

ISSUE IN FOCUS



Celebrating 100 Years

SASKATCHEWAN
CHAMBER *of* COMMERCE

Crown Land Fees

Background:

The Provincial Budget 2019-2020 made changes regarding increased fees and charges pertaining to crown resource land leases.

Issue:

Concerns center on the significant increases to crown land fees being phased in over a very short period, coupled with a wholly inadequate stakeholder consultation process beforehand with industry.

The Ministry of Agriculture's decision to increase fees for oil and gas dispositions will cost business \$10.8 million in 2019-20.

Businesses expect costs to gradually rise over time, and when done in a predictable and consultative manner, they can adjust operations to deal with incremental cost increases. However, as it relates to the changes to fees on Crown resource lands, the consultation process was superficial at best and in many cases, non-existent.

The Ministry of Agriculture's decision to increase fees for oil and gas dispositions will cost business \$10.8 million in 2019-20. Impacts resulting from the Ministry of Environment's changes to disposition fees will cost businesses in the outfitting and mining sector \$4.3 million in 2019-20. The impact on mining could be as much as \$1 million over a couple years to individual companies at a time when the uranium market is very soft.

Recommendations:

1. Delay any increases in fees impacting business with an initiative that has a dollar value more than \$240,000 - with the exception being the retention of the fee increases to SINP applicants (\$250,000 proposed increase).

2. Instruct your Deputy Minister to engage with the SCC to establish a government – business working group that will help develop a process for reviewing, assessing, and establishing new fees or changes on government services to business.

History:

Letter to Premier 2019