



SASKATCHEWAN  
CHAMBER *of* COMMERCE

# **Adopted 2014 Policy Resolutions**

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# **SUBJECT: Implementation of Tax Plan Recommendations**

## **SUBMITTED BY: Finance Committee**

### **BACKGROUND**

In 2010 the Saskatchewan Chamber of Commerce, the Institute of Chartered Accountants of Saskatchewan, the Certified Management Accountants of Saskatchewan, the Certified General Accountants of Saskatchewan, and the Association of Saskatchewan REALTORS® contracted the Canada West Foundation to undertake writing a comprehensive tax report to evaluate the competitiveness of Saskatchewan's taxation system. The result, "A Tax Framework for Saskatchewan's Continuing Prosperity," was the most comprehensive external review of Saskatchewan's tax system undertaken since 1965.

After extensive research, the original recommendations accepted by the funding partners to improve Saskatchewan's tax environment were:

#### **#1: Reducing Education Property Tax (Residential and Non-residential)**

Fulfilling a commitment previously made by government, the Framework recommended transferring a portion of education funding away from the property tax to other provincial tax sources. The Framework called for this to be implemented in 2011-12 and projected it would reduce revenue by \$55 million.

#### **#2: Restructuring and Simplifying Education Property Tax (Non-residential)**

The Framework recommendations capping the differential in the effective rate of education property tax for non-residential properties at 1.43 of residential properties. This would equalize the effective rate of tax on residential and non-residential properties as businesses can deduct property taxes. Additionally, the Framework recommended simplifying the system by eliminating the three-tiered rate structure for non-residential properties. The Framework recommended phasing in this recommendation from 2011 to 2014 and estimated it would reduce provincial revenue by \$135 million.

#### **#3: Simplifying Municipal and Education Property Tax (Residential and Non-residential)**

This recommendation would reduce the assessment cycle used to calculate property value from 4 years to 2 years. To further simplify administration, under this reform tax tools, such as the inclusion rates, mill rates, mill rate factors, tiered mill rates, base tax, and minimum tax, would be eliminated. An effective rate of tax would then be calculated for each classification of property. The Framework estimates that instituting this reform would result in a expenditure of \$1 million.

#### **#4: Personal Income Tax**

The Framework advocates for the province to reform personal income tax by moving from the current three rate structure of 11%, 13%, and 15% to a dual rate structure of 9% and 12%. This change to the personal income tax system would

be phased in through a five step- five year process. Over the course of its implementation, this proposal would cost \$525 million in reduced revenue.

**#5: Municipal Property Tax (Non-residential properties in Regina and Saskatoon)**

The Framework recommends capping differentials in the effective rate of tax for non-residential properties at 1.43 of residential properties in the cities of Regina and Saskatoon. This reform should be implemented over a long time period (starting immediately) so that incremental growth can cover the cost of the shift without unduly impacting municipal revenues or residential property taxpayers.

**#6: Financial Corporate Capital Tax**

This reform recommends eliminating the corporate capital tax on financial institutions. Currently, the financial corporate capital tax is applied inequitably to the financial sector. The corporate capital tax is charged to large financial institutions, such as banks but not smaller ones, like credit union.

**#7: Taxation of Business Investment - Corporate Income Tax**

This reform recommended reducing the corporate income tax rate to 9% and small business rate to 3% to in order to improve the competitiveness of Saskatchewan businesses. Reducing the general corporate income tax rate to 9% would provide the businesses of Saskatchewan with a similar “net tax” relief offered to businesses in provinces that have embraced an HST, without shifting an additional consumption tax onto residents. The full implementation of the original recommendation was projected to occur in 2017/18 and would have reduced provincial revenue by \$232 million.

**ISSUE**

Since the introduction of the recommendations in “A Tax Framework for Saskatchewan’s Continuing Prosperity,” progress has been made. However, numerous recommendations are still outstanding.

	<b>Progress</b>	<b>Additional Information</b>
<b>Education Property Tax Reduction</b>		This recommendation has been fully implemented
<b>Education Property Tax Reform</b>	 	The Government of Saskatchewan has not changed the education portion of property tax rates.  The three tiers for commercial properties that were used when calculating the education portion of property tax have been eliminated.

<b>Municipal and Education Property Tax Simplification</b>		In September 2013 the Government of Saskatchewan concluded its consultations on the Review of Municipal Property Tax Tools. The results from this review are not yet available.
<b>Personal Income Tax Reform</b>		No progress has been made on this recommendation.
<b>Municipal Property Tax Reform</b>		In October 2013 the Saskatoon City Council voted not to reduce the municipal business property tax ratio from 1.75 to 1.43 over the next 11 years, as was being considered. The council has indicated it will be deferred the shift to the next reassessment period, coming in 2017. Regina has not yet publically evaluated this recommendation.
<b>Corporate Income Tax Reform</b>		The province has lowered the small business tax from 4.5% to 2%. This change reduced provincial revenue by an estimated \$80 million per year. Further, in October 2012 the government committed to lowering the corporate income tax rate from 12% to 10% over three years. This reduction was delayed in the 2013/14 budget but the Saskatchewan Chamber will continue to push for its implementation.
<b>Financial Corporate Capital Tax</b>		This would be the last reform implemented in the framework's timetable, and is scheduled for 2019/20. Due to the implementation timeline, very little discussions or activities regarding this reform have occurred to date.

**RECOMMENDED**

- 1) That the Government of Saskatchewan implement the outstanding recommendations, which have been supported by the funding partners, from “A Tax Framework for Saskatchewan’s Continuing Prosperity,” as quickly as economic conditions allow.
  
- 2) That the Saskatchewan Chamber of Commerce and project funding partners continue to advocate for the Government of Saskatchewan to implement the Framework’s recommendations.

# **SUBJECT: Implementation of the Saskatchewan Futures Fund**

## **SUBMITTED BY: Finance Committee**

### **BACKGROUND**

The opportunity to save for future generations and institute a safeguard to prevent the province from becoming unduly dependent on non-renewable resource revenue to fulfill ongoing budget commitments generated a lot of discussion during the 2011 provincial election. A resource revenue fund was heralded as a useful tool to fulfill both these objectives.

On November 12, 2013 Peter MacKinnon, former President of the University of Saskatchewan, presented a report to the provincial government on the establishment of the Saskatchewan Futures Fund. The purpose of this fund would be to save a portion of Saskatchewan's non-renewable resource revenue for use by future generations. This proposal echoed elements of Saskatchewan Chamber's previously existing policy on the topic.

### **ISSUE**

Both the Saskatchewan Chamber's Resource Revenue Fund policy recommendations and MacKinnon's Saskatchewan Futures Fund recommendations advise establishing a diversified fund with third-party management. However, the SCC policy recommendations do not align with the MacKinnon recommendations on contributions to the fund and on the use of the fund's investment income. Included in these two points of disagreement is the item of debt repayment.

#### **1. On Use of Non-Renewable Resource (NRR) revenues:**

- A. The Saskatchewan Chamber of Commerce (SCC) recommends that 5% of current annual NRR revenues be committed to the fund, along with 20% of future new-source NRR revenues (anything over a \$2 billion baseline threshold).
  - i. Taking the 2013 NRR and General Revenue Fund revenues as an example, this policy would have led to an initial deposit of \$126 million.
    - a. If the government sets the fund up outside of the GRF and treats transfers as expenses, then a pre GFSF transfer deficit of \$111 million would result, but if the government sets it up inside the GRF and changes its accounting to follow GAAP, the reported pre GFSF transfer surplus of \$15 million would be unaltered.
- B. The MacKinnon report recommends using only NRR revenues in excess of 26% of the provincial budget (assumed to be GRF revenues) to support

the Saskatchewan Futures Fund.<sup>1</sup> There are three options to start the fund:

- i. These excess NRR revenues would be used to reduce the debt first, and then with the debt eliminated, used to make contributions to the fund. With this option, using 2013 as an example, NRR revenues were 22% of GRF revenues; no NRR revenues would be used to reduce debt, and no contribution to the fund would have been made.
- ii. These excess NRR revenues would be used to reduce the debt and contribute to the fund in a 50-50 split of the use of these excess revenues. With this option, using 2013 as an example, no debt reduction and no contribution to the fund would have been made.
- iii. Regardless of debt levels, launch the fund with a \$100 million contribution.
  - a. Taking the 2013 GRF revenues and expenses, and if the government sets the fund up outside of the GRF and treats transfers as expenses, then a pre GFSF transfer deficit of \$85 million would have resulted, but if the government sets up the fund inside the GRF and changes its accounting to follow GAAP, the pre-transfer surplus of \$15 million would be unaltered. It is assumed that options i. and ii. would then be followed after the initial launch.

Regardless of these three Saskatchewan Futures Fund options, the provincial government's NRR revenues exceeded 26% of GRF revenues only once since 1985, in 2009.<sup>2</sup> This means that the MacKinnon plan would very infrequently receive contributions unless there is a dramatic ramp-up of resource production to mimic Alberta since 2000.

## **2. On use of investment income**

- A. The SCC recommends that investment income from the fund be used to
  - i. Pay down debt.
  - ii. Then when debt is eliminated, support strategic infrastructure investment.
- B. The MacKinnon recommendation is to use investment income to
  - i. Cover operating expenses.
  - ii. Inflation proof the fund (increase the nominal asset value of the fund in line with inflation).

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<sup>1</sup> Notes: The Saskatchewan Futures Fund figure of 26% is derived by taking the average contribution of NRR to total revenues from 2009 to 2013, with the 2013 budgeted figure and not the actual figure. The 2009-2013 actual average was 25.3% and the exceptional 2009 NRR revenues drove the average up for the province by amounting to 37% of total government revenues.

<sup>2</sup> Notes: The average of NRR revenue as a percentage of GRF revenue from 2000 to 2013 was 21.0%. The average for 2006-2013 excluding 2009 was 21.9%. If a 22% cap were used then the fund would have received 5 contributions since 2000, in 2008, 2009, 2011-2013.

iii. With the remainder going to the GRF with no further stipulations on use.

**3. The SCC policy has the additional item of ensuring that the SCC's recommendations from "A Tax Framework for Saskatchewan Continuing Prosperity" are implemented.**

**RECOMMENDED**

1) That the Government of Saskatchewan not delay in creating a resource royalty-based fund for preserving non-renewable resource wealth of the province for future generations.

2) That the Government of Saskatchewan establish third-party management of the fund.

3) That the Government of Saskatchewan commit to a fund contribution policy that does not effectively eliminate contributions of non-resource revenues except under extremely unusual resource revenue conditions. Use of only those NRR funds in excess of 26% of GRF revenues is unreasonably restrictive and might never lead to contributions to the fund. A figure of 22% is much more reasonable. (A 5% automatic annual contribution with an additional contribution from revenues in excess of some figure would more closely resemble the SCC policy.)

4) That the Government of Saskatchewan commit investment income of the fund, after covering operating expenses and inflation proofing, to debt reduction, and then to strategic infrastructure investments rather than to operating expenses.

5) That the Government of Saskatchewan adopt a policy where the dividends being generated from the fund be put into diversified investments (being managed by a 3<sup>rd</sup> party) with a focus on strategic infrastructure investments within Saskatchewan whenever possible.

6) That the preceding recommendations be acted upon only while implementing and maintaining the competitive royalty and taxation rates proposed in the Canada West Foundation's "A Tax Framework for Saskatchewan's Continuing Prosperity" report.

## **SUBJECT: Electricity Strategy for Saskatchewan**

### **SUBMITTED BY: Investment and Growth Committee**

#### **BACKGROUND**

The growth of industry and population in Saskatchewan requires new sources of energy to meet future demands. Anticipating and planning for these demands is much more complex because of the need for additional supplies that also meet new environmental requirements.

SaskPower has indicated that the two primary factors which are creating a requirement for new electricity generation sources are the need to retire or extend the life of current electricity generating units and the overall growing demand for electricity in the province.

SaskPower has stated during presentations to the Standing Committee on Crown and Central Agencies that they will have to rebuild, replace or acquire approximately 4,100 megawatts (MW) of power generation capacity by 2030 at a cost of \$15-billion in just the next decade of that period alone.

With such an unprecedented need for investment in the electricity generation sector of our province, it would be foolish not to explore all of the options when trying to fill that need. Having diversified energy supplies would also help to ensure the stability and sustainability of future electricity prices for consumers.

Traditional coal, natural gas and hydro power will certainly fill part of that growing need for power. Renewable sources such as solar, wind and geothermal may also help to alleviate our province's appetite for electricity. If a solid business case can be made for any method of power generation that has long term viability and is environmentally sustainable, then it makes sense to fully explore the merits of those options.

Regardless of what methods are used to fill the existing and future need, there should be an opportunity for private business to help build the Saskatchewan of tomorrow. With nearly \$15 billion of investment needed over the next decade, it makes good business sense to allow private enterprise to shoulder part of SaskPower's burden of generating the needed amounts of electricity.

This does not mean to imply that private entities will eliminate the need for SaskPower to exist. In fact, with the massive amounts of infrastructure investment required over the coming years, this province will need to use every investment dollar and every bit of expertise available in order to ensure Saskatchewan has the proper energy strategy in place to grow far into the future.

In some areas however, it makes good sense to allow other players onto the scene. With regard to renewable energy for example, SaskPower does not have a long history

of starting and maintaining renewable energy projects, something which a variety of private businesses within Saskatchewan and Canada have an excellent record at doing.

These efforts to build Saskatchewan's energy capacity clearly need to be undertaken as a partnership between all levels of government and all business enterprises in the province. The role of government is to establish the right environment to ensure business growth can happen. This may mean a combination of ensuring any unnecessary roadblocks are removed, that the proper infrastructure is in place and private research is encouraged in key growth areas.

### **ISSUE**

The Saskatchewan Chamber of Commerce had created an Energy Task Force that met to discuss the current and future adequacy of Saskatchewan's energy supply and make appropriate recommendations to ensure its ongoing sustainability.

The Energy Task Force was made up of representatives from large commercial consumers of electricity in Saskatchewan, SaskPower and companies that have expertise in the provision of private power generation services.

The end result of the ongoing discussions was a collection of fourteen recommendations that are focused on finding creative solutions to Saskatchewan's energy needs now and in the future. The outstanding recommendations within the document are included below.

- Energy Efficiency Must Be Made a Priority
- Private Sector Participation Must Be Encouraged
- Understand and Enhance The Power Corporation Act
- Explore Partnerships Between Provinces and Territories
- Increase SaskPower's Planning Horizon
- Ensure the Availability of Competitively Priced Electricity
- Pursue Multiple Methods of Electricity Generation
- Discuss Infrastructure Needs with Northern Stakeholders
- Be Mindful of Environmental and Regulatory Factors
- Provide Clarity on \$15 Billion Infrastructure Funding Plan
- Create Public Awareness Campaign for \$15 Billion Plan
- Define SaskPower's Role in Economic Development

While it may continue to take a number of years to take action on all of these recommendations, all of the major players must certainly start the process now. It is very easy to continue dealing with these issues on an ad hoc basis and it is also far too easy to postpone long term planning when politics are injected into the decision making process.

**RECOMMENDED**

- 1) That the Government of Saskatchewan, SaskPower and the private sector implement the remaining recommendations arising from the Saskatchewan Chamber of Commerce's Energy Task Force as soon as possible.
  
- 2) That over the course of 2014-2015, SaskPower should take the lead in collaborating with the private sector to develop a detailed strategy that creates a roadmap for building Saskatchewan's energy future.

## **SUBJECT: Northern Roads Expansion and Enhancement**

### **SUBMITTED BY: Investment and Growth Committee**

#### **BACKGROUND/ISSUE**

The expansion, maintenance and improvement of Saskatchewan's roads has long been a heated topic of discussion in Saskatchewan. Since there is such a vast network of roads to maintain in the southern half of the province, the development of northern roads has not often been a topic of much discussion outside of northern communities.

It is partly due to the additional cost of constructing roads in remote and relatively unpopulated locations that the development of a more sophisticated northern road network has not taken place. As P3 (Public-Private Partnership) arrangements become more common, it is time for both the Government of Saskatchewan and private enterprises to explore ways of enhancing our network of northern roadways and other related infrastructure.

This is not a project that either governments or the business community can address without the cooperation of the other. There will have to be a variety of agreements reached between the public and private sector in regard to the kinds of roads that should be built, road maintenance, road locations and the determination of a priority list. Only with the pooling of financial and operational resources can such a large project be undertaken.

The planned expansion of the mining and milling segments of the uranium sector is clearly an opportunity with great benefit for the province. The potential for greater exploration and identification of high quality sites is growing as the ease of access to northern sites increases. The less it costs to get people and equipment to a site, the more exploration can be done. The benefits to tourism, forestry, local economic development and reduced operating costs for health care, education and other services provided by government are positive and will become more evident with better roads.

The main highways in the northeast part of the province are routes that require primary focus because most of the current and future uranium mining takes place in that area.

While the business community would certainly benefit from easier access to northern resources, the existing communities in the north would also benefit from greater contact with the southern parts of the province. The price of everyday necessities such as milk, fuel, clothing and other staple consumer products would decrease considerably as the cost of transporting them to the communities would decrease. On February 27, 2014 a 4 litre container of milk in Stony Rapids was \$11.59, a 1 dozen carton of eggs was \$4.49 and in La Ronge the prices were \$6.35 and \$2.85 respectively.

While northern roads and infrastructure development has not been an issue that has attracted much attention by the provincial government in the past, now would be an

excellent opportunity for elected officials, the business community and the various government entities to explore ways in which all the groups could work together to develop a plan to develop Saskatchewan's northern frontier.

**RECOMMENDED**

1) That the Government of Saskatchewan form and lead a coalition of partners from the private and public sector to create a definitive plan to build new northern roads and enhance existing northern roads to ensure that there is a suitable foundation for economic and social development. This plan should have the necessary funding commitments in place by the end of 2014 and the full implementation of the plan should be completed by 2018.

## **SUBJECT: Availability of Investment Capital in Saskatchewan**

### **SUBMITTED BY: Investment and Growth Committee**

#### **BACKGROUND**

A national and international spotlight has been shining on the positive growth of Saskatchewan's economy over the last few years. While that attention has brought some investment interest, the level of new investment into existing businesses or into the creation of new businesses has not reached its full potential, especially considering the number of investment opportunities available in Saskatchewan.

There is usually a focus within Saskatchewan's economic development dialogue on the need to have business planning services available to assist new entrepreneurs, such as how to write a business plan or do basic bookkeeping. Through the services provided by Community Futures, online services and other economic development agencies, this need for advice on the details of starting a business is fairly well met. The availability of money to fund and grow these start-up ventures is a topic less often discussed in depth by both the government and business community.

Saskatchewan's large publicly traded companies are generally easily able to obtain additional money for expansion or acquisitions. However, a majority of Saskatchewan businesses, 98.4%, are classified as small business and the ability of these companies, including smaller publicly traded companies, to access the capital that is required for them to grow effectively is limited. Further, although the entrepreneurial spirit is alive and growing in Saskatchewan, the ability for new businesses to find the initial capital for start-up continues to be an issue.

#### **ISSUE**

Historically, Saskatchewan investors have not had the mindset to invest in local smaller publicly traded companies or startup companies. Investment dollars are raised in capital markets outside of the province, which means that the benefits are then reaped by investors that are from outside of Saskatchewan. The critical mass of investors in Saskatchewan willing to take greater risks has not yet been developed.

The ongoing provincial government support of the Invest in Saskatchewan Program, which encourages Saskatchewan people to invest in small and medium-sized businesses, is helping to slowly change this mindset but awareness of the program and the opportunity it represents is very low.

In regard to start-up companies, there is also a lack of angel investors and other sources of early stage funding which smaller companies can use. Banks can certainly provide a large number of loans to people starting businesses, but there is also an ongoing need in Saskatchewan for investors that are more comfortable with the greater risk that comes with investing in start-up companies. As it currently stands, typically out

of 10 angel investments, 2-3 will fail, 5-6 will survive but never make much money, and only 1-2 will become the investment that provides enough of a return to make up for the rest. These odds do not provide a strong incentive to attract additional new investors to the angel investment program. Incentives to support this activity could spark more investments and launch more start-up businesses in Saskatchewan.

Expanding and diversifying Saskatchewan's economy requires a large and steady stream of capital investments. Incorporating traditional funding sources, venture capital corporations and angel investors to a larger extent will help grow the province's economy into the future.

### **RECOMMENDED**

- 1) That the Government of Saskatchewan continue to support agencies and companies such as labour sponsored venture capital funds, in order to increase the number of Saskatchewan investors and create the critical mass necessary to ensure Saskatchewan-based capital is available for Saskatchewan companies.
- 2) That the Government of Saskatchewan raise awareness of the benefits of Saskatchewan capital being utilized in Saskatchewan for the growth of Saskatchewan companies.
- 3) That the Government of Saskatchewan encourage entrepreneurs in Saskatchewan to develop the expertise and professional resources to allow them to form investment funds for the purpose of investing in Saskatchewan companies.
- 4) That the Government of Saskatchewan explore ways of encouraging greater levels of angel investment in the province, potentially through enhanced tax credits for Saskatchewan-based angel investors.

## **SUBJECT: Government Service Delivery Models**

## **SUBMITTED BY: Investment and Growth Committee**

### **BACKGROUND**

The Saskatchewan Chamber of Commerce has long advocated that the Saskatchewan government should adopt a philosophy of being the “procurer” of products and services and not the sole “provider” of products and services.

It is important for the Saskatchewan government to ensure that the businesses of the province have open access to markets that offer the opportunity for them to grow and thrive. The Government of Saskatchewan does not need to be the default provider of those products and services when there are private sector businesses that are willing, able, and often more efficient and effective at delivering those products and services to the people of Saskatchewan.

The Saskatchewan Chamber is pleased that this change in mindset appears to be working its way into the provincial government. The Chamber was hopeful with the objective announced in the Saskatchewan Party’s 2012 *Plan for Growth*:

*“Continue to review government programs, services and activities to ensure they are not creating undue barriers to private sector growth while exploring alternative service delivery options for public services that could be provided by community-based organizations or the private sector.”*

Nonetheless, the Saskatchewan Chamber is looking for more tangible action to be taken on this issue.

### **ISSUE**

The Government of Saskatchewan is facing a looming labour crisis as large, experienced groups of public sector employees continue to retire and should continue to more aggressively transition to alternate service supply models as a means to enhance government productivity, achieve price competitiveness and provide high quality services to Saskatchewan citizens. The provincial government and its subsidiary state-owned enterprises should make better use of the knowledge and skills within the business community in order to ensure that the businesses providing the products or services and the people receiving those products or services benefit as much as possible from the efficient and effective use of scarce government resources.

### **RECOMMENDED**

1) That the Government of Saskatchewan and its subordinate controlled entities implement pilot projects using a broader range of alternative service delivery models, including private contractors, and also outsource projects when possible, similar to the

various initiatives being undertaken in the area of health care. Where pilot projects demonstrate that more productive results are derived from the alternative delivery systems, the pilot or demonstration projects should be expanded.

## **SUBJECT: Youth and Succession Planning**

### **SUBMITTED BY: Investment and Growth Committee**

#### **BACKGROUND/ISSUE**

Given the number of baby boomers that own and operate businesses in Saskatchewan, there is a growing concern that there is not enough planning for succession in the jobs and businesses these people represent. The current number of opportunities being presented to potential young entrepreneurs in Saskatchewan is not adequate to encourage them to remain here. This province needs young people to replace the aging group of people who own businesses here. There is not nearly enough focused training and support to encourage youth to build a career in Saskatchewan by replacing those older people who wish to sell their business.

The government is not adequately addressing the issue of succession planning through the provision of both support and mentoring. There are insufficient programs from financial and educational institutions to provide youth with business skills. The education system does not teach the basic business skills that are key to developing lifelong attitudes and behavioural practices in regard to money management. This lack of business-related skills contributes to a society where there may be an overemphasis in one area at the expense of another. One of Saskatchewan's greatest assets is people who are given the skills and opportunities to grow the economy.

#### **RECOMMENDED**

- 1) That the Government of Saskatchewan encourage and support basic business skills at an early age. This means introducing business skills training at the elementary school level and progressively increasing the business skills training through to Grade 12.
- 2) That the Government of Saskatchewan and the Saskatchewan business community continue to encourage entrepreneurship training in post-secondary educational institutions. This specialized training will allow for a stream of youth to be available to take on the challenges and risk of taking ownership of businesses.
- 3) That the Government of Saskatchewan and the Saskatchewan business community take more significant action towards encouraging youth to participate in mentorship programs with businesses.
- 4) That the Saskatchewan business community focus on creating more awareness of business opportunities for youth. Government and educational institutions should enter into partnerships with businesses in order to create greater awareness of existing opportunities for young people to engage with older business owners in order to more effectively undertake appropriate succession planning.

## **SUBJECT: Duty to Consult**

## **SUBMITTED BY: Investment and Growth Committee**

### **BACKGROUND**

As the voice of Saskatchewan business, the Saskatchewan Chamber of Commerce seeks to encourage environmentally and socially responsible and sustainable investment and development in the province. In recent years, Saskatchewan has experienced significant economic growth due in large part to investment in, and development of, the province's natural resources. The Chamber's members however, have increasingly expressed concern regarding how Aboriginal peoples are involved in the development of the province's natural resources.

The *Government of Saskatchewan First Nation and Métis Consultation Policy Framework* ("Consultation Policy Framework") provides Saskatchewan's policy on consultation with First Nations and Métis communities for use by government ministries, agencies, Crown corporations, First Nations, Métis and proponents. That policy took effect in June 2010, replacing the *Government of Saskatchewan Interim Guide for Consultation with First Nations and Métis People*. On December 16, 2013 Government Relations released the *Proponent Handbook*, which provides guidance to project proponents with respect to the voluntary engagement process

The duty to consult may be triggered by government decisions and actions that have the potential to adversely impact the exercise of Treaty and Aboriginal rights and pursuit of traditional uses of both land and resources. The decisions and actions that will be assessed by government for potential consultation obligations include, but are not limited to, the following:

1. *Legislation, Regulation, Policy and Strategic Plans*: Creating a new or amended piece of legislation, regulation, policy or strategic plan that may have the effect of limiting or altering the use of Crown lands and renewable resources.
2. *Fish and Wildlife Management*: A decision that may limit or alter the quality and quantity of fish and wildlife or the right of access to these resources.
3. *Resource Extraction*: A decision related to the harvesting and processing of timber or the permitting and licensing of Crown surface lands for extraction and production of minerals.
4. *Land Reservations*: Any action that has the effect of restricting the use of unoccupied Crown lands and other lands to which there is a right of access.
5. *Land Use Planning*: Land use planning activities that provide a long-term framework for government decisions.
6. *Lease, Grant or Sale of Unoccupied Crown Land*: Decisions related to the long-term lease, granting or sale of unoccupied Crown land.
7. *Changes to Public Access*: A decision that will have the effect of changing public access to Crown lands and renewable resources.

8. *Environmental Approvals*: A decision where an activity has the potential to negatively impact the environment.

The Chamber acknowledges that Aboriginal and Treaty rights are constitutionally recognized and protected. The Chamber also acknowledges that the Crown has a legal duty to consult and, if appropriate, accommodate Aboriginal peoples when government decisions or activities have the potential to impact Aboriginal or Treaty rights. Although the Chamber believes that the recognition and accommodation of Aboriginal and Treaty rights is important to all Canadians, the Chamber is concerned that the developing legal landscape regarding the “duty to consult” Aboriginal peoples may halt or reverse the province’s current positive economic trajectory.

### **ISSUE**

Chamber members have expressed the following concerns regarding how the duty to consult is managed in Saskatchewan with respect to natural resource development:

- i. There is a lack of coordination and agreement among Aboriginal peoples, industry and the Crown as to who must be consulted, and who is going to conduct the consultation.
- ii. Timelines for acquiring some permits have more than tripled in recent years, resulting in substantial delay and uncertainty with respect to the provincial regulatory process.
- iii. The provincial First Nations and Métis Consultation Participation Fund does not provide sufficient funding, and Aboriginal groups are requesting funding from industry in addition to what they can receive from the fund.
- iv. Aboriginal peoples’ displeasure with the Consultation Policy Framework has created additional regulatory uncertainty in the province.

As a result of these developments, the Chamber is concerned that industry may be hesitant to make new resource investments in the province. The Chamber is also concerned that such developments could have a polarizing effect on parties, thus discouraging Aboriginal peoples, industry and the Crown from partnering to take advantage of the opportunities presented by the province’s natural resources.

According to the Consultation Policy Framework, proponents are expected to collaborate with government in the provision of project information to potentially impacted First Nations and Métis communities. Proponents may also be expected to participate in government meetings with potentially impacted First Nations and Métis communities to discuss potential impacts of the proposed activity. Where an adverse impact on Treaty or Aboriginal rights and/or traditional uses is identified, proponents will be expected to work with government and the parties being consulted to develop and implement measures to address these impacts. It is also understood that project proponents may conduct voluntary engagement with potentially impacted communities and that this information can be used to inform the provincial “Duty to Consult” decision.

Under the Framework, proponents are responsible for the costs associated with their engagement in consultation processes and procedural aspects that may be assigned to them by government. Proponents are responsible for the costs of any necessary adjustments or actions to project activities deemed required to avoid, minimize or mitigate adverse impacts on Treaty and Aboriginal rights and traditional uses.

The Consultation Matrix set out in the Framework to guide government assessment on the level of consultation and time frames provides no certainty with respect to response times. The “Anticipated Timeline for Government Decision from Day of Notification” for large projects is stated only as “Decision anticipated to exceed 90 days.”

In order to address the above concerns, the Chamber believes the following is necessary to ensure that appropriate parties have a meaningful opportunity to participate in Saskatchewan’s regulatory application and approval process regarding natural resource development:

- a. Clearer timing requirements for consultation activities including deadlines.
- b. Clearer expectations regarding who should be consulted with and to what extent, depending on the type of natural resource project.
- c. Adequate funding to facilitate participation of the appropriate parties in the regulatory application and approval process.
- d. Clearer expectations for who will be consulted, who will conduct the consultation, and how information arising from consultation will be integrated into decision making.

The Chamber believes that with such improvements, prosperity in the province can be sustained and built upon into the future, while at the same time striking the proper balance between responsible natural resource development opportunities and Aboriginal and Treaty rights.

### **RECOMMENDED**

- 1) That the Government of Saskatchewan further refine the *Government of Saskatchewan First Nation and Métis Consultation Policy Framework* to provide greater detail on the parties to be involved and the extent of consultation (including the establishment of clear timelines/deadlines) by project type and location.
- 2) That the Government of Saskatchewan revise the *Government of Saskatchewan First Nation and Métis Consultation Policy Framework* to provide specific, practical deadlines for decision making by project type.

## **SUBJECT: Improving Saskatchewan's Immigration System**

### **SUBMITTED BY: Human Resources Committee**

#### **BACKGROUND**

The sharp increase in the number of immigrants coming to Saskatchewan over the past few years through the Saskatchewan Immigrant Nominee Program (SINP) indicates that the program is effectively identifying the various kinds of people Saskatchewan needs and that potential immigrants are also seeing the value in getting nominated through the program.

As the Government of Saskatchewan has taken a more strategic approach towards attracting immigrants, there has been a significant increase in the effectiveness of SINP as a vehicle through which potential immigrants can apply to come to the province. Part of the government's strategy has been to address chronic staffing shortages in some of the immigration department's various units (i.e. the Entrepreneur Unit), by either allocating sufficient resources to undertake the necessary hiring, or through ensuring managers actually use the allocated resources to fill the vacancies.

As long as the Government of Saskatchewan continues to supply the political will and budgetary support to SINP, the number of immigrants that choose to become nominees through the program will likely continue to grow. The abundance of employment opportunities in the province has made Saskatchewan a more attractive destination for people that might have otherwise settled in another jurisdiction, and barring any unforeseen downturns in the provincial economy, that advantage will also likely be present for quite some time.

#### **ISSUE**

While overall immigration to Saskatchewan has been increasing, the ability to track Saskatchewan's retention of immigrants is still underdeveloped.

The retention of immigrants is an important issue for Saskatchewan, especially for those coming here through SINP, because the program was designed to help disperse immigrants more evenly across the country, away from the traditional destinations of Ontario, Quebec and British Columbia. Without the ability to accurately track where the immigrants stay or move to in the years subsequent to their arrival in Canada, it is difficult to evaluate whether there needs to be significantly more work done on retention programs, or whether only minor changes would suffice.

Statistics Canada's Longitudinal Immigration Database (IMDB) merges immigration records with tax filing information to see where immigrants are filing their taxes each year. This merged data is intended to make it easier to determine whether immigrants continue to file taxes from the province to which they originally went to, or whether they have migrated to another jurisdiction within Canada since their arrival.

While the concept behind the IMDB seems straightforward, the database is not actually as effective as it could be. The database only contains tax filing information up until the 2011 tax year (as of March 2014) and that data cannot be accessed through the IMDB website by the general public. The public does have access to reports that are based on information contained in the IMDB, but the majority of these reports are based on information only up until the 2011 tax filing year.

Since Saskatchewan has had a significant amount of immigration growth in recent years, these reports are not very useful in determining the current rate of immigrant retention in the province. The lack of public access to the data in the IMDB also makes it difficult for people to see the more recent data from 2011 in order to make assumptions on the data.

Statistics Canada should make an effort to ensure that the tax filing and immigration data from the most recent year is made available as soon as possible to those people and organizations that would like to use the data to evaluate immigrant retention rates. If the raw data is too complicated for the average person to understand, then an effort should be made to transfer the data into visual representations or reports as soon as the raw data becomes available.

There is also a lack of follow-up surveys and interviews done with new immigrants in the years subsequent to their arrival in Canada. More of an effort needs to be made at both the federal and provincial level to conduct surveys of recent immigrants to see where they are, what kind of work they are doing, whether there are things they found cumbersome in the immigration process and whether they feel they are utilizing their skills to their full potential.

Without actually having more comprehensive survey systems in place, all of the feedback from new immigrants that could potentially be gathered through such techniques is going relatively uncollected.

There should also be a much more comprehensive process for surveying employers that participate in the immigration process. Many Saskatchewan employers have actively participated in bringing immigrants to the province in order to fill vacancies, but there should be a formal feedback mechanism through which their comments on the experience are recorded and used to improve SINP and the overall immigration process.

Another issue is the federal government's annual limit on the number of immigrants that are allowed to come to Canada. Considering that within the next five years, all of Canada's labour force growth will come from immigration, having a quota on the total allowable number of people that can come to Canada seems short-sighted, since the country should be trying to attract as many people as possible in advance of worsening labour shortages.

Since this quota applies to overall immigration into Canada, it could potentially impact Saskatchewan's ability to attract immigrants if the quota is met and too many new immigrants end up staying in Ontario, British Columbia, or Quebec. If the Canada-wide quota is reached, it should not be allowed to limit the overall immigration rates to Saskatchewan, since the majority of those people will ultimately end up in the traditional destinations such as Toronto, Montreal and Vancouver.

While the total number of immigrants going to provinces other than Ontario, Quebec and British Columbia has increased significantly in recent years, the national quota is still a factor that could potentially penalize the other seven provinces that draw fewer immigrants than the top three destinations.

If the federal government feels that it is necessary to maintain a quota on Canadian immigration, then that quota should only apply to British Columbia, Ontario and Quebec, since most of the remaining provinces, especially Saskatchewan at the moment, need as many new people as possible to enter the labour force in order to fill the available jobs and keep their economies growing.

### **RECOMMENDED**

1) That the Government of Saskatchewan, in partnership with the Government of Canada and other provinces and territories, create a comprehensive plan to effectively monitor the provincial and territorial retention rates of new immigrants moving to each jurisdiction. Such a plan could include making the data contained in the Longitudinal Immigration Database more up-to-date and accessible to the public, conducting a greater number of follow-up surveys and interviews with new immigrants in the years subsequent to their arrival in Canada, as well as doing post-hiring interviews and surveys with employers. This additional data will be used to more effectively determine the retention of immigrants moving to Saskatchewan, which may allow for further improvements to the province's immigration system.

2) That the Government of Canada adjust the way it calculates its annual national immigration targets so that it will not unfairly constrain the levels of immigration to non-traditional immigration areas like Saskatchewan at the expense of the primary immigrant destinations of British Columbia, Ontario and Quebec.

## **SUBJECT: Workers' Compensation Board Rate Codes**

### **SUBMITTED BY: Human Resources Committee**

#### **BACKGROUND**

With a few notable exceptions, including farmers, teachers, federal employees, *The Workers' Compensation Act* covers all employers in Saskatchewan including provincial and municipal government employees, and Crown Corporation employees.

To allow the insurance premium charged to each employer to adequately reflect the operation, hazards and injury experience, Workers' Compensation Board (WCB) divides employers into broad industry classifications. Each industry class is then divided into sub-sections called rate codes. Each rate code has additional sub-codes to better enable the tracking of payroll, premiums, costs and the subsequent injury codes. Splitting the rate codes into sub-codes provides the ability to recognize the specific details of the employees within that sub-code and apply a surcharge or discount.

The provincial government rate code is a rate code category where the number of sub-codes is not adequate. The G51 rate code (provincial government and Ministries) is split between only 2 sub-codes, G51-01 (The Crown in Right of Saskatchewan) and G51-02 (Other Ministries and Agencies). As comparisons, rate code G22 (Health authority, hospitals, care homes) has 6 sub-codes, G11 (post-secondary education institutions) has 4 sub-codes and G31 (Cities, towns, villages, RMs) has 12 sub-codes. It is important to note the Crown Corporations are included in many different rate codes, often mixed with private entities.

For 2012, 3.13% of workers in the G51 classification were injured with a time-loss claim, and 8.27% were injured when medical claims only were included. The average duration of a claim in the G51 rate code classification was 50.91 days. Furthermore, of the 50 rate codes presented in the WCB 2012 annual report, G51 had the 18<sup>th</sup> highest "%of workers injured with loss time." Clearly there is an opportunity to improve the Government of Saskatchewan's safety record.

#### **ISSUE**

Grouping of all employees of the provincial government and its various Ministries within a rate code that only contains 2 sub-codes makes it difficult for those interested in improving safety performance to determine where the issues lie. This structure also means that there is limited incentive for one Ministry to work harder to ensure greater workplace safety when its benefits will be limited as it is grouped together with other Ministries.

Without having sub-codes that better differentiate the Ministries based on their respective levels of risk (e.g. the risk presented to highways is much greater than the

risk present in the legislative library) leaders are not recognized for their efforts to improve workplace safety, or alternately, held accountable for their inaction.

The first step in solving any issue is awareness of the issue, so the Ministries need to be able to clearly see how well each of them is dealing with workplace safety and this cannot be done adequately with the existing 2 sub-codes.

**RECOMMENDED**

1) That the Workers' Compensation Board create additional sub-codes to recognize the varying levels of business risk within separate provincial government Ministries in order to provide improved accountability within those Ministries.

## **SUBJECT: Workers' Compensation Waiting Period**

### **SUBMITTED BY: Human Resources Committee**

#### **BACKGROUND**

When workers' compensation systems were introduced in North America, waiting periods were a common feature. In Canada, a waiting period for workers' compensation benefits is still present in New Brunswick, Nova Scotia and Prince Edward Island.

While the length of waiting periods vary, three days is a common interval. A three-day waiting period would mean that an injured employee would wait three days before receiving any type of WCB income replacement benefit. Waiting periods are designed to function as the deductible for the insurance. A worker's entitlement to medical aid benefits are not impacted by the waiting period in any jurisdiction across the country.

In other jurisdictions waiting periods, like all insurance deductibles, are intended to reduce the moral hazard problem. The moral hazard problem occurs when the incentive to take precautions is reduced, or propensity to claim benefits increased, as one's losses become more fully insured. Addressing the moral hazard problem is particularly relevant in Saskatchewan where the population's ongoing, complacent attitude toward safety is seen as one of the key drivers of the injury rate.

#### **ISSUE**

While it is undeniable that all employers have a major responsibility to ensure workplaces are safe and that proper safety equipment and procedures are in place, it is ultimately the employee who decides what action they will undertake. The WCB in Saskatchewan has focused on building safe workplaces over the past few years and through training support and financial penalties have helped make safety a core concern of most employers. Employees will need these same tools to motivate them.

Waiting periods for workers' compensation encourage workers to take on a larger portion of the risk associated with workplace injuries, providing them with another incentive to engage in safe workplace behaviour. Waiting periods also allow the resources of workers' compensation to be allocated more efficiently as frivolous claims are discouraged.

#### **RECOMMENDED**

1) That the Workers' Compensation Act Committee of Review (COR) consider the benefits of amending the Workers' Compensation Act to institute a three-day waiting period.

## **SUBJECT: Saskatchewan's Labour Market Strategy**

### **SUBMITTED BY: Human Resources Committee**

#### **BACKGROUND/ISSUE**

The Saskatchewan Labour Market Commission (SLMC) released a strategic plan in 2009 and then the Commission was dissolved. The actions outlined in the plan were then left to the Ministry of Advanced Education to manage and monitor. While many of the recommendations of the SLMC report were acted upon, there was no concerted effort outside of government. This was mostly because of the dissolution of the Commission which was made up of labour, businesses, training institutions and sector groups. When they stopped meeting, the sharing of information and project outcomes was significantly less. The Commission was funded by government but co-chaired by labour and the Saskatchewan Chamber of Commerce.

In April of 2011, the Saskatchewan Chamber of Commerce launched an effort to establish a new group called the Saskatchewan Labour Market Task Force (SLMTF) that would bring together key stakeholders in the labour market area to communicate, share program outcomes and information, and begin the creation of a new labour market strategy for the province. The provincial government asked to co-chair the effort and they, along with business sector groups, labour, and training institutions were all brought together to discuss the issue of Saskatchewan's labour market development.

Over the next three years a new strategy was created, along with a significant amount of information sharing amongst these key players. As the strategy was reaching the final stages of development, the process stalled as the group waited for the provincial government to approve the release the new strategy. As of March 2014, the appropriate government approvals had yet to be received. The SLMTF stopped meeting in anticipation of creating a new mandate for themselves after the release of their Labour Market Strategy document.

Clearly there is a important role for government Ministries to remain fully engaged in the broader discussions around labour markets. They provide funding for training and have a legislated responsibility to act in many of the areas necessary to create a healthy and sustainable labour market.

The current labour market in Saskatchewan is in a state of significant challenge as the demand for workers, particularly skilled workers, remains at an all-time high. The challenges of meeting the need for both the quantity and quality of workers are significant limiting factors to continued economic growth.

The need is clear to have a group of individuals with a high level of expertise and a vested interest to drive a province wide strategic effort that involves clear communications and the sharing of the tasks required to make our labour market sustainable over the long term.

The Government of Saskatchewan has indicated their preference to continue moving forward with a new labour market group, but in an ex-officio basis and not as the co-chair. This will remove them from any conflicts that result from them being part of a process that advocates recommendations directly towards themselves.

**RECOMMENDED**

- 1) That the members of the Saskatchewan Chamber of Commerce endorse the Saskatchewan Labour Market Task Force's "Developing, attracting and retaining a skilled workforce - Saskatchewan Labour Market Strategy and Work Plan."
  
- 2) That the Saskatchewan Chamber of Commerce create a "Saskatchewan Labour Market Strategic Working Group" to provide a forum for businesses, labour, and training agencies to discuss labour market issues, with the government serving in an ex-officio role.

## **SUBJECT: Youth Financial Literacy**

### **SUBMITTED BY: Youth, Education and Training Committee**

#### **BACKGROUND**

As the Saskatchewan economy continues to grow and more people feel that they are financially able to purchase new cars and houses, as well as make investments into the stock market or conduct other transactions, some people are better equipped to deal with this changing financial landscape than others.

In Saskatchewan and all other jurisdictions throughout the country, an increasing number of Canadians are facing rising levels of mortgage debt, credit card debt, student loans, and are faced with a variety of other financial hurdles such as saving for retirement and personal budgeting. These are challenges which Canadians have not been adequately educated to deal with.

#### **ISSUE**

There has never been a provincial consensus on financial literacy education that was lead by Saskatchewan's provincial government. Young people need to be educated about the basics of debt, investing, credit, budgeting and other matters of personal finance.

Financial literacy is having the knowledge to understand personal and broader financial matters, skills to apply that knowledge and understanding to everyday life, and the confidence to use the skills and knowledge to make responsible financial decisions that are appropriate to the individual's situation.

#### **RECOMMENDED**

- 1) That Saskatchewan's Ministry of Education create and introduce a required course or course content into the secondary school curriculum that focuses on educating young people about the basics of personal finance, such as debt, credit, cash management, loans, and investing.
- 2) That Saskatchewan's Ministry of Education ensure that the teacher(s) responsible for presenting this course are adequately trained to present the new course material. A distance education course should also be created to provide the content in a quality manner to students in communities where teacher staffing levels may not allow for a teacher to focus the necessary amount of time towards becoming familiar with the course material.
- 3) That Saskatchewan's Ministry of Education, after an initial 2 year phasing-in period, make it a mandatory condition of graduating high school that a student must complete this personal finance course in the 3 years prior to graduation. The course could either be completed through distance education or in a classroom setting.

4) That the Saskatchewan Chamber create a Financial Literacy Task Force focused on bringing together individuals with the expertise to provide leadership toward the identification of appropriate providers of financial literacy information and then promote a solution throughout the membership as well as to the broader public.

# **SUBJECT: Integrating Entrepreneurship into the Public School System**

## **SUBMITTED BY: Youth, Education and Training Committee**

### **BACKGROUND**

Saskatchewan is recognized as one of the most entrepreneurial provinces in Canada. Because entrepreneurial activity is a key source of job creation and economic growth in our province, it is imperative that our government and business community continue to support an entrepreneurial culture. An area of support that is lacking is in the K-12 system. By promoting youth entrepreneurship programs and course integration in K-12 curriculum, Saskatchewan is creating more choices and career-ready students that are better equipped and prepared to be meaningful contributors to our economy and to themselves.

### **ISSUE**

The community at large needs to find ways to encourage entrepreneurial spirit, and the schools are a significant vehicle within which this can be done. Saskatchewan's schools are failing at engaging our students and our system is failing by not making this mandatory. Our students today lack the understanding about our economy and simply put they are incapable of functioning as economic decision makers.

As a province that ranks high amongst its peers for promoting an entrepreneurial environment, Saskatchewan is a place that is not preparing its local talent with opportunities to explore the entrepreneurial career path. The youth of today and the future entrepreneurs of tomorrow are not adequately exposed to business education in our school curriculum.

While there has been the introduction of the Junior Achievement program (JA) that provides business education to elementary, middle and high school students, it is not mandatory nor consistently taught and supported in all schools and regions in Saskatchewan.

Recently, the Saskatchewan School Boards Association launched the Aboriginal Youth Entrepreneurship program (AYEP). This program aims to provide necessary training in order to prepare First Nation and Métis for business and entrepreneurship. Again however, the deployment of this program is in only 17 schools. Even though this is a move in the right direction, there are many schools that are simply identified and then placed on a waiting list.

Entrepreneurial programs such as JA and AYEP, supported by the Saskatchewan Chamber of Commerce and broader business community, will force administrators and

teachers to be more entrepreneurial in their jobs by encouraging innovation and also by creating competition and a more business-like environment within the K-12 education system.

Some of the reasons why these two programs and others are not considered or explored is the lack of financial support and lack of emphasis as a topic of mandatory priority in our school system. The inconsistency in programming and availability leads to lost opportunities, lost ideas, and in turn, a province that will lose its ranking as a top entrepreneurial province, resulting in an eventual drop in economic growth.

In addition to the lack of funding, there is also a training element consider with regard to the introduction of new curricula. Is the school system supportive of all schools and are teachers provided with the proper amount of training and resources needed to properly and effectively teach this subject?

Encouraging youth entrepreneurship is also an important step towards addressing the concerns about succession planning that many family-owned, small and medium sized businesses face. Without informing potential young entrepreneurs about the opportunities that can arise from buying an existing business, they will often choose other career paths, which results in existing business owners having no successors to continue their business once they retire.

### **RECOMMENDED**

- 1) That Saskatchewan's Ministry of Education ensure that entrepreneurship education be integrated in all levels of the K-12 education system.
- 2) That Saskatchewan's Ministry of Education ensure that entrepreneurial studies content is included in at least one mandatory course and is made available to all elementary and middle school students, and that elective entrepreneurship programs are offered in all high schools.
- 3) That Saskatchewan's Ministry of Education ensure that the teachers responsible for the teaching of such courses are adequately trained and supported to present the course content.
- 4) That the Saskatchewan Chamber of Commerce continue to support entrepreneurial programs by encouraging the government, SCC membership, and the broader business community to support these programs by being funding partners, mentors and/or volunteers.

## **SUBJECT: Improving the K-12 Education System**

### **SUBMITTED BY: Youth, Education, and Training Committee**

#### **BACKGROUND**

Worldwide the most challenging and important economic race in the 21<sup>st</sup> century will be the global competition for talent and workers. Future sustainable and growth in Saskatchewan will require economic prosperity and opportunity for every Saskatchewanian. These requirements are built on the foundation of a quality, agile, well-rounded education, an education that prepares youth for the challenges of today and tomorrow. To ensure every child receives a quality education, the Saskatchewan Chamber of Commerce (SCC) believes there needs to be a larger focus on human talent, effective systems, innovation, accountability and measurement.

Recognizing that today's students are tomorrow's workforce, the Saskatchewan Chamber of Commerce has made the improvement of public education one of its top priorities. The framework for engagement of business advocacy groups in the development of stronger K-12 education has been well documented and has cumulated in the American Chamber of Commerce Executives Eight Principles for Education Leadership. These principles are:

#### **1) Prioritize & Commit**

Education transformation is often measured in decades, not quarters. Progress will feel glacial and setbacks are inevitable. If you choose to engage in this tough issue, make sure it is a top priority for your organization and that your leaders are committed for the long haul.

#### **2) Maintain Focus, Avoid Distractions**

There is always a new initiative in the education realm looking for a champion, and your chamber can easily fall victim to "flavor of the month" syndrome. Set ambitious, measurable outcomes that fit your organization and then stick with them. Resist the temptation to chase the latest education fad. However, your sharp focus will also help you spot innovative approaches and projects which can help you leapfrog ahead on the issues you previously identified.

#### **3) Be The Truth Teller**

Someone has to send a clear signal to parents, teachers and students about the skills employers will need and about the shortfalls in performance. A trusted source has to publicly acknowledge victory and failure. Someone must be willing to say when outcomes are unacceptable and celebrate success as we would any grand endeavor. The business community is the credible voice to articulate whether graduates are ready to work! Get agreement on the facts and create a shared view of reality before everyone launches into policy or program debate. Be careful of introducing new sets of facts which cloud the clarity of knowing your numbers. Understand where your community stands on key education indicators

and communicate hard facts to members and the larger community. Push for data-driven decisions.

#### **4) Build Awareness, But Focus on Results**

Businesses leaders understand that the education system is a problem we can't afford not to solve. Continue to beat the drum, but remember that awareness alone is not enough. You must move quickly to action that produces outcomes. Shared accountability across all stakeholders, including the business community, is critical so that we don't get lost in activity rather than achieving results.

#### **5) Know and Respect Roles and Responsibilities**

We don't want to do to educators what government sometimes does to us: "Hi, we're from the business community and we're here to help you teach." The educators are on the scene. They are the experts. Business leaders know how to ask tough but thoughtful questions and we know how to focus on outcomes. The combination of roles can be powerful. We can help educators get clarity, cut across silos, think differently. They can help us understand the real facts, the best practices and the daunting challenges facing kids and parents today.

#### **6) Be the Convener**

The chamber is uniquely positioned to bring diverse interests together. You have the asking rights to invite administrators, parents, union bosses, community foundations, charter school principals, clergy, elected officials and business leaders to the same table. Partner with other credible, change-oriented groups. The business community's power to convene is limited though. We are not elected or authorized to drive education change. For successful change, there will be many "tables" in the community discussion, so we need be good hosts and good guests.

#### **7) Public Policy is Fundamental**

It's fine to begin your education-related initiative with programs and awareness, but if you aspire to real transformation, you'll have to shape public policy, probably at the state level. You don't have to tackle the toughest legislation first, but dive into the policy questions that matter.

#### **8) Courage is Needed**

Whether it's voting out an obstructionist school board member or giving cover to a bold, superintendent, at some point your work in education will become controversial and, unfortunately, personal. Timidity doesn't work any better in education politics than it does in municipal politics.

### **ISSUE**

Future development of a workforce, with skills and knowledge, starts in the classroom and extends into the length of a person's working career. The reality is, the Saskatchewan public school system is not adequately preparing students for post-secondary education, workforce entrance, or entrepreneurial opportunities. The

province continues to lag both internationally and among its peer provinces in K-12 student performance as per the latest PISA results. The impact of this over the long term will be significant and will undermine the province's ability to compete globally.

To strengthen K-12 education, the Saskatchewan Chamber of Commerce is advocating for:

- Accountability for student's academic achievements
- Support for teachers
- Options for parents and students
- Academic standards that are realigned for post-secondary and career.

The Saskatchewan Chamber of Commerce recognizes that our province cannot produce the skilled workforce of tomorrow unless our schools successfully educate our students today.

### **RECOMMENDED**

1) That in order to guide the SCC's actions in this area, the "*8 Principles of Engagement*", as created by the American Chamber of Commerce Executives, will be utilized. These Principles are a concise summary of the findings from years of experience in this area by hundreds of Chambers of Commerce in America.

2) That the SCC support the Ministry of Education in the launch of the *Student First Plan* which is about unifying and re-orienting the education system on the student. The SCC will develop and hold accountable educational leaders and administrators in implementing the *Student First Plan* and make recommendations when needed.

3) That the SCC encourage and, where possible, foster a closer relationship between Saskatchewan's K-12 and university and technical school systems to achieve a seamless transition from high school to higher education and the workplace.

4) That the SCC develop a plan for high school educational opportunities that focuses on developing workplace competencies which are needed locally or in key industries by working with partners and members.

## **SUBJECT: Essential Skills Training for Employment Readiness and Retention**

### **SUBMITTED BY: Youth, Education, and Training Committee**

#### **BACKGROUND**

Through extensive research, the Government of Canada and other national and international agencies have identified and validated key essential skills for the workplace. These skills are used in nearly every job at different levels of complexity. They provide the foundation for learning all other skills and enable people to evolve with their jobs and adapt to workplace change. These essential skills include: reading, writing, document use, numeracy, thinking (includes problem-solving, decision-making, critical thinking, job task planning and organizing, significant use of memory, and finding information), oral communication, working with others, continuous learning, and computer use.

The Conference Board of Canada has conducted a variety of case studies of small, medium and large companies that have invested in essential skills training for their employees. Benefits for employees noted in these studies included: increased initiative and innovation, increased independence and decision making capabilities, increased ability to adapt to change, increase in transferrable skills and work opportunities, and increased opportunities for promotion. Benefits for employers included: increased productivity, improved safety, improved employee retention, and reduced absenteeism. Within education, some benefits of workplace essential skills training have included an increased ability for educators to connect curricula to careers, work opportunities, and work environments; these connections bridge the gap between education and employment.

The Workplace Essential Skills Saskatchewan (WESS) initiative supports business and industry to train low-skilled job seekers and existing low-skilled employees in the workplace to gain the workplace essential skills needed for long-term employment and/or advancement. WESS provides funding to employer, industry and training institution partnerships for the development and delivery of essential skills training that is tailored to their workplace. Service Canada allocates funding (at the federal level) for training programs seeking to enhance transferrable, or soft skills development in youth entering the workforce.

For at least 10 years, a variety of training institutions have delivered essential skills training in Saskatchewan through various streams of funding. Current programming formats include classroom, online, and workplace based training. Within the tourism sector, Tourism Saskatchewan/STEC's Ready to Work program provides a combination of essential skills and occupational skills training to up to 300 participants a year, with close to 80% of graduates finding long term employment in tourism occupations. In sectors with high job vacancy and a higher rate of employee turnover, results such as

these show that the investment in essential skills training can translate to higher skill, labour market participation, and retention rates within the Saskatchewan labour force.

### **ISSUE**

Canada-wide, there is concern about a “skills crisis” as well as a rising concern about transitioning youth from an educational environment to the job market. While Saskatchewan employers are challenged with a labour shortage, the unemployment rate in the province remains at 4.5%. The current workforce available in Saskatchewan needs more advanced skills training to allow them to match the demands of the provincial job market.

The Manley report to the Canadian Council of Chief Executives (2013), suggests that it is not only low skilled job seekers who require essential or “soft skills” training to increase participation and retention in the workforce. Almost 70% of Canadian companies surveyed by the Canadian Council of Chief Executives (2013) identified skill shortages as a moderate to large issue. Although workers with technical skills in a variety of areas were identified as most difficult to hire and retain, companies identified soft skills as being the qualities most important when evaluating potential new hires. The top five qualities identified by business--often termed “soft” or essential skills--were, in order of importance: people skills, communication skills, problem solving skills, analytical abilities, and leadership skills. Sixth on that list was industry specific knowledge and experience.

Saskatchewan employers are facing changing times. The experienced workers are coming up to retirement, and there are not enough skilled workers to replace them. Technology is continuing to change rapidly, and there is increasing global competition. Employers need employees who can adapt to change and quickly learn new skills and effectively use the changing technology. Employers and employees need to invest in the development of skills to meet these current and future challenges.

There are skills shortages in a variety of fields across the country, most notably, technical, IT, and skilled trades. However, a common denominator for all fields is that employers are seeking new recruits with a strong complement of “soft skills”, such as the ability to communicate, think critically, and work in teams. It is safe to say that government and education systems, as well as the business community, could play a role in preparing youth for a successful transition to the Saskatchewan workforce.

### **RECOMMENDED**

That the Government of Saskatchewan:

- 1) Elevate the priority of essential skills and advanced skills training within the government and mobilize the whole education system for action, including efforts to enhance adult learning opportunities.

- 2) Ensure that the importance of essential skills and advanced skills training is clearly communicated to and acted upon within all relevant government ministries.
- 3) Ensure that the importance of essential skills training is clearly communicated to the public with an emphasis on secondary and post-secondary learners.
- 4) Extend the WESS initiative to provide essential skills training to all participants of secondary and post-secondary programming in Saskatchewan.
- 5) Promote the use of existing, industry developed workplace essential skills curricula with the intent of increasing a skilled Saskatchewan labour force which meets current labour market requirements.

## **SUBJECT: Supporting Expansion of Saskatchewan Industry Education Councils**

### **SUBMITTED BY: Youth, Education, and Training Committee**

#### **BACKGROUND**

The Saskatoon Industry Education Council (SIEC) is a non-profit organization working with three school divisions (Saskatoon Public, Greater Saskatoon Catholic and Prairie Spirit), the Saskatoon Tribal Council, community based organizations, government agencies, business associations, and employers to provide career development and exploration opportunities for youth. A Board of Directors representing business, education and organizations governs the SIEC. Its vision is to create a community of shared responsibility, preparing youth for quality careers. The role of SIEC is to be “a career information conduit between students and employers.” The SIEC currently runs over 31 events and programs developed for youth in Grades 7–12. In 2013, an industry education council was formed in Regina, with that group undertaking similar initiatives in Regina and area.

Through research conducted in 2010, SIEC identified three programs that were viewed by most school divisions as highly desirable additions to the career development process. These included: an online career exploration tool connecting youth to potential careers and jobs in all industries across the province; experiential learning opportunities that give students an opportunity to see first-hand what careers and educational opportunities may be available to them; and a summer youth internship program that provides students with employment during the summer months, and a chance to experience work in the construction, manufacturing, automotive and tourism sectors.

With participating employers and employees, SIEC’s objective for such program development has been to benefit students through access to real-world, real-time information about careers in their region of Saskatchewan and to benefit employers through the development of a current and future workforce.

In 2011 the SIEC began seeking government support for the provincial expansion of programs. Much work has been done to gather support from school divisions, business development organizations, and employers. In 2014, the SIEC is taking the lead on developing [www.saskcareers.ca](http://www.saskcareers.ca), the province’s online career development website.

#### **ISSUE**

SIEC’s research in 2011 indicated serious labour shortages as an issue affecting many Saskatchewan businesses. In survey results from economic groups, First Nations, and businesses, 92% of respondents indicated there is a need for improved information for high school students about careers available in each region and 97% of respondents had heard employers in their area talking about both short and long term shortages of labour.

The SCC is equally aware that development organizations, education systems, government, and private and public sector business have a significant interest in labour force development. Two major accomplishments can be achieved by supporting provincial expansion of the IEC's: career opportunities will be communicated to students (local, regional, and provincial), and employers will be able to access the workforce they require.

The strategy that evolves from this will include all key stakeholders, including; the school divisions, employers and, business and development organizations. Provincial and regional industry education councils could organize and carry out these objectives through initiatives such as, but not limited to: [www.saskcareers.ca](http://www.saskcareers.ca), Spotlight on Careers and the Summer Youth Internship Program.

### **RECOMMENDED**

- 1) That the Government of Saskatchewan expand IEC programming from a regional to a provincial level by supporting expansion of industry education council service delivery to all regions throughout the province.
- 2) That the programming be offered on a provincial basis divided up into six regions, that there be regional Advisory Boards who guide the process in each region, and that each region have two staff persons to carry out the functions of program management and provide direct program support services while building the level of support from the school system, the employer community and the development groups in their region.
- 3) That the program be co-ordinated and led on a provincial basis by a Board of Directors selected from the regional Advisory Boards, and managed by a staff that focuses on building the provincial network, providing selected services to all provincial participants and providing support services to each of the six regions.
- 4) That the funding for the provincial program be provided by the following government agencies: Ministry of Education, Ministry of Advanced Education, Ministry of the Economy, Western Diversification, and supplemented through investment of private and public sector employers.
- 5) That the Government of Saskatchewan support regional IEC's continued delivery and participation in programming such as: [www.saskcareers.ca](http://www.saskcareers.ca), provincial and regionally developed programs and events, in collaboration with schools divisions and Tribal Councils programs and offerings.
- 6) That the Government of Saskatchewan expand the number of services available to employers and encourage the involvement of employers from many sectors in IEC initiatives such as: [www.saskcareers.ca](http://www.saskcareers.ca), industry and education partnerships, localized programming and events, and Summer Youth Internship Program.

## **SUBJECT: Environmental Code**

## **SUBMITTED BY: Environment Committee**

### **BACKGROUND**

Saskatchewan's model for environmental management has been primarily based on a legislative framework with approval requirements, prohibitions and prescriptive regulations. A better model exists, based on existing methodology for creating standards (i.e., the National Building Code), guidance on environmental management similar to ISO 14001, and legislative regimes like the Income Tax Act. Core to this model are consistent universal standards, self-management, self-assessment and reporting, improved information for environmental management and compliance, supported through an approach of continual improvement and discerning enforcement.

In 2008, the Ministry of Environment initiated consultations on a "Results-Based-Regulatory" model and evaluated new regulatory models. In 2009 it tabled, and later passed, but has yet to proclaim, new/revised bills for environmental management. The revised legislation awaits the approval of the "Environmental Code" to support its implementation.

During 2009-2012, efforts focussed upon the development of the first sets of the Environmental Code for use under the new legislation. Through a multi-stakeholder process, the Ministry has prepared the first version of a new Environmental Code containing clear and concise legal requirements that will govern the management and protection of the environment in Saskatchewan. The code allows proponents to propose their own solutions thus encouraging innovation and continuous improvements. Most importantly, it would allow a much more efficient process for the approval of activities that have environmental aspects.

### **ISSUE**

Work is expected to continue on the further development of needed additional chapters of the Code. As this approach is implemented, it will provide enhanced environmental management and regulation, and achieve increased protection of the environment at lower costs to the government, the regulated community and the provincial economy. It was originally anticipated that the Code and the related changed legislation would be proclaimed in 2012. Regrettably, however, the implementation has been delayed, and remains not done.

The new results-based approach to legislation using the Code is a shift from prescribing how to do something, to setting out the results that must be achieved and leaving room for proposing alternative methods of achieving them. This allows flexibility for innovation, and for regular improvements that keep up with changing technology and environmental priorities

The core requirements and outcomes mandated in the Code will provide incentives for system owners and operators to improve their environmental management. Further, the development of the first edition of the Code has resulted from the involvement and contributions of over 200 experts from inside and outside the province. Many letters have been sent from stakeholders to the provincial government, requesting that the Code be implemented. The Chamber has continuously supported the development and implementation of the Code.

It is important that we not lose the benefits of the Code that has been developed. If there remain disputes about some portions of the Code, then those portions should be returned to the Code Development Committee for resolution in the future, while the remainder of the developed Code should be put in place now.

### **RECOMMENDED**

- 1) That the Government of Saskatchewan proceed as quickly as possible to enact the developed Saskatchewan Environmental Code that has been agreed upon.
- 2) That the Government of Saskatchewan continue in the further development of needed additional chapters of the Code, and refer any developed Code that has not been agreed upon to the Code Development Committee for resolution in the future.
- 3) That Saskatchewan Chamber of Commerce members strive to adopt the Code in their own businesses.

## **SUBJECT: Canadian Air Quality Management System (AQMS)**

### **SUBMITTED BY: Environment Committee**

#### **BACKGROUND**

In recent years, the federal government had begun efforts to control air emissions under the *Canadian Environmental Protection Act, 1999* (CEPA). Canada now plans to adopt new air quality standards for industry and other emitters. The Air Quality Management System (AQMS) will set consistent ambient air quality and industrial emissions standards across the country. It is designed to deliver flexibility to address regional differences in air quality issues Canada-wide. AQMS will establish regionally coordinated air sheds and air management zones, and will allow Canadians access to air quality information through public reporting, modeling and monitoring mechanisms.

The Canadian Council of Ministers of the Environment (CCME) approved AQMS in October 2010. CCME is working with industry, government, and non-government organizations to implement it. Stakeholders in the regulated community support this approach to air management.

#### **ISSUE**

The new comprehensive air management system is outcome-based, defining the desired ambient air quality through the setting of Canadian Ambient Air Quality Standards (CAAQS). It is also a place-based system with air zones for management established within air-sheds across provinces and territories, providing joint action in resolving trans-boundary air quality issues. AQMS is comprehensive because it will deal with all sources of air pollutants and requires a base level of environmental performance by key industrial sectors. It is collaborative in that it relies on the engagement of the federal, provincial and territorial governments to work together with stakeholders to develop standards, ensure continuous improvement in the overall system and avoid duplicate regulation. AQMS will use the air pollution control regulatory schemes already extant in the provinces.

The key components of AQMS are:

1) Canadian Ambient Air Quality Standards (CAAQS)

On May 24, 2013, the federal government published in the *Canada Gazette*, Part 1, CAAQS for Fine Particulate Matter<sup>3</sup> and Ground Level Ozone<sup>4</sup> as objectives under CEPA. Ambient air standards for other pollutants will be developed. These standards will drive air quality management in all jurisdictions. The ambient air quality standards

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<sup>3</sup> Fine (less than 2.5 microns in size) Particulate Matter standards are based on a 24 hour Average and will consist of 28 - 29 µg/m<sup>3</sup> based on the annual 98<sup>th</sup> percentile value of the 24 hour ambient measured averages over 3 consecutive years.

<sup>4</sup> Ground Level Ozone (O<sub>3</sub>) standards are based on an 8 hour Average and will consist of 60 - 62 parts-per-billion (ppb) based on the annual 4<sup>th</sup> highest of the 8 hour Averages, averaged over 3 consecutive years.

will build on and be more stringent than the existing Canada-wide Standards (CWS). CAAQS for Fine Particulate Matter and Ground Level Ozone become effective in 2015.

## 2) Place-based air quality management

*Regional air-sheds* - Six regional air-sheds have been established covering all of Canada. The federal government will work to understand regional air quality issues and coordinate action to address air pollution, including trans-boundary pollution from the United States and elsewhere. The federal government will help to coordinate the resolution of provincial and international trans-boundary air quality issues.

*Air zones* - Provinces and territories will manage air quality in air zones that they will establish within their boundaries, and work to ensure that ambient air standards are met in all air zones. Saskatchewan has now established three of its planned air zones.

In Canada, the transportation sector is the most significant contributor to ambient air concentrations of nitrogen oxides (NO<sub>x</sub>) and volatile organic compounds (VOCs), and also contributes to sulphur dioxide (SO<sub>2</sub>). Addressing transportation emissions will be a key component of air zone management in every heavily populated area. The CCME established the Mobile Sources Working Group (MSWG) in 2011. The MSWG, in consultation with stakeholders, has identified the following priority areas as the basis for an action plan to complement the work already underway to reduce emissions:

- I. Using advanced transportation technologies.
- II. Using proper vehicle maintenance.
- III. Managing in-use diesel vehicles, and engines.
- IV. Greening fleets.

Provinces and territories will be primarily responsible for air zone monitoring, and for reporting to the general public in their own jurisdictions on air-zone air quality and measures taken. The federal government will facilitate monitoring and analysis under its National Air Pollution Surveillance Program.

## 3) Base-Level Industrial Emissions Requirements (BLIERS)

AQMS will establish BLIERS in major industrial sectors, initially for SO<sub>2</sub>, NO<sub>x</sub>, VOCs, polycyclic aromatic hydrocarbons (PAHs), total particulate matter (TPM), and ammonia (NH<sub>3</sub>). The federal government also intends to publish the Multi-Sector Air Pollutants Regulations in the *Canada Gazette* in spring 2014. These regulations will include requirements for industrial boilers and heaters, reciprocating engines and cement facilities. BLIERS are intended to ensure that all significant industrial air emissions sources in Canada meet a good base-level of environmental performance.

The BLIERS are to be based on what leading jurisdictions are requiring of industry in areas achieving their air quality standards, adjusted as needed for Canadian circumstances. New facilities will have to meet their BLIERS beginning the first day of operation. Existing facilities will be expected to meet the BLIERS for their sector by a specified date. AQMS is to provide regulatory assurance that the BLIERS are applied

effectively everywhere in Canada. Provinces and territories will implement the BLIERs and federal regulatory assurance would be achieved through CEPA.

When implemented, BLIERs is expected to reduce industrial emissions by 19 percent for NO<sub>x</sub>, 24 percent for SO<sub>2</sub>, and 9 percent for TPM. With AQMS, greater reductions from all sources could be achieved in air zones over time. Provinces and territories are expected to delineate air zones and prioritize local action. Management strategies may involve provincial actions to impose more stringent emission limits on industry and/or address additional sources.

The Air Chapter of the Saskatchewan Environmental Code proposes to have two appendices: one outlining emission levels that would align with the national BLIERs, and another for ambient air quality standards that adopt CWS and CAAQS. Saskatchewan will work to ensure that the jurisdictional roles and responsibilities fit with their Ministry's proposed results-based regulatory model and the Government of Saskatchewan's current air-shed management approach.

This collaborative federal, provincial, territorial and stakeholder framework will:

- a. Focus on air quality and all the sources that contribute to it.
- b. Ensure that a common standard of industrial performance exists across Canada.
- c. Provide for increasingly stringent measures where local conditions require them.
- d. Build on the existing expertise and strengths of governments.
- e. Establish a new collaborative partnership with governments as well as stakeholders.
- f. Provide greater public transparency and stronger assurance of action on air quality.

### **RECOMMENDED**

- 1) That the Government of Saskatchewan be asked to continue to support AQMS, and to actively implement it.
- 2) That the Government of Canada be asked to remain involved in AQMS through CCME, as the preferred model for managing air quality in Canada, and that the federal role be focused on the CAAQS, BLIERs and air-zones development and establishment, and on controls related to transportation, and not create control of air emissions under CEPA that would be duplicative of the provincial controls in place.
- 3) That the Government of Canada be asked to increase its national ambient air monitoring network, integrating to provincial and municipal systems, and establish prompt and public reporting of the data there-from.

## **SUBJECT: Climate Change**

## **SUBMITTED BY: Environment Committee**

### **BACKGROUND**

The Fourth Assessment Report of the United Nations Intergovernmental Panel on Climate Change was released in 2007. It confirmed the Panel's agreement that climate change is anthropogenic, and that strong measures should be taken to counteract this. The Fifth Report will be issued in 2014, and will confirm this again.

The "Conference of the Parties" (CoP) to the United Nations Framework Convention on Climate Change (UNFCCC) developed an agreement to limit GHG emissions to replace the Kyoto Protocol. The CoP produced the 2009 "Copenhagen Accord," signed by the U.S., China, Brazil, India and South Africa, with Canada expressing support. The new Accord agreed to limit the rise in global average temperature from 1990 to 2°C by 2050. GHG emission reduction targets for developed countries and mitigation actions for developing countries are to be submitted for the Accord. The agreement included measures and funding to reduce deforestation, and is to be reassessed by 2015 to determine whether the goal should be tightened to limit temperature rise to 1.5°C. At the recent CoP meeting, the U.S. indicated that it would insist that all major emitters execute GHG emissions reduction plans for the Copenhagen Accord.

The U.S. had previously announced their target of 17% below 2005 levels by 2020. The US Environmental Protection Agency (USEPA) issued GHG emissions reporting rules for those emitting 25 kilo-tonnes per year (Kt/a) or more. USEPA also completed its determination that GHG emissions are a danger to human health and the environment. Although court challenges continue, USEPA is now proceeding to issue Permits and require controls for new facilities for GHG emissions, particularly for power plants.

The Government of Canada has expressed its intent to promulgate regulations for GHG emissions controls under the Canadian Environmental Protection Act (CEPA). Under CEPA, GHG emissions reporting is required in Canada for those emitting 100 Kt/a or more. New CEPA regulations will impose new emissions reductions and cost obligations on major emitters in Canada, beginning with coal-fired power plants. Provincial involvement could be allowed through equivalency agreements under CEPA. Canada has now committed to follow what the U.S. does.

Alberta and Quebec have legislation to control GHG emissions. BC and Quebec also have "carbon taxes" on fossil fuels. Saskatchewan has tabled legislation which calls for a 20% reduction in GHG emissions from 2006 levels by 2020, and enables a research and development fund under the control of the Province for compliance. The Government of Saskatchewan had signed an Agreement in Principle with the federal government to negotiate an equivalency agreement under CEPA, so that the province can administer climate change controls. The legislation is expected to be revised to align provincial GHG emissions reduction targets with federal changes.

Four Canadian provinces and seven U.S. states are part of the Western Climate Initiative (WCI), which seeks a GHG emissions cap-and-trade system. (Saskatchewan is an “Observer” in WCI.) California, the leader in WCI, issued its GHG emissions control rule which affects about 600 industrial plants, to reduce emissions to 1990 levels by 2020. WCI member Arizona withdrew support for cap-and-trade; however, California and Quebec have proceeded and held auctions of “allowances” for their programs.

## **ISSUE**

Governments must address the issue of climate change by means other than flawed international agreements and/or national programs that do not consider trade implications. The Copenhagen agreement does not yet have firm participation by the major emitters at comparable levels. All major trading partners competing in Canadian markets, must bear comparable and concurrent GHG emission reduction obligations.

Performance requirements for Saskatchewan’s energy-intense, trade-exposed (EITE) industry sectors must not force uncompetitive compliance cost or technology obligations that competitors do not face. Saskatchewan’s industry competes for both markets and investment, especially within North America. Canadian climate change policy compatibility with the United States is required to maintain competitive balance on trade and investment, and to avoid either country imposing new border measures that would adversely affect two-way trade and investment patterns. However, a “cap-and-trade” system may have a high burden cost to operate the trading system.

Energy-intense industries will face additional cost pressures domestically from GHG regulatory costs being passed through by energy producers and other input providers. Because commodity prices are driven by global competitive factors, producers cannot pass-through additional costs to customers. The regulatory conditions need to make allowances for these increased input costs, to enable Saskatchewan industry to compete on a comparable basis in North America and globally. Obligations negotiated under the UNFCCC need to avoid “carbon leakage,” which has negative environmental and economic consequences. To reduce the threat of carbon leakage and achieve trade neutrality, regulations need to make allowance for direct and indirect emissions/compliance costs for EITE sectors. These include “free allowances” and compensation for energy pass-through costs.

Workable, affordable, robust compliance options (including offsets) must be available. Regulations need to allow for fixed process emissions that cannot be reduced with current technology. It would also be appropriate to recognize the net benefits of GHG-reduction attributable to the use of recycled materials in business operations, in the form of credit for recycled content of feedstock. Regulations must fully recognize the early actions taken by Saskatchewan industries.

The United States has committed billions of dollars toward research, development, and implementation of energy efficiency technologies to ensure that country’s competitiveness. China has also announced large investments in alternative energy supplies and energy efficiency. Governments in Canada have taken little action to

provide broadly effective energy efficiency improvement programs. Substantive efforts are needed on transportation, and for small and medium-sized enterprises.

Our federal government has indicated that, “Over the last three fiscal years, Canada provided \$1.2 billion in fast-start finance to support climate change action in Africa, Asia and Latin America and the Caribbean.” Canada should instead spend that \$1.2 billion on improving energy efficiency in Canada, improving our own performance first, which would reduce GHG emissions and improve our productivity and competitiveness

Focusing on energy efficiency, alternate energy supplies, and perhaps carbon capture and sequestration, are key to addressing this issue. Short-term reduction requirements and programs should be based upon maximizing energy efficiency and incentive-based programs to improve our efficiency and competitiveness.

### **RECOMMENDED**

- 1) That the Government of Canada spend the moneys currently earmarked for foreign climate change projects on improving energy efficiency in Canada instead.
- 2) That Saskatchewan Chamber of Commerce members strive to improve, and governments support incentives for, business energy efficiency and conservation to reduce our emissions and remain competitive internationally, and that this program be pro-actively managed. Incentives programs should include a focus on small and medium sized commercial enterprises and municipalities.
- 3) That the federal and provincial governments establish one consistent scheme in Canada for GHG emissions reductions targets, baselines, controls and pricing.
- 4) That governments in Canada ensure that their GHG emissions reduction targets and controls are consistent with and not more stringent than those in the USA.
- 5) That governments in Canada ensure that their GHG emissions reduction targets and control systems include measures to address EITE sector impacts, both with respect to border measures and special allocations for GHG emissions.
- 6) That the Government of Canada continue to make no further commitments under the UNFCCC without the inclusion of all of the major emitting and trade partner nations to making comparable GHG emissions reduction commitments.
- 7) That in revising emissions reduction plans, Canada and Saskatchewan should base their policies on energy efficiency, support the development of economically viable non-carbon-based and alternate energy supplies, recognize and provide credit for early action, and develop a realistic plan and targets to reduce GHGs using longer-term technology changes.

## **SUBJECT: Fisheries Inter-jurisdictional Issues**

### **SUBMITTED BY: Environment Committee**

#### **BACKGROUND**

Fisheries are a vitally important resource in Canada and are under the jurisdiction of the federal government. However, for inland fisheries, the provinces own the water and fish that comprise any given fishery. Many industrial projects in Saskatchewan are located in areas that may have some impact on fish habitat or waters that may contain fish. In many circumstances industry participants have noticed an increased role taken by the federal Department of Fisheries and Oceans (DFO) in areas where provincial governments have historically taken administrative control. In some circumstances, DFO has actively ignored existing provincial approvals for facilities.

The Chamber of Commerce advocated for amendments to the *Fisheries Act* to reduce the wide application of the Act and restrict its application to Aboriginal, commercial and recreational fisheries among other things.

Parliament passed amendments to the Act in Fall 2013 that limit its application to recreational, Aboriginal, and commercial fisheries and the activities that may result in serious harm to fish in those three types of fisheries. Existing provisions in the Fisheries Act relating to the deposit of deleterious substances remain unchanged. However, the Minister has been given new, discretionary regulation-making powers to authorize the deposit of deleterious substances in a variety of circumstances.

Maximum fines are being increased to \$1 million for individuals and \$6 million for large corporations. Mandatory minimum fines have also been introduced, along with a "doubling procedure" for repeat offenders.

The amendments further allow the Minister to enter into agreements with a province to essentially share administrative functions:

- a. facilitating cooperation between the parties to the agreement, including facilitating joint action in areas of common interest, reducing overlap between their respective programs and otherwise harmonizing those programs;
- b. facilitating enhanced communication between the parties, including the exchange of scientific and other information; and
- c. facilitating public consultation or the entry into arrangements with third-party stakeholders.

The new Section 4.2 provides that if an agreement provides that a provision under the laws of the province is equivalent in effect to a provision of the regulations under the Act, the Cabinet may declare by Order that certain provisions of the Act or of the Regulations do not apply in the province with respect to the subject matter of the provision under the laws of the province.

More recently, the federal government took a legislative initiative to establish conditions under which the Minister of the Environment may authorize deposits of deleterious substances in waters frequented by fish by way of Ministerial Regulations, in cases where an activity or substance is already well controlled by other federal or provincial risk management instruments, or to authorize aquatic research activities.

### **ISSUE**

Although the recent *Fisheries Act* amendments go a significant distance, further efficiencies could be gained by the province entering into an agreement(s) with the federal government providing for increased efficiency and equivalency.

### **RECOMMENDED**

- 1) That the Government of Saskatchewan enter into an agreement with the federal government:
  - a. facilitating cooperation between the parties to the agreement, including facilitating joint action in areas of common interest, reducing overlap between their respective programs and otherwise harmonizing those programs; and
  - b. facilitating enhanced communication between the parties, including the exchange of scientific and other information.
- 2) That the Government of Saskatchewan review its existing fisheries legislation and administration to determine whether various provisions of provincial legislation may be the subject of an equivalency order under such an agreement.
- 3) That the Government of Canada provide guidance on the continued application of existing policies, such as no net loss and others.
- 4) That the Government of Canada pass regulations under the *Fisheries Act* to authorize deposits of deleterious substances, in cases where an activity or substance is already well controlled by other federal or provincial risk management instruments, or to authorize aquatic research activities.

## **SUBJECT: Flood Plain Zoning and Enforcement**

### **SUBMITTED BY: Environment Committee**

#### **BACKGROUND**

There have been extreme flood events in recent years in Saskatchewan resulting in loss and damage to personal and commercial properties. The Saskatchewan Chamber has sincere empathy for the many people and businesses affected by the extensive flooding. The Chamber strongly recommends a proactive approach to addressing future potential flood impacts.

Impacts from flooding include physical damage to personal and public property and unfortunately to the safety and well-being of Saskatchewan residents including health impacts from moulds and mental health issues from the severe stresses associated with personal losses. These impacts come at a significant cost to the businesses, residents and governments. The costs include emergency measures undertaken by government, insurance claim costs, and government disaster aid and reconstruction costs. Additionally, they include increased or denied insurance costs, and the forfeit of destroyed capital investment.

#### **ISSUE**

*The Planning and Development Act, 2007* was established with directions for communities and municipalities to ensure that appropriate planning is undertaken to protect the natural environment and to protect developments from the eventual damage that can be anticipated and predicted from flooding in certain areas.

The Chamber recommends that the provincial government and every municipality actively enforce the regulatory and legislative supports already in place to avoid development on lands that are susceptible to flood damage. Lands near water bodies are primary environmental assets and must be protected for their own sake. Controlling development in these locations will have the further benefit of reducing the cost of helping families and businesses ravaged by flood events.

As noted on the Saskatchewan Ministry of Environment's website, "Floods are one of nature's most destructive forces. Managing development to effectively minimize flood risk to life, property and infrastructure is a major objective of land use planning."

The Act requires new official community plans to contain policies to address the management of lands subject to natural hazards, including flooding, slumping and slope instability. Zoning bylaws allow municipalities to limit development on potential hazardous lands to minimize risks from flood damage and protect the environmental integrity of the flood plain. *The Statement of Provincial Interest Regulations (SPIR)* require that municipalities set aside lands within the 1:500 year flood (F500) plain, and that developments be built to a base at least 0.5 meters above that level. SPIR requires

Municipalities' planning documents and decisions to meet these requirements since 2012.

From the Act:

- 32(2) An official community plan must contain statements of policy with respect to:
- (d) the management of lands that are subject to natural hazards, including flooding...
- 52(3) A zoning bylaw may contain provisions:
- (h) regulating or prohibiting development:
    - (i) on land that is subject to flooding...
- 185(1) An approving authority may ... require the owner of land that is the subject of a proposed subdivision to provide part of that land as environmental reserve ... if the land consists of:...
- (c) land that is subject to flooding...; or
  - (d) land that ... is required for the purpose of:
    - (iii) the protection of the land to be subdivided against flooding.

Two of the critical sections of the Act referenced above indicate that the provisions are optional ("may contain", or "may require"). The Chamber suggests that the Ministry consider strengthening the supporting language to make all of these provisions non-optional, consistent with SPIR. For example article 53(3) should indicate that zoning bylaws must contain the indicated provisions.

Municipalities must avoid issuing development permits on land that is flood prone. For future developments, Provincial legislation provides the much needed support to work with municipalities and land developers to ensure that land use planning supports provincial development initiatives, without establishing activity within sensitive terrain that will ultimately result in costly damage to infrastructure. However, for existing legacy developments, municipalities and the provincial government will need to correct the situation over future years.

Other suggestions to reduce the impact to provincial taxpayers include:

1. Mandatory Flood Disclosure
  - a. When properties have experienced over-land flooding as a result of the natural course of runoff or rain water within the F500 flood-plain, it should be listed on the land title that the property is within a natural flood plain.
  - b. Upon the sale of a property impacted by natural flooding, full disclosure to potential purchasers should be mandatory.
2. Limit provincial government financial assistance to single occurrences and only to properties developed in compliance with the Act.
  - I. Financial assistance from the province should not be available to naturally flooded properties during subsequent flood events.

An example of why these enforcements are important is the case of Roche Percee, SK. The village was destroyed by the 2011 flood. The Provincial Disaster Assistance Program paid affected residents for their homes (to a maximum of \$249,000). Some of these individuals rebuilt their homes in the same location in 2012. During the 2013 flood, these individuals claimed under the Emergency Flood Damage Reduction Program for flood prevention structures.

Restricting developments within known flood prone areas, limiting financial assistance that encourages the presence of flood-plain developments, and mandatory disclosures on land titles will encourage future developments to move to more sustainable locations.

### **RECOMMENDED**

- 1) That Saskatchewan municipalities be asked to confirm the restriction of development per SPIR within the F500 flood-plains, in areas such as drainage-ways, lakes, rivers and streams. This includes SPIR reflection into official community plans, district plans, and zoning and subdivision by-laws. This needs to be strongly enforced, resisting any pressures especially in drier years when such land may seem suitable for development.
- 2) That Saskatchewan municipalities be asked to confirm the requirement for F500 flood-plain delineation and flood-proofing requirements for planning documents and development proposal documents for approvals of new development within and adjacent to the F500 flood-plains, per the Provincial Planning Handbook for the SPIR.
- 3) That the Government of Saskatchewan stand fast on the SPIR restrictions against development within the F500 flood-plains in approving municipal planning documents, and require notice thereof on titles.
- 4) That no government disaster assistance funds be available to those that develop within the F500 flood-plains.
- 5) That provincial government rules require that the cost of insurance for development within the F500 flood-plains be borne wholly by those purchasing such insurance.
- 6) That the Government of Saskatchewan and Saskatchewan municipalities work together to develop a long term (perhaps 25 year) program to flood-proof and/or relocate existing developments out of the F500 flood-plains.

## **SUBJECT: Improving Workplace Safety for Youth**

### **SUBMITTED BY: Service and Hospitality Safety Association**

#### **BACKGROUND**

Saskatchewan has the second worst time-loss injury frequency record in Canada. In Saskatchewan one in four workplace injuries reported to the Workers' Compensation Board involves a worker less than 25 years of age (more than 8,000 each year). The rate at which young service industry workers are injured in this province is an unacceptable 30% of total workers in that age group. Since 7 out of 10 young adults get their first jobs in the tourism sector, primarily in the hotel and restaurant industries, this industry sector is uniquely positioned to lead a province-wide cultural change with regard to safety attitudes, starting with younger workers.

#### **ISSUE**

The issue is safety awareness amongst the youth of this province. Although there have been some improvements in this area in recent years, there needs to be a coordinated and strategic approach to bringing a focus onto youth safety awareness.

#### **RECOMMENDED**

1) That the Government of Saskatchewan encourage greater awareness of the importance of youth safety in the province, including the creation of a "Youth Safety Education Day."

## **SUBJECT: Grow-Ops Registry**

## **SUBMITTED BY: Association of Saskatchewan REALTORS®**

### **BACKGROUND/ISSUE**

Marijuana production sites and sites used to produce hard drugs such as crystal methamphetamines are commonly called “grow-ops.” The RCMP indicates there are approximately 200 grow-ops in its jurisdiction, which does not include the major cities.

Grow-op sites pose risks to owners, buyers and occupants. Their value is diminished, with no clear path to recovering the lost value, despite the fact that an innocent third party may be the owner. Saskatchewan does not have a systematic approach to dealing with grow-ops. The province is not able to:

- identify properties that have been production sites;
- measure their contamination;
- provide reliable information to buyers or potential occupants; or
- certify that contamination or other hazard has been remedied and the property is safe for use.

Police who have entered a property, and in some cases, federal health authorities who have licensed it for medical marijuana production, have the records needed to create a comprehensive provincial registry. No one assembles this information, and no one provides it to the public.

Property owners are not required to disclose illicit use unless asked directly. Owners may in fact not be aware of illicit use by a tenant, or by a preceding owner. Serious long term problems can be treated cosmetically and take months or years to become apparent.

Individuals and families who purchase these properties may find themselves liable for significant costs to restore property bought in good faith. Further, there are no commonly accepted routes for a known grow-op site to come back to the market as fit for occupancy.

A legitimate government service is assembling and verifying standardized, reliable information that enables people to make informed choices. Governments do this for securities being sold to the public, for food production, for restaurants, automobiles and many other areas. Government action in these areas can be modest yet valuable and highly effective, creating a level of confidence that enables the market.

Saskatchewan REALTORS® have asked the provincial government to take two steps:

1. **Registry:** Create a single central registry where RCMP and municipal police and public health authorities would register grow-op sites as they become known, with ready public access available online.

**2. Entry and exit standards:** Establish a threshold level of drug production that requires the property to be registered, and, a remediation standard that enables a property to be de-listed.

**RECOMMENDED**

1) That the Government of Saskatchewan require all police and health authorities in the province to report grow-ops to a central registry where the information can be made available upon request to the general public, and establish standards for listing and delisting grow-op properties.

## **SUBJECT: Lakeland College Funding**

## **SUBMITTED BY: Lloydminster Chamber of Commerce**

### **BACKGROUND**

Lloydminster is experiencing a shortage of skilled labour. Skilled labour is supported by two sources—educational institutions and on-the-job skills training. Lakeland College's Lloydminster campus has provided quality post-secondary education to students for over twenty years and has welcomed Saskatchewan students into all programs. Lloydminster high school students graduate from the Saskatchewan education system, with many of them attending Lakeland College on the Vermilion and Lloydminster campuses. However, the Lloydminster campus, uniquely situated on the border of Saskatchewan and Alberta, attracts Saskatchewan students from outside Lloydminster.

Enrolment over the last six years indicates that 42% of students on the Lloydminster campus are from Saskatchewan. Enrolment in various programs seems to attract more Saskatchewan students, from a high of 57% in health programs (Practical Nurse (PN) diploma program and Health Care Aide (HCA) certificate program), 50% in trades and technology (Heavy Oil Operations Technician certificate program and Power Engineering, 45% in business diploma programming, and 39% in university transfer programming.

Lakeland College initiated an approval to deliver the Practical Nurse diploma program in 2012, and is currently approved by the College of Licensed Practical Nurses of Alberta (CLPNA) to educate students in the PN program. Graduates of Lakeland's PN program, who pass the Canadian Practical Nurse Registration Examinations (CPNRE), become Licensed Practical Nurses (LPNs) who can practice in anywhere in Canada. Of course, Lakeland students, many of whom complete their practicums in Saskatchewan, often stay and practice in Saskatchewan.

Support for the ongoing delivery of these programs, with a strong presence from Saskatchewan residents, is essential to continue delivery of high demand programs in the region. Lakeland College appreciates the strong support provided by industry leaders in the area, who provide opportunities for student practicum and co-operative experiences. These experiences allow students to apply theory to practice before graduation. It also allows the industry partners to see a variety of students in the workplace, giving them an opportunity to offer summer experience to students, and ultimately full time employment upon graduation. This is a classic "win-win" situation.

### **ISSUE**

With a change in funding from the Government of Alberta in Spring 2013, Lakeland College made some difficult decisions regarding their delivery of programs. With support from the Government of Saskatchewan, a gap in program delivery on the Lloydminster

campus would allow students to attend Lakeland College which is closer to home for Saskatchewan residents.

**RECOMMENDED**

1) That the Government of Saskatchewan provide proportionate government funding for the delivery of programs at Lakeland College to enable Saskatchewan students to continue pursuing post-secondary education in order to join the labour force and support the economy of the province of Saskatchewan.

## **SUBJECT: Incentives to Relocate**

## **SUBMITTED BY: Lloydminster Chamber of Commerce**

### **BACKGROUND/ISSUE**

There are areas in Canada that are experiencing a shortage of skilled labour as well as semi-skilled labour. This shortage of labour is preventing businesses from expanding and growing to meet the needs of a strong economy and growth in population. Some businesses have had to close or reduce their hours because of lack of staff. Others have not been able to take on new contracts which in turn slow down construction and project completions.

There are areas of Canada where there is high unemployment and this country, certainly the western part of it, was settled by individuals who realized their potential by moving and taking advantage of the opportunities available to them. Often there were incentives offered by the Government of Canada and the railway companies to make it attractive for them to leave their homes and families and embark on a new adventure.

The shortage of labour is one of the threats to Canada's continued prosperity. Businesses closing or offering reduced services reduces the bottom line of businesses and subsequently the bottom line of the country by having less taxes paid. If Canada cannot find a way to solve this problem, the nation will lag further and further behind other countries. In addition, supporting Canadians on unemployment insurance adds to the social costs which is not a good business proposition.

When asked about barriers to relocation, family ties were the most common reason why workers would not relocate for a job, cited by nearly half of all respondents (48%). Similarly, 23 percent reported that being with a partner who was unwilling to move would prevent them from relocating. Aside from relationships preventing relocation, economic factors are also a considerable barrier to moving for work. The cost of relocation was a prohibitive factor for 29 percent of respondents, while only 12 percent specifically said the inability to sell their current home due to depressed housing markets would prevent relocation (*Migration for Work Survey, Manpower Group*).

The general awareness of existing programs for individuals who wish to relocate is limited and needs to be better advertised.

Incentives such as relocation allowances, tighter employment insurance regulations for those living in areas of high unemployment, grants to employers in areas where labour shortages are acute to help bring employees in, financial assistance to Chambers of Commerce to conduct job fairs in areas of high unemployment, and airfare reimbursement for seasonal workers who consider working elsewhere during their down seasons are just a few of the incentives that the government might consider in order to assist with solving this problem.

**RECOMMENDED**

That the Government of Canada:

- 1) Develop new incentives to encourage unemployed Canadians to relocate to areas where there are labour shortages.
- 2) Reduce existing barriers to relocation.
- 3) Raise the awareness of existing support programs and incentives to help advertise opportunities for employment in areas where there are labour shortages.