

Policy Position

January 2015

Implementation of Northern Business Task Force Recommendations

Background

The Saskatchewan Chamber of Commerce's Northern Business Task Force is a group that was formed to discuss current and future issues and opportunities in Saskatchewan's remote northern areas and make appropriate recommendations to ensure that the potential of the region is realized.

The group generated a series of recommendations to focus attention on some of the key issues and opportunities in Saskatchewan's remote northern communities, as well as address particular issues. The group recognized that this is not a comprehensive list of solutions and that there are many paths which could be taken to achieve the same goals and a thorough evaluation of each should be conducted to determine the best courses of action. However, regardless of the actions that are undertaken, the broader goal should be to ensure that the chosen actions are carried out in an expedient way, with sufficient resources being allocated to get tangible results.

Issue

In Saskatchewan's remote northern communities, nearly all people and businesses pay more each month for electricity than in southern communities. This is primarily because the usage of electricity is much greater; houses and other structures in the north are often poorly insulated and have been built using lower-quality construction materials, additionally water and sewer lines are improperly insulated leading to additional warming requirements. Similar challenges are not experienced in other regions to the same extent.

In addition to higher energy consumption, SaskPower currently charges rural electricity rates (E03 billing code) to residents and businesses operating on reserves instead of using urban rates (E02 billing code) this does not always make sense as a large number of reserves have a higher population than many towns and villages throughout Saskatchewan. SaskPower's basic monthly utility fee for rural properties is approximately 30% greater than for urban properties, plus the cost per kilowatt hour of electricity is slightly higher as well. When those higher costs are combined with the inherent energy inefficiencies, the resulting high electricity costs create a significant competitive barrier for the region.

Also a competitive challenge for the north is travel in and out. Many communities in Saskatchewan's remote northern areas rely heavily upon ice roads in the winter months for transporting freight to those areas. Ice roads have had a fixed closure day in Saskatchewan based on government policy regardless of weather conditions. When every additional day or week of

ice road access can mean significantly reduced transportation costs for businesses operating in Saskatchewan's remote northern communities this policy is not the most practical.

Also related to transportation, the investment in northern roads is critical. Although the provincial Ministry of Highways annual budget does include northern road maintenance, prudent decisions tends to allocate large infrastructure tax dollars towards getting the greatest results for the taxpayer investments (i.e. regions of greater economic activity). Despite the budgeting pressures governments always face, there is still a need for the Government of Saskatchewan to commit to increasing the annual budget for northern road maintenance and construction by a meaningful amount every year to allow some longer term, economically important projects to be completed over several fiscal years. This includes funding to build the all-weather Garson Lake Road from La Loche to Fort McMurray and all-weather road from Highway 905 to Wollaston Lake.

Beyond direct infrastructure considerations, education is another area where there is potential for enhancement in northern Saskatchewan. There is an opportunity to better inform northern Saskatchewan high school students about opportunities for their future employment throughout the province, as well as the kinds of training they will need to receive in order to be qualified for those jobs, so enhanced career counselling is an important component of this. In addition, northern students should have the training opportunities to take advantage of more career opportunities. The expansion of such training programs, which should start in educational areas that have strong linkages to employment opportunities, would require a significant expansion of distance education courses and the construction of appropriate new training facilities in Saskatchewan's north.

Part of the facilitation of enhanced distance learning is the improvement of internet coverage in remote northern Saskatchewan. Internet capacity in this region is already being used at close to existing capacity, so even if the capacity is expanded slightly in the near future, there will not be enough to accommodate the growing need. Access to high quality broadband and cellular services is a vital part of doing business, so the provision of this service should be treated with the same priority as providing electricity to remote areas.

The availability of low-cost nutritional food is another issue facing northern Saskatchewan residents. There is a significant increase in prices as the products travel farther north, the federal government operates the Nutrition North Canada program to help offset some of these costs, however the benefits Saskatchewan communities receive are lower than those received in other northern Canadian communities. The expansion of this subsidy would allow businesses operating in remote northern communities to receive more substantial subsidies to offset their costs to transport healthy food items to those locations and therefore lower the food costs to residents.

As illustrated above, there are many organizations, including but not limited to the provincial government, federal government and Crown corporations, that are involved in providing necessary infrastructure and services to northern Saskatchewan. This division of services sometimes creates a lack of communication about respective projects, which results in varying degrees of overlap between the activities. By communicating more clearly with each other when planning and carrying out projects, duplication of many project elements can be significantly

reduced or eliminated and new opportunities can be identified. As a core component of increasing cooperation between Crowns and Ministries, the Premier and Ministers with relevant portfolios should complete tour of Saskatchewan's remote northern communities to gain a firsthand understanding of the issue and potential found in the region.

Saskatchewan Chamber of Commerce Recommendation

- 1) That the Government of Saskatchewan, working with SaskPower, increase efforts to encourage energy efficiency.
- 2) That SaskPower change all northern communities from E03 electricity rate code to E02 code.
- 3) That the Government of Saskatchewan adjust ice road closure dates on an annual basis.
- 4) That the Government of Saskatchewan increase the provincial budget for northern roads by a meaningful amount every year.
- 5) That the Government of Saskatchewan build the all-weather Garson Lake Road from La Loche to Fort McMurray.
- 6) That the Government of Saskatchewan build an all-weather road from Highway 905 to Wollaston Lake.
- 7) That the Government of Saskatchewan work with the necessary education provider to increase awareness of career opportunities and training options among northern residents.
- 8) That the Government of Saskatchewan work with post-secondary educational institutions to ensure that educational opportunities and attainment standards are comparable to southern Saskatchewan.
- 9) That the Government of Saskatchewan and the Government of Canada, work with SaskTel to ensure comparable access to bandwidth and cellular coverage for northern communities.
- 10) That the Government of Canada increase Nutrition North Canada subsidy for healthy foods.
- 11) That the Government of Saskatchewan in partnership with the Crown Corporations continue to improve internal communication and cooperation between Crown Corporations and Ministries on northern issues.
- 12) That the Premier and appropriate Ministers visit Saskatchewan's remote northern communities.