



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Moosomin

Mr. Trent Wotherspoon, Deputy Chair
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Carrot River Valley

Ms. Jennifer Campeau
Saskatoon Fairview

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Mr. Bill Hutchinson
Regina South

Ms. Victoria Jurgens
Prince Albert Northcote

[The committee met at 19:00.]

The Chair: — It now being 7 p.m., I will call the committee to order. And we're joined tonight by committee members Larry Duke, Jennifer Campeau, Victoria Jurgens, Corey Tochor sitting in for Mr. Hutchinson, Fred Bradshaw, and sitting in at this time for Trent Wotherspoon, Cathy Sproule. As well we're joined by the Minister of the Economy and his officials.

This evening we're going to be considering the following votes: the Ministry of Economy, vote 23, central management and services, subvote (EC01); as well as the Ministry of Economy, vote 174, loans under *The Economic and Co-operative Development Act*, (EC01); and the Saskatchewan Research Council, vote 35, Saskatchewan Research Council, subvote (SR01).

**General Revenue Fund
Economy
Vote 23**

Subvote (EC01)

The Chair: — I would now invite the minister to introduce his officials and make his opening statement.

Hon. Mr. Boyd: — Good evening, Mr. Chair, committee members. Thank you very much for the opportunity to appear before you for the estimates in the Ministry of the Economy.

Before we get started, I'd like to introduce our officials here this evening. On my left is Mr. Kent Campbell, deputy minister of the Economy; on my right, Chris Dekker, associate deputy minister of the Economy; behind me on my left, Denise Haas, chief financial officer, revenue and corporate services. Next to her is Alastair MacFadden, assistant deputy minister, labour market development division. On my right is Laurie Pushor, assistant deputy minister, performance and strategic initiatives division. And next to Laurie is Joanne Johnson, executive director, marketing and communications branch. And the folks behind that, I'll embarrass myself if I try and introduce them, so I won't. But if they're needed at some point, we will introduce them at that time.

The officials obviously will be providing answers and information as needed throughout the conversation that we're going to have here this evening.

Mr. Chairman, for years Saskatchewan has seen . . . Canada's economic underdog, Saskatchewan was the place. Out-migration was commonplace. Opportunities waned. Resources lay stagnant in the ground. It's no secret our prospects have significantly changed. In fact we've seen a 180-degree shift. Saskatchewan is now an economic powerhouse. We have a AAA credit rating and a GDP [gross domestic product] that is forecast to be one of the highest in the nation.

People from across Canada and from around the world are flocking to live, work, invest, and raise their family and put down roots in our province. In fact we have more people living here than at any point in our history. We boast some of the best,

brightest, and hardest working people in the nation, and they are choosing to build their careers right here in a province that for the past 15 months has led the nation with the lowest unemployment, where wages are the third highest in Canada, and where the labour market is red hot with 18,000 new jobs being added to our province last year.

Exports, wholesale trade, manufacturing shipments all reached record highs in 2013. Our small businesses are some of the most optimistic in the nation. It's predicted that in 2014 Saskatchewan will hit \$20.9 billion in public and private sector investment. That I think, Mr. Chairman, is very tangible progress. It is progress that is evident in our unprecedented quality of life and the optimism of our people and the strength of our Saskatchewan businesses.

The new Saskatchewan is an exciting, strong, and successful Saskatchewan, one built on I believe that good government policy and true Saskatchewan grit. We want to stay the course and maintain that momentum while ensuring that our government is equally driving growth today and into the year 2020. That's why this year's budget is focused exactly on that — steady growth. This is the kind of economic growth that is both sound and sustainable, that meets our growth plan objectives and secures a prosperous future for us all.

Mr. Chairman, I'm pleased to say that the budget, once again, is a balanced budget. It takes into consideration the needs of Saskatchewan families and expectations of this government. Instead of raising taxes, we are controlling government spending. We are making targeted investments that will benefit individuals, students, families, and businesses alike.

Mr. Chairman, thanks to the scope of the Ministry of the Economy, our work touches many of the goals in this year's budget, after all, a key driver of this province's growth agenda. We are helping businesses to do business here in Saskatchewan. We are growing our resource sector. We are attracting investment and people from around the world. And we are filling jobs and creating opportunities for First Nations and Métis men, women, and youth, and for all individuals who want to participate in this thriving economy, an economy that will need 75 to 90,000 more people to fill the job market by year 2020.

Mr. Chairman, the Ministry of Economy's operating budget from 2014-15 totalled 271.6 million. The Ministry of the Economy is making key investments in skill training and labour force development. This includes \$500,000 investment to establish the manufacturing centre of excellence, a new institution that will foster productivity, improvement, innovation, and workforce development for our expanding manufacturing sector.

We're investing \$1 million to purchase 300 additional training seats with the Saskatchewan Apprenticeship and Trade Certification Commission. We're increasing our investment in adult basic education to \$2.1 million so that 700 new adult basic education seats can be purchased and the current wait-list reduced to zero by 2015. We are supporting those individuals in skills training through a \$500,000 increase to their apprenticeship training allowance and a \$924,000 increase to

the provincial training allowance.

For nearly two years, our ministry has been nurturing Saskatchewan's economic landscape for the benefit of all sectors — business, investors, and of course most of all our citizens. We are pleased to be contributing to another balanced budget and we are looking forward to building a competitive, sustainable, and bright future for everyone in our province.

Mr. Chairman, that concludes my opening remarks and we look forward to a productive discussion and questions from the committee members on the estimates of the Ministry of the Economy. Thank you.

The Chair: — Thank you, Mr. Minister. And just a reminder to the staff who are here, if you're asked to address a question, just to state your name and your position for the sake of Hansard. The floor is now open for questions. I recognize Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair, and thank you, Mr. Minister, for your opening comments. I am here for part of the evening and will be focusing on the immigration portion.

Hon. Mr. Boyd: — Okay.

Ms. Sproule: — So we'll start off with I believe about an hour and a half on immigration.

Hon. Mr. Boyd: — We will move the appropriate officials into place then.

Ms. Sproule: — Sure, yes. Thank you.

Okay? All right. Thank you very much. I'm just going to start right away with the estimates for 2014-15 on immigration and first we observe that there's been a cut of about \$400,000. Could the officials indicate where this cut is taking place?

Mr. MacFadden: — Yes. Alastair MacFadden. I'm the assistant deputy minister for labour market development. There's a reduction to the overall settlement budget of \$300,000. It's a reduction to a category of investment known as innovation and knowledge. The reduction is due to the fact that there was underutilization in recent years in that category of investment.

Ms. Sproule: — That's 300,000, you said.

Mr. MacFadden: — That's correct.

Ms. Sproule: — Can you describe that program a little bit more and how it was utilized?

Mr. MacFadden: — The funding was there to support research, evaluation type activities. Due to underutilization we found that we've been able to support that work in other ways.

Ms. Sproule: — And there's another 100,000 I guess or . . . No, is it only 300,000? Okay. I had my number wrong. I'm trying to figure out a little bit more about that actual program, so could you describe maybe one of the type of applications that you did receive in the past? Like what would people apply for?

Mr. MacFadden: — It wasn't an area of where there was applications. It supported the administration of settlement activities, trying to make sure that we were following the most promising practices in terms of our settlement investments. That envelope of settlement activities includes everything from gateway services, settlement . . . [inaudible] . . . advisers, credential recognition, qualification recognition, English language training, and so on. So the innovation, knowledge and innovation funding supported research or evaluation of those types of activities.

Ms. Sproule: — All right. You'll have to bear with me because I'm fairly new to this area. So I thank you for that response. So if I understand correctly then . . . And some of the language I'm going to ask you to help me with a little bit. When you talk about gateway, what do you mean by gateway?

Mr. MacFadden: — We have gateway agencies throughout the province that help people with integration when they're new to Canada and new to Saskatchewan. Gateway agencies would help people get oriented, both to the workplace and to their new community.

Ms. Sproule: — Thank you. And when you talk about settlement, how is that different than gateway?

Mr. MacFadden: — The settlement supports are structured in two different ways. Working in collaboration with the gateway centres are settlement advisers who do a bit more of the outreach activities — same purpose, but the format of support is a little bit different.

Ms. Sproule: — So how many FTEs [full-time equivalent] would you have in both of those areas right now?

Mr. MacFadden: — Those are purchased services, and the contracts are managed by the labour market services division along with other labour market activity. So in terms of what's specifically dedicated to those contracts . . . I can give you the organizations that provide those services, but in terms of the FTEs that are actually dedicated to managing those contracts, I haven't got that information with me. So we would have 19 contracts that support settlement adviser services and there's 11 gateway agencies throughout the province.

Ms. Sproule: — Throughout the province. And the contracts for the settlement advisers are throughout the province as well?

Mr. MacFadden: — That's correct.

Ms. Sproule: — Okay. I note that in previous estimates, and maybe you could help clarify this, in particular 2012-13 there's two different numbers. So in the 2012-13 estimates, it had showed \$12 million was your estimates for '12-13, and then last year for some reason that number changed to seven million, six hundred and thirty. So there's around \$5 million less than . . . And why was that number dropped by \$5 million? Just what is the context here?

[19:15]

Mr. MacFadden: — The budget included both operational supports and settlement activities themselves. There was a

reduction two years ago due to underutilization. With growth in demand for integration services, there was an increase to the budget last year of 1.5 million to support the growth of the immigrant community in the province.

Ms. Sproule: — Okay. I note that in '12-13, immigration was located in a different ministry, so I don't know if that also is a reason why there was less allocated to Economy. Did the entire program get transferred to the Economy or just part of it?

Mr. MacFadden: — The full amount was transferred to the Ministry of the Economy.

Ms. Sproule: — So there was an actual drop of 5 million from the beginning of the estimates to the end of the estimates for that year, and you're saying that was a lack of utilization on the programs?

Hon. Mr. Boyd: — I'm not sure you can transfer it directly like that because of the timing of the change between the previous ministry and this ministry, and as well there's a number of different services wrapped in now than what there was at that time. So I'm not quite sure you can make that sort of apples to oranges comparison based on one year versus the last year.

Ms. Sproule: — I appreciate that and I just . . . I was a bit befuddled by, you know, normally the previous year gets carried over to the future year but in this case there was a big difference in what was stated. But I'll move forward at this point.

We saw back five years ago, you know, it seems like the allocation for estimates for immigration was around 12, \$13 million. It was as high as \$14 million and now it's pretty much the lowest it's been, at \$8.8 million. And we know that immigration is a going concern and that there are more and more people coming all the time. So in terms of a global look at the immigration programming in the estimates, why would there be a sort of a downward decline in the amount of funding that is provided for immigration in the budget?

Mr. MacFadden: — The pre-existing budget that you're referring to, as I said, included operational budget and also program budget. The operational budget would account for about 4 million of the 12 million. When we created the Ministry of the Economy, the operational budget was collapsed within labour market development into one line.

Ms. Sproule: — That helps me. Thank you very much. In terms of this fiscal year with the \$8.8 million that is allocated, can you give sort of a broad-brush stroke of how that money is being allocated within immigration?

Mr. MacFadden: — In terms of the \$8 million in immigration supports, it would include things like language training programs in our regional colleges, which is in the neighbourhood of about \$700,000. There are some supports for pre-arrival which amounts to about \$60,000; settlement advisers, about 600,000; gateway services, about 2.8 million; other types of language programs about 1.4 million; English for employment programming, 365; advanced English language training, 480,000.

Ms. Sproule: — Is that in addition to the 1.4 million?

A Member: — Yes.

Ms. Sproule: — Okay.

Mr. MacFadden: — Foreign qualification recognition licensing activities, about 500,000.

Ms. Sproule: — Is that the main categories or do you have more?

Mr. MacFadden: — Those are the main categories.

Ms. Sproule: — Okay. So when you say there's 2.8 million for gateway and 600,000 for settlement advisers, is that the contracts you were referring to earlier?

Mr. MacFadden: — That's correct.

Ms. Sproule: — Okay. In terms of FTEs within the Ministry of Economy, how many are allocated to immigration?

Mr. MacFadden: — In terms of administration of contracts, that happens in a different branch and so I don't have a breakdown of FTEs that are dedicated to the contract management that's associated with immigration programming.

In terms of the immigration branch itself and the immigrant nominee program and what's associated there, I can give you those details. There's 51 FTEs that are dedicated to that branch.

Ms. Sproule: — And has that changed in the last budget year?

Mr. MacFadden: — It's down by one FTE.

Ms. Sproule: — Thank you. Talk a little bit now about the immigration strategy that's described on your web page. I want to find the web page. Hang on. Being fairly new to your area, I went to your web page. And I see on the front of the web page there's a description of a new comprehensive immigration strategy for Saskatchewan entitled Strengthening our Communities and Economy. And so then I clicked on the link that brought up a document with . . . It's kind of a brochure. It looks like it was written probably in around 2009, but I assume it's still current because it's there on the web page. So I just had a few questions relating to that strategy and how it's being implemented here in 2013 and '14.

On . . . I'm calling it page 3. There was no page numbering but it talks about, the new immigration strategy is the headline or the heading, and it said, "In 2009-10 the province was investing an additional \$2.69 million for immigration." What is the projection for 2013-14? Is it the numbers that we see in the estimates or is there any other money that's being invested in immigration?

Mr. MacFadden: — The document you're referring to is from 2009. What's stated in estimates for 2014-15 is the investment in immigration now.

Ms. Sproule: — So it's up to 8.8 million and it was only 2.69 million in 2009? Maybe I'm missing something here. When I

look at the '09-10 estimates, it was actually 13 million under the immigration line, but in the strategy it talked about an additional 2.69 for immigration. So I guess that's just . . . I don't have '08-09's numbers here, so it would've been an increase for '09-10. Okay, all right. I'm working myself through this as we go.

On the next page we see a heading, focused and effective settlement, and it talks about a new service delivery model for settlement. And there was going to be implementation . . . a new service delivery model settlement programs and language programs. Has that delivery model been implemented, the service delivery model?

Mr. MacFadden: — That document refers to the gateway and settlement service model that was introduced. So I've referenced the 11 gateway agencies and the settlement advisers since being launched.

Ms. Sproule: — That one's part of this? Okay. And then there's a reference there to a competency recognition strategy. Has that been launched?

Mr. MacFadden: — Foreign qualification recognition is an ongoing activity where we target priority occupations each year to ensure that there's a pathway to recognition. And Saskatchewan does that in collaboration with other provinces and territories.

Ms. Sproule: — Just out of curiosity, what would be the top three priority occupations right now?

Mr. MacFadden: — The occupations that are given priority each year for pathways to recognition are determined with a federal-provincial-territorial working group. And so each year they would focus on different priority occupations. This year we're about to announce the fourth round of target occupations that all provinces and territories will work together on, but in the past it's included things like physicians, skilled trades, that type of thing — demand occupations across the country.

Ms. Sproule: — Somehow I thought physicians would be on the list for sure, and skilled trades. Okay.

The other future response that was proposed at the time was a micro loan program for immigrants engaged in licensing assessments. Did that program take place, and is it still operational?

Mr. MacFadden: — We have a partnership with an organization called the Immigrant Access Fund.

Ms. Sproule: — Immigrant access . . .

Mr. MacFadden: — Immigrant Access Fund.

Ms. Sproule: — Fund?

Mr. MacFadden: — Yes. And they deliver micro loans to support pathways to credential recognition.

Ms. Sproule: — So when it says immigrants engaged in licensing assessments, is that what you're talking about, is

getting the correct licences?

Mr. MacFadden: — Immigrant Access Fund can support gap training that might be necessary for a person to have their credentials recognized. It could support exam fees or testing that's necessary for people.

[19:30]

Ms. Sproule: — Thank you. Okay. On the next page there was an intention to establish a provincial council on international education. Is that in place? That's for education.

Mr. MacFadden: — The Ministry of Advanced Education is leading the development of an international education strategy right now.

Ms. Sproule: — Okay, thank you. There was a page on program integrity, and I know you have established a program integrity unit or maybe it's been in place for a long time. And the intention there was to add an auditing function to ensure quality assurance in Saskatchewan's immigration programs. Is that function in place now in the program integrity unit?

Mr. MacFadden: — Yes, we do have a program integrity unit.

Ms. Sproule: — Does it have an auditing function?

Mr. MacFadden: — The program integrity unit manages the licensing of recruiters and consultants right now. They also support the integrity of the program administration.

Ms. Sproule: — On this page, I'm calling it page 6, but it does talk about quality assurance in an auditing function. So I'm just wondering if that's part of the work that they do when they manage what you described.

Mr. MacFadden: — Yes, that's accurate. They do internal quality assurance on a risk-based approach. They also investigate complaints or concerns that might be identified.

Ms. Sproule: — Do you know how many complaints they've had in the last year?

Mr. MacFadden: — Last year the program integrity unit worked on 137 cases.

Ms. Sproule: — 137 cases. And is that all the ones that come from complaints or is that also the risk-based determination? Is that total?

Mr. MacFadden: — That would include all of their activities, the total cases.

Ms. Sproule: — Would it be possible to get a breakdown of how many were based on actual complaints coming into the office and how many were on a risk basis, a risk assessment basis?

Mr. MacFadden: — We don't have those details with us tonight. We'd have to table that later.

Ms. Sproule: — Thank you. I'd appreciate that. In terms of

these 137 cases, how many have been resolved?

Mr. MacFadden: — 97. And the remaining 40 are still in progress.

Ms. Sproule: — Okay. Thank you. On the next page there was a heading called economic growth or entrepreneurship. And this was the SINP [Saskatchewan immigrant nominee program] entrepreneur category. And the thought at the time was that there'd be a new application process and there would be the introduction of four new entrepreneur category streams. Has that been done?

Mr. MacFadden: — The four categories were introduced as described. Since then we underwent further review and public consultations and now have a category of two streams. One is for farmer owner/operators and the other is for entrepreneurship business development.

Ms. Sproule: — Thank you. Okay. I do have a few questions now on the new Act that was proclaimed in October. And I guess the first question I have, and I know just recently, I think even this month, you released a list, which I thought I brought with me, of people that have been licensed. How many licences have been issued since the . . . I think January 8th was the deadline, was it?

Mr. MacFadden: — It's 280 to date.

Ms. Sproule: — 200 to date?

Mr. MacFadden: — 280.

Ms. Sproule: — 280. Okay. And I just found the list before I came down here. Are they now all now on that list that was just released, the 280? Is that how many are here?

Mr. MacFadden: — Yes, that's correct.

Ms. Sproule: — How many of them . . . Well no, never mind. All right. Under the new Act it talks . . . I'm interested in how you're looking at the enforcement part of the Act. Who is responsible for enforcement within the ministry?

Mr. MacFadden: — The program integrity unit. Now depending on the nature of the concerns they may be working in collaboration with the Ministry of Labour Relations and Workplace Safety.

Ms. Sproule: — When I looked online I could see there's three people in that unit. There's a director and then two officers. And I think when you mentioned earlier the complaints that are coming in, would they handle those as well, the 100 and however many?

Mr. MacFadden: — Right now there's a director and three officers in that unit. And yes, they would handle both.

Ms. Sproule: — For the 40 outstanding cases that are in progress, are these complex and that's why they're not resolved or are they just simply taking time to resolve?

Mr. MacFadden: — It would vary depending on the situation.

And they don't all come in at the same time. So at the time of reporting that's how many were carried over and how many had been completed, yes.

Ms. Sproule: — So they're also doing the enforcement of the new Act. Have there been any fines or cases brought under the new Act yet since January?

Mr. MacFadden: — There are investigations that are happening right now, but there's yet to be a fine imposed under the new Act.

Ms. Sproule: — I'm just looking further on a press release about the Act itself. It said after November 12th employers must be registered by the Government of Saskatchewan before hiring foreign workers. How many employers have registered to date?

Mr. MacFadden: — There are 3,700 employers registered to date.

Ms. Sproule: — How does that work? Do you have a registry or is it just the open files on each one of them?

Mr. MacFadden: — The employers are approved and there is some assurance that goes on to confirm their status as an employer in Saskatchewan.

Ms. Sproule: — And is that work done by the program integrity unit as well?

Mr. MacFadden: — That work takes place within an employer unit, which is a small group within a different part of the branch.

Ms. Sproule: — Which part is that? What's the name of the program?

Mr. MacFadden: — Just as part of the Saskatchewan immigrant nominee program. It's part of that branch.

Ms. Sproule: — When I look at your web page, there's a number of different categories. And so where would the SINP be found on your web page? Because it doesn't show up as a separate category. Is it under immigration services? Maybe I missed it completely.

Mr. MacFadden: — Yes, that's correct.

Ms. Sproule: — It's under immigration services?

Mr. MacFadden: — Yes.

Ms. Sproule: — Because I found immigration policy and planning, entrepreneur immigration, and economic immigration, but I didn't see SINP. Would it be incorporated within those three areas?

Mr. MacFadden: — The SINP describes the full . . .

Ms. Sproule: — The full suite.

Mr. MacFadden: — Yes. Immigration program.

Ms. Sproule: — Okay. So immigration services equals SINP?

Mr. MacFadden: — Yes.

Ms. Sproule: — Okay, thank you. So under the Act . . . I just want to understand the process then for how employers get themselves registered. I see it's under part IV of the new Act, but could you just sort of take us through — the committee — how employers go about and what they need to prove in order to be approved?

Mr. Westgard: — Hi. Kirk Westgard, executive director for immigration services.

Employers start off being approved under the Act by applying to the online registration system we have. So they go on to our website, follow the links to the registration, fill out the pertinent information, get . . . providing a user name and password, and then fill out the rest of the information about their business, submitting it for a review. Once it is looked at and reviewed by employer officers, they are approved under the Act to either apply for temporary foreign workers through a labour market opinion in the federal category or to continue to add the jobs at the immigrant nominee program.

Ms. Sproule: — And the employer officers, what are the kinds of things they look at under quality assurance? I don't know what they do, but what are they looking for in terms of quality assurance, I guess, for these employers?

Mr. Westgard: — They look to ensure that the company registering is a genuine and legitimate company that is registered in the province of Saskatchewan. They also check with labour standards and occupational health and safety to ensure there are no outstanding issues with both those agencies before they move forward.

Ms. Sproule: — And this online registration system, is that a computing system that's in-house to the ministry or have you contracted that out?

Mr. Westgard: — That's in-house to the ministry.

Ms. Sproule: — I was just thinking about, I know the Information Services Corporation has a lot of those types of online registry systems. Were they considered as a possible service provider for that system?

Mr. Westgard: — In 2008, I believe, there was a request for proposals put out and it was tendered that way.

Ms. Sproule: — Okay. So for employers who hire temporary foreign workers or immigrant nominees, they would go through the same process under this Act, under the new Act.

Mr. Westgard: — It would go through the registration process. That's correct.

Ms. Sproule: — Now for the licensing for foreign worker recruiters and immigration consultants, how is that process? How does that work?

Mr. Westgard: — The immigration consultant and/or recruiter would apply through a different portal through the same website, and it is determined through the program integrity and legislation unit.

Ms. Sproule: — So what kind of quality assurance then, or what are the program integrity unit looking for when they're approving a licensee?

Mr. Westgard: — When they're looking for a licensee, depending on if it's an immigration consultant or recruiter, there are two different things they can look at. For immigration consultants, they would check with ICCRC [Immigration Consultants of Canada Regulatory Council], which is the federal regulatory body for consultants, as well as do reference checks on the consultant and determine if there are any outstanding issues with the consultant or the recruiter.

Ms. Sproule: — One commentary I looked at raised some concerns about duplication in terms of the licensees. I'll just see if I can find it because their view was that the federal agency is actually already doing that. So why did you decide that this was something that was necessary at a provincial level as well?

Mr. Westgard: — We thought it was very important to provide as much protection as possible to foreign nationals coming into the province. They are in a vulnerable state. As well as at the federal level they don't provide the rounded protection that the new temporary foreign worker Act provides in Saskatchewan. We also go into the recruitment side of it, where the federal regulation does not, as well as the settlement side while they're planning to settle and integrate into our communities around the province.

Ms. Sproule: — Can you give some examples of where the federal requirements are not as stringent maybe as the ones you've introduced provincially?

Mr. Westgard: — As I just previously mentioned, that when we look at settlement and being charged for settlement into the communities, the federal regulations do not cover that as well as the recruitment side of it.

Ms. Sproule: — I'm sorry, I'm just trying to keep up to you here. So when people . . . I don't understand how settlement and recruitment fit in here, so maybe you could just repeat it one more time a little bit slower.

Mr. Westgard: — So if we follow the path of an immigrant or a foreign national coming to Saskatchewan, they are . . . can be recruited by a third party recruiter who then can find them an opportunity here in the province. That is not covered under the federal regulation for immigration consultants. So the federal regulation covers the individual applying to the federal government for permanent residency status.

Once the individual arrives in Saskatchewan and settles into the community, this new Act and legislation allows them protections when they are settling into that community to ensure that they're not taken advantage of, being charged exorbitant fees for services that could be provided otherwise on a free basis, i.e., getting a social insurance number, finding medical care, a dentist, health cards.

Ms. Sproule: — So prior to the Act then, would that be the case then, is that some people were being charged exorbitant fees for these types of services?

Mr. Westgard: — There's anecdotal stories out there that, yes, that people have been charged exorbitant fees for these services.

Ms. Sproule: — In terms of the 137 cases from last year, is that the type of cases that you would be hearing? Are those the complaints that come in?

Mr. Westgard: — Definitely we hear some of those complaints. We've noticed that not all the complaints would need legislation to deal with, but we saw I think about 35 per cent of the complaints that came in would be benefited from the legislation that has just been passed.

Ms. Sproule: — Do you have a breakdown, sort of, of categories for those complaints? What else would you get complaints about?

Mr. Westgard: — Complaints can come in several different means, either from the federal government on misrepresentation and fraud, from information requests from additional agencies, internal issues on quality assurance and review, employer review, third party representation, and protection of temporary foreign workers.

Ms. Sproule: — Could you just repeat that list again, please.

Mr. Westgard: — There's different cases. We can categorize them as protection of foreign temporary workers; third party review, which would include both the immigration consultants as well as the recruiters; employer issues that may arise; quality assurance review internally; fraud and misrepresentation issues either on the employer side, the client side, or the consultant side; inadmissibility issues, including health and criminality; and information requests from other agencies who are looking for support from applicants who have contacted them.

Ms. Sproule: — I wish I could write faster. In terms of the consultants and the recruiters, can you just tell the committee a little bit about the difference in their jobs or their businesses? What's the difference between a recruiter and a consultant?

Mr. Westgard: — Normally or what I would say is normal is a recruiter would be the conduit between the individual — the applicant, immigrant, if you wish — and the employer or consultant who would be able to connect them to an opportunity in Canada or, more importantly, Saskatchewan, where the consultant itself works and acts on the individual's behalf for immigration purposes to Citizenship and Immigration Canada as well as our program.

Ms. Sproule: — So I'm just trying to understand the normal process here, but I assume there would be some sort of job fair in a foreign country, and the recruiters would be there. How does an individual find their way here? I really am at a basic level.

Mr. Westgard: — There's many ways an individual can find their way to Saskatchewan. If we look at it, in some countries there are recruiters where individuals walk in, sign up with the

recruiter who either has contacts through immigration consultants in Canada or companies in Canada and tries to match them up to an opportunity that way. And then the immigration consultant would then . . . could be a little different, who would not match him up to a job but look at the opportunity, the immigration program opportunities that are available, either through a provincial program or federal program, to have them arrive in Canada.

Ms. Sproule: — So most cases when folks get these kinds of services, I assume they would be for more the skilled trades and, you know, physicians, professionals. Or do you find it across the board?

Mr. Westgard: — We see it right across the board.

Ms. Sproule: — Okay. I'm just interested in temporary foreign workers. I guess in terms of numbers, maybe I could start there. What are sort of the numbers of temporary foreign workers that are being brought in, say last year and what are you projecting for this year?

Mr. Westgard: — The temporary foreign worker program is a federal program run by, in co-operation with economic and social development Canada and Citizenship and Immigration Canada. The temporary foreign numbers for stock for Saskatchewan this year are about 12,000.

Ms. Sproule: — And when you say this year, is that '12-13 or '13-14?

Mr. Westgard: — They're federal numbers, so it's actually calendar year for 2013.

Ms. Sproule: — 2013.

Mr. Westgard: — Yes. It's the total taken on December 1st of each year.

Ms. Sproule: — And just to give me a little context, what would it have been in '12 and what are you looking for in '14? Are these numbers stable? Are they going up?

Mr. Westgard: — In 2012 . . . I know that over the past year it has risen by about . . . I'll have to get back to you on the 2012 numbers. I know it has increased over the last year.

Ms. Sproule: — Okay.

Mr. Westgard: — And it is an employer-driven program, so it's up to . . . An employer-driven program when the employer applies to the federal government to bring in temporary foreign workers. So I cannot comment on what's going to happen next year.

Ms. Sproule: — Okay.

Mr. Westgard: — If I could just add, the number in 2012 was 9,349.

Ms. Sproule: — So that would be . . . That's a significant increase. And in terms of immigrants, can you provide the committee with the number of immigrants that came in those

years as well?

Mr. Westgard: — For landings? Yes. For 2013 the number of landings that arrived in Saskatchewan was 10,671.

Ms. Sproule: — And can you tell us what a landing is?

Mr. Westgard: — A landing is a foreign national immigrant who has become a permanent resident in the province.

Ms. Sproule: — Any idea about '12, 2012?

Mr. Westgard: — '12 was 11,179.

Ms. Sproule: — So a slight drop in the last year. A landing is a foreign national who . . .

Mr. Westgard: — Has become a permanent resident of Canada.

Ms. Sproule: — Has become a permanent resident. Do they know where they're coming before they arrive in Canada? Like do they have to say where they're going to end up?

Mr. Westgard: — The majority of individuals coming through the Saskatchewan immigrant nominee program do know that they're coming to Saskatchewan, yes. They sign an intention of living and working in the province.

Ms. Sproule: — I guess that's the essence of the SINP then, isn't it?

Mr. Westgard: — Correct.

Ms. Sproule: — Okay. One of the requirements of the new Act is in section 7 where the director, I assume of the program integrity unit, may require applicants for consultants to file a security in order to obtain a licence. Has this happened? Have you required security for . . . And how many?

Mr. Westgard: — We require all consultants and recruiters to post \$20,000 in a bond, cash, or irrevocable letter of credit.

Ms. Sproule: — So all the people on the list have presumably done that then?

Mr. Westgard: — In the process or in the process of doing it, yes.

Ms. Sproule: — And that's for consultants and recruiters?

Mr. Westgard: — That's correct.

Ms. Sproule: — Okay. And how could that bond be forfeited? What would take place in order for Saskatchewan to say you don't get it back?

Mr. Westgard: — It's not really if you don't get it back. They can be penalized or fined through the Act or if, through due process, if an individual consultant or recruiter has been found to take advantage of an immigrant, we can ask the third party representative, consultant, or recruiter to pay back the immigrant the money that is owed to them.

Ms. Sproule: — Okay. Because there's also penalties, financial penalties for committing an offence under the Act, so would it be used for that as well? Or would that be . . . That might be a separate fine.

Mr. Westgard: — That'd be through fines.

Ms. Sproule: — Yes. No fines yet? I think I asked you that already.

Mr. Westgard: — Not as yet.

Ms. Sproule: — Lawyers are exempt from these requirements?

Mr. Westgard: — Correct.

Ms. Sproule: — What would be the reasoning for exempting lawyers?

Mr. Westgard: — They're covered through the bar association.

Ms. Sproule: — Okay. There's a number of documents I believe they have to provide, this is consultants or . . . This is an article I'm reading from Meurrens on Immigration and this was posted in October. Steven Meurrens, and he is going through some of the requirements in his article. He says that they will be required to make a number of documents available upon request, and the Act also contains expansive investigative powers including the ability to enter commercial premises. Have you had occasion to do that yet, enter commercial premises under the Act?

Mr. Westgard: — We were working quite closely with labour standards under review of certain situations, but as to date we have not.

Ms. Sproule: — Somehow I have a cheesy TV movie in my head but I have to get rid of that.

There's a number of exemptions he indicates for employers, and there's a number of classes where new employers don't have to get . . . Is it a licence employers get? Registration certificate. Under section 6 of the regulations, the exemptions are listed I believe. Okay, the first one is foreign nationals on open work permits. Can you describe what that would be to the committee?

Mr. Westgard: — What an open work permit is?

Ms. Sproule: — Yes.

[20:00]

Mr. Westgard: — There's certain circumstances through the immigration process where there's two types of work permits, either an open work permit or a closed work permit. An open work permit can be gained through being a spouse of a temporary foreign worker who is currently on a closed work permit or the spouse of a dignitary currently serving in Canada, as well as students after finishing study in Canada are able to get what is called the postgraduate work permit which is in a sense an open work permit that allows them to work at any location at any job for any wage.

Ms. Sproule: — This brings to mind a situation that came into my office where, and I'm not sure I understand all the details, but there's an individual who came here as a graduate student, did his studies in Ontario and then obtained employment here in Saskatchewan. And maybe you could explain to me how the different categories work because he was feeling that something switched when he took employment and he was now beholden to the employer in order to get his landed immigrant status, whereas if he had just stayed a student . . . Maybe it's this open work permit. Anyways he was not doing well or wasn't happy in the job he was in but basically the employer said, if you quit we'll revoke your . . . the process. I guess he was going through some process and so he had to stay with that employer even though he felt it wasn't a good work situation for him. Is that possible? Maybe I'm not describing it right.

Mr. Westgard: — There's situations, you know. I can make some assumptions about it and I can talk in general terms about work permits compared to the SINP, if that's okay?

Hon. Mr. Boyd: — Yes.

Mr. Westgard: — Through the Saskatchewan immigrant nominee program, there is a category called the postgraduate work permit where individuals who have studied either in Saskatchewan or outside of Saskatchewan and have a completed a post-secondary degree and have worked in the province for a set period of time can apply for permanent resident status.

Now because where the Saskatchewan immigrant nominee program has its agreement with the federal government — the Canadian-Saskatchewan agreement — it is housed under the economic class of immigration. And within the Acts and regulations of the immigrant and refugee protection Act, we have the ability to have individuals who have been nominated by the province to become labour market exempt or for them to be able to apply for a work permit if they have an employment offer to come to.

Now the hypothetical situation that you talked about or that I will talk about is that if an individual is on an open work permit due to a postgraduate program in Canada and applied to the program, part of the program is that they have an employment opportunity in Saskatchewan. Now once an individual is nominated, in order for them to remain in Canada in valid status, they can renew their work permit. However, the nomination is in support of an employer that has supported the applicant and therefore becomes a closed work permit after changing the terms and conditions to the work permit.

Now with that being said, there is nothing that stops that individual from moving to another employer and changing the work permit. There's actually a process within the Saskatchewan immigrant nominee program that can amend the terms and conditions to the nomination, allowing the individual to get different employment or quite more suitable employment to their education, and they can change once again their terms and conditions to their stay in Canada, i.e., changing their work permit.

Ms. Sproule: — I think what you described is very close to what this gentleman was going through, and I think his concern

was that when he would switch employers he's now a under closed work permit, right? It's the amount of time that it takes. And I think there was a significant delay in . . . And I don't know what the normal time is for processing these work permits or what, but he would have had to start all over again, and I think that was his concern. But is that possible?

Mr. Westgard: — To start all over again, no, you never have to start all over again, but you do have to change the terms and conditions and it depends upon what country you're coming from if you can apply at a port of entry or a border for the change of terms and conditions to the work permit. So depending on the student themselves or the individual, currently when I looked two days ago, the processing time at CPC [case processing centre] Vegreville, the case processing centre in Vegreville, Alberta where work permits are processed in Canada, is about 18 days for a new employer.

Ms. Sproule: — Okay. I can tell you it had a happy ending and it all sorted itself out so I think for him he ended up in a good place and was pleased with the services he got, I guess.

In terms of time frames then, if you could explain a little bit about . . . An individual gets, let's say, a closed work permit and they arrive in Canada. What's the time frame from when they arrive in Canada and start working to when they can become landed immigrants? I guess it would vary as well from . . .

Mr. Westgard: — It varies depending on their country of origin, depending on where they applied for their permanent residency through, and how complete their application is. Part of the goal of the Saskatchewan immigrant nominee program is to ensure that all the documents and forms are in place so that when individuals do apply to the federal government for permanent resident status, it's as quick as possible. But processing times across the globe can vary between 12 months, I think it is on average right now for provincial nominee programs, so anywhere from 8 to 32 months in processing.

Ms. Sproule: — And why does it . . . Why are there different standards for different countries?

Mr. Westgard: — You're going to have to ask the federal government.

Ms. Sproule: — That's a federal issue?

Mr. Westgard: — Yes.

Ms. Sproule: — Okay. Some of the other exemptions then that we see, foreign nationals on open work permits. The next one is I think people that are under the *Immigration and Refugee Protection Act* are also exempt to apply for a work permit. So what process do they go through in order to be allowed to work here?

Mr. Westgard: — I'm sorry?

Ms. Sproule: — Well, okay, let me read it and then maybe it'll make more sense. This is section 6(1)(b) of the regulations. And these are the exempt employers. So these are employers who hire employees that are . . . Yes, okay, I didn't explain it right.

Employers who hire employees that are under the *Immigration and Refugee Protection Act*. And they're exempt from the requirement:

(i) to apply for a work permit; or

(ii) to obtain a labour market opinion from the Department of Employment and Social Development of the Government of Canada.

So what was the purpose of that exemption?

Mr. Westgard: — I'm sorry, I don't follow.

Ms. Sproule: — Under section 6(1) of the regulations there's a number of exemptions for employers who don't have to . . .

Mr. Westgard: — Register.

Ms. Sproule: — Register, thank you. And that's to get a certificate, right? Now the first one was the one we just talked about, foreign nationals on open work permits. And then the second exemption, I believe, if I can read it, is people who are under the *Immigration and Refugee Protection Regulations*. And obviously I'm not understanding it.

Mr. Westgard: — Oh I think what it's referring to is individuals who have entered Canada as a refugee and therefore are not needed to go through the work permit process.

Ms. Sproule: — Though the employers are exempt there as well?

Mr. Westgard: — Yes, because they can . . . If they land as a refugee they land as a permanent resident and they can be hired.

Ms. Sproule: — Okay. Do you know how many refugees under that category would have entered Saskatchewan in the last year?

Mr. Westgard: — I'm sorry, I don't have those numbers. I can get those.

Ms. Sproule: — This labour market opinion referred to in that section, can you explain what that is. Or maybe that's a federal thing.

Mr. Westgard: — It's a federal program where companies apply to ensure that there's no adverse effect to the Canadian labour market to bring in temporary foreign workers.

Ms. Sproule: — Okay. I think . . . It's also clergy. I'm just trying to read this clause in the regulations, but it says 6(2)(b) also refers to clergy. So does that mean . . . Any clergy that are coming into Canada, I guess their employer would be the church. So they're not required to get the certificate?

Mr. Westgard: — They're currently exempt under the *Immigration and Refugee Protection Act*.

Ms. Sproule: — Clergy are exempt under the immigration . . .

Mr. Westgard: — And refugee protection Act.

Ms. Sproule: — Really?

Mr. Westgard: — They still . . . Anyone who's working in Canada has to obtain permission through a work permit, but they are exempt from labour market opinion.

Ms. Sproule: — Any idea why clergy are treated specially?

Mr. Westgard: — It's a federal regulation.

Ms. Sproule: — Interesting. Now one of the comments back in the article by Mr. Meurrens — Meurrens on Immigration is his blog — he says, "It is not clear why employers of foreign nationals who are working under international trade agreements are required to register, while employers of foreign . . . [nationals] under significant benefit work permits are not." So his question which I want to ask you is, "Why does an employer of a NAFTA Intra-Company Transferee have to register with the Province of Saskatchewan, while an employer of a general Intra-Company Transferee does not?"

Mr. Westgard: — Thank you for the question. I'll take that question and investigate further into that and get back to you.

Ms. Sproule: — Okay. I'd be happy to give you a copy of this, by leave.

Mr. Westgard: — Thank you.

Ms. Sproule: — The next area that he comments on is section 23 of the Act, which is a prohibition on employers from charging fees, charging or recovering recruitment fees from foreign nationals. And he cites the Act, this section 23 of the Act, and he goes on to say that "The Act does not appear to prohibit charging employees for completing Labour Market Opinion applications." Can you comment on whether it would apply or not?

Mr. Westgard: — Yes, I can. Any fee charged to an applicant would be prohibited.

Ms. Sproule: — So for a labour market opinion application, can you describe what exactly that is?

Mr. Westgard: — The labour market opinion is the application process to the federal government to get either a positive or neutral labour market opinion, which would allow the company to bring in temporary foreign workers.

Ms. Sproule: — What would the typical fee be for something like that?

Mr. Westgard: — Well right now the federal government is charging \$275 per person per application or per person on an application for that, as well as if a consultant is acting on the behalf of an employer, they would also charge the employer a fee for filling out or providing those services.

Ms. Sproule: — In his concluding remarks — I alluded to this earlier — but he said what struck him the most about the Act and the regulations is that it shows ". . . the Province of Saskatchewan's lack of faith in the ability of the ICCRC to regulate its membership."

He goes on to say that “The ICCRC already prohibits most (if not all) of the unethical behaviour that the Act and the Regulations does.”

And he goes on to say, and I’m quoting here:

That the Province of Saskatchewan is now requiring immigration consultants to register and obtain provincial licenses (a requirement which will likely be constitutionally challenged on jurisdictional issues) reveals a lack of confidence in the ICCRC.

I know you have a differing view on that, but could you comment a little further on that conclusion that he comes to?

[20:15]

Mr. Westgard: — Thank you for the question. What I would like to respond with is that the legislation is probably the most comprehensive legislation across Canada, and it covers areas with recruiters and employers that is not currently covered anywhere else. And it’s that kind of comprehension that we’re looking for.

Ms. Sproule: — What was it, I guess, that led you to believe that this most comprehensive in Canada model is one that was necessary for Saskatchewan?

Mr. Westgard: — We did quite extensive consultations over three years across Saskatchewan, and at this time I can also say that there was a regulatory body in place at the federal level that did change from Canadian immigration consultant legislation CSIC [Canadian Society of Immigration Consultants] to the ICCRC. So we did see a lot of change between the two regulatory bodies who are regulating the same consultants as well as what we saw happening in Saskatchewan. I wanted to make sure that Saskatchewan remained a destination of choice for immigrants around the globe.

Ms. Sproule: — The ICCRC, I don’t know if you can comment on this, but do they cover recruiters and consultants? Are they . . .

Mr. Westgard: — No, they just cover consultants.

Ms. Sproule: — Consultants only. Okay. In terms of the SINP and sort of the demand in the numbers, do you have a waiting list of people to get in under SINP? Like how do you manage the numbers?

Mr. Westgard: — We do currently have a working inventory under the SINP in several categories.

Ms. Sproule: — Can you describe those categories for the committee?

Mr. Westgard: — I can describe two different ones. We did just recently go through some changes as of January. So what we can talk about is the direct entry or the international skilled worker category that was . . . now combined both our skilled worker professional and our family referral categories, as well as the Saskatchewan experienced category that looked at immigrants who are currently working in Saskatchewan under a

temporary work permit into another category.

Ms. Sproule: — Okay, I’m a bit confused. So how many categories are there right now?

Mr. Westgard: — Right now? There is three.

Ms. Sproule: — Three. So direct entry?

Mr. Westgard: — International skilled worker, which sees people come from, directly into Canada from countries around the world. The Saskatchewan experienced category is a category that combines several subcategories that see individuals who are currently working in Saskatchewan on temporary work permits. And then third category is the entrepreneur category that looks at business and farm owner/operators.

Ms. Sproule: — Bear with me here. I’m just keeping up. Entrepreneur, and that’s farm and business?

Mr. Westgard: — Yes.

Ms. Sproule: — Can you tell me a little bit about . . . I’m interested in the farm category. Are these individuals who come in to . . . they become landed immigrants and then purchase land. Is that . . .

Mr. Westgard: — They have to have a purchase arrangement in process, and they come in to own and operate a farming operation in Saskatchewan.

Ms. Sproule: — Okay, so in order to enter, they have to have a purchase arranged already. Is that what you’re saying?

Mr. Westgard: — Offer in place, yes.

Ms. Sproule: — Offer in place.

Mr. Westgard: — Make an exploratory visit to the province and have experience in a farming operation.

Ms. Sproule: — And then how many of those individuals have entered Saskatchewan, say in 2013?

Mr. Westgard: — In 2013-14, as of December 31st, there were four applications approved.

Ms. Sproule: — And can you just walk me through that? So they need to have the cash obviously to make the purchase. Do they have to demonstrate that they have that?

Mr. Westgard: — They have to demonstrate a net worth yes. They have to make an offer to purchase in Saskatchewan as well as have some experience in a farming operation and an exploratory visit to Saskatchewan.

Ms. Sproule: — With an intention to move here obviously?

Mr. Westgard: — Yes.

Ms. Sproule: — Do you ever follow up on those individuals? What if they go back to their original country and continue

having title to that land?

Mr. Westgard: — If they are a permanent resident or as a temporary worker?

Ms. Sproule: — No, a permanent resident.

Mr. Westgard: — As a permanent resident they have all the rights and responsibilities of every other Canadian.

Ms. Sproule: — So they could, I suppose. I'm just hypothesizing here, but if they decide to go back to their country of origin, they could still retain ownership of that land and hire people to work the land?

Mr. Westgard: — They could, but as a permanent resident you have to spend time in Canada or you'll have your permanent residency revoked by Citizenship and Immigration Canada.

Ms. Sproule: — So in those cases . . . Has that ever happened where a permanent resident isn't meeting those requirements of spending the time here, has it revoked? What happens to the farm land? I guess that's not your area.

Mr. Westgard: — I'm not aware of that taking place.

Ms. Sproule: — I have Ag estimates on Wednesday and I will ask that question then because that's the farm land Act.

Okay, back to SINP then. You had four applications in 2013 that were approved under the farm category. What about the business category?

Mr. Westgard: — As of December '13, then 2013-14, 99.

Ms. Sproule: — 99. And would you say on average that's up or down?

Mr. Westgard: — Down.

Ms. Sproule: — It is, eh? And then in terms of the direct entry for skilled workers, I thought you said international skilled workers . . .

Mr. Westgard: — It would have been under the skilled worker professional. It'd be 738 as of December 31st.

Ms. Sproule: — And then the temporary workers under the Sask experience . . .

Mr. Westgard: — There's several categories that are covered under that. Individuals on a labour market opinion in a skilled occupation, there'd be 278. And then there are physicians, nurses, and other health professionals that follow 37, 34, and 12. And then we have postgraduate work permits and master's and Ph.D. [Doctor of Philosophy] students as well.

Ms. Sproule: — How many of those?

Mr. Westgard: — 1,098 and 155, respectively.

Ms. Sproule: — So that's by and far the largest number then, is the postgraduate?

Mr. Westgard: — As of December 31st, for the last year, yes.

Ms. Sproule: — And would that be a typical number or does that vary from year to year?

Mr. Westgard: — That is very high.

Ms. Sproule: — Okay. And what's the maximum number that we're allowed to . . . I think the federal government set some limits on that. So what is the maximum number of people that can come in?

Mr. Westgard: — For the 2013 year?

Ms. Sproule: — Yes.

Mr. Westgard: — It would be 4,470.

Ms. Sproule: — And did we get to that number?

Mr. Westgard: — Yes, we did.

Ms. Sproule: — So there are other people who would like to have come but just simply didn't make the list. So how do you decide who gets in and who doesn't? Is it just first-come, first-served?

Mr. Westgard: — Usually it is on a first application, first out. However we do understand that individuals are currently working on work permits, and we would like to ensure that anyone who is currently working in Saskatchewan stays attached to the labour market. We just finished consultations this last year before making changes and heard loud and clear that we should look at skilled workers from Saskatchewan individuals.

Ms. Sproule: — So just to be sure I understand this, so the temporary work permit people who acquire skills while they're here would be preferred? Is that how you describe it?

Mr. Westgard: — I would not use the word preferred. I would describe it as individuals who have come into Saskatchewan and are currently working on a work permit and understand that they're attached to the labour market, we'd ensure that they'd continue to work in Saskatchewan.

Ms. Sproule: — Okay. In the event where there are individuals working under a temporary work permit and the labour market changes so that there is enough people here in Saskatchewan, would they be . . . you know, local people that can do that work, would they still be allowed to stay once they're here? Or how does . . . How precarious are they?

Mr. Westgard: — Individuals who are currently on a temporary work permit at the federal level are working in Canada on a temporary basis. If individuals . . . And there are Canadians, and it should be Canadians first of course. They do have the opportunity to find a different employer if anything happens to their current situation with the employer they arrived under. And this would be for example with a closed work permit because with an open work permit they have the opportunity to switch employers or move freely within the labour market.

Ms. Sproule: — For these temporary permits, would most of them be closed? Or what would the ratio be between closed and open?

Mr. Westgard: — I don't have that data with me right now.

Ms. Sproule: — Would it be more likely to be closed though because they're coming for a specific employer?

Mr. Westgard: — All individuals who would have arrived on a labour market opinion are a closed work permit. But there are several different categories, as we talked about earlier, that are open work permits — students, International Experience Canada work permits, as well as spouses.

Ms. Sproule: — Okay. I'm close to the end of my time, but I know my colleague will be joining us shortly. What sort of representations is the ministry making to the federal government? I know that there's a demand for labour here in Saskatchewan, so I don't know if you have any comment about sort of representations and discussions with the federal government in terms of getting more people here.

Hon. Mr. Boyd: — We had a number of occasions that we spoke with the federal government with respect to this question, always indicating that we felt that the SINP program was something that we would like to increase. Saskatchewan frankly gets a disproportionate . . . to our population numbers compared with other provinces. I think we're at 22 per cent or something like that, and our population probably is — what? — one and a half or two per cent, somewhere in that neighbourhood. So we do pretty well under this.

However there are provinces that don't make their quota, I'll call it, their allocation. And so in the fall they are revisited, and we've always indicated that if there are unallocated spaces in other provinces, we'd like to take them up. Now provinces, somewhat to my surprise, jealously guard these positions even though they're not using them, which seems a little bit, you know, counterintuitive, but nevertheless that seems to be the case in the meetings that I've attended. But on each and every occasion when we attend FPT [federal-provincial-territorial] meetings, we certainly make our position very clear that we could increase this fairly substantially and still have, you know, numbers of people that wouldn't be able to enter Saskatchewan.

Ms. Sproule: — Could you do a little horse-trading with them?

Hon. Mr. Boyd: — We don't have a horse to trade.

Ms. Sproule: — That's true.

Hon. Mr. Boyd: — You know, what would you trade?

Ms. Sproule: — Yes, it seems strange that they want to hang on to them like that. I suppose that's . . . So when would be the last time you've met with, I don't even know, it'd be the Minister of Immigration federally, I presume?

Hon. Mr. Boyd: — I don't remember the date, Madam Member. I'm going to say within the last six weeks, I think it was, we were in Toronto for meetings on labour market agreements and, you know, either through the meeting or

privately discussing with the ministers on those occasions. I spoke with Minister Kenney here, I'm going to say three or four weeks ago, about these matters as well, on the telephone. You know, I would say without fail on every occasion that we can, we raise it with the federal government, either at the officials level or at ministerial levels.

[20:30]

Ms. Sproule: — I believe often there are trade missions or recruitment missions that go to certain countries, and I think Ireland is one example of that. How many of those . . . I don't know what you call them but I'll call it a labour mission maybe, recruiting missions. How many have you done in 2013 and are you doing any this year, 2014, or this fiscal year?

Hon. Mr. Boyd: — In 2013-14 there was a mission to Toronto. There was one to Ireland in . . . The Toronto one was in September. The Ireland one was in September. A Philippine mission in October. Another Ireland mission in November. A mission to France and Belgium in November. Agritechnica in November as well. And another Ireland mission in March of 2013.

Ms. Sproule: — Did you say Agritechnica?

Hon. Mr. Boyd: — Yes, Agritechnica is a large trade show in Germany, Hanover, Germany, that a number of officials and myself attended. I think it's billed as the largest agriculture trade show in the world. So it was a pretty good opportunity to meet people and talk about the opportunities that there are in Saskatchewan.

Ms. Sproule: — Could the minister provide the numbers of staff, of Ministry of Economy staff, that went on those missions? And perhaps MLAs [Member of the Legislative Assembly] too?

Hon. Mr. Boyd: — On each one of them?

Ms. Sproule: — If you have it, yes.

Hon. Mr. Boyd: — Do you want me to read them off or should we just give them to you?

Ms. Sproule: — If you gave them to me, I'd be really happy. Yes, thank you very much.

Hon. Mr. Boyd: — Here they are.

Ms. Sproule: — Okay. Maybe perhaps we can get a copy made.

Hon. Mr. Boyd: — Perhaps we could take a copy of it and give it to the member, please. It lists them all there by mission.

Ms. Sproule: — Great. Thank you. Just one final question then is, in 2014 have you any missions planned, and where would they be?

Hon. Mr. Boyd: — At this point in time we don't have any planned at the moment but that could change. Generally I would say they're employer-driven in lots of respects. As we get

requests coming in, we take a look at where there may be opportunity and then judge accordingly from there. There's a lot of employers, particularly in the agriculture area, that like Ireland, as an example. They've had some pretty good recruiting opportunities for heavy-duty mechanics, people of that nature, in Ireland. So they've been utilizing them quite a bit.

Ms. Sproule: — All right then. Mr. Chair, that would be the extent of the questions I have at this point in time, but I believe my colleague may have some questions now on other areas.

The Chair: — I recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Hi there. Thanks to the minister. Thanks to officials for their time here tonight. Just taking a look at what's going on with FTEs in your ministry and whether they're up, they're down, and where they're being reallocated. If you could speak to those?

Mr. Campbell: — Kent Campbell, deputy minister. Overall the ministry this year is up one FTE. It was a reallocation of an FTE from Executive Council for work related to China. So they were down one, so it was neutral to the GRF [General Revenue Fund] overall.

Mr. Wotherspoon: — Thank you. What about travel, conferences? I know there's discussion about that as it relates to immigration here. The portfolio is vast. What, I guess, what missions did you as minister and your ministry go on that were out of country this past year and how does that compare to what you're planning to go to this year?

Mr. Dekker: — Thank you. Chris Dekker, associate deputy minister. In 2013 to 2014 we had a total out-of-province trips of 44. That's not necessarily all investment attraction related. Those could be FPTs or other meetings with colleagues across the country. But trips by destination: Japan, Korea were four; India, two; China, five; Europe, two; United States, four; and Canada, twenty-seven. Now that reflects obviously the main source of our foreign direct investment in Saskatchewan being in North America.

As it relates to the missions for next year, we have a number of those planned for 2014-15. But again, these trips obviously need to be fully assessed and individual packages, mission packages are prepared and then they are approved through the minister and whatnot. So these aren't approved just yet, but planned in the first six months of 2014-15 we have ten in Canada, three in the US, one in Japan, one in India, one in Europe, and three to China.

Mr. Wotherspoon: — Okay. With what you've identified there, to what . . . I guess the minister's participation or . . . How often is the minister on those trips?

Mr. Dekker: — The minister's participation really depends on the nature of the trip and the destination. Often it can be initiated by the minister, or it's initiated by the ministry itself. If there is an opportunity for the minister to participate and to really assist in opening doors or finishing a deal or participating at a very high level, CEO [chief executive officer] to minister, then the opportunity is afforded to the minister's office and they

will attend or not attend depending on their schedule.

Mr. Wotherspoon: — There was a recent, I think, summit or mission that you were on, Mr. Minister. Could you speak a bit about that mission.

Hon. Mr. Boyd: — Yes. We recently went to China, Singapore, and Japan. In China we were invited to the NDRC, the National Development and Reform Commission of China to speak at a conference that they were hosting on carbon capture and storage. I spoke at it as well as an official from SaskPower, Mike Monea. Then we had subsequent meetings with a number of companies related to carbon capture and storage — CNPC [China National Petroleum Corporation], Sinopec, State Grid was another one and a couple of . . . an engineering company whose name escapes me at the moment. We can get that information for you if you like.

Then from there we proceeded to Singapore and had some very good discussions. Oh sorry, I'll back up a minute. We first landed in Shanghai where there was . . . That was where the NDRC meetings were at. We also met with the recently appointed Canpotex representative for China in Singapore. They've opened an office in Singapore, so we had a good discussion with them, introducing them as well to some folks who are interested in buying potash from Canpotex. Then on to Beijing for some of those other meetings that I'm referring to.

Then we went down to Singapore to meet with a few different organizations there. Again with Canpotex, Steve Dechka who is the president and CEO of Canpotex, to talk about a number of things — potash sales, the potash prices, markets, where they anticipate the markets going. We also had a pretty good discussion about their concerns around transportation. They have been affected as well by the, I'll call it rail slowdown this past winter. There's some, if I remember correctly, I think they are about 500 000 tonnes off of deliveries from what they would like to be. They've actually had to forgo some sales as a result of that.

We also met with a company in Singapore who is a Chinese company but has interests now in a Saskatchewan oil company called CNOOC [Chinese National Offshore Oil Corporation]. CNOOC has some small holdings down in the Shaunavon area. They are making representation to the Singapore stock exchange for listing, which is really quite interesting because they would be the first, I believe, Canadian, Saskatchewan for sure, but I think even Canadian, first Canadian and Saskatchewan company that would be listed on the Singapore stock exchange. We met with the officials from the exchange to talk about that and what potential that had. I think there was a fair bit of excitement obviously by the proponent, CNOOC. And I think it was certainly welcomed by the officials from the Singapore stock exchange as well as to the, you know, the potential for raising capital for this company but also for the potential for opening doors for other Saskatchewan companies potentially to raise capital in Singapore as well.

Singapore, of course, being a very large investment community, I think it's a sort of the financial hub for a lot of that part of the world. So there's a lot of a very, very significant amount of investor type of dollars potentially available there. So that was an interesting discussion with the Singapore Exchange people.

And of course very, I think, an exciting opportunity for CNOOC to see their stock and IPO [initial public offering] there anticipated, depending on regulatory approval, sometime here in the next couple of months. June, July I think was what they were targeting for. So that was interesting.

From there we went back . . . There's no direct flights from Singapore back to Canada so we went . . . Your choices are Hong Kong, Beijing, Shanghai, and Tokyo, I think are sort of your more direct routes back. We chose Tokyo. And the reason we chose Tokyo is because we felt it important to again have some discussions with the Tokyo representative for Canpotex because they're experiencing some concerns there.

Canpotex is, I think I'm pretty certain when I say this, the largest supplier of potash, both agricultural potash and industrial-use potash, into the Japanese market. And we felt it important to speak with the Canpotex representative there, Mr. Ishii — I forget how you pronounce it properly — but a gentleman that's been with Canpotex for a number of years in Japan.

He indicated to us that he's hearing concerns from their customers. In fact one customer, a very high-end glass company that uses potash in making glass, interestingly enough, was shut down in January because they couldn't get supply from Canada, which I believe is the only supplier with a high enough quality potash to be used in their manufacturing process. So there was a lot of concern about that.

We wanted to pass on our thoughts with respect to transportation and delivery of potash in the future. We talked about what was happening here in Saskatchewan and wanted to again have that Canpotex representative pass on our thoughts around this to his customer base in Japan, highlighting the things that are happening around transportation, not just grain transportation, but transportation in general here in Saskatchewan going forward.

As I think everyone knows, this issue is more than just a grain-related issue. We've seen potash. We've seen concerns around oil. We've seen concerns around lumber. I think we've even seen concerns around steel here out of the city of Regina. So it's a significant issue. It was one that was certainly on the minds of . . . in that area of the world, both in agriculture and in potash-related activities. So that was, I guess, sort of brief highlights of the most recent mission.

[20:45]

Mr. Wotherspoon: — Well thanks for that information. It might be easiest, instead of going through each mission here, I'm wondering if the minister could just endeavour to have officials do a bit of a recap, make sure that, I guess, that it reflects, you know, the reality as well, but the purpose or objective of a mission. And if it could be done for last year, and then also what's available for what's planned this year: the purpose or objectives, the meeting itinerary — you know, who you met with, who you're planning to meet with, what was achieved — recognizing that, you know, something's not always tangible out of every single meeting, relationships have value as well. And then actions to be taken or followed up back upon return or completion of the mission, and then maybe just

as an additional little piece on it, the cost, who attended, and whether the minister attended.

Hon. Mr. Boyd: — We'll be happy to provide that. Many of these meetings that we attend are scheduled well in advance. Sometimes they come up while you're there. They're made of . . . The embassy helps to make aware of the fact that, you know, ministers and officials are visiting and then some of the meetings are scheduled that way.

You know, there's occasions when the right people aren't available and you aren't able to meet or there's been changes in plans and those kinds of things, but generally speaking, I would say that happens on a relatively rare basis, but it has happened. But all of these missions are with the eye towards either attracting investment and attracting the additional sales for companies here in Saskatchewan, highlighting the opportunities that there are in Saskatchewan, both for investment or for immigration. That happens on occasions as well. And we do certainly follow up with the companies to try and address any questions or concerns that they may have around these types of things.

Sometimes you can point to direct, and I mean very direct, benefits that arrive from the mission. Some of them are less tangible in that respect because they're either a relationship management type of thing. Often that would be the case, I would say, around potash because we're not the marketing agent; Canpotex is. But Canpotex frequently asks for our participation in these types of things if there's a . . . and I guess I would say in countries that are inclined to be a little higher level of government involvement such as China or somewhere like that. There are state-owned enterprises. Generally speaking, the state-owned enterprises tend to value the government-to-government relations a little higher than places that don't have state-owned enterprises. So those would be the types of things that you would do around that.

I think a couple of good examples would be recent meetings with Canpotex and some of the people in China on a more . . . at the private sector levels. Maybe Agritechnica would be a good example of that where we met with company after company after company of private sector companies who are looking to either source product here in Saskatchewan, mostly agriculture-related products, either, you know, actual commodities or machinery. We had some, I think it was if my memory serves me, I think it was 21 or 22 Saskatchewan companies had displays in Germany at Agritechnica. I think their direct sales were somewhere in the neighbourhood of \$60 million, I think it was. I think, if memory serves me, I think it was somewhere in that neighbourhood.

We hosted an event one evening, Saskatchewan did, at Agritechnica. And I guess I would say hosted . . . When I say hosted an event, hosted an event, there's other events going on all over in the place at the exposition there, but we hosted an event. There was a large number of people. The Canadian ambassador for Germany attended. I think the Minister of Agriculture, I think it was from Manitoba, attended our event as well. There was, I'm going to say, 2 to 300 people, something like that, attended the event. And I think certainly the feedback that we received from the participants, the companies who were displaying, was very positive with respect to it. And they

thought it helped to sort of highlight Saskatchewan's manufacturing sector and agriculture sector, ag commodity sector.

Mr. Wotherspoon: — Thanks so much. And thanks for committing to provide the information that we requested. And just to be clear, that would be for last year and then for the year forward, recognizing that you can only provide so much right now in a forward-planning piece.

Hon. Mr. Boyd: — At this moment there is nothing planned for myself at the moment, although the officials, you know, occasionally come forward with some thoughts around missions going forward. But nothing that I'm aware of at the moment, but that could change.

Mr. Wotherspoon: — Thanks. And like I said, you know, including all the missions that were highlighted here, the missions of your ministry and then stating, you know, who attended and whether or not you attended, just as a final piece there.

Hon. Mr. Boyd: — Well that would vary a fair little bit from the officials within our ministry. Occasionally they would be related to other areas, agriculture or occasionally SaskPower. We're getting a lot, a tremendous, I would say, amount of attention around the carbon capture and storage project down at Boundary dam 3. I think there's almost a request a day coming from places around the world for either SaskPower officials or others to attend, you know, some of the events that SaskPower is looking to host coming up here in a symposium, also to have officials from SaskPower come and meet with them.

SaskPower just recently signed an agreement with Vattenfall, a Swedish, very, very, very large power producing company in Sweden with interests across Europe, to look at an MOU [memorandum of understanding] around carbon capture and storage, the sharing of, or I don't know whether I'd call it the sharing of technology, but technology discussion related to this issue.

You know, we're in a pretty good position there, where we will be the first in the world with a full-scale project, not a demonstration project in terms of scope, in terms of size. There's a number of them around the world that are relatively, I'll call them sort of bench-scale size. This will be the first in the marketplace in the world where it is a full-scale power operation that will have carbon capture attached to it.

So there's a tremendous amount of interest in that from around the world, and we expect that this interest will continue going forward. We think that there will be obviously some benefits to Saskatchewan in terms of the collaboration with other partners, other potential partners from around the world.

Mr. Wotherspoon: — Thanks for the information. We have a bit more time I think, with SaskPower specifically at another time, but just my ... would be a question. So all these invitations coming into SaskPower, who's paying for them to accept the invitation and go out and share the story or the expertise? Is that borne by, I would assume, the person, the organization, or group that's inviting them to share their expertise? Or is it paid for by SaskPower?

Hon. Mr. Boyd: — No, I'm not sure that would be the case. I think there would be occasions when there's some ... Depending on the type of situation, occasionally there's some costs associated with it. Occasionally there's some costs picked up but, at a later date, we can discuss that with SaskPower certainly.

Mr. Wotherspoon: — Maybe if that information could just be provided as well. Talk about the invitations coming for SaskPower, but where SaskPower has gone and then just the structure of who's picking up the freight for those missions.

Hon. Mr. Boyd: — I think I would say in general, through SaskPower, they would be paying for a lot if not most of the costs around that, keeping in mind however that what they are doing there is trying to assemble the technologies from around the world. They're trying to get the best kind of advice in terms of the operations there, both when it was under construction and now during the commissioning stage.

And you know, there's technologies changing constantly. There's discussions around different types of chemicals that are going to be used in the process, things of that nature. This is, I guess I'd say, a fairly fluid area of discussion that's taking place around the world. And almost, you know, on a pretty regular basis, I think there's adjustments being made to take into account sort of the latest of technology.

So you know, I think it's a collaboration almost on a worldwide basis with companies in this area, so I think that there's certainly benefits to Saskatchewan as well. I think it's been helpful having those discussions for assembling the types of technologies, keeping in mind that you're not just using one technology out there. This is the bringing together essentially of a whole range of technologies to create this single entity that they have constructed. So there's a lot of talk about what the value of that might be in the future, that technology and the possible commercialization of it going forward as well.

Mr. Wotherspoon: — Okay, thanks. Those will be important considerations for that committee. But of course it's ratepayers, you know, in a province of a million people that are, you know, largely funding this project, and just making sure that appropriate value for money is achieved. And I certainly look forward to discussions around commercialization and the direct return or dividend back to, potential return to Saskatchewan people. But I'll leave that right now.

I wouldn't mind getting into some of the labour market development areas. I know that's a big part of your ministry and certainly something that right now is a real challenge for many across Saskatchewan. And maybe first off just get an update as to where the Canada jobs grant is at. I believe you had expressed frustration along with, I think, some of your colleagues. Certainly we had expressed frustration. And I know there's been some changes and a bit of a new agreement. Just wondering how it looks from your perspective and is this program going to work for Saskatchewan?

Hon. Mr. Boyd: — We have had, I guess I would say, numerous discussions with the federal government. There's been numerous discussions with the other provinces and territories around this whole labour market agreements and

Canada job grant dating back probably over the past year, I guess I would say. I'm not sure how many there's been. There's been a lot. We'd have to check to see the exact number of consultations, but it would be quite numerous.

We certainly worked hard to ensure that we felt that we would get an agreement that met the goals of Saskatchewan, met the needs of Saskatchewan. On March 21st, just a few weeks ago, the Government of Saskatchewan signed an MOU committing to move forward with the Canada job grant. Details are still being finalized with the federal government around that, but I think we've got a reasonable framework for an eventual finalized agreement in this area. We're committed to designing a grant that helps address the needs for qualified workers here in our province.

Mr. Wotherspoon: — And what are you hearing from businesses, from the chambers of commerce, and from businesses directly, or the construction industry, or apprenticeship sector? What are you hearing as to what you've agreed to by way of an MOU? And concerns or support or where are folks at?

Hon. Mr. Boyd: — Well I would say there's been a fairly significant number of discussions with the industry players as well, looking to certainly work with both the federal government and the provincial government in this area. I think sort of the general drive towards connecting individuals with a job, wanting to have an active role in training was very important to them as well. We also think incidentally that that's very important. Not only connecting individuals with a job but connecting them with any kind of training that they may need to support them in their labour market endeavours, we think is quite appropriate and important as well.

So there's been I think a fairly, you know, a fair strong amount of discussion around employers here in Saskatchewan. But I would say they're generally supportive of the drive to, as I say, in the areas of training, in the areas of connecting individuals with jobs. That was something that the federal government was certainly focused on, and I think that was one of the things that we were hearing from employers here in Saskatchewan, chambers of commerce, groups of interest of that nature.

[21:00]

Mr. Wotherspoon: — Okay. What's the impact on resources for other types of programs, the Canada job grant? Is it going to cause a reallocation, or is it going to put pressure on other programs? I guess just speaking to the resource impact of the job grant.

Mr. MacFadden: — I'll take the question. I'm Alastair MacFadden. I'm the assistant deputy minister for labour market development.

The Canada job grant is going to evolve and be ramped up over four years. The first year of the program will be approximately a \$2 million program. The funding is being derived from a federal-provincial agreement. It used to be called the labour market agreement. In future the nature of the agreement will be similar but will be called the Canada Job Fund.

Under the former labour market agreement, some of the training activities that took place happened through a request for proposal process. So it supported in some cases short-term, proposal-driven training. Going forward under the Canada Job Fund, the nature of those requests for proposal will be shaped so that it meets the requirements of the Canada job grant.

Mr. Wotherspoon: — Okay. So it's 2 million. You said it ramps up over a four-year period. What does it, how's it roll out?

Mr. MacFadden: — At maturity the program will be approximately 9 million in Saskatchewan.

Mr. Wotherspoon: — Nine million. And that's 9 million with both the contributions of the federal government and the provincial government?

Mr. MacFadden: — Over the past year in working with the federal government, we've negotiated a design for the program where it doesn't require a provincial contribution.

Mr. Wotherspoon: — So the \$9 million would be dollars, would be solely federal dollars in that case. Is there matching dollars then required for these, the program, from the province at any point for the programs that the agreements that you're entering into?

Mr. MacFadden: — For the Canada job grant there's no provincial contribution.

Mr. Wotherspoon: — And then there's an employer contribution as part of that. And has there been flexibility built into that to respect the training that employers are doing in many cases? I think of apprenticeship as an example.

Mr. MacFadden: — Overall the program is designed to require a one-third contribution from employers, but there will be some flexibility to recognize small- and medium-sized businesses. So businesses with less than 50 employees may . . . They have an opportunity to make their contribution in part through the wages that they might offer training participants.

Mr. Wotherspoon: — Just the smaller ones?

Mr. MacFadden: — Small businesses.

Mr. Wotherspoon: — Okay. Any accommodations for apprenticeship on that front?

Mr. MacFadden: — Apprenticeship could be an eligible training investment. The existing apprenticeship training that takes place happens without an employer cash contribution. So if apprenticeship were to take place under the Canada job grant, it would require a cash contribution from employers.

Mr. Wotherspoon: — Would it consider their contribution the direct training? Of course it's the large part of that's being done on the ground in the workplace by the employer. Would it consider that contribution?

Mr. MacFadden: — No.

Mr. Wotherspoon: — Is that a concern to the minister?

Mr. MacFadden: — I think there is recognition that formal and informal training is necessary to support productivity in the workplace. The Canada job grant is designed to support formal training.

Mr. Wotherspoon: — So the \$9 million, what was the former labour market agreement? How much were we receiving from the feds on that one on an annual basis?

Mr. MacFadden: — Just over \$15 million.

Mr. Wotherspoon: — Okay. And this year we're going to receive \$2 million from the feds?

Mr. MacFadden: — The Canada Job Fund agreement would be of similar scale. The Canada job grant is a subprogram within the Canada Job Fund transfer.

Mr. Wotherspoon: — Okay. So the 2 million is for the Canada Jobs Fund though, correct?

Mr. MacFadden: — The 2 million is for the Canada job grant. The broader agreement is called the Canada Jobs Fund.

Mr. Wotherspoon: — How much comes from the federal government to fund the Canada Jobs Fund?

Mr. MacFadden: — About 15 million.

Mr. Wotherspoon: — Okay, so about the same amount, add the difference being that 2 million will now be dedicated to the Canada jobs grant, and that will grow over the next four years to a point of about 9 million. At that point what will the total amount being received from the federal government be? It's 15 right now. Four years from now where would it be at?

Mr. MacFadden: — Over those four years the nature of the transfer doesn't change. The size of the Canada job grant is what expands over time.

Mr. Wotherspoon: — Okay. Four years down the pike, we're receiving roughly 15, which 9 of it would be dedicated to the Canada jobs grant; 6 of it or so would be deployed to other initiatives through this agreement. Is that a concern to the minister?

Hon. Mr. Boyd: — I guess I would say that it all depends on the uptake of it. If there is a lot of employer participation in this, it should work just fine. If there isn't, there may be some concerns around it.

Mr. Wotherspoon: — Okay. And then because if there's not much participation or if not enough subscription to it from employers, would those dollars then be returned to the federal government?

Hon. Mr. Boyd: — Yes.

Mr. Wotherspoon: — We get \$15 million right now for the broad labour market agreement and funding a lot of different important initiatives. There's I guess incrementally in over four

years \$9 million of that right now which is being funded by the federal government will not be funded by the federal government. Is the minister going to be I guess filling the gap, or has the minister identified specific programs that he will choose not to support?

Mr. MacFadden: — The nature of the final agreement is such that the \$9 million job grant can be supported either through funding from what used to be called the labour market agreement or through a different federal agreement called the Labour Market Development Agreement. In terms of the complement of programs and services that are purchased by the province, our objective would be to maintain the programs that are delivering results. And for those programs that are proposal-driven, we would adjust the nature of those types of proposals in order to fulfill the requirements of the new federal program.

Mr. Wotherspoon: — So have you canvassed your programs to establish what's delivering results and can you identify programs that you feel aren't delivering results?

Mr. MacFadden: — The programs that we would be looking at are the ones that are proposal-driven, so they take place on an annual basis and would require some small adjustments in order to qualify for the Canada job grant.

Mr. Wotherspoon: — So the funding model, when it's projected out over the next four years, does the minister feel that it threatens the sustainability or the ability to fund some of the good initiatives that are in place right now across the province?

Hon. Mr. Boyd: — I guess I would say we are reasonably optimistic that this will work well. The agreement calls for 60 per cent of the LMA [labour market agreement] agreements to be protected, so I think we have a reasonable level of confidence that this will benefit Saskatchewan going forward.

Mr. Wotherspoon: — Okay. So 60 per cent of the which agreement? Sorry I didn't . . .

Hon. Mr. Boyd: — Sixty per cent of the existing LMA agreements.

Mr. Wotherspoon: — Okay. But only 60, so there is the . . . So what I'm hearing is you feel that there's some potential with what's being put forward. But the question was, is there a challenge for the sustainability of all the programs that are currently being delivered? And I think what I'm hearing from you would be that, well 60 per cent of them would be protected; 40 per cent of them, 40 per cent of the program delivery could be challenged down the road to be delivered.

Mr. MacFadden: — The new agreement allows for 60 per cent of existing programs and services to be maintained over time. The remaining 40 per cent are programs that could be adjusted to satisfy the requirements of the Canada job grant.

Mr. Wotherspoon: — Could you describe an example of the types of programs then you're talking about and the types of adjustments that . . . so maybe an example of an initiative or a program and the type of adjustment that would be required.

Mr. MacFadden: — At the most basic level, for a training project to qualify for the Canada job grant, there needs to be a one-third cash contribution from employers. At this point we don't have training programs that require that level of cash contribution from employers. So where we do have successful training partnerships that are demand-driven, where an employer's involved in the design and sometimes delivery of a program, employers may already be involved in the selection of training participants. An adjustment to that activity would be the employer would make a cash contribution to the cost of that training program as well.

Mr. Wotherspoon: — Okay. So this seems to be an area of some concern. I know when I've met . . . And I'm not sharing that this is the perspective necessarily of the chamber of commerce currently or of business leaders in the province, but this is the whole tenet that seemed to be a major concern for many of the businesses who felt that this wasn't a good fit for a program, this one-third contribution that they'd be making. Has the minister been hearing the same concerns on that front, and is he worried about subscription to this program?

Hon. Mr. Boyd: — We'll be making every effort to, you know, optimize the participation of businesses in Saskatchewan into the program. There has been some comments around affordability and that's why the province negotiated around the area of businesses with 50 employees or less.

Mr. Wotherspoon: — Okay. Well it's one that we're going to want to continue to track moving forward and make sure that it's working for, making it sure that it's working certainly for those companies across Saskatchewan, but also making sure it's fulfilling what it should, that's developing the labour market that we need in the province because I think our needs are rather unique here in Saskatchewan and certainly require investment and attentions. Thanks for the answers. You know, it's not without some concerns moving forward.

Maybe just looking at some of the numbers in the actual labour market development piece here. Some are up, some are down. I don't know what's driving that. If the minister can speak to what those mean and for example just pull out the work readiness, youth and adult skills training, which was 21.357 million. This year it's down about a million and a half to 19.886 million. What's gone on there?

Mr. MacFadden: — Work readiness, skills training, there's been a realignment of that budget in two different areas: \$301,000 has been realigned into operational support for labour market supports, and 1.1 million has been realigned moving the workplace essential skills program to employment development.

Mr. Wotherspoon: — What's the actual impact for those that would be accessing the program? Is there an impact for the number of participants that can engage in this sort of training?

Mr. MacFadden: — In terms of those areas that I described, they've just been realigned so that the budget is attributed to the area that is administering that funding right now.

[21:15]

Mr. Wotherspoon: — So the 300,000 went to the operational support. And the 1.1, sorry, went where?

Mr. MacFadden: — It's 1.17 million into employment development, work readiness, employment development.

Mr. Wotherspoon: — Okay. And what's happening with the adult basic education piece? It's up. I suspect that this would be demand-driven or need that's causing this one to be up.

Hon. Mr. Boyd: — The '14-15 budget provides for record investment into adult basic education. Funding has increased by over \$9 million or 58 per cent since 2007-08, from 15.86 million to 25.02 million. This has increased the number of annual ABE [adult basic education] training seats from 5,880 in '07-08 to currently 8,580 seats now.

Mr. Wotherspoon: — And the increase this year, sorry, is just there's a larger number of those that are in ABE this year or that will be accommodated this year. Is that correct?

Hon. Mr. Boyd: — Yes.

Mr. Wotherspoon: — And what's the increase this year over last year?

Hon. Mr. Boyd: — We will be increasing the funding to ABE by \$2.1 million, including \$500,000 realigned from skills training benefits to expand the number of seats by 700, which would reduce the wait-list from 1,875 projected in 2013-14 to 1,175 in '14-15. So what's that? 700.

Mr. Wotherspoon: — Seven hundred, yes. It's an area where it seems almost wrong to have any wait-list, but certainly that's a good investment that's being made there. Could you just describe, Mr. Minister, where those wait-lists are occurring? In which communities are those wait-lists?

Hon. Mr. Boyd: — I would say they're by institution, by educational institution, not by community. Some of the people come from, you know, outside of the community but seek adult basic education programs within communities that offer them. So we track them not by specific community but by institution. They're just getting the information in terms of the exact numbers per institution that we can provide for you.

Mr. Wotherspoon: — Thanks so much.

Hon. Mr. Boyd: — They won't have it for you in the next couple of minutes. They'll have it perhaps in the next few days.

Mr. Wotherspoon: — That sounds good. Thanks for providing that information. That'll be important. Could you just expand a bit on the apprenticeship training allowance? It's up a little bit. What's causing it to be up? And maybe just give a bit of a description of this program and what support it's providing.

Hon. Mr. Boyd: — We've increased the budget for apprenticeship training going forward, training allowance, by \$500,000 to support EI [employment insurance] eligible apprentices. Existing funding was realigned from the skills training benefit.

Mr. Wotherspoon: — Thank you. We'll maybe shift our focus on to some other areas within the ministry and move along. There was a discussion of the transportation challenges that our province is facing and that certainly many businesses are facing, certainly producers are facing. I'd appreciate hearing from the minister. I know you've already spoken to the challenges of some struggling to move oil. Certainly we know, as I say, the story of those trying to move grain. We know as well those in Regina here trying to move steel. Who across the province is being impacted by the transportation crisis, and who's reached out to his ministry?

Hon. Mr. Boyd: — Well I would say that virtually every shipper in Saskatchewan has been affected in some regard, either simply by dramatically reduced service or no service whatsoever in some cases. We see a significance of a backlog in terms of grain deliveries. I think that's been pretty well documented into the billions of dollars of sales that have gone unfulfilled at this point. We also see in terms of potash some, I believe the number was 500 000 tonnes approximately in offshore sales that Canpotex is behind in terms of deliveries.

We've heard from folks in the lumber industry. We have certainly heard from people in the oil industry as well about that area. So it's affected our economy in all areas, I guess I would say. As a resource-driven province and an exporting province, we have been pretty significantly impacted by this.

Mr. Wotherspoon: — And that's certainly what the issue is that we would identify as well or that I'd identify. And we look at the industries that we have within the province and you look at our economy, and it's so connected to transportation. And you know, I guess I would look to the minister to describe . . . I know you described some of the meetings that you've had with various folks that have been impacted. What are some of the next steps? I know there's been some that have been taken. What do you see as next steps from your government?

Hon. Mr. Boyd: — Well I guess I would say we will very definitely continue to monitor the progress in terms of shipments in all areas. We will continue to be in contact with the agriculture committee at large in terms of what's happening there. We'll continue to follow up with the potash industry. The oil industry is a little more difficult to follow up because they're all smaller, individual companies, but through CAPP [Canadian Association of Petroleum Producers], perhaps we can track where things are going there.

We certainly feel that the capacity issues here in Saskatchewan are going to be an ongoing concern. We've seen our exports in virtually all areas increase over the last number of years and in some cases dramatically increase. And I can think of grain and oil as pretty significant, although I'm pretty sure the potash producers wouldn't want me to exclude them from that as well. Their export program is very substantial as well.

So this is a significant area of concern to our government. We have had discussions with both rail carriers at the CEO level, with CN [Canadian National] and with CP [Canadian Pacific]. I think we've had pretty direct discussions with them about this, the impact that it's having, and wanting to sort of test what the boundaries are going to be in terms of their ability to meet the need going forward.

We are not just concerned about this year, but we are concerned about years going out from it now. We anticipate that . . . Well to use the example of all of them, whether it's oil, we're producing more oil. More oil is being shipped by railcar, much more than there has been in the past. Grain is up substantially. Potash is up pretty good as well. So pretty direct discussions with the rail companies about how they're going to manage that growth and the investment that's going to be required on behalf of the rail carriers and perhaps other companies as well — grain companies perhaps for railcars, oil companies for railcars in that regard as well, what kind of level of investment that they're going to be looking at. We're going to be watching that closely to see what kind of investments the rail companies make to address the capacity issues going forward.

We've also had what I would call a cursory look at other rail carriers like BNSF [Burlington Northern Santa Fe] out of the United States, very early stage discussions there. Difficult to tell whether anything will develop there or not at this point in time, but we're trying to look at all areas to see whether there's additional capacity that we can look at, keeping in mind I think that, to be fair, a lot of markets we now serve in the world have shifted from the East — some of them at least — to the West.

We used to ship, you know, a very substantial amount of product east or south. Those markets now seem to be shifting more to the West Coast, to Asian markets generally, and so that's impacted on this discussion as well. Not only have we seen greater sales but we've seen a shift of where the sales are headed towards, so it's put increasing pressure onto our ports on the West Coast and the ability for the transportation system to move those products in that direction.

Now we are wanting to see the rail carriers look at all North American destinations, using them all, whether it's the Great Lakes system and the St. Lawrence Seaway or whether it's Hudson Bay or whether it's the destinations to the south of us in the United States, as well as the West Coast, both Prince Rupert and Vancouver.

You know, there's lots of challenges around this, around capacity, around capacity of the actual companies themselves, whether it be grain or whether it be potash-exporting agency Canpotex or whether other groups in that as well.

Pipeline capacity becomes a big concern to us as well, and that's precisely the reason why we continue to support the approval of additional pipeline capacity — the Keystone and Northern Gateway. These are very, very important destinations for Saskatchewan oil in the future. We certainly would want to see these done in the most, you know, environmentally responsible way possible.

They have a pretty good track record, pipelines do, in terms of spills, particularly when you look at the technology that's available today for pipeline construction — much better than it has been in the past. This is an important consideration. This is something that we would hope that we would have the opposition support, both provincially and federally. I note that your federal counterparts aren't near as supportive of additional pipeline capacity. This is something that is a provincial priority and should be a priority for all people here in Saskatchewan, and that's to have it done, as I say, in a responsible way,

environmentally responsible way.

There are always risks associated with development. There's no question about that. But in order to have a strong economy here in Saskatchewan . . . We are a resource-driven province, and we should not make any apologies for that. But that doesn't mean to say that it is at all costs. It should be done in the most responsible way as possible. And I think that those additional pipelines would certainly help in terms of moving Saskatchewan product to markets that are looking for product from, you know, different locations like Saskatchewan around the world.

So this is a provincial priority for us. We are certainly watching this very closely. We are watching what is happening in terms of grain, and then the impact that it has on the other areas that haven't been as, I guess I would say, well identified. But certainly this is an area of concern to us.

[21:30]

Mr. Wotherspoon: — The transportation system and the rail companies have failed miserably is the point, and a better system needs to be established. And you know, when we look at all the economic goals of this province and those with something at stake, from our grain producers to a steel mill in Regina, certainly it's vital.

I guess if the minister could identify what impacts he's identified from an economic perspective that each of these industries have been impacted by the transportation crisis. I know, you know, in agriculture we hear about the roughly \$5 billion in farm income that has been threatened or lost as a result of this. I don't know what those numbers are exactly for steel and for resources and potash and for lumber. If the minister could identify those.

Hon. Mr. Boyd: — In some cases it's a little bit difficult to quantify . . . [inaudible interjection] . . . I thought you'd left town.

Mr. Wotherspoon: — I'm listening.

Hon. Mr. Boyd: — In some cases it's a little bit difficult to quantify, because what happens is it's deferred sales. You know, it's still sales that likely will take place but they, you know, they may be deferred for a period of time.

There has been some sales in grain that traditionally we would expect. Japan has recently tendered in the United States which, you know, I don't know whether you could say for sure it would have been a sale here in Canada, but traditionally that's where it would. So these numbers vary a fair little bit. I mean I've seen estimates in grain alone anywhere from \$1 billion. I think Richard Gray, economist up at the U of S [University of Saskatchewan], had it up 6 or 7 billion, something like that now. You know, I guess it sort of depends on how you look at these things, but its impact has been significant. There's no question about that.

And there are, you know, some circumstances around cold weather and things like that that we have to recognize. We would never want the rail carriers to put either equipment or,

more importantly, personnel at any kind of safety risks. There are some very real concerns around that. The railways I think, you know, made their case around that. You know, I think we buy some of it, maybe not quite all of it. But there's definitely some concerns around safety when there's very significant cold weather.

And as they explained it to us, it's not really the cold weather here in Saskatchewan that has the biggest impact, but it's the cold weather going through the mountains where you have brake lines that are air driven, things of that nature. Having to split trains and really dramatically reducing their efficiency. There are some . . . You know, we did experience an unusually cold winter. I don't think there's any question around that.

However I think that the railways were not as prepared as they could have been for moving grain. I think that it was pretty well known pretty early in the fall that we were going to have a very large crop coming off. I think it's pretty well known as well that we see a lot more oil being moved by rail than we've ever seen before. I think it's just a couple of years ago I don't think there was even a . . . Well I stand to be corrected, but it's not very many months ago — I suspect it's less than 36 months ago — that we didn't have very many oil loading facilities. Now we have 20 or 30 or perhaps even more than that in Saskatchewan, but more on the drawing board. So you know, I think everybody is of the view, a lot of people are of the view that many folks feel that the rail companies should have anticipated a much greater demand than what they were able to satisfy or serve.

And then on top of that in the grain area, we see grain companies that widened basis levels to dramatically wide levels, which certainly impacted the price at the farm gate for producers. So you know, some canola that was worth \$11 a bushel or in that neighbourhood in September, October, you know, and it got down to under \$9 throughout . . . perhaps in January or February. So it has had a pretty significant impact on us here in Saskatchewan.

But to specifically pinpoint a number for each area of our economy, pretty difficult to do, because some of the information is of commercial sensitivity and we just simply don't have access to it. We don't know whether it's going to be some sales have been deferred and we'll actually pick them up at a later date, or things of that nature that we wouldn't have access to that information. I think it's safe to say though that it's had an impact on Saskatchewan and you total it all up, well into the billions.

Mr. Wotherspoon: — So certainly billions alone on grain transportation and certainly the other areas. I think it would be worthwhile for the ministry to have some estimates and be working with industry to understand those numbers, because these are real dollars, real jobs, real impacts here in Saskatchewan.

I don't buy the . . . I don't give too much to the rail companies on the weather. We're going to have cold weather moving forward, up through the mountains as well. We're going to have to be planning for capacity. We're going to have to make sure that our government's there to make sure that capacity will be in place. And I know there was a comment about them not having adequate locomotive capacity. Well I'd point directly

back to those companies that have cut massive locomotive capacity over the past couple of years.

So the point being, we have as a province that certainly has a lot of potential before us, that's export-driven, that's resource-based, we need to certainly have steps moving forward that will ensure the ability to get our products, our goods, our commodities to market.

The grain number, you tossed around a bit of an estimate on it. The potash, you had identified that some potash sales, I believe it was referenced that Canpotex had communicated to you that some sales maybe weren't able to go forward because of the lack of ability of delivering that product. Are you able to quantify that at all?

Hon. Mr. Boyd: — I mean this was an area that I don't think Canpotex was real interested in providing a lot of information around it. They were just simply saying that approximately 500 000 tonnes behind in terms of deliveries. I don't know whether they've actually lost sales. They never indicated that.

Certainly sales have been deferred to a later date, but it's never a good thing I don't think when you are deferring sales. Customers start looking for other avenues to supply, and you know, these kinds of things do have an impact. And one would hope that we are able to re-establish those sales very quickly to, you know, take advantage of the product that we have, the ability here in Saskatchewan to produce.

Mr. Wotherspoon: — You mentioned BNSF as one potential rail carrier, and I know you've engaged them directly. What are the potential southern direct route opportunities or new route opportunities?

Hon. Mr. Boyd: — Well there aren't very many, to be quite frank. There is really only one other one, a company by the name of Ceres — some people pronounce it Ceres — down in the very southeast corner of our province. There's only been, I think in our history there's really only been a couple in Saskatchewan. The Soo line from Moose Jaw south and then this other one that was abandoned a long time ago really are the only ones. I believe I'm correct in saying that.

Transportation's always been kind of an East-West thing and not a North-South thing, so when you look at across Saskatchewan and the history of our province, that's the way the development has taken place. There really hasn't been the significant movement to the South. The major corridors to the South are in Alberta at Coutts and in Manitoba south of Winnipeg, and that's been how grain largely has moved into the American markets in the past. We were really never served very well by rail carriers going south — the Soo line a little bit. This other one has been shut down for a long, long time, is now just being re-established.

Mr. Wotherspoon: — So the Premier had talked about routes south. Is anything being established on that front, or is this kind of where it's at right now?

Hon. Mr. Boyd: — Well there's a lot of constraints around that. If you looked at other locations where there might be some potential, you can identify a couple of other locations. There

would have to be rail lines. There would have to be right-of-ways. There would have to be construction of rail lines, that sort of thing.

And then one of the more troublesome, at least problematic areas is any time that there is another entry point made into the United States, it requires a presidential permit which is essentially what is holding up the Keystone XL pipeline. So you're into an area of, I guess I would say, a highly politically charged environment in the United States when you're looking at those kinds of things.

Could we get them? Is it something that we could assist in? It's certainly something that we would feel is, you know, a laudable goal, and there's, you know, some work being done to see what's all necessary around that. But we are, I guess I would say, at very, very early days in terms of understanding what is needed there. Just that presidential permit alone is something that is a pretty big item in terms of being able to secure.

Mr. Wotherspoon: — The failure of the transportation system certainly has immediate impacts. I know many have felt those impacts this last year by way of income or by way of employment or by way of opportunities in Saskatchewan. It could have long-term impacts as well for some industries. Some of those have been identified by you as the minister.

I'm just wondering what sort of reflection the transportation crisis has in the current budget forecast moving forward. How does it bear out and how is it factored in? We know that agriculture alone has had a big impact that will certainly impact the economy, and certainly these other areas will as well. I'm just wondering how that was factored in.

Hon. Mr. Boyd: — I think that those questions maybe would be more appropriate to the Minister of Finance around their operations there. I know that they certainly were looking at it and what kind of impact it would have. Again as I say, it's a bit of a moving target, and I hope you can appreciate the difficulty of establishing some numbers around this. We see, just in grain alone, estimates from 1 billion to 7 billion. So you see the range that there is depending on who takes a look at the situation, and I think that that would be the same in a lot of other areas.

But I think unquestionably it has the potential to have an impact now on going forward. I think that there's some work being done by the Ministry of Finance around this area to try and establish what that impact might be. But again, difficult to determine. It's not just something you can, you know, pull out the numbers real easy on because some of the information is not something that we have the ability to gather. Some of it is, you know, commercially sensitive information and simply not available to us.

Mr. Wotherspoon: — Okay. So with all due respect, I understand sometimes these pieces are maybe difficult to quantify. But it's important information, and I'm not satisfied that they haven't been incorporated into the budget. It seems to me that that's neglectful or hasn't properly considered some of the changed economic conditions facing some of these industries. So I'm disappointed that they haven't . . .

And I will say this: I've spent time with your counterpart, the

Minister of Finance. And I guess to paraphrase him, he said, we don't do that; we take advice from the Minister of Economy, and we should in essence come talk to you. So I'm done with my estimates with the Minister of Finance, and I'm here with you as the Minister of Economy.

Hon. Mr. Boyd: — One would hope, one would hope that the opposition would accept the fact that this is difficult to establish. We task our officials to try and provide the best information that they possibly can, and they do that every day.

It's not something that I quantify myself as the Minister of the Economy. We ask these very, very competent people to try and put together some of that information, and it's not easy to do. You make it sound like something you should be able to just pull this stuff together left, right, and centre because you want it. Well it's not quite that easy, I would say, Mr. Member.

[21:45]

Yes, absolutely, we're trying to provide the best information that we possibly can within our ministry to provide to Finance. And Finance is back and forth with us all the time in this kind of thing. But do you know what kind of sales have been deferred? I don't, and I don't think anybody else does for sure, because some of that information for example in the area of potash, they're not going to give it to us. So how do you quantify that then? You have to try and make the best sort of guesses and ballpark estimates that you possibly can. And that's what these folks do.

And I say that they're some of the best in the world at doing those kinds of things. And while you may be able to . . . While you may say oh, I'm awfully disappointed that you can't come up with that information, you should perhaps share some of that disappointment with the people that try and put this information together because I think they do a pretty darn good job at trying to provide us with the best advice we can get. So I guess I would just ask for your indulgence a little bit, that these people are professionals. They're trying to do the best job they possibly can to provide this information. But it's not as easy as you think it is.

Mr. Wotherspoon: — So the minister's rather worked up, and he seems to be hiding . . .

Hon. Mr. Boyd: — Well I'm worked up because . . .

Mr. Wotherspoon: — No, I've got the microphone. You can yell all you want, but I think I'll take the microphone now, Mr. Minister. You can hide behind your officials as well, but I'll tell you this. You do have fine officials. I know many of them sitting right through this room right here, and I know many that work in your ministry. Good people, no doubt about that.

What I'm talking about is leadership from a government during difficult times. And you know, I know there's been certain years that have been fun to celebrate with great economic news on different fronts, and I've been proud to celebrate those along with you, Mr. Minister. But part of being a leader, part of running a government is also stepping up to the plate when there's adverse conditions that come forward. Part of dealing with the more difficult circumstances is responding to those.

So I'm not suggesting that this is easy to grab a number, as you say from left, right, or centre. That would be like what you did with potash numbers just a few years ago. What I think we need right now is for a measured approach from you, setting some priorities, and for this to be reflected back into budget. And my frustration, Mr. Minister . . . But your answer to me was, well that's the kind of work that the Ministry of Finance does, and I'm sure they did all those kind of things.

Hon. Mr. Boyd: — In collaboration with others.

Mr. Wotherspoon: — And I came directly from the . . . last week with the Minister of Finance who said, well that's more the work of the Minister of the Economy, and we didn't factor those pieces in. And he didn't have a number, for example, for the grain transportation crisis or all the other industries that have been impacted by our transportation crisis.

And the reality is producers across this province produced a record crop. You know this. You're connected to the ag industry. And they've been hammered. They've been hammered by demurrage. They've been hammered by prices. They've been hammered by basis. And that all has an impact — and a real impact — back into our province, has an impact back to them, their ability to plan currently and plan for the next growing season. But it also has an impact back into our economy.

And I guess if you'd mind just providing . . . You talked about ballparks in estimates. We haven't yet quite had that from you. What you've said around the grain transportation challenge is that some say it might be 1 billion, some say it might be 6 billion. Well, mind me, Mr. Minister, I expect a bit more from the Minister of Economy from the province of Saskatchewan on this front, and so I'd like to hear a little bit more about what impact the minister sees here. We know that . . . I think farm incomes were over \$5 billion last year, I believe. Farm cash receipts were \$12 billion.

All of this, when it takes a hit, has a direct impact here in Saskatchewan — whether it's sales at the implement dealer, whether it's at the car dealership, whether it's by way of taxation received by the province — all sorts of impacts. So indulge me a little further, Mr. Minister, and maybe provide . . . I'd hope you have better estimates than 1 to 6 billion. If you could, give me the estimates that have been discussed and planned for by government.

Hon. Mr. Boyd: — Mr. Chair, we would . . . I guess I would say that when we talk about the people that provide us with the best information, yes we get passionate about it, absolutely, because I think they do a pretty good job in terms of trying to provide the best advice to the government that they possibly can.

And I think that's why we see our economy as strong as it is here in Saskatchewan. I think that's why we see the growth in our economy. I think that's why we see the population growth in Saskatchewan. I think that's why we see the record investments that we are seeing in Saskatchewan from people from around the world or from individuals and companies right here in Saskatchewan.

I think that the fact that we have an ongoing balanced budget here in Saskatchewan, I think the fact that we have credit upgrades here in Saskatchewan, I think that when you talk to business owners and when they do surveys about business confidence, I think that's why we see the levels of business confidence that are unprecedented in Saskatchewan's history. I think that's why we've seen the number of people that have immigrated to our province, that have started opportunities here in Saskatchewan. I think all of those kinds of things are very, very positive indicators about a province that's moving in the right direction.

And I think, you know, I spent many years in opposition as well. And it's, I guess when I look at it sort of from a philosophical point of view, it's a little bit . . . And I remember my days in opposition, and I probably wasn't a whole lot different than what you were, where it's easy to armchair quarterback these kinds of things, but much more difficult when you're actually in the breach, I guess I would say, where there's . . .

This information is a challenge to pull together. We've tasked officials with trying to provide the best information in collaboration with . . . not in just handing it off to somebody else. And to sort of try and twist the words around that, I find that a little bit unfortunate. But you will do what you're going to do, and I understand that. I was in opposition as well.

We will continue to try and work as closely as we can with our officials, with officials in the Ministry of Finance, to try and look at the impacts that we have . . . that there has been, I should say, on our province here in Saskatchewan.

I don't think though that we should always take the half-full approach or half-empty approach that the opposition seems to opt for, generally speaking. I think the glass is more than moving to a higher level here in Saskatchewan.

Yes, there's going to be bumps in the road from time to time, and you reference things like potash and, you know, the difficulty in terms of forecasting some of those things. I don't think anybody knew a few years ago that the Chinese were going to withdraw from the market. Perhaps you did. I don't know, I don't remember you saying it. But when the Chinese withdrew from the market, literally the sales of potash collapsed in that year. I don't think anybody expected that to happen, but it did. We're not privy to the inner workings of the government of China in terms of the decision making that they make around those kinds of things.

At the time, we provide the best kind of advice and estimates that we possibly can to establish the parameters for budgets. And I would say, I think that we've been, I guess I would say, reasonably successful in doing that. And that's why I think the evidence is pretty clear, when you see balanced budget after balanced budget after balanced budget going forward.

And we can get into a long and protracted debate, and I suspect that may be where you want to go next, is around that discussion as well, keeping in mind of course that the books of our province were . . . [inaudible interjection] . . . Now I have the mike, actually. The books of our province were handled in exactly the same way that your party did in the past, and you

seem to conveniently have forgotten about all of that.

And you hammer away on those kinds of points in question period and outside, completely oblivious to the fact or hoping at least — I guess I would say hoping at least — that the people of Saskatchewan will be oblivious to the fact that that's exactly the way you people characterized the books here in Saskatchewan as well. Now, we've made a change, you know — yes, okay, if the Provincial Auditor says that it should be summary financial statements, well it is. Well it is. So I would hope that that's something that you're happy about now, although I haven't seen it yet. I'm still optimistic that we're going to see that.

But I guess, yes, absolutely, I get passionate about the people that provide information to us because I think they do the best possible job they can. And we will try and pull together some information to help you with that. But again, I would say that if you want us to try and narrow it down to as close as we possibly can, it's a very, very difficult task.

And if you know some people that can assist in that, we'd be happy to have a discussion with them about it. If you're capable of doing it, we'd be happy to have a further discussion with you about it offline here. But these things are difficult to quantify. There's no question about it. But there has been an impact. We clearly understand that there's been an impact here on our economy here in Saskatchewan.

And that's why we're taking the steps that we are with the rail companies to have those discussions, taking the steps to open up discussions in other areas to see whether we can gain capacity. We're certainly working as closely as we can with the federal government in this area. I don't think, you know, I guess I would say I share some of your thoughts around the whole issue of cold weather. I'm not quite sure I'm there. However both railways made some pretty impassioned thoughts around that, and the impact that it had on their operations, where there were some . . . I forget what the number of days were that were minus 25 in the mountains; a large number of days, an unusually large number of days here in Saskatchewan. I don't think we want to lay that off too much as an excuse for poor performance.

But I guess I would say I would ask the indulgence, a little bit, of the member, respecting the fact that this is information. Some of it's available; some of it isn't available. Pieces of it are available here, bits and pieces are available. Pulling all of those things together, we know that it's had an impact on our province, and not just our province, but the people within our province more importantly: individual farming operations; you know, potash, potential sales or lack thereof; the oil industry; the steel industry here in the city of Regina. Those are real things. There's no question about that. Those are real impacts on the lives of Saskatchewan people. And I don't think, you know, we certainly would never want to try and downplay that.

But I guess I would say that overall, the strength of our economy is . . . The underlying fundamentals are still positive here in Saskatchewan. We continue to see a production increase in a number of areas, certainly in agriculture in all areas including livestock, very positive things happening there. Some of the things, I'm sure some of the folks at the reception here by the Cattlemen's Association were talking to you about this

evening at their reception. Certainly when you talk to CAPP, the Canadian Association of Petroleum Producers, they will indicate that they expect we'll continue to see more oil being shipped by rail than we've ever seen.

I mean I just look at the area that I represent not far from my farm, where there's a little town of Glidden. Glidden has a population probably of less than what's in this room. In fact I'm sure it's less than what's in this room. It was a community that would be almost . . . Most people would be suggesting that it's written off entirely.

Now that town has Mobil Grain, has a grain loading facility there that I didn't think you'd ever see another railcar loaded in Glidden, Saskatchewan in my lifetime. They're loading dozens and dozens and dozens of them these days. I never thought you would ever see an oil loading facility in Glidden, Saskatchewan, but there's one there. And every time I go by there, which is about a once a week occasion, you'll see railcars moving in and out of there. So you know, things are changing.

One of the things that was really quite interesting, and just to put a face on what's happening in agriculture as well, when we were talking to some of the rail companies and we were talking to some of the grain companies about what is happening in terms of our production in grains here in Saskatchewan, was really quite interesting.

[22:00]

You know, I'll say over the past 30 years, we've seen rail line abandonment, where rail lines have been pulled up and elevators have been abandoned and torn down and all of those kinds of things. And it was all with the eye for a drive for greater efficiency. I supported that drive. You know, I felt that that was the right thing to do. I think a lot of people within our party would agree that they thought it was the right thing to do. However I don't think that a lot of people at that time, the experts included, I don't remember anybody at that time saying, what is going to be the impact of greater production than we're seeing in the past?

You know, in my area of Saskatchewan, when I was a kid growing up, 30 bushels to the acre was considered a very, very good crop of wheat or durum. Now we see production of 60, 70, 80 bushel to the acre. We're seeing very high-producing crops like corn starting to come into the province a little bit, where we could eventually see in the next number of years production of 150, 200 bushel to the acre. Nobody would have ever, I don't think very many at least, and there may have been the odd person that expected these kinds of developments.

So what's happening in some places across Saskatchewan, not only are you seeing additional capacity being built . . . Viterra just announced a couple new facilities here in the last couple of weeks. Where facilities, it was always kind of the common wisdom was is 60 miles apart was what was going to be needed, now we're seeing them being placed in between, and you'll likely see them being placed in between again. And now we see a reinvestment into the industry to have that additional capacity. So you know, things change and I think this has had an impact, yes.

We'll try and quantify it the best we possibly can, but I guess I would say it's not an easy thing to do. I think I've said that a number of times. But we will try and provide some information around that to support our contention that this has had a pretty significant impact, a dramatic impact on our economy here in Saskatchewan. And that definitely is something that we don't want to see.

But there are still, as I say, a lot of good things happening in Saskatchewan. I prefer to think of the glass as half full rather than half empty — half full and gaining in terms of its capacity, rather than dwindling away.

Mr. Wotherspoon: — Without a doubt from the opposition, we see a tremendous amount of opportunity in this province, tremendous amount of hard work from businesses and organizations and producers who are delivering what they need to. But certainly this area . . . And my concern stands that I'm disappointed that there's not better analysis around what the impacts would be into the provincial budget. But we'll leave it there.

What I will say certainly is that the officials within the ministry, we always respect the work that they provide. And when it's a critique, it's to the minister. But I look forward to tracking that moving forward.

Certainly we're optimistic as well about the potential of the province, but it's going to require some leadership and some actions at times. You know, we can't just plan towards the growth of the trade. We have to make sure that we're going to be able to get our goods, our products, our commodities to market, and that's going to be critical.

Shifting the focus just a bit to sort of the construction industry and economic impacts of procurement and local procurement, wondering where the minister's at in looking at measures or analysis around net benefit of local procurement in the construction industry.

Hon. Mr. Boyd: — I just want to touch back for a moment on the budget development. Our ministry provides updates on a regular basis as the budget year progresses to take into account resource assumptions as a part of budget deliberations, going right from the initial round of discussions with Finance right through till the cabinet finalization and even beyond that. So a lot of the assumptions that we would make as a government are wrapped up in the budget overall.

So we are still very much of the opinion that those assumptions are pretty good assumptions around prices, oil prices, oil production, gas production, those kinds of things, potash sales. All of those kinds of things we still see and feel that we're on track in terms of prices, volume, revenues, etc. And those are something that we provide on a pretty regular basis to Finance. So some of this is internal discussion. Some of it, the member would like to see us put out some of this information. I suppose it's something that we could do perhaps in some fashion. We'll consider that.

But in terms of budget development, we don't try to outguess the market. We rely on market experts around this. We rely on private sector forecasts to help us determine what those

numbers are as well. I think it's exactly the same process largely that former administrations went through in terms of arriving at those numbers. So it's a combination of pulling together a lot of information from private sources as well as within the ministry themselves. And if you look at the end results, they're never 100 per cent accurate, but they're never way, way, offside generally speaking. There's been occasions where we've seen that in the past, but extraordinary circumstances outside of the knowledge base of any individuals or private sector forecasters do impact on us from time to time.

To take a look at your thoughts around procurement and the construction industry here in Saskatchewan, I'm not quite sure where you want to go there. Perhaps you can elaborate a little bit.

Mr. Wotherspoon: — Sure. Where's the minister at on looking at the benefit of local construction companies being engaged in the delivery of construction, particularly where the public dollar is being utilized?

Hon. Mr. Boyd: — Well I'm a little bit hesitant to give you this answer because you're not going to probably like it, but this actually isn't an area of my responsibility. This is an area more responsible in the area of trade which is under Minister McMillan. But before you get all exercised about that, I guess I would say as a whole, our government tries to secure the best possible procurement deals that we possibly can. I suppose there's probably occasions when we don't get it right. Largely I think we do get it right.

We hope that Saskatchewan businesses are always competitive in those, in any kind of government tendering type of initiatives that are out there. We do hear from time to time concerns about that. Not only with the government, but some of the Crown corporations as well. It's not unusual. Well I arrived here in 1991 and I remember those same kinds of concerns at that time.

You know, I remember . . . I forget what minister it might have been. It might have been MacKinnon if my memory serves me, sort of explained it this way. When you have 10 people or 10 individuals, 10 companies bidding on a deal and one company gets it, you're almost certain to have nine that aren't very happy. And so there's always these concerns around procurement. Some of it is legitimate concerns from time to time, I would think. Some of it is a little bit . . . When you're not successful there's some times you're not as willing to accept it as perhaps you should be.

Mr. Wotherspoon: — Well we'll have a different view on some of this. I think that there is value for consideration of some sort of net benefit analysis of what sort of benefits there are when local companies are engaged. And you know, I think that I wouldn't dismiss, as the minister is dismissing, many of the concerns that are being brought forward from the construction industry on this front. And it's a time that they need to be heard. And I think whether it's their concerns around the massive bundling project that effectively shuts out many, that should have some net benefit analysis around it, or whether it's I guess application of trade laws in a different way in each jurisdiction across Canada, it would seem in different jurisdictions going at this in different ways.

The impacts, I would suggest, are here and now for many of the companies. And certainly it does require the attention of, from my perspective, the Economy ministry and certainly the minister. And I'll certainly take it up with the Trade minister. But I know in some industries there's not even reciprocity, it would appear, with some provinces, or a province within this, within our country. And there's different sort of tendering that prefers or that understands maybe a local economic benefit in other jurisdictions. I believe Ontario and other places have some of these measures and, you know, here in Saskatchewan it would seem that some of the opportunity is bypassing the very companies invested in this province, and it requires the attention and analysis of government, and potential actions.

Hon. Mr. Boyd: — I guess I would just say, Mr. Chair, that I find it a little bit troublesome that any time a person says anything, the member wants to try and twist the words around to indicate that we have a lack of concern in an area. Any time, any time that people have concerns that are brought to our attention about the operations of government, we certainly engage in a discussion with them about those kinds of things if it's brought to our attention, and we don't try and dismiss their concerns. We try and work through the concerns that they have, explain the process as it's set out, explain any kind of tendering processes that there are. I think there's pretty well-established tendering processes here in our province.

But definitely there are legitimate concerns from time to time. There are also just simply information that companies occasionally seek from us about why they weren't successful whether it was a, you know, a simple numbers situation, which is often the case, or whether there were other extenuating circumstances about perhaps delivery or product availability, all of those kinds of things. But we do not under any circumstance just simply dismiss people's concerns. And you know, I would prefer it if you don't try and diminish our level of concern because that simply would not be the case.

Mr. Wotherspoon: — Okay. Well listen. We have a chance to bring forward questions and concerns to you that reflect meetings with business leaders across the province. This is it. And people can certainly refer back to the dialogue that's here, and it would be I think more than fair to categorize that there was some dismissiveness to the concerns that were brought forward. But let's not add to those pieces.

What I didn't hear was any answer about where you're at on analysis around net benefits of local procurement with foreign economy. We can follow up that certainly with our Trade minister, but I hope his answer is better than just that he's going to be looking at sort of a long legal process with Ontario or something like this because the impacts are here and now for Saskatchewan companies.

I'd like to move along to a couple of different areas and just get your perspective or a bit of an update as to where things are at. An important piece is the mill in Prince Albert. I'd like an update, a status update as to where that mill is at, reflecting as well upon maybe some of the benchmarks and timelines that were reflected last year in this committee.

Hon. Mr. Boyd: — Well our forestry people aren't here this evening. Those would also be in Minister McMillan's area.

However, I would say this, that we have had on a number of occasions, either myself or Minister McMillan, discussions with the folks around the mill.

I guess I would say this, that initially when the mill was purchased from Domtar, I think there was a great deal of optimism by the company that's purchased it about the ability and their ability to get into the dissolving pulp market. And they have been working I think pretty diligently to move in that direction in terms of refitting the plant, ordering equipment, all of those kinds of things. And then again one of those sort of external factors that we talked about a little earlier this evening hit them, which was the Chinese government putting a tariff on dissolving pulp. That kind of upset the apple cart, to say the least. They then had to re-evaluate their whole plan there about how they would move forward.

[22:15]

They have expressed an interest in trying to have a discussion with Domtar about revisiting the agreement that they had, which had some provisions within the agreement to limit their ability to produce kraft pulp, not dissolving but kraft pulp, which was what the mill produced in the past there. So I'm not sure that they've been very successful, frankly, with respect to opening up that agreement. I mean it was after all an agreement that they were party to and signed, and that has certainly impacted upon the operations there. If they can't produce kraft pulp because the agreement excludes the ability to produce kraft pulp, and they can't get into the dissolving pulp business because of the significant tariff situation that they face when they were wanting to sell that pulp into the Chinese market, that sort of limits their ability to move forward here.

Now I am aware that there is hope. There is still continued discussions, although I'm not party to most recently how they're making out around this. But I guess I would say that the company still seems to be optimistic that they will in some way be able to reach an agreement, or perhaps we'll see the Chinese government backing off in terms of the tariffs that they've placed on this. I know though, they explained to us that they're kind of working on both ends of this thing, hoping that they will be able to change the situation either in China or work out an agreement with Domtar.

Now again, those parts of that would be a commercially sensitive area that we wouldn't be . . . We're not in the room, so I don't know how those discussions are proceeding. But we have, as a part of that agreement, the original agreement with those folks, there was a power purchase agreement that was put in place to utilize the significant supply of chips that were on site and to perhaps use chips that other producers are producing here in Saskatchewan. That operation is going forward. It's working out, I understand. But it's certainly not the bigger picture that was hoped for at the time.

Now will it be resolved any time soon? I don't know. Again it's not something that we're a party to. The last occasion when their folks were in to update us, it didn't sound real hopeful in terms of changing the agreement with Domtar or on the other front. So we're kind of I guess that the mill at the moment is kind of caught between a rock and a hard place in terms of moving forward here. You know, I guess I still remain

optimistic that we will see a breakthrough on one of those fronts.

We have had some discussions with the federal government around this to see whether they can offer any assistance with the Chinese government about this matter. I'm not sure where those discussions are. You know, it was left in the hands of the federal government, and we can perhaps ask for an update on it. But I suspect I know what that update is, that it's been unsuccessful to this point.

So you know, that's kind of the update that I'm familiar with, with respect to the facility up there. You know, it's still an opportunity I think for the province going forward. I think there's still some work being done there hoping that it will, in one way or another, be resolved, and we will see the restart of that facility.

Mr. Wotherspoon: — Okay. No, it's an important file. I'll follow it up with the other minister you identified as well. But it's important, of course, to the whole province, certainly to the region. And there's been a lot of dollars invested there as well. And certainly we want to make sure that it's providing the value that it should to the region. I wouldn't mind just touching base on . . . If the minister can maybe be brief, there's a few different areas I wouldn't mind touching on. But Genome Prairie and the good work that they're doing, I just wouldn't mind hearing from your perspective and your ministry where you're at in supporting their work or further supporting their work. Are there any initiatives or files under consideration?

Hon. Mr. Boyd: — The officials for Innovation Saskatchewan, which this would fall under, are not here this evening. They're invited on another occasion. Perhaps you might want to raise it at that point and we can get an update with respect to that.

Mr. Wotherspoon: — Okay. We can do that. Maybe just to put the minister's attention to the file and to see if there's some files that you could work constructively with Genome Prairie for the benefit of all in the province, economically and otherwise.

Maybe we'll touch base with the Global Transportation Hub, and I'd appreciate a bit of an update as to who's setting up shop there most recently, identify private sector folks that are either setting up, that are either setting up or have made commitments to set up operations there.

Hon. Mr. Boyd: — Thank you, Mr. Member, for the question. The Global Transportation Hub, of course, is anchored by two large companies, CP and Loblaw's. CP has now completed their container facility out to the Global Transportation Hub. That was a pretty significant investment. That's removed almost all, not all but almost all of their operations from downtown Regina here. They still have I think there is a car maintenance facility downtown, but we're hopeful we'll be able to talk them into moving that as well out to the Global Transportation Hub in the future.

We had a good discussion with them, oh I would say a number of months ago, probably six months, something like that, about how this is all working out for them. They were indicating that's it's been pretty good for them. There's more containers lifts than I think they anticipated taking place out there now

than what their original forecasts were, and they're talking about what the next level of investment that they may be interested in looking at there. So I think there's a good news story there.

Loblaws, the other anchor tenant, has stepped up their level of investment from what was anticipated to be five or six years I think and collapsed it down to a couple of years or three years, something like that. So they've ramped up their investment. One of their concerns is the availability of labour that they have identified to us. We have, you know, obviously a very strong and robust labour market here in Saskatchewan. And of course they're like every other business. They're competing for employees. So it's been a challenge for them. The last occasion that I met with them, they indicated that if they could see a growth in their employment at that facility, they would look at another expansion into some other areas that they're not currently involved in. So pretty good there as well.

We see Emterra, Emterra that has set up operations out there. They are a recycling business and they've got a large contract with the city of Regina for recycling. They also are recycling materials that come and go in the Global Transportation Hub as well. As you can imagine, there's a lot of packaging and that kind of thing, particularly around the Loblaws facility, that now is being moved over to Emterra's operation, and then the recycling, very large recycling program that the city of Regina has embarked upon. So their operations are up and running.

It's really quite an amazing facility out there. If you get an occasion, it's worthwhile taking a look at it. Where you've got, you know, a large conveyor coming in and through various technologies, photocells and those kinds of things, waste material is separated, not hand separated, but separated by machine and then goes into various recycling opportunities.

Morguard is another company that's operating out there now. Morguard is a large real estate investment trust out of Ontario that has operations across, well Canada for sure and perhaps even North America. They have purchased some property out there and their building is almost complete, I think, or is well along in terms of construction. They see it as a pretty good opportunity I think to look at attracting companies to build-to-suit type of operations that they are involved with out there.

We see Consolidated Fastrate's project moving along very well. I think it is definitely up and running. There's a pretty good business there that's operating.

A couple of non-private-sector projects that are taking place out there is the SLGA [Saskatchewan Liquor and Gaming Authority] is building a large distribution centre out there for liquor here in Saskatchewan, to consolidate their operations there as well. SaskPower has bought property there and will be building an office complex and both indoor and outdoor storage facility out there, consolidating I think it's seven or eight, something like that, operations that are housed in different locations across the city of Regina to one location out there. They're optimistic about the efficiencies that that will provide for them. And then also of course the redevelopment opportunities for the properties here in the city of Regina, which are pretty good opportunities I would think . . . redevelopment

opportunities, that is, the sale of those properties.

So I think in this past year's operations, we were above budget in terms of sales for the Global Transportation Hub for the sale of property. We just had some discussions the other day with the treasury board around further developing more property out there. We develop property as we anticipate sales would be going forward. When I say develop the property, what it really means is putting some of the streets in place, utility corridors, things of that nature, rough grading, so that they're ready at the stage where they're ready for a company to come in and purchase properties.

There's a very good and comprehensive sales team that is working on the next sort of leads, I would say. They've made contact with numerous, and I would say into the dozens of different businesses across North America about the operations out there and the potential for additional companies to move out there.

I think there's two or three that look pretty promising at the moment that have been brought to my attention, but there are a number of prospects that are always there. Some of them are related to companies that are already out there — suppliers, example for Loblaws, would be kind of a natural fit there. Morguard of course has their sort of book of business across Canada and the United States, and so naturally they're canvassing the companies that they already deal with about the opportunities that are available out there. Consolidated Fastrate, sort of the same way out there.

So I think we are optimistic about the operation out there. We continue to see investment going forward. I just saw the numbers the other day, but I'm sorry I don't remember them right off the top of my head, which level of investment each company has made so far — we can get you that information if you're interested — and the level of investment that they've made, and their projections sort of going forward, what they might be. But you know, again it's not something that's real easy because companies already have these kind of operations, naturally. I mean if you're in the trucking business, they have, you know, warehousing somewhere, and then of course we'd have to try and convince them to shut down that warehousing and move out to there.

[22:30]

But I think what's happening is, is what is attracting businesses to that facility out there is a combination of a lot of things. First of all, the proximity to No. 1 Highway, and now the infrastructure that's being put in place to have direct, free-flow access on to No. 1 Highway, which would mean a non-traffic-light access on to that, is very, very important. When you're talking to a transportation and logistics company, it's measured in minutes. You know, time is money, and it really is when you're talking to those companies about how quickly they can move product in and out is a very important feature of an operation like that.

Of course the other underlying fundamental areas, the access to the rail lines or seeing more and more product coming in and out of the facility by rail, and we expect that that will continue. And also most recently some of the companies are looking at

the option of air freight as well and the proximity to the Regina airport.

So those are unique kinds of combinations of logistics that I'm told in the industry are not very prevalent in any other place, so we have a pretty unique thing happening there I think in terms of transportation logistics opportunities for companies to expand here in Saskatchewan.

The Chair: — It now being past the hour of 10:30 normal hour of adjournment, 10:32, this committee stands adjourned to the call of the Chair.

[The committee adjourned at 22:32.]