarding greenhouse gas emissions from electricity producers was signed by former minister Keisig. I believe this agreement came into force on January 1st, 2025. Is that correct?

**Hon. Darlene Rowden:** — Yes.

**Aleana Young:** — Thank you very much. So on January 16th, 15 days later, the Minister of CIC [Crown Investments Corporation of Saskatchewan] announced that coal would be extended by the Government of Saskatchewan. What discussion occurred between ministers and ministries? And has your ministry given notice of the termination of this agreement as per 5.2?

**Hon. Darlene Rowden:** — So the equivalency agreement is still in effect until 2026.

**Aleana Young:** — Thank you, Minister. I take that response to indicate that the ministry did not give any termination notice of the existing agreement. Can you speak to then the negotiations on a new equivalency agreement that ought to have been launched as per section 5.3? Can you update the committee on the state of those negotiations, given they are supposed to be concluded by the end of this year?

**Hon. Darlene Rowden:** — So we are in negotiations, and I'm going to turn it over to my deputy minister.

**Kevin France:** — Yeah, thank you and good afternoon. Kevin France, deputy minister. To the minister's point, as she outlined at the officials' level, we have been having negotiations with the federal government, doing engagements with the federal government, and those continue to this day.

**Aleana Young:** — Thank you. And what position is the Government of Saskatchewan advancing, I assume, with EnerCan and officials at the federal level?

**Kevin France:** — Yeah, thanks for the question. Again it's

actually . . . Just to clarify, the conversations are with ECCC, or Environment and Climate Change Canada. And again the negotiations are continuing in terms of the equivalency agreement.

**Aleana Young:** — Thank you. Is the province looking to extend the current equivalency agreement, or is the province negotiating new terms?

**Kevin France:** — I would say it's still in negotiations, right. And so right now we have a current agreement, and we're looking to extend or negotiate that agreement.

**Aleana Young:** — Thank you, Deputy Minister. Minister, I just want to be clear because we are talking about potentially billions of dollars of taxpayer money, and an agreement signed by former minister Keisig that is set to expire this year. You and your officials are unable or unwilling to provide any updates on what position the Government of Saskatchewan is advancing as it pertains to the equivalency agreement related to greenhouse gas emissions and the coal fleet in Saskatchewan?

**Hon. Darlene Rowden:** — Not unwilling. Unable at this time because of ongoing negotiations.

**Aleana Young:** — Thank you. Perhaps moving on, *The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations, 2023* were introduced by the Government of Saskatchewan on May 17th, 2023. Have these been amended since?

**Hon. Darlene Rowden:** — No, they have not been amended.

**Aleana Young:** — Thank you, Minister. So on April 1st of last year, your government declared that Saskatchewan was carbon tax free. However the province's own quarterly and mid-year financial statements indicate that the Government of Saskatchewan continued to account for revenue from the province's own carbon tax, the output-based pricing system. Are you able to identify then with precision what legislative or regulatory mechanism the government used, if any, to eliminate the carbon tax here in Saskatchewan?

**Hon. Darlene Rowden:** — It was a pause, not an elimination, due to tariffs and stuff like that, right.

**Aleana Young:** — Thank you. So, Minister, I'm just trying to wrap my head around why the ministry didn't repeal this legislation if the carbon tax no longer exists in Saskatchewan.

**Chair D. Harrison:** — Excuse me. I'm going to rule that question not related to the estimates, so please move along.

**Aleana Young:** — Thank you, Mr. Chair. In relation to the clean electricity transition grant and its elimination from the Ministry of Environment in this budget, can the minister explain why then, if this legislation wasn't repealed or amended, \$194.6 million was paid by the Government of Saskatchewan for the carbon tax on home heating?

**Hon. Darlene Rowden:** — That is a question for the Ministry of CIC or SaskPower.

**Aleana Young:** — Thank you, Minister. Now I understand your ministry and the federal government are currently engaged in negotiations regarding industrial carbon pricing, and in fact, an announcement was originally planned for today. What position has the ministry been advancing with the federal government in regards to industrial carbon pricing?

**Kevin France:** — Thank you for the question. I'm actually not sure about the April 1st announcement. But more specifically in terms of negotiation strategy, again I think it's been clear that the Government of Saskatchewan's position on OBPS [output-based pricing system] give the province the control of OBPS to ensure the realities of Saskatchewan are understood in emissions management.

I think a national approach doesn't appreciate our industries, whether it's potash, agriculture, value-added agriculture, mining, oil and gas. And so the position has been we're in the best position to manage emissions and ensure emissions management stays within the province.

**Aleana Young:** — Thank you. So just to be clear, the ministry's position is that it should be the Government of Saskatchewan who is responsible for the OBPS, and that's the position being advanced currently.

**Hon. Darlene Rowden:** — Yes.

**Aleana Young:** — And is that for the electrical sector as well? I'm seeing nods. Thank you. Now with Alberta's industrial carbon tax set at \$95 a tonne through the tier program, and Saskatchewan's own industrial carbon tax historically mirroring that same price, would it be safe to assume then, Minister, that if Saskatchewan is not successful at becoming the only jurisdiction in Canada without a similar program, that your government's carbon price will continue to match that of Alberta's?

**Hon. Darlene Rowden:** — So first and foremost, we recognize and believe that Saskatchewan is not the same as Alberta, so we are negotiating for Saskatchewan and those negotiations are ongoing. To be clear, I would not automatically assume what you just questioned.

**Aleana Young:** — Okay, great. That's fair enough. You're not going to put a dollar figure in terms of a price per tonne that the government would be advancing right now. That's correct?

**Hon. Darlene Rowden:** — Correct.

**Aleana Young:** — Okay, great. So, Minister, hearing that your government is advancing negotiations with the federal government, pushing for Saskatchewan control of the OBPS program, can you provide the figure then for the OBPS liability for the '26-27 fiscal year?

[16:00]

**Kyle Worth:** — Hi. I'm Kyle Worth, acting ED [executive director], climate resilience branch. Thanks for the question. So with regards to identifying what the outstanding compliance payments are, for the '25-26 it's not really possible because of the delay in reporting, to basically identify that.

But I can give you some information associated with . . . I think you're asking is what, you know, what's the outstanding compliance amount. And with regards to that, the amount that's outstanding is \$242 million. That is basically compliance that has been paused.

And so to provide some context to that, we're also expecting to issue about \$268 million in credits. So largely speaking, much of what that compliance is could be offset by credits because you'll have companies that will generally have a combination of both credits and compliance owing. Some might just only have credits that they might want to sell and could be purchased by those who are owing compliance.

So those are the numbers that we have with current reporting up until really the calendar year of 2024. Even '25 reporting, that's still required and we're still processing them — will come in this summer. So there's a delay in calendar years and the reporting.

**Aleana Young:** — Thank you. Can you help me understand then, Minister, or perhaps Mr. Worth, why in past fiscal updates from the Government of Saskatchewan, in past budgets, there has been a publicly reported figure for that OBPS liability or compliance payments owing, and it is missing from certainly the budget this year. It's a bit of a question mark.

**Hon. Darlene Rowden:** — Member, can you explain to us where you believe it's missing?

**Aleana Young:** — I hope so. So typically my recollection is that — and I don't have the government's quarterly financials from the past year — but I believe the OBPS figure has been reported out each and every quarter, including last year's budget and the years preceding that.

And in this year's budget looking forward, there is no dollar figure associated with what I'm calling the liability associated with the OBPS. Perhaps your folks have a different term that is used internally, but the amount of money that ought to have been collected that has not been.

I'm trying to suss out why that figure is no longer available through public reporting. And if your ministry is in fact negotiating this with the federal government, which you've confirmed, I'd assume there is a dollar figure that can be provided, identifying what the liability is for the Government of Saskatchewan or perhaps for either the electrical sector here in Saskatchewan — I'd be interested in that — as well as for industry.

**Hon. Darlene Rowden:** — Yeah, so the '23 and '24 payments were deferred, and the '25 was paused.

**Aleana Young:** — So for '23-24, I believe Mr. Worth said the number was \$242 million. For '24-25 there's not a number available because those payments were paused. The understanding then of the minister and your officials is that because collection was paused that's just money that may not, will not ever have to materialize?

**Hon. Darlene Rowden:** — Well if it's not in our possession, I guess that's why they didn't.

**Aleana Young:** — Okay.

**Kevin France:** — Well maybe just to build off that, Minister. So yeah, to the minister's point, so April 1st, 2025 the Government of Saskatchewan paused the collection of '25. And going forward, we also deferred the payments. And at that time was, you know, specifically around the tariffs, the pressures the industry was facing, economic uncertain times, and so that deferrals were made.

So from what Kyle was speaking to is, I mean the reporting still happens and that reporting comes with estimates. But we have not accrued or identified that because current state, negotiations aside, the position still is it's paused and those payments are deferred.

**Aleana Young:** — And you don't have a number that you're able or willing to provide in terms of what the cost of those deferred payments was?

**Kevin France:** — Not at this time.

**Aleana Young:** — Does that number exist anywhere?

**Kevin France:** — That's the work that we're working on with companies, yes.

**Aleana Young:** — And that's what Mr. Worth said will be available in June, in terms of the reporting lag? Is that correct?

**Kyle Worth:** — Yeah, thanks for the question. So yeah, in regards to coming to an answer or collecting that data, that data won't be submitted until June. And then it takes us generally up to six to eight months to process it. So we go through an audit process to review all of the submissions. And so we'll be working with industry stakeholders as we typically do on each annual submission to review that.

Then, we make modifications, revisions to it and to identify what the compliance or the credits earned could be. And so, you know, we'll continue to work with industry on the reporting that they will have submitted.

But kind of in parallel to that, it will largely depend on the negotiations going forward too because that can have implications on . . . What the design of the program is can ultimately affect what, you know, what the outcomes for the compliance owed and the credits earned will be.

**Aleana Young:** — So it's reported to you by industry in June, and then it takes six to eight months to go through the ministry audit process. The last numbers that you have are from '22-23. You have nothing for '24-25, and nothing for '25-26.

**Kyle Worth:** — The number that I gave you was for '22, '23, and '24. So up until the end of '24.

**Aleana Young:** — Cumulatively?

**Kyle Worth:** — Cumulatively, yeah.

**Aleana Young:** — So then what are the cost assumptions? As the minister responsible for the management and reduction of

greenhouse gases legislation, what are the cost assumptions within your ministry for the OBPS? Hearing that you said it will apply to the electrical sector, what are the cost assumptions in light of your government's decision to reinvest in unabated lignite coal generation? Because the application of an industrial carbon price, even from your own government, will have a significant impact on the business case and the economics of that project as well as rates.

**Hon. Darlene Rowden:** — We cannot give you a number because of the ongoing negotiations.

**Aleana Young:** — Will those costs in your negotiations be borne by the Crown, the customers, or industry retroactively?

**Hon. Darlene Rowden:** — Because of negotiations, this is where we're at. We cannot . . . We don't have an answer for that.

**Aleana Young:** — Okay. With negotiations I think originally committed publicly to be concluding today, and I understand timelines can slip — respectfully I see your deputy minister shaking his head — but it's been reported publicly. So if I'm mistaken, my apologies. Do you have . . .

**Chair D. Harrison:** — MLA Young, I'm just going to ask . . . I mean you've asked, you're trying to make assumptions.

**Aleana Young:** — It's my last question on this point.

**Chair D. Harrison:** — So, yeah. Please.

**Aleana Young:** — Yes. When do you expect negotiations to conclude? And when will you be reporting back to the people of Saskatchewan on this?

**Hon. Darlene Rowden:** — I cannot answer that. I do not have the answer to that.

**Aleana Young:** — Thank you. And thank you, Mr. Chair. You'll be relieved; this I believe is my last question for the evening. In regards to the clean electricity transition grant that's been eliminated, I do note that there is a new grant of identical value that is being provided to SaskPower. With the elimination of the clean electricity transition grant, which did use to flow over, and the new, I believe it's a rate affordability grant, is this supposed to replace the clean electricity transition grant funding?

**Hon. Darlene Rowden:** — It's not within our budget. So you'll have to ask the ministry responsible.

**Aleana Young:** — What a great time that will be for us all. Thank you so much, Minister.

**Chair D. Harrison:** — Any further questions? MLA Clarke.

**Jared Clarke:** — Thank you. Just looking at the budget, (EN06) under climate resilience, there's a \$166,000 reduction from last year's budget. I'm wondering if you can speak to that.

**Kevin France:** — Yeah, thanks for the question. Just to clarify, did you say 166,000?

[16:15]

**Jared Clarke:** — I believe so. I see in (EN06) last year was 5.511 million and this year is 5.345.

**Kevin France:** — Yeah, thank you. Sorry, I just had to clarify. Thanks for the question again.

So part of the budget this year includes some workforce alignment work, and so that's really focused on attrition. And so we're 3 per cent salary reductions across the ministry which has been spread across the different subvotes. And so that includes the workforce adjustment work which is focused on vacancy management, so whether that's through retirements or voluntary resignations. And so we'll achieve that savings there.

**Jared Clarke:** — Thank you. I do see in the classification by type in (EN06) there is a reduction in salaries there. But there's also a reduction in goods and services, so from 561,000 to 480,000. So can you speak to that?

**Kevin France:** — Yeah, sorry about that. Thanks again for the question. So there's a reduction as well in some contract dollars that we've removed as well as a reduction in some travel expenses.

**Jared Clarke:** — So what will this mean in terms of the work that the climate resilience unit does in these reductions?

**Kevin France:** — We've seen savings in our travel expenditures year after year so that the travel reduction will not have an impact on the work itself. The contract dollars, again we have . . . I'm continuously impressed by the team that we have in that branch in terms of the knowledge and the expertise from engineers to data managers and so on.

And so when this area of work was built up, we assumed that there would be need for some external expertise through contract dollars. We've been very successful with our recruitment initiatives and bringing in some very talented people. So the need for that contract work is not there to the same degree.

**Jared Clarke:** — Can you speak to the work being done by the climate resilience unit in terms of any kind of risk analysis that Saskatchewan faces in the face of climate change? I think of the unprecedented wildfire season we had last year and the devastation that brought to the province. We're seeing predictions already of another extremely dry year in the North and a potential disastrous wildfire season again.

So what kind of work is the climate resilience unit doing to analyze any risk posed to Saskatchewan economy or people in relation to climate change?

**Kevin France:** — Yeah, thanks. Thanks again for the question. And so the branch of climate resilience does a lot of work in this space, and Kyle will speak to some more specifics.

But one of the areas that, you know, the work that we do around Prairie Resilience, that really is led by the Ministry of Environment. But it's coordinated and work that happens between multi ministries and agencies, whether it's from flood protection working with Water Security Agency, to agriculture resilience and working with the Ministry of Agriculture, and as well as SPSA [Saskatchewan Public Safety Agency].

And I think, you know, to your point about risks, I read the same report around the North, and that's a role that our forest service branch plays, a really important role working with SPSA in communities around fire mitigation. And I think one of the things that, you know, we're very mindful of is the role that forestry, logging, can play in helping the resilience and the health of some of those forests.

It's a really important, obviously, sector for our northern communities, but also more importantly the tool that manages the health of our forests and I think some of the fires we've seen definitely, you know, driven by weather but also the age and the stand dynamics. And so building fuel loads in those ecosystems, you know, causes some of these extreme events, coupled with wind and then lack of precipitation.

But you know, the important role the forest service does in planning on a landscape level is really, really something that we're focused in on to ensure that we think about firebreaks. And not just around communities, but take yourself back, you know, 100 miles and think about where we can create some of those breaks in the ecosystem. It creates jobs in the economy, but more importantly it considers forest health.

And so that's at the high level. And I'll turn it to Kyle more specifically in terms of the work that his branch does as it relates to climate resilience.

**Kyle Worth:** — Hi. Thanks. Yeah, so in regards to, you know, Saskatchewan, Saskatchewan is building climate resilience. And so you know, the two primary areas are through emissions stewardship, and you know, practical adaptation. And so through those two lenses is really the essence of our Prairie Resilience strategy.

And so the Prairie Resilience strategy links a number of systems, whether that be, you know, natural systems or infrastructure or community preparedness or human health and well-being. Our part of the entire strategy that now includes over 21 ministries all providing initiatives that in combination are helping to achieve, you know, real practical outcomes for that strategy.

What's really important from an emissions stewardship perspective is that, you know, it's known that the products that we produce are generally, by nature, fairly high-emission intensive. They're energy intensive, therefore emission intensive. And that's why we focus on, you know, emission intensity as part of our OBPS regulations, that the regulations itself regulates and incentivizes low-emission intensity products.

And so you know, the outcomes from the OBPS to date, we've seen 6 per cent reduction in emission intensity, all while achieving 4 per cent increase in production. So you can see that the program is working where you can find that balance between, you know, achieving emission intensity reduction while still, you know, protecting competitiveness and growing the economy together.

So with that being said, you know, you can look at what, you know, what we've achieved in addition to just the program itself and the emission intensity that it has reduced, but through compliance options. So a flexible compliance option is our Saskatchewan Technology Fund. And so for organizations that

may not have a project or have, you know, the technology available necessarily to meet the requirements for their emission intensity reduction, they have a flexible compliance option which they can pay into the Saskatchewan Technology Fund.

And the successes that we've had through that Saskatchewan Technology Fund is we have awarded over 22 projects with private and industry investment of over \$630 million matching, you know, the 22 projects that we've awarded. And that will ultimately abate six million tonnes in emissions as well as 13 million gigajoules of energy. And so in combination with the program itself and the Saskatchewan Technology Fund, we're really seeing, you know, technically achievable, practical, real results from the program. And so that's emission stewardship.

When it comes to practical adaptation, again we can't take credit for all the ministry's initiatives but I can kind of identify a few which, you know, help strengthen our climate and our resiliency, and whether that be, you know, lidar mapping for high-risk flood areas, upgrading culverts, you know — 1-to-50 year, 1-to-100 year culverts upgrading.

It could include maintenance of our shortline railways. It can include adding, you know, forest fire tankers to our fleet. We have accomplished, and one of the ministries has included, many FireSmart plans to the northern communities. So in combination of having all of these systems, whether it's the natural systems, whether it's physical infrastructure, whether it's this community preparedness, they're all contributing to, you know, having a resilient economy and province going forward.

**Jared Clarke:** — Thank you. I'm wondering if you could speak specifically to some of the risk analysis that you've done in the North. We've been hearing reports from scientists already last week or this week in projecting again another severe forest fire season potential in northern Saskatchewan. So what work is the ministry doing to prepare for that? And what kind of publicly sharing of information is being provided by the ministry to help communities prepare?

**Kevin France:** — Yeah, thanks. Thanks again for the question. Just to speak to, in terms of the role that the Ministry of Environment plays from an analysis perspective in the North, again we work very closely with (1) the Water Security Agency to understand snowpack levels, understand drought conditions. We work very closely with SPSA in thinking about both modelling and fire risk potential.

You know, again I think it's, as we all know, the snowpack level, that reference of the work that was done, was really speaking to how quickly . . . the fact that those soils are quite parched from multiple years of drought. And so melt will really drive . . . You know, if it warms up really quickly and that water runs off, not very advantageous for those soils versus, you know, a slower melt, you know, more saturation.

We don't know what spring rains will bring in terms of moisture to the North and reducing fire risk. But that's the challenge in this space, is predicting what the weather might do, from temperature and melt to precipitation patterns and so on. As well as wind. And we all realize the scariness of those winds that we saw in the North and across Saskatchewan last spring, and how those drove fire in those events.

And so the work that we'll continue to do from an analysis perspective is (1) the proactive nature, to your point, I think to your question, is that's the work again that we're working with SPSA on from a landscape level — to understand risk from an age, you know, stand dynamic perspective of old-growth forests versus where can we create natural firebreaks from a wildfire perspective, you know — especially in that commercial fire zone where last year we saw the largest fire in the commercial forest zone, which impacts our communities, impacts the jobs in the sectors that depend upon that.

So the work that the forest service does around forest management, the forest management health, we spend money obviously on disease management. And that's another thing that we're really focused in on. So as everyone is probably aware, mountain pine beetle we were really concerned, you know, about a decade ago. Thankfully we didn't see the spread or the advancement of it into Saskatchewan. It's definitely down to lower levels and the risk is lower, but there's other, whether it's mistletoe or spruce budworms, and the risk that can create from a forest health perspective.

And so again that's what we're trying to ensure from a forest management perspective, which really drives the logging or the harvest plan decisions, not just from an economic perspective but also from an environmental perspective of where do we want to see that disturbance in the landscape.

These systems, as we all know, have evolved with fire. They have serotinous cones, that being that cones open up with fire, so they're fire dependent. But if we don't have active logging or active disturbance in the landscape, we're going to see more severe and significant fires. So just to build off of that a little bit, Kevin, I'll turn it to you in terms of the forest service and the work that they do.

**Kevin Murphy:** — Thank you. Kevin Murphy, assistant deputy minister for resource management division. Forest service works in synergy with the agencies that the deputy minister mentioned. So forest service works to look at updating our inventory, looking at the actual structure of the forest, not just from a perspective of harvestable timber but the overall structure of the forest.

[16:30]

We partner then with the Saskatchewan Public Safety Agency folks to look at what that means from a fuel-load perspective. SPSA tends to work closely with communities and to work with communities on risk, looking at FireSmart programming, some of the work that's done in the immediate environs of the community to reduce risk of fire entering the community.

The forest service tends to take the role of working with industry beyond that level to look at cut planning at harvest and what can be done adjacent to communities outside of those immediate firebreaks to harvest older growth forests that is posing a fuel-loading risk to ensure that we're not having overly senescent stands further away from communities that act as either fire starts or a passage for a fire to move through.

Obviously a lot of work has to be done this year to look at what the impacts of the fires are to that inventory and to adjust that. But the ongoing work is to look at what existing fuel load is there

and what those stand types and things that pose a risk further out from the communities. So community work tends to be SPSA and then forest services tends to be further out from that.

**Jared Clarke:** — Thank you for that. You spoke of SPSA kind of working closely or collaboratively with communities. Does the ministry play any role in sharing, you know, fire risk or risk management kind of to a broader audience across the province at all?

**Kevin Murphy:** — Hello. With regard to communication with the public, broad communication on fire safety is SPSA's responsibility. They tend to do that work. Our engagement through the forest service tends to be jointly with industry when we're talking about the actual harvest planning. The work that we do, both from a consultation and an engagement perspective, to illustrate how a particular harvest opportunity is helping to keep communities safe. But from a broad perspective that's SPSA's role.

**Jared Clarke:** — Thank you. I'm going to pass it over for a couple of questions to my colleague from Cumberland, the shadow minister for forestry.

**Jordan McPhail:** — Thank you so much. And thanks to the ministry officials for being here today, and Minister for being here to answer a few questions.

From the forestry sector, I was wondering, in the budget they talked about the modernization of Crown dues. And I'm wondering if you can maybe highlight what the government has taken in in Crown dues maybe for the last two years, you know, respectively, as well as what your intention is for this year and next year for the amount brought in in Crown dues from the forest sector.

**Hon. Darlene Rowden:** — I'll start with we had to do a little digging to get those past numbers, but we got them for you. And Energy and Resources is involved in this with the allocation. But we do have the numbers for you, and I'll turn it over to Kevin. Okay.

**Kevin Murphy:** — Thank you. Timber dues and fees structure is actually set by our colleagues in Energy and Resources. They work with industry in conjunction with us. Ministry of Environment, because we are actually responsible for the scaling of the timber as it comes in, is also responsible for collecting those dues and fees as they're set. It's a bit of a sliding scale. So there's a trigger price. There's a base amount that's set for each kind of timber, and then the sliding scale works as revenue goes up. So for the period of '23-24, the value was \$28.1 million in royalties or dues, fees. And then for '24-25 it was 23.1, so down 5 million from the previous year.

**Jordan McPhail:** — And I'm just going to assume that that's probably due to a shortened season due to the wildfires in the North, that we see a 5 million reduction?

**Kevin Murphy:** — I'm thinking changes in the overall pricing structures from things like post-COVID and now moving towards some of the tariff structures, softwood lumber changes, things like that that have happened with the United States. Our overall impact on harvest from the wildfires has not significantly

changed the overall amount of harvest or goods and products that are being produced by the industry so far. We may see some change from that during this coming year, but so far it has not had the impact. It's mainly been global economic forces that have made those changes.

**Jordan McPhail:** — Understood. Thanks. And then from a standpoint on the distribution or where the money goes once it is collected, would you say that's for Energy and Resources? Or do you guys get some of that money back to reinvest into the forestry industry? Or does those Crown dues basically go straight into the GRF [General Revenue Fund]?

**Hon. Darlene Rowden:** — GRF is where it goes.

**Jordan McPhail:** — Okay. And you know, some of the challenges that we heard from some of the forestry leaders is that, you know, when they're paying into these dues and these fees, sometimes they'd like to see some of that money reinvested back into maybe some of the data. I'm interested kind of, maybe the data that is being gathered for the SPSA on risk management is not the same data that's being given to foresters. Because they say, in a lot of cases when they go into a wood allotment or they go into the timber supply area, that it's not quite exactly the map that they're given in that area.

So I'm wondering if, from the minister's perspective, is there enough work do you think being done to properly understand what the environmental areas are for both wood allotment and timber supply? Both from a risk mitigation standpoint and from supporting the economy to making sure that those foresters, when they're putting that investment in looking at the maps that they're building out there, their plans for a harvest, that it's actually, you know, significantly strong data? So I'm just wondering, from the minister, if you think that there's enough money into that.

**Hon. Darlene Rowden:** — Thank you for the question. And good question. So we've allocated \$8.57 million into this area, and we rely heavily on those forester companies to do this very work. And I'm going to let Kevin take it over, though — Kevin Murphy — and explain it more deeply to you.

**Kevin Murphy:** — Thanks, Minister. Forest inventory is a long-standing practice and a complex one. It's one that has relied on a variety of tools throughout the decades, ranging from aerial photography to now satellite imagery, lidar information, a variety of different tools. And it also tends to be split in terms of responsibility between government and industry. Most of the FMA [forest management agreement] holders are actually responsible for their own inventory. So if they're actually speaking to you about not having appropriate stand types and things like that as they're conducting harvest in an FMA, it is their own responsibility from that perspective.

Government however recognizes that we play a role in this, not only in terms of smaller term supply-licence areas where we are responsible for those inventories and providing them for the forest harvest companies, but also in terms of providing better technology and standards, and working with industry so that we can refine those models.

So the dollar figure that the minister gave you is actually part and parcel of that. It's not only to do the inventory, but it's actually

to seek out new methodologies, new ways of doing business, incorporating tools like AI [artificial intelligence], working with forestry practitioners and academics to understand how we can better get imagery. Low-cost, distance-related products that allow us to do a better job of classifying those stands for everything from what is available for harvestable timber, to what the understorey looks like from a biodiversity perspective, to what the fuel loading looks like from a risk perspective.

So we're using those dollars to refine that inventory, passing it along to industry, and expecting them to adopt some of those new methodologies to better refine and better understand what their harvestability is.

**Jordan McPhail:** — Thanks. And just really quickly — I just checked my notes here — there's another question that I had in relation to, I guess, like First Nations rights in the treaties across northern Saskatchewan.

[16:45]

I know that in some areas, in some wood allotment areas, forestry companies are then told to like do some consultation and potential impact benefit agreements with Nations if it's going into areas that are like trapping-sensitive and whatnot. And by the sounds of it, there's a bit of a discrepancy between different wood allotment areas.

From my understanding, part of the P.A. [Prince Albert] FMA will work with Nations like Lac La Ronge Indian Band, PBCN [Peter Ballantyne Cree Nation], and even into the Cumberland House Cree Nation areas.

And on the west side of the province, like Meadow Lake, MLTC [Meadow Lake Tribal Council] Nations, they don't have the same rights over some of the forestry and unable to negotiate in the same regard. I'm wondering if the minister can comment on the reasons why that might be.

**Hon. Darlene Rowden:** — So I'm just going to quickly lead off your question. So the ministry's job, or what we ensure, is that duty-to-consult happens on the landscape, and companies that are . . . They need to do the duty-to-consult. We provide mitigation options, stuff like that, that's happening.

So I'm going to turn it over to Kevin again because he's been here a lot longer and knows exactly what's happening. Yeah, some of what you're saying I don't think we're quite all aware of, of what's happening. I'm not sure though. Kevin.

**Kevin Murphy:** — Absolutely, Minister. So as the minister stated, the duty-to-consult is the responsibility of the Crown. And so we work with industry through engagement to ensure that that duty-to-consult has been fulfilled. Duty-to-consult's responsibility is to ensure that rights of harvest and Indigenous rights are not being harmed. And if there is no way to accommodate that, we look at mitigation. We look at whether we change the place or the timing, or some other method of mitigating those impacts to Indigenous people's rights for utilization.

If there are economic agreements occurring between industry and First Nations or Métis peoples, those are solely the responsibility

of the industry and the individual Indigenous peoples. The Crown does not intercede in those kinds of economic contracts. We don't actually have a right to do so from a legal perspective. We can only look at whether the duty-to-consult has been satisfied.

In terms of industry in the three major FMAs, it's a Sakáw construct that has a number of different corporations and some Indigenously owned harvest companies in the Prince Albert FMA. The majority of the work that's done in the Hudson Bay FMA on the east side of the province is Weyerhaeuser and Dunkley Lumber. And on the west side of the province, there are a number of companies again there, but the majority holders of that are the NorSask group under the Meadow Lake Tribal Council.

So those particular entities would be the ones who are responsible for engaging in an economic arrangement with Indigenous peoples in those FMAs.

**Jordan McPhail:** — Well thank you very much. I will pass it back to my colleague from Regina Walsh Acres.

**Jared Clarke:** — Thank you. I'm going to switch gears here, wondering about the additional elk hunt season that happened November 20th to 27th, 2025. Can you provide us with the number of tags that were purchased, the number of tags that were successful in harvesting an animal, the total harvest rate, and the estimated population impact?

**Hon. Darlene Rowden:** — So tags sold, number of elk harvested. That was your question, right? Yes, okay.

**Jared Clarke:** — And estimated population impact.

**Hon. Darlene Rowden:** — Yes. So tags sold were 11,546. And according to the hunter harvest survey — which is only at 60 per cent, right — our best estimates are between 1,500 and 2,750 elk were harvested. As far as the question about impact to the elk numbers, I'm just in the midst of briefings on hunting allocations and stuff like setting the season, so I cannot give you that yet.

**Jared Clarke:** — So, Minister, do you think that the additional elk season was successful in reducing the concerns that producers had around elk damage to feed stocks? You know, the nature in which the special elk season occurred, in which you could purchase a tag in any zone and it wasn't specifically targeting, like, areas where we know are the issue areas in the province. So do you deem the elk hunt from November 20th to 27th, 2025 as a success? Did it achieve your management goals?

**Hon. Darlene Rowden:** — So I would say to a degree, yes, this hunt had a positive impact on problem areas. But I'm going to let my deputy minister elaborate more on that, okay?

**Kevin France:** — Yeah, thanks again for the question. To your point, was it a success in terms of those areas where we see higher concentrations of elk but also a higher incidence of forage loss from feed, stacked forage, and so on? And I would say that based on the numbers that we have, the concentration of hunters and where they purchased the tag and the zones they tended to hunt in and the harvest of those animals were concentrated in those areas such as zone 39, 37, and 48 which are predominantly those areas where we see the highest amount of SCIC [Saskatchewan

Crop Insurance Corporation] claims due to wildlife degradation.

And so yes, from a focused area it was open to the whole province. We saw some zones with zero tags purchased for. But for the areas that we knew where the concentration of elk were occurring, but also where we were seeing the degradation losses, we saw the hunter behaviour also focus in on those areas as well.

**Jared Clarke:** — Okay. So how many complaints did the ministry receive? I know Sask Wildlife Federation has spoken publicly about a number of complaints that were coming in around, you know, ethical hunting and all of that. What kind of response from the public did the ministry receive on hunting concerns?

**Kevin France:** — Yeah, thanks for the question again. In terms of the number of complaints, we don't have a tally because the concerns came through multiple different mediums. That being, we do have, you know, a call centre where we did receive concerns, community services with their conservation officers.

But you know, I think to your question about the general theme of concerns, there was a lot of different themes, whether it was hunter behaviour . . . And that's the one thing obviously, through this decision, the one thing we can't control. We can't control how hunters go out and behave on the landscape. Whether it's, you know, what we heard of incidents of fox shooting or those type of things. And so social media drove a lot of that.

But there were legitimate concerns around, you know, population levels or the amount of take. And as we keep responding to those concerns, it's taking a balanced approach from understanding that there are . . . and SCIC data demonstrates and plays this out in terms of the level of loss or financial payments being made and the concentration of elk in those areas.

I think, you know, from a policy perspective, it achieved that focus, that concentration in there. In terms of the hunter behaviour, you know, one of the things that we are very mindful of when it came to complaints or concerns was also from those hunters who appreciated the opportunity to get a tag, but maybe they had some challenges accessing land.

And so that's another thing that we've been focusing on working with SARM [Saskatchewan Association of Rural Municipalities] and SWF [Saskatchewan Wildlife Federation] and our hunting community is how do we support? Where we see some of those higher concentrations of elk and problem areas, how can we best support or facilitate access to land and those hunting opportunities so we actually can remove some of those animals from that landscape and decrease some of that pressure at those locations?

[17:00]

**Jared Clarke:** — Last year there was another additional elk hunt in January, February, specifically around testing for bovine tuberculosis. I asked about this in estimates last year. Wondering if there, since that time, have been any positive cases of bovine tuberculosis in the elk herd in Saskatchewan.

**Kevin France:** — I can confirm that the answer is no. There has been no confirmed cases.

**Jared Clarke:** — Thank you. Hearing from a number of folks around a sharp decline of white-tailed deer. Also seeing significant, you know, increase in chronic wasting disease in mule deer populations across the province. The minister already has indicated you're in discussions or briefings around allotments for those species. Are you expecting a reduction in white-tail and in mule deer allotments in the coming hunting season?

**Hon. Darlene Rowden:** — So our biologists have noted both of those concerns as well, and they will be taken under advisement as we do the allocation process.

**Jared Clarke:** — Okay. Thank you. In your opening preamble, Minister, you talked about the \$2.1 million of new revenue coming from the angling habitat certificate. I'm wondering, is that represented in this budget? Because under the fish and wildlife lands, I believe you said that it would go into the Fish and Wildlife Development Fund. If you look at the budget line for Fish and Wildlife Development Fund from last year and this year, it is identical. Is the \$2.1 million from angling habitat certificates going in there, and is that represented in the numbers presented in the budget currently?

**Kevin Murphy:** — The Ministry of Finance works with us in creating the budget allocation for the Fish and Wildlife Development Fund. And the way that they do that appropriation is based on the previous year's revenue with some estimation for the forthcoming year. It's always lagging a year behind for that reason, the amount that's actually allocated to the Fish and Wildlife Development Fund. So I would expect to see those dollar figures in next year's Fish and Wildlife Development Fund allocation. It lags by a year.

**Jared Clarke:** — Okay. So you're going to collect those fees over this year, and then those won't be deposited into Fish and Wildlife next fiscal.

**Kevin Murphy:** — Yes, correct.

**Jared Clarke:** — Okay, thank you. I want to talk about the derelict building pilot project. We discussed that a little bit last year as well. Wondering if you can give the committee an update as to how many municipalities participated in the pilot project and how many permits were issued to allow for a structure to be burned.

**Jessica Kilbride:** — Good afternoon. Jessica Kilbride. I'm the assistant deputy minister of corporate services and policy in the Ministry of Environment. And appreciate your question. I'm also the Chair of the governance committee for that pilot project, so happy to provide an update and get to your questions.

So of course, this project had come from municipalities talking about their concerns with the derelict buildings. That's not surprising — the cost associated with demolition and disposal, concerns around safety hazards and barriers. And so the pilot project was going to attempt to deal with those concerns.

And of course it was announced at last year's SARM convention. And the purpose was to allow participating municipalities to work with volunteer fire departments to safely dispose of municipally owned derelict buildings through firefighter training

exercises.

So just a little bit around the work that took place after the announcement. We wanted to take a one-government approach, and so we assembled a committee of ministries and agencies. So Government Relations participated, the Ministry of Health, Labour Relations and Workplace Safety, Justice, and the Saskatchewan Public Safety Agency.

And so what followed after the announcement was just lots of consultation and conversation in June and July. Stakeholder consultations were held with SARM and SUMA [Saskatchewan Urban Municipalities Association] and the Saskatchewan Volunteer Fire Fighters Association to share our early thoughts on what the pilot could look like and get a sense of their feedback. And in August we held two educational webinars, attendance of around 100 participants with two sessions there.

In October the application package was shared with municipalities. And in November we met our target of launching the pilot project and ready to receive applications. So just one note: we opted for a one-window approach for the pilot, meaning the Ministry of Environment would sort of be the one window taking the lead with communicating with municipalities with respect to their interest in the project. And we were able to maintain a pretty strong communications standard throughout.

So to date, through that one-window approach, we received a number of inquiries, around 15 inquiries from municipalities, a handful of applications. We've issued one permit but that's not ready for a burn yet, so nothing to report in terms of a burn from the pilot project to date.

**Jared Clarke:** — Thank you. So just to be clear, no buildings have been burned under the pilot project to date?

**Hon. Darlene Rowden:** — Not yet, no.

**Jared Clarke:** — Okay. Thank you. Last year . . . well I guess in the business plan for the Ministry of Environment '26-27 in terms of protected and conserved lands in the province, last year I asked about this. I think the last two years I've asked about this and we've kind of stagnated at the 9.9 per cent protected lands in the province. The goal was 12 per cent by 2025, and last year it was expected to hit the 12 per cent. But I see in the business case that we continue to be at a baseline of 9.8 per cent for 2025, and the 12 per cent target has moved to 2026-27. I'm just wondering what happened. Why didn't we reach that goal last year?

**Hon. Darlene Rowden:** — Thank you for the question. So I'll just make a correction. We are at 11.1 per cent of area protected. And we are still committed to that 12 per cent target though.

And to answer your question why, the engagement and the consultation with communities. It takes a long time. Back and forth and respect and all of that, right. So I guess that's the reason why we're not quite there yet. But we are very close.

**Jared Clarke:** — Thank you, Minister. Can you speak to where the increase of 1.1 per cent has come from . . . or 1.2, I guess, 1.3? So it was 9.8 and now you're saying 11.1. So where is that protected land, where is it?

**Kevin Murphy:** — Thanks for the question. So the additional area that was added comes from two major initiatives which leveraged the OEEM [other effective area-based conservation measures] categorization, as it's been called, which is the other effective area-based conservation measures. I recognize there's a lack of correspondence between the acronym and the actual words. But that's a category that embraces ongoing utilization of the landscape with compatible uses.

So in this case we've done two things. One, in partnership with the Ministry of Agriculture, we have added all of the remaining grasslands in Agriculture's holdings that significantly recognizes the great stewardship that ranching communities and other agricultural stewards use in keeping those lands in grasslands, recognizing the ongoing use of those grasslands for mainly cattle production. And it won't change the way that that's being done, but also recognizes that stewardship.

The second major initiative is some work that we've done in the commercial forest on portions of tier 1 caribou habitat to recognize those from an OEEM perspective as well. Much of that is peatlands, lands that are still being utilized by the caribou. And we're proud to say that we've actually confirmed that we have caribou presence post-fire in a lot of these areas, which is why we sought to protect them.

That will not have an impact on overall utilization by either the forest industry or in fact the Indigenous users or the recreational users from the perspective of low consumptive activity of recreational users. And from the forest industry perspective, it's mainly because these areas have little to no merchantable timber. So they're not of interest to the industry, but they're of incredibly high value for our woodland caribou populations.

And those two programs are what resulted in that significant addition to the representative areas network, a lot of it being able to leverage that OEEM tool that is becoming increasingly recognized not only nationally but internationally as well. So it doesn't require the level of regulatory requirements and overall process that a traditional protected area that's in legislation requires. The minister simply does this through recognition and an order.

**Jared Clarke:** — Thank you. Can you just speak to the ranchland and native prairie grassland piece, to their . . . You said they were in Agriculture's holding. So those are Crown land or Crown land that's being privately managed by a rancher, right?

**Hon. Darlene Rowden:** — Yes.

**Jared Clarke:** — Okay. Thank you. The federal government just announced yesterday \$3.8 billion to protecting nature. What's the Saskatchewan government's plan on engagement in that announcement? Are you supportive of protecting 30 per cent of Canada's nature by 2030, and will you be accessing any of those dollars?

[17:15]

**Hon. Darlene Rowden:** — Thank you for the question. So I'll share with you that we are committed to the 12 per cent. And as far as the announcement from Nature Canada or . . .

**Jared Clarke:** — Government of Canada.

**Hon. Darlene Rowden:** — Government of Canada yesterday, we don't know about all the funding streams yet. We are looking into it. Some analysis has been done, very preliminary though, and like, around the protected species and things like that. I'll let my ADM [assistant deputy minister] share a little more of their thoughts. This just came out yesterday. Or DM [deputy minister]? Sorry.

**Kevin France:** — It's okay. Thanks for the question. Yeah, so obviously the announcement came out yesterday. There wasn't any engagement prior to the announcement, and so we're learning in live time as well in terms of the funding, the 3.8 billion that's available.

You know, our quick analysis, a lot of it around marine area, protected area, and conserved areas — obviously unfortunately we won't be able to participate in that — but 266 million for the advancement of the two national protected areas, national parks, the Indigenous Guardians program including a new Arctic Indigenous Guardians program, and then the High Seas Treaty. So a lot of marine plus some obviously inland opportunities.

I think to the minister's point, that commitment to 12 per cent is there. And I think one of the things that we're really focused in on in our ministry is, the 12 per cent protected areas is important, but we can't lose sight of the 88 per cent that we're also managing. And that's why we have things like the habitat management plan to ensure that we are considering the entire province as it relates to our ecological integrity and the management of those systems.

And if you think about the North and you think about the work that we're doing on range plans for woodland caribou, you know, if you look at that landscape and you travel to that area, it is intact. In a lot of areas it's pristine habitat and doesn't require protection to ensure that. It requires the management of both industry as well as the government to make sure that what we do in those areas understands the ecological aspects but also the biology of the woodland caribou and so on.

And so that's the work that we're really focused in on, the 30 by '30 commitment that the federal government has made. You know, I think we're, again, to focus on the 12 protected areas and the 88 per cent that really is important for all of us as well.

So Kevin, any other additional . . .

**Kevin Murphy:** — Just to add with respect to the woodland caribou program, I can confirm that as of yesterday, Saskatchewan has extended the section 11 agreement in co-operation with the federal government on woodland caribou. And in the past as a part of that agreement implementation, federal dollars were provided to the province.

I have some level of expectation that, given some of the focus of this new announcement from the Prime Minister being on the protection of endangered species, that similar agreements will be taken with the federal government. And we'll work with our colleagues there to extend and renew some of that. But the agreement does stand, so that's why we have an expectation that some of those relationships will continue for the protection of

endangered species.

**Jared Clarke:** — Thank you. I think we've got about 12 minutes, and I want to get a couple more questions in here.

The Ministry of Environment held consultations on amending *The Environmental Management and Protection Act* over the last year or so. Last I heard from some of the participants based on what they had received from the ministry, there at that point was no planned amendments to the Act. I'm wondering if you can give an update as to what is the status of amending the Act currently.

**Hon. Darlene Rowden:** — Thanks for the question. So the intent to EMPA [*The Environmental Management and Protection Act*], the environmental protection Act, was just minor housekeeping issues and some enhancements to compliance. So it wasn't a big, major rewrite to the Act. And the consultation was ensuring that we were capturing everyone's ideas and suggestions.

**Jared Clarke:** — And so my understanding is that there is no desire to amend the Act at this stage. Is that correct? I guess, can I clarify: maybe no plan to amend the Act at this point?

**Chair D. Harrison:** — I'll ask MLA Clarke to keep to estimates. And somehow if you can tie it to . . . that'd be great. But if you cannot, please move along.

**Jared Clarke:** — I always love these conversations because it's the work that the ministry is doing, so clearly salaries that we're debating in the budget will be linked to any work that's going to be happening in terms of consultation. So is there any plan to use salary in this fiscal year to work on amending the Act?

**Hon. Darlene Rowden:** — Not at this time.

**Jared Clarke:** — Thank you. Is there anything in the budget to protect the Cumberland delta, the largest inland delta in North America? I've been up to the Cumberland delta a couple times during my time as an MLA, and it is certainly dying. So we see invasive species like the phragmites. We see a reduction in water flow. We see a reduction in the silt that's flowing into the delta. Is there any work being done or anything in this budget to help support, mitigate some of the issues the delta is facing currently?

**Hon. Darlene Rowden:** — So thank you for the question on this. I do know that our COs [conservation officer] have been up in the area multiple times engaging on this issue, but it is WSA [Water Security Agency] that you need to ask those questions of.

**Jared Clarke:** — I appreciate that, given that it's water security and it is a water body. I do think the delta itself is, like, a keystone ecosystem in Saskatchewan when it comes to a number of species, wildlife species, that exist in the area. I think of migrating birds that use the delta in huge numbers. And if they lose the delta, populations of the bird species that are very heavily hunted in this province — such as snow geese and the greater white-fronted geese, Canada geese, a number of duck species — will be impacted if that ecosystem dries up. And in your business plan, your goal no. 2 is protect and restore the natural environment. This is a vastly important ecosystem in Saskatchewan. So I'm kind of reading that there's nothing in the budget here to protect the Cumberland delta.

**Kevin France:** — You know, I think there's obviously the work that we do with our biologists, and you touched on . . . In terms of our migratory species, you know, there's outfitters in the area that we work with. And so, yes, there is dollars in our budget to ensure that that work continues. It is led by Water Security Agency. And to the minister's point, I know the CEO [chief executive officer] has been up there multiple times with, as well, the CEO of SaskPower to engage with the community. It really is a watershed function perspective, and so they are the lead.

But just like other agencies or ministries, we work very collaboratively together on these issues. And so the importance of the migratory fly route is obviously duly noted, and we've shared that with the outfitting perspectives we shared. And we'll continue to work with Water Security Agency as well as the community to ensure that, whether it's control of invasive species or water flow and those type of things, are well understood and supported. And I think that work again is led by Water Security Agency, but supported through our budget with our biologists and the knowledge that we gain from our species management perspective.

**Jared Clarke:** — Thank you. I look forward to asking those questions to Water Security Agency when we reconvene after the Easter break. I would challenge the minister to think about how she can work towards improving habitat around the delta. I only have a few minutes, so I won't get into a lesson of what's going on up there. But I would encourage you to have your officials brief you on the value of that region, of that ecosystem, and maybe plan to put some dollars into how the Ministry of Environment can help manage invasive species or ensure that that delta doesn't just dry up and become a river like the South Saskatchewan River. It would be devastating to lose that out of Saskatchewan.

A couple more minutes here. The Government of Canada has also allowed an emergency use for strychnine. I've had a number of biologists reach out to me, gravely concerned about secondary poisoning to ferruginous hawks, burrowing owls, other endangered species, badgers. What is the Ministry of Environment going to do to ensure that strychnine is properly administered to control Richardson's ground squirrels and we are not seeing — or we are reducing significantly — any impacts to species at risk?

**Hon. Darlene Rowden:** — So I'm going to lead off with very new knowledge on all of this, right — just yesterday. So I think how it's being viewed is as a pilot project from the federal government on this, right. So there is a limited amount of RMs [rural municipality] that are going to qualify for the use of strychnine. And applicators, or the person applying strychnine, needs to be a trained person as well. So I mean, some of that is going to mitigate a species at risk. It will. And for further, I'm going to turn to my ADM on that, right.

**Kevin Murphy:** — Thanks, Minister. So that exemption does require the ministries of Agriculture and Environment in Saskatchewan to actually come up with a set of mitigations for endangered species, which will become part of the protocols for application and must be enforceable, and must be something that we can monitor to ensure that those mitigations are both being successful and not abrogated.

[17:30]

We are working at present to actually compile those mitigation expectations and submit them to the federal government. They will become a part of that order. So in addition too, as the minister stated, you'll see that it only applies in certain areas which, having looked at them, I believe, already is excluding significant portions of lands occupied by endangered species. They do require the mitigations for implementation in the areas where it is applicable.

So we have to come up with all of those and are, you know, busy doing so with our colleagues in Agriculture right now in order to be able to ensure that we don't have the negative impacts that you are addressing.

**Chair D. Harrison:** — Thank you, Minister. Having reached our agreed-upon time for consideration of these estimates, we will adjourn consideration of the 2026-27 estimates for the Ministry of Environment. Minister Rowden, do you have any closing comments?

**Hon. Darlene Rowden:** — Yeah. I just want to thank my government colleagues for spending the early evening with me and my opposition colleagues for spending this time with us and your good questions. And thank you, Mr. Chair, and thank you to the people that operate *Hansard*. It's much appreciated. And my fabulous team beside and behind me, I cannot thank them enough. I think they do exemplary work for every person in this province, and I'm proud to be on their team with them. It is an honour and a pleasure. Thank you.

**Chair D. Harrison:** — Thank you, Minister. MLA Clarke, do you have closing comments?

**Jared Clarke:** — Real briefly, thank you to the committee for this work, and to my colleagues and members opposite for sitting in here. Thank you to all of the staff at the Ministry of Environment for the work you do every day; much appreciated. Minister, congratulations on surviving your first estimates here tonight, and I hope I see you here next year so we can chat.

**Hon. Darlene Rowden:** — I do too. I like to smile, you guys. I'm only going to get better now too. Watch out.

**Jared Clarke:** — Good. Awesome. Thank you.

**Chair D. Harrison:** — Thank you. This committee will now recess until 6:30.

[The committee recessed from 17:32 until 18:30.]

**Chair D. Harrison:** — Welcome back, committee members.

### Bill No. 35 — *The Mineral Resources Amendment Act, 2025*

#### Clause 1

**Chair D. Harrison:** — The committee will now be considering Bill No. 35, *The Mineral Resources Amendment Act, 2025*. We'll begin the consideration of clause 1, short title. Minister Beaudry is here with ministry officials. I would ask that the officials please state their names before speaking for the first time. And please

don't touch the microphones. The *Hansard* operator will turn your microphone on when you are speaking to the committee. Minister, please introduce your officials and make your opening remarks.

**Hon. Chris Beaudry:** — Thank you, Mr. Chair. Good evening to you, and good evening to committee members. Accompanying me today are Blair Wagar, deputy minister of Energy and Resources; Scott Giroux, assistant deputy minister; and Yanyan Han, executive director of lands and mineral tenure branch. Also accompanying me is my chief of staff, Dan Rozdilsky.

We're pleased to be here to discuss *The Mineral Resources Amendment Act, 2025*. The purpose of this Act is to support the efficient development of Saskatchewan's resources and to ensure that resources which might otherwise remain stranded underground are developed to maximize value for our economy and the people of Saskatchewan.

The bill will enable the establishment of designated subsurface development areas to provide subsurface access for resource projects. The amendments establish two pathways for designating such an area. The first path applies in cases where there are no confirmed owners after five years of searching. In such cases, an order designating a subsurface development area will be issued.

The second applies in more complicated situations, including where there are confirmed owners but a voluntary agreement may not be reached. In such cases, approval of the Lieutenant Governor in Council is required. The main considerations for recommending approval of an application for a designated subsurface development area will be the applicant's meaningful efforts to reach an agreement with any known private owners and demonstrating that a lack of access would lead to significant mining inefficiencies, wasteful operations, or reduced public and private revenues.

In both situations the bill requires equitable compensation for affected mineral owners, ensuring the proceeds from privately owned minerals are set aside and may be claimed at any time. The bill ensures that procedural fairness is maintained throughout the process, providing all parties with a meaningful opportunity to present their position to the minister and have their views considered before a decision is made.

Finally, Mr. Chair, there are various housekeeping changes that will serve to modernize and clarify sections of the Act. At this time we would be pleased to answer any questions from the committee.

**Chair D. Harrison:** — Thank you, Minister. I will now open the floor for questions. I recognize MLA Housser.

**Sally Housser:** — Great. Thank you so much, Mr. Chair. This is great. As we've debated in the House as we've gone through various different readings on this bill, we are largely, or in principle, in favour of this. I just have a couple of questions today about how we arrived here essentially.

So can you let me know — and I've talked to a lot of different stakeholders on this, particularly in potash and the SMA [Saskatchewan Mining Association] — but how this was first

identified as a problem to be solved by these amendments?

**Hon. Chris Beaudry:** — Thank you. Yeah, this was an industry-driven issue that we heard for years from our partners in potash, that they didn't want to leave any inefficient areas in mining and that they also wanted to make sure and try their very best to reach out to all individuals, all parties that were available, to make sure that they can find a fair way to get in contact with individuals who hold mineral rights.

**Sally Housser:** — Yeah, no, I understand that's the crux of the bill. But I guess what I was more getting at is that, do you have any information or data around how often this was happening, in terms of industry finding parcels of land where they couldn't locate the owner? Basically I'm trying to get at is, you know, the problem we're solving, was it really big and majorly affecting many people? Or was this kind of a one-off thing that, you know, happened a couple of times that you said, well this would be an easy fix here?

**Blair Wagar:** — Blair Wagar, deputy minister, Energy and Resources. So in terms of when you think of the whole province, this isn't something that's an issue right across the province. It's narrowed down to where you have freehold landholders that either can't be located or, in some cases, there's some issue with the company being able to negotiate agreements. So it's not an issue that's cutting across the whole province per se. It's specific areas.

But when you look at the areas that are being impacted . . . And there was some numbers that were shared with us where, you know, Mosaic and Nutrien both have their own examples where the amount of revenue that was being left behind, by not being able to sort through this and identify and move forward, was getting close to a billion dollars just in these particular areas. So again not so much of it's cutting across the whole province, but where it does impact the province the impact is really large from a dollar-figure perspective.

**Sally Housser:** — Thank you so much. And in addition to, say, I imagine the mining association and, as we know, Nutrien and Mosaic, were there any additional consultations done with First Nations around potential impacts of this bill, or landowners? You know, I'm understanding that if you could find a landowner to talk to, then that wouldn't be an issue in terms of trying to get. But in general, people who own land who have dealt with mineral exploration before, how they saw this as being impactful.

**Scott Giroux:** — Hi. It's Scott Giroux, assistant deputy minister with Energy and Resources. So the ministry engaged in two phases of consultations. So the first phase focused on 10 potash and lithium companies and the Saskatchewan Mining Association. So really these stakeholders helped us refine the proposed legislation and clarify some of its key provisions.

For the second phase of consultations, we engaged a broader group of stakeholders in which we posted a public notice on the government's website. We also reached out to oil and gas, mining, and private mineral ownership associations. And then we also contacted 37 of the largest private mineral owners in Saskatchewan, who collectively account for about 50 per cent of all private mineral rights in the province.

So in total, ER [Energy and Resources] received 11 responses — two from associations, eight from industry stakeholders, and one from a private mineral owner.

**Sally Houser:** — Thank you very much. And I guess, you know, we've talked about this largely both in the House and here today, largely in the context of potash. That's the first time I've heard kind of the consultation with lithium on this.

I guess I'm curious, kind of applications for this, for exploration and in other areas. I'm thinking particularly around critical and rare earth minerals. You know, this sounds like, as you say, this is more narrow. But I'm thinking as we start to explore, more particularly in the North, if this has any impact or effect on that exploration. And are we dealing with similar kind of stranded assets because we can't find somebody that owns land, or is that all Crown land? Or you know, does it have any applicability going forward? Or is this mainly kind of in the South we're dealing with this?

**Hon. Chris Beaudry:** — So the short answer is we own all the minerals in the North still. In the South is where the freehold mineral rights holders are.

**Sally Houser:** — Yeah, that's what I thought. I was just interested just as we go forward with all the development here in the province.

Now is there any, you know, exceptions or stipulations on the length of time you have to search for an owner? And you know, I understand kind of perhaps a length of time, but around the efforts that must be made. Like, the specific steps that you have to make to find somebody before declaring that we can go forward without that, without knowing who that owner is.

**Hon. Chris Beaudry:** — It's five years.

**Sally Houser:** — Five years. Yeah. But what are the, like, what constitutes looking for somebody for five years? Do you post a notice on the website? What do you do to look for the person in those five years, is what I'm getting at.

**Hon. Chris Beaudry:** — The list is actually quite extensive. So just some highlights is that there are social media searches, detailed notes, and steps taken. There's information collected by private investigators and records of interviews and phone conversations. And all this will be made public when the legislation moves through.

**Sally Houser:** — Okay. And you know, you say there's a lot of things. Is there any stipulation to, you can use a combo of them or like if every single step must be made? You have to do social media; you have to have a private investigator? Like if you have a very long list, is every one of those avenues followed? Or is it a combination of the more . . . is there any real stipulation on that?

[18:45]

**Hon. Chris Beaudry:** — It's really a case-by-case basis. And the ministry has a lot of experience with handling this so that we feel, once we've reached a satisfactory threshold, that that is sufficient for the ministry.

**Sally Houser:** — Okay, so there's . . . on vibes then if it's gotten done. No, I understand that, and I appreciate the work that the ministry does on that one.

In the cases where you can find the person and for whatever reason there is a problem with permission to then explore and develop that land, and you need the Lieutenant Governor's approval, I'm interested in that process. If that's just somebody who refuses to sell or doesn't want us to protect it or doesn't . . . What are the extenuating circumstances that would require us to go to the LG [Lieutenant Governor] in that respect?

**Blair Wagar:** — So this is one where we would see this not happening very often for the most part. The majority of the time, and what's driving this, is much more on the we can't locate. Or the complexity of the ownership structure, because the title mineral rights have been passed down and you get many, many people on the title, and you have to get all of them lined up to be able to actually move forward with it. So it's much more that being the norm than the situation where someone isn't interested in moving forward with selling their mineral rights to be produced.

And so one of the things that I think is an important premise, is mineral rights are issued for the purposes of having them produced and creating revenue and all that. But you do run into the situation where someone isn't prepared to do it, and there's lots of different reasons potentially why that is the case. Sometimes it's a health issue or a capacity issue, and that holds things up that the mining industry can't get an agreement with that particular landowner. Sometimes people don't understand that they have the mineral rights, and there's a bunch of questions around that and they get concerned about what that means.

And so that again creates some blocks in time to the point where, in some cases, some people are worried if that gets produced, what's going to happen to the surface? So there's a variety of different reasons why that might occur. Again these we would see on an extreme kind of exception that you would have someone that isn't wanting to produce their mineral rights. Most landowners, the freeholders that have mineral rights, are pretty excited about the fact that either a mining company, a potash company, potentially lithium in the future, is coming along and looking to produce their minerals.

**Sally Houser:** — Yeah. Absolutely. But, you know, and I know it's rare, and again I'm very, you know, supportive of this legislation. But if the provision is in there, I'd like to know why and what would be not so much the reasons why somebody would refuse. I agree that if I, you know, held title to mineral rights, I'd be super excited if somebody came and wanted to develop it.

But I guess, what would constitute kind of extenuating circumstances that you would have to . . . If somebody did refuse to develop it, at what point would you or industry give up on that particular parcel of land or go to the government and say, we've got this extenuating circumstance and we've got to talk to the Lieutenant Governor about it now and, you know, deal with it essentially?

**Blair Wagar:** — So yeah, it's similar again where it's case by case. And we're trying to work through, you know, the scenario

where if you have a mine — and we've had this — where you have a mining situation; you have a mixture of Crown and freeholders. Everyone's lined up to be able to sell, and there's a significant public interest.

You know, when you think of BHP's mine with a \$14 billion investment, it's multi-generation kind of in terms of benefits, jobs, revenue to the province. So significant public interest. We'd want to make sure that that one particular piece, one freeholder that would be left in that, would be not the situation that would hold up that greater development.

So again, not an easy weighing of interests for sure, but that's really what this is designed to do is to make sure that we're able to bring some clarity and bring some certainty to some of these developments that involve multiple different players in the mix.

**Sally Houser:** — Yeah, for sure. I was just picturing like, you know, freeways that are built around the one little house that refused to sell out their land, right. That makes sense.

But so there's no specific threshold of, like, it means X number of dollars in provincial revenue in order for this to be triggered? Case-by-case basis then. Okay.

**Blair Wagar:** — Yes. Yeah, no. It's case by case. There isn't that prescriptive of thresholds. Again as we put this in place and utilize it, we're going to learn as we go along. And if we need to make adjustments to bring some of that in to bring more clarity for it, we will. But yeah, at this point there isn't those kind of prescriptive criteria that we're putting in place.

**Sally Houser:** — All right. And in the cases where you can't find the individual, can you explain to me a little bit more on the process or mechanics of basically holding any revenue that would generate it in trust? Is that done through the Ministry of Finance? I'm just interested in the straight logistics of that.

**Scott Giroux:** — Hi, Scott Giroux again. So the mechanism, we export a number of different options to track the funds. The mechanism we're going to use is actually the General Revenue Fund. So when money gets paid into the General Revenue Fund, we will track it by parcel. So if the owner eventually does surface and proves that they are the rightful mineral rights holder, we'll simply pay that out of the General Revenue Fund. So that will be the mechanism that we use to receive and pay out the money.

**Sally Houser:** — Okay, excellent. And this is just my own kind of ignorance here. How do you calculate that so down to the specifics of that one parcel of land in the massive general revenue? I'm just again interested in kind of how the math works on that.

**Scott Giroux:** — Hi. So the provincial Crown royalty rates will be applied to the production within a given land area, within a given land base, and then that revenue would be apportioned out to the individual rights holders in that area.

**Sally Houser:** — Okay, great. Thanks. I guess one more in under the wire here for this portion. In all the consultations you get, as I know talking to them myself, industry is very much supportive of this. You also spoke with 37 of the largest mineral rights holders. Do you have any concerns or possible kind of

unintended consequences that were brought up by any of the stakeholders during the consultation process? Any that you hadn't thought of essentially?

**Hon. Chris Beaudry:** — Stakeholders supported the approach and believe that the proposed legislation would enhance Saskatchewan's mineral resource sector and encourage more investment.

**Sally Houser:** — So in all the consultations, there was not one kind of "you might want to do this" or "think about this"? Or everything was just thumbs up and "go for it"?

[19:00]

**Hon. Chris Beaudry:** — There was suggestions for slight improvements, but there was never any concerns raised.

**Sally Houser:** — Thanks very much. That's all for me.

**Chair D. Harrison:** — Thank you. Are there any further questions or comments from any committee members? Seeing none, we will proceed to vote on the clauses.

Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**Chair D. Harrison:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 17 inclusive agreed to.]

**Chair D. Harrison:** — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Mineral Resources Amendment Act, 2025*.

I would ask a member to move that we report Bill No. 35, *The Mineral Resources Amendment Act, 2025*, without amendment.

**Kevin Weedmark:** — I so move.

**Chair D. Harrison:** — MLA Weedmark moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**Chair D. Harrison:** — Carried. Minister Beaudry, would you like to make any closing comments?

**Hon. Chris Beaudry:** — Yeah. I'd like to offer some thanks to my officials for their support. I'd like to thank the committee. I'd like to thank the critic for her questions. And I'd like to thank *Hansard* for the tireless work that they do.

**Chair D. Harrison:** — Thank you, Minister. MLA Houser, would you like to make any closing comments?

**Sally Houser:** — Thank you very much. You know, I think that this is a common-sense bill that is really going to help maximize our world-class mining industry here in the province. Thank you, Minister, and to all of your officials and everybody who's worked on the development of this amendment Act. Thanks to

the committee and of course to *Hansard* and the production team. Thank you very much.

**Chair D. Harrison:** — Thank you. Minister, do you need some time to change out your officials before we enter into estimates?

**Hon. Chris Beaudry:** — Yes.

**Chair D. Harrison:** — Yes? We'll take a short recess.

[The committee recessed for a period of time.]

**General Revenue Fund  
Energy and Resources  
Vote 23**

**Subvote (ER01)**

**Chair D. Harrison:** — We will now turn to consideration of the estimates and supplementary estimates no. 2 for vote 23, Energy and Resources, central management and services, subvote (ER01).

Minister Beaudry is here with his officials. For any new officials joining us, I would ask that you please state your names before speaking for the first time. And please don't touch the microphones. The *Hansard* operator will turn on the microphone when you are speaking to the committee.

Minister, please introduce your officials and make your opening remarks.

**Hon. Chris Beaudry:** — Thank you very much, Mr. Chair. It's a pleasure to be here to discuss the 2026-2027 Ministry of Energy and Resources budget. Before I begin my opening remarks, allow me to introduce the Ministry of Energy and Resources officials who are with me today.

Deputy Minister Blair Wagar; my chief of staff, Dan Rozdilsky; Assistant Deputy Minister Cory Hughes; Assistant Deputy Minister Scott Giroux; Assistant Deputy Minister Rebecca Gibbons. And there are other officials supporting us who will introduce themselves if they address the committee.

The Ministry of Energy and Resources's 2026-2027 budget of 55.8 million makes strategic investments in mining, oil and gas, and forestry, strengthening our world-class energy and resource sectors so they can continue to perform an important role in protecting jobs, the economy, and our province.

I'm pleased to say this budget enhances our already strong reputation as one of the best places in the world for resource development. Recently our province moved up to third in the world for mining investment attractiveness according to the Fraser Institute.

For 2025 we led the country with an estimated \$6.7 billion in mining investment. This year we expect to attract another \$6.5 billion. This investment is crucial to the continued growth of our mining sector, which is leading to more employment and economic opportunities for the citizens of our province.

This year's budget includes the most substantial investment yet

in the Government of Saskatchewan's 10-year \$10 million public geoscience initiative. This program improves access to new, high-quality geoscience information that companies can rely on to make decisions about exploration and investment.

This year's investment of \$2.3 million will focus on geophysical surveys, the digitization of subsurface data, regional glacial till sampling, critical mineral focus mapping programs, and a lithium study. Improving the quality and availability of this data will encourage more mineral exploration and promote new critical mineral discoveries, both of which will contribute to the continued growth and diversification of our mining sector.

The budget also provides \$3.5 million for the continuation of the targeted mineral exploration incentive, or TMEI, another key program for expanding our mining sector and driving mineral exploration activity. First introduced in 2018 and later expanded to support the critical minerals strategy, the TMEI supports a wide range of activities related to hard rock mineral exploration throughout the province. This program is a key reason why exploration investment in Saskatchewan is strong.

Exploration expenditures in our province are projected to have exceeded \$400 million in 2025 and accounted for over 16 per cent of the Canadian exploration expenditure total. This surpasses our provincial critical minerals strategy goal of reaching 15 per cent of national exploration spending by 2030.

Interest in the uranium sector is the main driver of this growth in exploration spending. And on that note, I'd like to take a moment to outline the incredible advancements in our uranium industry over the last couple of months. Both Denison's Wheeler River project and NexGen's Rook I project have now been federally approved for construction. To understand the magnitude of these approvals, consider the last time a uranium mine was approved for construction in Saskatchewan. It was over 20 years ago.

Wheeler River will be the first uranium mine in Canada to use in situ recovery technology, while Rook I is planned to be one of the world's largest uranium production facilities, offering generational economic opportunities for the communities in the North. Combined, these projects will create over 1,600 direct jobs during construction and employ over 700 people during operations. It's estimated they will produce enough uranium over the life of the mines to provide electricity for 380 million homes for a year.

Additionally, Paladin's Patterson Lake South project continues to advance toward construction later this decade after receiving provincial approval under *The Environmental Assessment Act*.

A number of other early-stage projects are also progressing in the Athabasca Basin, which holds the world's largest high-grade uranium deposits. Our government is excited to see these projects advance, and we are committed to supporting these companies and projects into the future.

The existing uranium industry also continues to set new records, with sales in 2025 increasing by almost 25 per cent to \$3.2 billion. Production at the McClean Lake mine also resumed last year. And Cameco has signed a new \$2.6 billion long-term contract with India.

Energy creation is the new superpower. With our world-class resources, stable and reliable regulatory framework, and strong incentives, Saskatchewan is well positioned for the future.

A few more words on the performance of our mining industry before I return to the budget and move on to our oil and gas sector. Our potash sector continues to be a pillar of our province and a key component of our economic engine. Thanks to rising prices and production continuing at record levels set in 2024, our potash industry partners increased sales by 18 per cent last year to a tune of \$9.3 billion.

BHP and K+S also continue to invest in their Jansen and Bethune mine projects, setting up the province for its next phase of potash production growth. Over the last two decades the Saskatchewan potash industry has invested over 35 billion in constructing new mines and expanding existing operations. Our province's potash producers continue to create good jobs, strong economic opportunities, and support community programs and services.

Later this year we'll also see the McIlvenna Bay copper and zinc mine move into commercial production. With this project and the commercial lithium facility being constructed by Prairie Lithium, we expect production of six critical minerals by the end of 2026 — copper, zinc, uranium, potash, lithium, and helium. Producing of these six critical minerals is a goal for 2030 in the provincial critical mineral strategy and we are on track to achieve this well ahead of target.

[19:15]

When we talk about Saskatchewan's significant role in the global energy landscape, we cannot forget about our oil sector. It continues to be a component of our economic engine, employing tens of thousands of people across the province and contributing significant revenues to government through royalties and taxes. The oil sector has also laid the foundations for some of the new, emerging opportunities in the province, including in helium and lithium production. In 2025 the sector invested \$3.6 billion in exploration and development in Saskatchewan, producing oil and gas valued at \$11.5 billion.

The ongoing conflict in Iran highlights the value of oil to global economies and the importance of Saskatchewan's position as a stable and reliable supplier of sustainable and ethically produced oil. We must continue to grow production and expand access to global markets.

In this year's budget we're reinforcing our commitment to oil and gas production with the extension of the high-water-cut oil well program, which supports continued operation of wells producing high volumes of water and extends the life of existing oil-producing assets.

We are extending the high-water-cut oil well program because it continues to deliver strong results. Since it was redesigned in 2021, more than 20 companies have participated, over 420 wells have been approved, and the program has supported more than \$27 million in capital investments. These wells are generating meaningful production and approximately \$1.5 million per month in royalties and taxes.

The extension of this program will encourage reinvestment in

water handling infrastructure and existing infrastructure, support economic activity and job creation in rural and resource-dependent communities, reduce inactive wells, and improve water handling efficiency and disposal practices.

Our government is committed to supporting the growth of the oil sector. The high-water-cut program is one example. Another is a low productivity and reactivation oil well program, which was introduced in last year's budget. Since April 2025, 16 oil wells have utilized the program, with an additional 30 new laterals drilled on existing wells. This led to an additional 600 barrels of oil per day in January 2026. We expect this program will continue to grow in the years ahead.

These are just a couple of the programs we have in place to encourage investment, extend the life of existing oil wells, and increase oil production to reach Saskatchewan's Growth Plan goal of 600,000 barrels per day by 2030. All upstream and downstream aspects of energy generation need to be top priority, and the investments being made in this budget clearly demonstrate they're at the top of our government's list.

With budget 2026-2027, the modernization of Saskatchewan's timber royalty system will come into effect. These changes will align the timber royalty system with other resource royalty structures in Saskatchewan and ensure the industry remains competitive with other jurisdictions. The modernized timber royalty system will support the forestry industry in meeting Saskatchewan's Growth Plan goal to double the size of the forestry sector by 2030.

Forestry is a cornerstone of northern Saskatchewan. It is the second-largest industry in the region, creating good jobs for thousands of people. Six large forest product mills produce lumber, oriented strand board, and pulp. In addition more than 140 smaller businesses produce a variety of primary and secondary products.

Indigenous workers make up roughly 29 per cent of forestry employment, the highest percentage in any province. Additionally 32 per cent of the timber is allocated to Indigenous businesses, the highest in Canada. This is an industry that promotes inclusive growth and contributes to strengthening of the economy, and I'm happy to see this improved royalty system in place to help make our forestry industry more competitive.

Finally this budget demonstrates our focus on regulatory excellence. This year we will continue to deliver initiatives designed to maintain strong public confidence in industry regulation, enhance client service, and deliver programs with greater efficiency and impact.

For example, in 2026-2027 we are investing \$750,000 in the risk-adjusted liability rating initiative. This will improve the process of evaluating the financial health of our oil and gas companies to ensure industry is accountable for risks such as site reclamation. This initiative will enhance the ministry's ability to evaluate a company's risk profile and, where necessary, collect security deposits from companies that are deemed high risk. This will help to maintain a reliable and competitive regulatory environment while also protecting Saskatchewan citizens from risk.

I'll conclude my remarks by saying this budget strengthens Saskatchewan's position as one of the top jurisdictions in the world for resource development. It makes strategic investments in our energy, mining, and forestry sectors so those industries can continue to create good jobs and power economic growth in our province, and it demonstrates our government's commitment to supporting our world-class resources and protecting Saskatchewan.

Thank you. And I'd be happy to answer any questions you may have.

**Chair D. Harrison:** — Thank you, Minister. I will now open the floor for questions. I recognize MLA Housser.

**Sally Housser:** — Thank you very much, Mr. Chair. And thank you, Minister, for your opening remarks. Thank you to all the officials that are here today. I know that not only preparing a budget in general, but then going into estimates takes a lot of time and energy and work, and really appreciate you being here this evening.

Just starting off with some questions around, well, funding for operational support under energy and resource development, and the central services under central management and services, (ER01). Both saw decreases in funding.

Can you confirm just for me whether it's central management and services, (ER01), or resource development, (ER06), which handles approvals of resource projects? Which one does it fall under?

**Blair Wagar:** — Blair Wagar, deputy minister. So the two subvotes that you're referring to, central services and then the resource development . . . So first of all, just some clarity is that our ministry doesn't approve the resource projects. We work with the companies. Those projects often are permitted through the Ministry of Environment. We certainly work on the front end in terms of getting them access to the land that they're going after, subsurface. So just clarity there.

And I think your question also then was, you know, the reductions in those two subvotes. For both cases it's kind of the averaging of some reductions around salary benefits generally speaking in those two subvotes. And then in the central services one specifically there was some IT [information technology] projects that were finished up, as well as some reallocation and centralization of some of our IT expenses to SaskBuilds and Procurement. So that's kind of the reflection of the reductions in those two subvotes.

**Sally Housser:** — Okay, thanks very much. You know, obviously top of mind for the ministry and everybody involved is the ongoing conflict and war in the Middle East. And seeing kind of the significant disruption to global trade obviously has really highlighted our need to grow our critical minerals industry.

You know, I think there is a larger conversation now, not only of developing the mines — which is obviously critical to your estimates and to the ministry going forward — but also processing and refining capacity domestically. So how much of current and even estimated future production do you anticipate will be refined in the province versus outside of the country?

**Hon. Chris Beaudry:** — The majority of our critical minerals are actually already being processed in Saskatchewan. And as for the future, we've already introduced incentives such as the CMPI [critical minerals processing investment] incentive that will attract more manufacturing in the province. I would also like to pass it off to assistant deputy minister Cory Hughes.

**Cory Hughes:** — Cory Hughes. So yeah, all of our potash is fully processed in Saskatchewan. Uranium is mined and milled in Saskatchewan and further processed in Ontario. And as the minister said, we have introduced incentives to ensure that other critical minerals that we currently don't produce, we are attracting the processing here.

And you'll also see the SRC [Saskatchewan Research Council] rare earth facility, which is attracting not only processing — eventually, we're hoping, from Saskatchewan ore — but bringing ore into the province for additional processing. Also Saltworks, which is looking at processing lithium. So you know, we're trying to encourage as much as possible, but currently virtually all our critical minerals are processed in Saskatchewan.

**Sally Housser:** — And just as you mentioned SRC . . . And I'm sure we can probably talk about it at that different committee as well. But you know, inasmuch as it relates to your projections and your estimates, now that there was an additional \$650 million provided to the SRC, is there any update on timing of when we see that fully come online and get to start reaping those benefits?

**Hon. Chris Beaudry:** — SRC is an exciting project in our province, especially with the work they're currently doing. I mean, I'd love to go on and on about what I've seen there, but I really feel that that's a question that's better suited for the Ministry of Trade.

**Sally Housser:** — So just going back then to the critical minerals processing investment incentive, how many projects are currently approved for that?

[19:30]

**Hon. Chris Beaudry:** — There are three approved projects, two conditional, for almost a billion dollars worth of investment.

**Sally Housser:** — And the two conditional projects, can you talk about them? Is there a reason that they're not fully approved? Or what's the process for . . .

**Cory Hughes:** — Under the program you receive conditional approval up front for a project that meets the criteria that we're looking for under that program. That allows the companies to then use that future capital to raise additional capital. So it's been very well received by companies that receive a conditional approval. And then once the facility is built and operational, then you get a contract under the program and then the supporting royalty credits.

**Sally Housser:** — On page 47 of the budget, I can see that the mineral exploration tax credit, the expenditure is to stay stable compared to last year and slightly lower than 2024. Just with everything that we've been talking about today in terms of people being excited and all that we have to offer here in the province,

I'm just surprised that it's staying flat in that respect. I would assume that if we are going out there and trying to attract much more investment and people involved, that we would see that tax credit or that incentive and expenditure increase.

So can the minister just break down the expected exploration activity? And given inflation, if we're seeing that expected expenditure stay flat, does that mean that we're actually seeing less exploration?

**Cory Hughes:** — Exploration in the province is growing. Now the mineral exploration tax credit is really just subject to what companies are issuing flow-through shares to raise that capital. So in this case, it would just be less in that year. Less companies used flow-through shares, so it was a lower cost to that program. But that is not reflective of necessary exploration levels, which are continuing to increase over the last few years.

**Hon. Chris Beaudry:** — And we're also heading to Ottawa shortly and trying to expand the eligibility of helium into some of the tax treatment and flow-through shares.

**Sally Housser:** — That's great to hear. I met with the helium association in Calgary not too long ago, and that's something that they've been pushing for some time. So yeah, I'm very supportive of that. And it doesn't seem to make sense that it's not, so hopefully Ottawa makes the right decision in that respect.

Just moving a little bit — and I'll probably come back to some mining questions in a bit — but you know, the ambitious target of 600,000 barrels of oil a day by 2030. Just according to CAPP [Canadian Association of Petroleum Producers] data, we've actually seen less drilling in terms of wells and metres drilled since 2019, which is not a great trend.

Can you provide, you know, where in the budget, in your estimates here and the ministry, where that's really helping to increase getting to that? I think the goal this year is 450,000 barrels, 460,000 barrels, but that still is a big jump up by 2030 in just four short years. So just wondering if you can point me to kind of in the budget, rather than just saying this is what we want to get to, how we're going to get to it.

**Hon. Chris Beaudry:** — Yeah, in my opening remarks I had mentioned the high water-cut program, the multi-lat program. But the Government of Saskatchewan is continuing to work with industry to advance progress toward the 2030 target. And recently announced programs include the multi-lateral oil well program, the low productivity and reactivation oil well program. And those will play a large role in growing production.

We have a very attractive oil and gas investment climate in Saskatchewan, and we'll continue to work collaboratively with industry to identify other production and growth opportunities. We also continue to engage with the federal government to ensure that climate policy reflects the unique nature of Saskatchewan's oil and gas industry, which focuses on real cost-effective emissions, reduction opportunities, and promotes growth of sustainably produced oil.

Another very important aspect is the enhanced oil recovery tax credits. They offer an extremely bright future for Saskatchewan oil. And I mean we can talk about multiple, multiple other areas.

Like even in the Southeast, our rock is not the rock that we see across other parts of the country. And a big and an important aspect is understanding Saskatchewan's unique oil fields and our unique oil play.

**Sally Housser:** — Thank you, Minister. Can you just provide a little more of a summary of the uptake and impact of the first year of the low productivity and reactivation oil well program?

**Hon. Chris Beaudry:** — Just to preface my answer, these programs are generally driven by price of oil. We've gone from one end to another, but being at the lower end we've seen almost 250 wells and almost 20,000 barrels per day. And it's very early in the development of these programs, and there's become more and more interest in both of these programs. So with the increase in interest and the increase in the current price of oil, I would expect the barrels per day to increase.

**Sally Housser:** — All right. So just no specific numbers on kind of uptake?

**Hon. Chris Beaudry:** — Almost 250 wells and almost 20,000 barrels per day.

**Sally Housser:** — Sorry, I meant more financial impact.

[19:45]

**Hon. Chris Beaudry:** — We're collecting about a million dollars of revenue from both programs per month.

**Sally Housser:** — Great. Thank you, Minister. This year's allocation for the Surface Rights Board of Arbitration is being reduced by 6.6 per cent. Is there currently a backlog of cases? I'm just wondering if this reduction might impact landowners who are waiting to see their cases being heard. So is there a backlog? If so, how long is it? And is this going to impact it and make it longer essentially?

**Hon. Chris Beaudry:** — The operating cost is offset by meetings being held virtually now instead of in person. And the deputy minister will answer the second half of the question.

**Blair Wagar:** — Yeah, so there has been more recently some backlog that's been generated. And a big part of the reason for that was there was a certain operating model that the board had used. Then there was a court decision that changed when certain landowners could have some of their leases reviewed that caused, instead of these leases coming in kind of in a smooth fashion, that court decision — it's a bit of a technical decision for sure and a technical impact — but it changed the window of time.

So instead of them coming in smooth across kind of multiple years, now they come in in big lumps, and that's what created the backlog. So we are looking at different options. We don't have that solution yet, but we're looking at different options as to how we make adjustments to either legislation potentially or different options we have around operating. But that's what's created the backlog.

**Sally Housser:** — And just what's the length of the . . . How many people are waiting to be seen now, waiting to be heard?

**Blair Wagar:** — So we don't have with us today the numbers of the backlog. But just to give you a sense of the quantum of change, we would average, you know, some of the hearings would be around, you know, in around that 4, 5, 600 area would be pretty consistent. And now that's shot up because it's coming in a lump, like around 3,200. So we have to figure out how to smooth that out. But in terms of converting that into number of people waiting to get in, we don't have that information here today.

**Sally Houser:** — Thank you very much. If you could get that information and provide it to the committee, it'd be greatly appreciated. Thank you.

I guess another more kind of technical thing here, on page 42 of the budget it highlights that the Saskatchewan chemical fertilizer incentive is being extended for five years instead of sunseting this year. I think that's great news and will continue to strengthen the industry. But can you give us an estimate or thoughts on the economic impact of this? And frankly has there been any consideration given to making the incentive permanent to just provide a little more certainty for industry?

**Hon. Chris Beaudry:** — That incentive is under Trade and Export.

**Sally Houser:** — I will kick that over to Kim then. Okay, on page 66 of the budget, it highlights the resource revenues from uranium are lower. Is that primarily due to higher than expected mine capital costs? Or are these increases primarily due to inflation?

**Cory Hughes:** — Those changes are primarily due to increased capital costs in 2026.

**Sally Houser:** — All right. Oh, just . . . And I apologize if I've missed this somewhere in the media or something like that, but there's a long-standing lawsuit you filed with the federal government with respect to federal cost sharing on remediation work. Has that been resolved at any point? Or it's still ongoing?

**Blair Wagar:** — Hi there. Yeah. So I think I heard you say the lawsuit. I believe you were referring to the Gunnar in the northern reclamation site? Yeah, I just wanted to make sure I heard that correctly. So yeah, that is still active. That's not been settled. There's still ongoing conversations between our legal and the federal legal. For sure we've done . . . I think we reported last year, we've done some work to update the claim when there was an update to the liability. No changes to our liability at this point in time, but we've updated our statement of claim and continue to work with the federal government to see if we can't find a path forward there. But at this point, the lawsuit is still active, and we're looking to bring that to a resolution as soon as we can.

Obviously this has been around for a while. The work on the project itself continues as well. We're very close to the end of that project which is great, but still waiting to sort out the cost share with the federal government.

**Sally Houser:** — Thanks so much. Yeah, I was just curious about that more than anything else.

Just with that being said, you stated in the budget documents that

you'll reduce in 2026 kind of the inactive industry liabilities. What is that sitting at right now? What's the current liabilities we're on the hook for, for inactive industry liabilities?

**Blair Wagar:** — Inactive wells?

**Sally Houser:** — Yeah.

**Blair Wagar:** — Yeah, thank you.

[20:00]

**Hon. Chris Beaudry:** — Could you clarify the question, if that was on oil wells? Or were you speaking on uranium, on the Gunnar project?

**Sally Houser:** — Oil wells. Sorry.

**Blair Wagar:** — So just to be clear, so the number of inactive wells — now these are wells that are currently held by the active oil and gas companies — there's about 34,000 inactive wells. They don't have liability associated with them to the public sector. If that was your question, we have no liability. If a company that has an inactive well goes insolvent, that's where the orphan program comes in, which is funded by the industry itself. That's where that liability goes, and the industry holds on to the liability and will deal with those wells through the orphan program. So there's no liability to taxpayers for inactive wells.

**Sally Houser:** — Right, thanks very much. Sorry, if I could jump back to helium for a second and if you could just update us on the meeting of targets. I know we talked about going to Ottawa, and I know that that would absolutely help meeting the target. I know for the '23, '24 years, fell far short of the targets in helium production. I'm just wondering if, you know, what not getting that concession from Ottawa would mean for the targets. Would that significantly impact your goals to reach the helium target stated by 2030?

**Hon. Chris Beaudry:** — We've seen significant growth since we released our helium action plan. We're Canada's largest producer of helium. These tax changes are extremely important. And it's the reason why every time that we have spoken to officials in Ottawa, we bring up the differences between Alberta and Saskatchewan, that our helium industry is not the same industry as it is in Alberta. And we feel that these changes are very important to Saskatchewan helium producers.

**Sally Houser:** — Absolutely, I agree. But if there's some reason that Ottawa doesn't do this, has there been any, I don't know, modelling or consideration given to what that would mean for your 2030 goals?

**Hon. Chris Beaudry:** — We anticipate future growth and we're confident in the industry working with our great partners, Helium Evolution and North American. I think with the current geopolitical issues, we have no better opportunity than right now. That's why we're going to Ottawa with our helium partners to speak directly with the federal minister to get these changes, because they're very important. But we still anticipate great growth with these. Thank you.

**Sally Houser:** — Okay. Thank you, Minister. We've heard, the

Premier and several of the ministers have often referenced the 60 projects worth 60 billion in potential investment. Obviously that is across a number of sectors. It includes the AI data centre and agri-food and all sorts of other things, but there's a significant amount of those projects in the energy and resource sector.

Would you or your officials be able to provide the list of those projects that are referenced in that 60 projects and 60 billion that fall under Energy and Resources, and provide a breakdown of that for each project, the projected investment?

**Hon. Chris Beaudry:** — A lot of the list of projects cannot be shared because they include commercially sensitive or confidential information. But there are a few that pertain to our ministry that we can share, which are the Jansen BHP potash mine near Jansen, Saskatchewan; the Bethune mine expansion by K+S; McIlvenna Bay mine for Foran near Flin Flon; the Wheeler River uranium mine through Denison; the Rook I uranium mine through NexGen; Meota Central SAGD [steam-assisted gravity drainage] for Strathcona in west central Saskatchewan; the Plover Lake McLaren SAGD in through Strathcona in west central Saskatchewan; the Prairie Lithium project in southeast Saskatchewan through Prairie Lithium. And that's everything that falls under us that we can share.

[20:15]

**Sally Houser:** — Okay. And would it be possible to break down the estimate of . . . I'm just trying to get to the 6 billion in investment. And I know it's potential investment, and I understand that, but trying to get to how we arrived at that number. And the Energy and Resources file is a big piece of that. And if you're unable to provide a certain number, I guess we'll just have to take your word for it that there's 60 projects.

**Hon. Chris Beaudry:** — We aren't able to share the individual numbers, but on aggregate it's around \$25 billion from the projects that I listed.

**Sally Houser:** — Great. Thanks. Just in terms of natural gas, has there been any natural gas wells drilled in the past three or four years here?

**Blair Wagar:** — So we just did a quick check there. Zero natural gas wells drilled this year. Like 2025 and 2024, we've not had any gas wells drilled. I think we talked about this before. We're largely an oil play. Our geology, we have gas. Most of that gas is associated with the production of oil. And in terms of . . . You know, there are gas fields that we have, but from a competitive perspective, if you're looking to deploy capital, it tends to flow into the Alberta, BC [British Columbia], kind of Montney, Duvernay kind of plays. So it's difficult for us on the gas side to compete. So that's why we're very focused on oil production in our reservoirs.

**Sally Houser:** — Sure. Just going back a little bit . . . Not going back to it. Starting I guess, a little bit on the workforce. And I know, Mr. Chair, that that seems a little outside of estimates, but bear with me because I think it plays a huge role in how we meet all the assumptions that you've made in your business plan.

And so can you just give me a breakdown, or I guess a rough number of how many workers are currently employed in our

resource and energy sector as it would fall under your ministry in Saskatchewan?

**Hon. Chris Beaudry:** — There'd be about, direct and indirect, 60,000 jobs.

**Sally Houser:** — And I'm thinking more of probably direct in this respect, but of the people directly employed. And I'm thinking more in the building trades and working on-site and development and doing the work with their hands as opposed to the offices in Saskatoon, as it were. But do you have figures on how many of those workers are residents of Saskatchewan?

**Hon. Chris Beaudry:** — The vast majority of the workers live and work in Saskatchewan, but the exact number isn't reported to us.

**Sally Houser:** — Vast majority of? And I guess if you don't have a breakdown of that, you probably don't have a breakdown of how many, what percentage of the workforce is unionized in the building trade.

**Hon. Chris Beaudry:** — That's not something that's reported to our ministry.

**Sally Houser:** — Thanks very much. And so essentially the reason I'm trying to get at this is the number one thing people in industry, First Nations, people in Labour speak about is an impending labour force gap. And so I'm interested in our ability to grow that labour force here in Saskatchewan. That's why, if we could find a greater breakdown of people who are employed, live . . . Essentially I want permanent residents of Saskatchewan paying taxes, people who are . . . as opposed to coming and living in camp.

And I know we travel, you know, to Alberta. And I'm from Newfoundland myself originally. People move all over the country. But I'm interested in the tax base being generated by the jobs, but in addition to that, what that means for developing our own homegrown labour force here in Saskatchewan.

So if I could get a commitment — I know that those numbers exist somewhere from either your ministry or a colleague's ministry — I would very much like to have that information.

I guess moving . . . [inaudible interjection] . . . Oh, sorry. Go ahead, yeah.

**Hon. Chris Beaudry:** — We'll try and find that number for you but there are already amazing opportunities. And I think the member from Humboldt, what BHP is currently doing there with their potash school. There is the oil and gas class with the Distance Learning Centre, and the SMA goes into high schools and junior highs to discuss amazing careers in mining.

**Sally Houser:** — Yeah, and I had the opportunity to visit those. And I even, during Mining Week, got to participate in a grade 7 girls' project where they learned about all the great careers in mining. You know, and I understand that there's some efforts being under way in that respect, but it remains the top number one thing I hear.

And so I'm curious if there have been any discussions, data, or

modelling about what that growing or coming labour force gap means to your projections and assumptions in your business plan, because if we are building all across this country, the competition for these workers becomes much more significant.

**Hon. Chris Beaudry:** — Yeah, I know we are the best jurisdiction in the world for this type of work. All eyes are on Saskatchewan. But I do think that this question would be best directed to Immigration and Career Training.

**Sally Houser:** — Okay. Thanks very much. Saskatchewan is now one of the only . . . and understanding that you, in terms of impact assessments and that stuff . . .

[20:30]

But obviously, you know, the approval of projects massively affects your department's bottom line. So just curious, you know, Saskatchewan being one of only — I think it's two or three — provinces that haven't signed a co-operation agreement with the federal government on impact assessment yet . . . And you know, obviously the goal of that agreement as I understand it is the idea of one project, one review.

Do you have any information or update on that process? If that can be expected, inasmuch as it affects your department and how quickly projects get approved and can be added to your roster of the 60 projects and 60 billion.

**Blair Wagar:** — So thanks for the question. Obviously the *Impact Assessment Act* is something that our ministry pays really close attention to. It's not a file that we lead. It's the Ministry of Environment that is having the conversations with the impact assessment agency around the co-operation agreement. But it certainly is something that we pay a lot of attention to, and wanting to see the permit process at the federal level move at the pace.

Obviously our mission is around responsible resource development, and you know, there's certainly a lot of positive things that are being said at the federal level about speeding things up and making projects move through that process quicker. But at this point in time I think the question is better answered by Environment. We're not in those discussions directly.

**Sally Houser:** — Thank you. Just if we can go back to forestry for a second.

Could you talk a little more about talking about modernizing the forestry royalty structure and what exactly that looks like and the financial impacts on the province's bottom line, but also on the industry? Understanding, you know, we're dealing with all sorts of global forces on the forestry side as well as the oil and gas and mineral side.

**Hon. Chris Beaudry:** — These changes were something that industry had asked for, and we had listened. This was helping update a system where it was still based off costs from 2014. And I believe that ADM Cory Hughes has a few more details.

**Cory Hughes:** — Yeah, so the minister's correct. The costs were flatlined in 2014 costs. So the big change was modernizing the

system to be reflective of actual industry costs under the current situation, which is, you know, a huge help to the industry now to get through a very unprecedented fire season in 2025, which has increased cost to industry, as well as US [United States] duties, tariffs for the softwood side.

So you know, a very welcome change that it makes us also a lot more competitive with other jurisdictions moving forward in attracting investment and ensuring that our facilities continue to operate.

**Sally Houser:** — And can you tell me what impact, if any, that has on the revenue side for the province?

**Cory Hughes:** — It's highly variable depending on price, which is a fairly price-sensitive system, but it does have an impact to the province. But as I said, the modernization was required because the costs we recognized were not reflective of the actual cost that industry was incurring.

**Sally Houser:** — Thank you. Going back to kind of I guess the global climate, I'm wondering, given the volatility that we see right now obviously in oil and gas, it has a massive impact. And I'm thinking not just on the WTI [West Texas Intermediate] and the price of oil, but in terms of how nations and certainly Canada and Saskatchewan looks about its own production. Has the department done any modelling of different scenarios based on the cost of oil, length of conflict, and international relations? Or are we just kind of waiting to see how it all shakes out here?

**Hon. Chris Beaudry:** — In current difficult and volatile markets, it can almost border on being irresponsible to say what is going to happen in the future and what isn't. But that being said, we do have quarterly forecasts and you'll see those in the next quarter.

Know we're currently in breakup season in the oil and gas sector, so to report how this has affected drilling is going to be completely inaccurate at the current time. We'll see when the snow melts and the holes can continue to be drilled. We'll see how the industry responds.

**Sally Houser:** — Thank you very much. It is kind of changing tack a little bit in that one, just in that this is . . . well I'll confess I don't know much about this side of things. But the oil and gas drilling exclusion zones, could you explain to me just kind of where those are in Saskatchewan and, you know, when the last time that there were any changes made to the exclusion zones in Saskatchewan. And what's the process of kind of naming those, changing those?

**Cory Hughes:** — So the one area that oil and gas permits are not permitted is within the Crown reserve of the potash zone. And that was put in place to ensure that we're protecting the incredible potash resource that we have in the province. If there's a request to come into that zone, then we would take careful analysis. But really there is no one allowed into that outside of potash activity with, you know . . . I'll leave it at that for now.

**Sally Houser:** — Okay, thanks very much. Just going back to kind of incidents and safety. And when I asked this last year, I was told to google it, and so I understand that the incidents are available online. But I'm interested in . . . Obviously there was

an incident with Cenovus in the Lloydminster area with a leak that went for some time.

I've talked to Cenovus a lot about it during the time, and so I understand the mechanics of how it was handled and how it moved forward. But wondering if the ministry has taken any kind of lessons learned, if there's been any changes made to procedures or any update on kind of results of that.

[20:45]

**Rebecca Gibbons:** — Rebecca Gibbons, assistant deputy minister for the energy regulation division. So to your question, in response to the Rush Lake incident there's a couple of internal things that we have done. We have added basically a risk profile for our thermal facilities. They are now all automatically treated as high risk in terms of our approval process. We've also made changes to our incident management framework as well, and that is in response to the longevity of this incident rather than the severity of it.

We're also waiting for the results of the investigation, which will be known within the next few months. And that will also help support some of our findings and help finalize those changes going forward.

**Sally Houser:** — Thanks so much. And in terms of the investigation, is that all done through the ministry? Is there any independent or outside actors involved in that process?

**Rebecca Gibbons:** — So just in response to your question, under the minister's order, that requires the investigation into the Cenovus incident. They are required to use third-party validation as part of the investigation work, and that's something that the ministry expects to receive in the next few months.

**Sally Houser:** — Thanks so much. Just an understanding that, you know, our coal production in Saskatchewan is used almost exclusively for power generation. I'm just curious. Does the reported increase in cost for coal refurbishment have any significant effect on the Energy and Resources bottom line assumptions inasmuch as it, you know, relates to the larger power grid and the various different projects that require that power to operate here in the province?

**Hon. Chris Beaudry:** — With refurbishment and with us continuing using coal, our revenues are going to remain stable. And any of the other information I think would be best directed to CIC.

**Sally Houser:** — Great. Thank you very much, Minister. All right, I've got a few minutes left, so just a few I guess more housekeeping things. I think I've covered most of the material stuff I wanted to. Can you just let me know how many employees are currently employed in the Ministry of Energy and Resources, and if it's an increase or decrease from the previous year.

**Blair Wagar:** — So the number of FTEs [full-time equivalent] in the ministry is 112. And that's consistent from the previous year as well, so no up or down.

**Sally Houser:** — Consistent. And how many staff, FTEs, employed in the minister's office?

**Hon. Chris Beaudry:** — In my office we have three and a half. And just to make a correction on the previous answer, it's 312, not 112.

**Sally Houser:** — 112 sounded pretty light to me for our province's energy and resources industry. Great, thanks. Do you have a breakdown — just because I'm always interested in communications — of how many communications staff you have within the ministry?

**Hon. Chris Beaudry:** — Five.

**Sally Houser:** — Okay, thank you very much. I'm seeing if there's anything that I've missed here. Oh, can you talk a little bit about . . . Obviously there's news of the potential of a significant aluminum deposit that everybody's pretty excited about, myself included.

Can you just provide a little more information on kind of that exploratory process of how — I don't know how convinced we are that it's as good as it looks — and what the ministry is doing to try to kind of expedite that process and see, like I said, see if it's as good as it looks? I know that there's a lot of excitement and a little bit of skepticism. So any information you could provide on that would be great.

**Hon. Chris Beaudry:** — The Ministry of Energy and Resources has supported this project through the TMEI incentive. And the Thor project, it's still in early stages, and there'll be significant work required before the project could potentially be approved to begin construction.

**Sally Houser:** — Okay. And is there a timeline around that process at all?

**Hon. Chris Beaudry:** — In the end that's up to the company, but we anticipate several years of work before we know if it's a viable project.

**Sally Houser:** — Okay, thanks very much. And just going back, a similar question to kind of, I guess, on our oil production in terms of the global climate with potash. If you have any information, or have there been any discussions or again modelling, given the volatility? And I understand, particularly with oil and gas, that waiting until the season starts up again, it's best to wait until that, but potash works a little differently.

Any kind of concerns around the global impact, obviously particularly Russia and Belarus, in your assumptions and projections going forward?

**Hon. Chris Beaudry:** — World demand for potash continues to grow, as does production in Saskatchewan. I mean I spoke earlier about the expansions at K+S and BHP. And I think it's because of significant work done through our trade offices that we have the ability to grow Saskatchewan's potash industry along with our potash partners.

**Sally Houser:** — Minister, 8:59. I think I've gotten everything I wanted to ask out. Over to you, Mr. Chair.

[21:00]

**Chair D. Harrison:** — So no further questions from you, MLA Housser?

**Sally Housser:** — No further questions from me.

**Chair D. Harrison:** — I'll ask any other members of the committee if there's any other questions. We have until 9:06 to finish up our two hours. MLA Kasun.

**Kevin Kasun:** — Of course. What's holding Saskatchewan back from getting resources to the world market?

**Hon. Chris Beaudry:** — Thank you. You know, we do everything we can to get our products to market. And we do see some hurdles and some delays in other areas of the country, be that the Port of Vancouver, the Second Narrows bridge. We see inefficiencies at the port that quite frankly harm the people of BC but mainly harm the people of Saskatchewan. We see port inefficiencies that have them ranked 347th out of 348 in the world, the second-worst on the CPPI [Canadian Petroleum Products Institute] rankings, and that directly hurts every single person in Saskatchewan. And those delays and inefficiencies are a direct reflect of current government policy.

**Kevin Kasun:** — Thank you.

**Chair D. Harrison:** — Any further questions?

**Sally Housser:** — I just want to hop on that. I guess I'll tag back in here.

**Chair D. Harrison:** — MLA Housser.

**Sally Housser:** — Thank you very much. Thank you very much, Mr. Chair. In terms of that port access, when I worked for the Manitoba government a few moons ago, we were very much trying to make the Port of Churchill happen. And that's kind of back in discussion now, I think probably less so in terms of oil and gas, but more so as an avenue for other of our resources. Is the ministry having any conversations with Manitoba or the federal government around the potential development of the Port of Churchill, particularly as it comes to trying to diversify our markets into Europe more?

**Hon. Chris Beaudry:** — We're in discussions with all jurisdictions and are looking at all options in moving the goods that Saskatchewan can produce. We also have an MOU [memorandum of understanding] between Trade and Export and the Port of Churchill.

**Chair D. Harrison:** — Any further questions?

**Kevin Weedmark:** — Sure.

**Chair D. Harrison:** — MLA Weedmark.

**Kevin Weedmark:** — Sure, I'll ask one if you guys are out of questions there. How and what has led to the progress toward the critical minerals strategy?

**Cory Hughes:** — Certainly I can give an update on the . . . There was four key goals in the critical minerals strategy, the first of which was to capture 15 per cent of Canadian exploration

expenditures. We were in the 8 to 9 range when we introduced this strategy. We have now met that goal, and that goal was a 2030 goal. So you know, a significant increase in exploration in the province. And now we're above the 15 per cent threshold that we were looking to achieve.

Two, we also wanted to double the number of critical minerals we produce. When we introduced the strategy, we only produced potash, uranium, and helium. This year we're anticipating commercial production of lithium as well as the Foran mine will begin production, which will add copper and zinc. So we will achieve that goal well ahead of time.

Third goal was to support our existing critical minerals, primarily potash, uranium, helium. The minister spoke to our efforts with the federal government to increase helium. We've seen two new uranium mines approved by the CNSC [Canadian Nuclear Safety Commission] recently and earlier this year, which was a really positive step. And of course, potash: BHP continues to advance their project. K+S is looking at doubling capacity.

And then the fourth goal is, you know, establishing Saskatchewan as the rare earth processing hub. And I think that we have seen great progress as SRC moves towards that goal.

**Kevin Weedmark:** — Thank you.

**Chair D. Harrison:** — Having reached our agreed-upon time for consideration of these estimates, we will adjourn consideration of the estimates and supplementary estimates no. 2 for the Ministry of Energy and Resources.

Minister Beaudry, do you have any closing comments?

**Hon. Chris Beaudry:** — Yes, I'd like to again thank my officials for their support and their work and everything they've done throughout the year to get us to this point. I want to thank the committee for your time, your questions. I want to thank the critic for all your questions. And again, *Hansard*, as always, thank you for the work that you do. And that's all.

**Chair D. Harrison:** — MLA Housser, do you have any closing comments?

**Sally Housser:** — Yeah, thanks again to the committee, for everybody that's here much later in the evening than typically we would be. You know, it's a pleasure to really get to discuss the great potential of our energy and resource industry outside of the sometimes more theatrical forum of question period. And thanks very much for being so forthcoming with your answers. I made it through all my questions for this one, which is great.

Thanks very much to *Hansard* and the whole production team. And to you, Mr. Chair, and your team. I appreciate it. Thank you.

**Chair D. Harrison:** — Thank you, Minister, and to your officials for joining us here this evening. Thanks to the committee for the work and staying with us here this evening. Thanks to the Clerks and *Hansard* crew; all the work is much appreciated, if that's a word. But thank you very much.

So that concludes our business for today. I would ask a member to move a motion of adjournment. MLA Hilbert has moved. All

agreed?

**Some Hon. Members:** — Agreed.

**Chair D. Harrison:** — Carried. This committee stands adjourned to the call of the Chair.

[The committee adjourned at 21:09.]