

EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund
Highways and Transportation
Vote 16

Subvote (HI01)

The Chair: — I invite the minister to introduce her officials.

Hon. Ms. Atkinson: — Thank you. This evening I have to my left, Ron Styles, who is the deputy minister for our department. Beside Mr. Styles is Terry Blomme, the executive director of the southern region. To my right is Carl Negggers, who is the assistant deputy minister of policy and planning. Behind me is Don Wincherauk, who is the assistant deputy minister for corporate services. And to Mr. Wincherauk's left is Allan Widger, who is the executive director of engineering services.

Mr. Elhard: — Thank you, Mr. Chairman. And good evening to the minister and her officials once again. I appreciate the opportunity to continue with our discussions on issues pertinent to the highways and transportation of the province of Saskatchewan.

There is one question I'd like to start off with tonight, Madam Minister. The last time we met, I believe I asked you about the situation surrounding a bridge collapse in northern Saskatchewan. And at the time you went into some detail as to how that bridge was inspected, and the process by which the department inspects bridges on a regular basis, and how you categorize that.

Part of my question at the time though was about liability. And I asked specifically if the department will have to assume liability or is prepared to assume liability in that particular case, and I think in the course of the rather lengthy response you gave me, you didn't address that specific question.

Hon. Ms. Atkinson: — We are looking at the issue of liability, but it has not yet been resolved. And I would not want to respond in either the negative or the affirmative until we have had an opportunity to work through the issues. To respond in the House may put us in a position where we don't want to be.

Mr. Elhard: — Thank you, Madam Minister. In studying the issue of liability, what kinds of issues are you . . . or I'm sorry, going to review in that particular instance? What is it that will concern you the most?

Hon. Ms. Atkinson: — There are several issues that you have to look at. As you know we're still reviewing what happened that led to that particular day. We have not yet received a report from the people that are doing the review, and then obviously the other issue is around the repair to the truck and trailer and Cat.

That's obviously an issue that we have to look at and work through, and the other issue . . . and the bridge has been reconstructed. I believe the bridge is now open. Those are some

other issues that we're looking through.

Mr. Elhard: — Thank you, Madam Minister. Mr. Chairman, through you to the minister, I'd like to move to the area of new technologies. I indicated to the minister previously that I would like to discuss some of the things that are coming to the forefront in terms of new technologies, and see how the new technologies are being applied by the department in its ongoing efforts to improve the roads of this province.

One of the specific areas of new technologies of course was something that we alluded to in some of our earlier discussions concerning asset management. I thank the minister for the detailed response she gave me. Some of the language is so technical I didn't understand it. I did read through it. But I was wondering if, for the record and in terms of understanding this from a layman's prospective, would the minister please give us a general overview on what asset management is and what the department achieves through the use of that particular technology?

Hon. Ms. Atkinson: — Basically what we're looking at is the life cycle of the asset. And the asset would be all of the highways, bridges, anything that has to do with transportation in the province of Saskatchewan that comes under public, I guess, ownership because they are owned by the public.

And so what we do is we look at recapitalizing the asset. How do we make sure that we can apply proper maintenance and preservation to prolong the life of the asset in order to minimize the long-term costs of the asset?

As well we do a conditioned rating of the asset. So you rate the condition of the roads in the province. Then you need to ensure that they're properly preserved and maintained. And all of this is to minimize long-term cost in order to prolong the life cycle of the asset. I hope you understand that. But that's basically layman's . . . layperson's terms for engineering . . . the way engineers approach our highways.

Mr. Elhard: — Thank you, Madam Minister. Mr. Chairman, through you to the minister, I noticed in the written explanation you gave me that it isn't always the worst highways that are fixed first. And I think that we can understand that in view of the importance of preserving what we've got and making the most efficient use.

But is it ever the case where situations are deemed to be in need of attention, certain stretches of road, but that particular effort is overruled by somebody in the department?

Hon. Ms. Atkinson: — What I can say to the member is that you're trying to manage your long-term asset, but you have the basic public policy goal of trying to ensure public safety. And there will be times when it's in the . . . is a benefit to preserve the asset which may not be as in rough a shape as some other particular part of the road system.

On the other hand, there may be a safety question, and in terms of the long-term goal it would be best to look after the preservation and maintenance of a road. But one overrides the other, so it's a matter of trying to balance the two.

Mr. Elhard: — As one of your officials, Mr. Blomme, would probably well attest, there was a stretch of highway north of Shaunavon, No. 37, that underwent a strengthening repair job last year. And most of the comments that came back to my office were: why in the world is the department fixing that stretch of road; it's one of the best pieces of road we've got? Why didn't they do this stretch? Why didn't they do that stretch? So I can well appreciate that the department is under constant pressure to justify the efforts that they undertake in given areas as part of the asset management.

The question I would like to pursue now, Madam Minister, is: I assume that it took a great deal of manpower and time in order to log all of the information to determine the various conditions of identified stretches of road and how they would fit into the system. Once that is accomplished, is there an ongoing effort by department people to inspect the highways? Is that done on a regular basis? Is it done on an annual basis so that new information can be put into the system so the whole procedure can be updated and new technologies applied in various areas of the highway system?

Hon. Ms. Atkinson: — As I understand it, all of our roads in the province are inspected on an annual basis and that information is put into the system, so we try and keep the system current.

Mr. Elhard: — Can the minister tell us roughly what kind of time that entails and what the cost would be to the department for the efforts put into updating that information?

Hon. Ms. Atkinson: — The annual condition rating is done during the fall. It stretches over a six-week period. We do not . . . I can't tell you precisely what it would cost. The department officials have talked about it in the past but it's part of the work that people in the department do on an annual basis.

Mr. Elhard: — Mr. Chairman, through you to the minister, I'd like to move to some of the other areas of new technologies that are currently being developed and in some instances are being applied by the department.

At one point, Madam Minister, I asked a question, a written question in the House, and you provided me with a fairly detailed response again about the types of non-profit or external monies you spend, monies you spend on promoting and helping these agencies outside of the department directly.

And I don't recall from that list that I ever saw where the department has committed money to, say, the University of Saskatchewan or other technical institutes that are working toward the development of new technologies. I understand the Civil Engineering department at the U of S (University of Saskatchewan) is probably one of the leaders in Canada in working on new technologies. Does the department have some sort of informal arrangement with people like Professor Berthelet up at the U of S in developing new technologies that the department can put to use?

Hon. Ms. Atkinson: — The department would, on a project-by-project basis, invest in research and development. The department might pay for something in its entirety, or the department might partner with some other group in order to

advance research and technology in the province.

And there are several arrangements that have been made with various groups to develop new technology. And we are working with Professor Berthelet at the University of Saskatchewan in developing a way to strengthen our thin membrane surface roads. And as a matter of fact, I was out at a project last week in the Plenty-Doddsland area where they are strengthening a TMS (thin membrane surface) around the inland terminal that's been developed by the people in that area.

(19:15)

And the technology . . . we're very optimistic about this technology. It looks as though it's standing up. We've got . . . I think this is our third year of experience with some of the work that has been done in the province and we want to see where this takes us. But if this technology works, Canada and this province could become a leading innovator in the whole area of strengthening roads that were never built for the kinds of traffic that we're presently experiencing.

So we're quite optimistic, but we have some more work that needs to be done in terms of seeing how these roads withstand the kind of wear and tear that they no doubt will receive over the next several years.

Mr. Elhard: — Madam Minister, is the chief obstacle to acceptance of this new technology just the fact that it is as yet experimental, that it's only been available for a couple of years and you haven't had that much experience with it? Or is there a professional and scientific obstacle that you've encountered as yet?

Hon. Ms. Atkinson: — I don't think I would say it's a matter of not believing in the technology. I think it's a matter of spending public funds. You don't want to go full tilt until we know whether or not it works. We're quite . . . I think it's fair to say we feel that it will work but we just don't want to go full tilt into the technology until we've had some experience.

The other thing is that this technology . . . it's very scientific and so they have to test the soil conditions. It works in some parts of the province; it may not work in other parts of the province. We have, I believe, eight projects. And what this is is you're amending the soil, depending on the type of soil, with certain ingredients in order to strengthen the roadbed. And you have to make sure that you amend it properly. There's a lot of testing that goes on. The project I was at, I think there were two students, summer students from the College of Engineering that were involved in doing all of the testing.

So it's quite scientific. It's not the old way of building a road because you have to keep amending the soil, the sub-grade, the bed of the TMS surface because it was never . . . basically it was never built to withstand this kind of traffic. And there's cement by-product, there's fly ash, and then there's sand, and there's gravel, and it just depends on the condition of the roadbed what you amend the soil with.

And I think it looks positive, and I'm quite optimistic and I hope it works. But I don't think we want to spend a lot of public money and go full tilt in this area if, you know, 10 years from

now or 7 years from now it doesn't work. And I don't . . . I think it's all part of trying to be accountable and responsible to the public and being careful. You know, I don't want us to be overly cautious, but I think we need to be careful because we only have so much money and the demand is huge, as you know.

Mr. Elhard: — Madam Minister, for the sake of my colleague from Saltcoats, could you repeat that answer? I don't think he understood it. He wants to know if you understood it.

The new technology, as you can appreciate I'm sure given your position and the demands and the needs of the province is, as you indicated, promising. And not only — if my figures are right — not only will that technology have a dramatic potential savings, but it's also an exportable technology.

There is a huge potential for the entire highways building regime around the world, frankly, if that technology is proven out. So Saskatchewan has an opportunity not just to benefit locally but to set and establish a reputation around the world as sort of a leading-edge highways systems design that I'm hoping that will work out, frankly, and I hope that we can see the benefit of it as soon as possible in this province.

Having talked about this particular type of technology, are there other projects? Are there other technologies that the minister is aware of that look promising, that look like they may have benefit for the province, and that the department is interested in supporting and pursuing?

Hon. Ms. Atkinson: — Well we have several projects, and we're developing relationships with various Saskatchewan-based firms that have or can result in products or services that could benefit our department but also benefit markets around the world. And I'll give you some examples, if you're interested.

One example involves a project from International Road Dynamics of Saskatoon to develop an automated, vehicle-monitoring system to collect truck movement and truck dynamics information. It's using a global positioning satellite systems and geographical information systems. The system automates the collection of information and it audits vehicles involved in the province's trucking partnership program.

And I think that this system has a potential for a wide variety of uses in how we manage our fleets in the province.

Another is the department is working with the Manitoba Department of Highways, the Canada-Saskatchewan Agri-Infrastructure Program, as well as Saskatchewan Wheat Pool and other stakeholders, to quantify the benefits of central tire inflation systems — so reducing the inflation in the tire to see if that reduces road damage, tire wear, and vehicle maintenance.

As well, we have a U.S. patent . . . this is our department, where we have some innovators inside the department that have developed a drum sand spreader which is used for sand sealing roads, and that looks very promising. The department has also developed two other pieces of equipment, a high-speed paint stripper . . . striper, and a side-dump box tarp system. And some

of our employees in the department were recognized for their work this past month.

We've designed a road-rail vehicle and the construction was contracted to Brandt Industries in Regina. And the vehicle can pull 15 loaded grain cars while on railway tracks and then it can lower to highway tires. And then it can raise itself to steel wheels. So it can travel on road and rail.

And there are some other opportunities to develop and employ some new, innovative products, particularly using intelligent transportation systems. And there are opportunities to be pursued in the area of weigh-in-motion technology, road weather information systems, and an automated data collection that I think could improve the way we do business, and serve the public better. So there are a number of initiatives that we're involved in in terms of new technology and we're also involved in some research projects.

The Chair: — Why is the member on his feet?

Hon. Mr. Calvert: — To introduce guests, Mr. Chair.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Calvert: — Thanks, Mr. Chair. Thanks to the critic and thanks to the minister for this interruption. It's my pleasure tonight to introduce to members of the legislature the group of men and women who are seated in the back pew of the Speaker's gallery, comprising the Moose Jaw Wakamow Rotary Club and some of their guests. Mr. Speaker, or Mr. Chair, the Moose Jaw Wakamow Rotary Club is a very active Rotary Club in the city of Moose Jaw, the younger, if I may say, of the two Rotary Clubs, and a Rotary Club that I have had the pleasure to be involved with, Mr. Chair.

I would like to, while not introducing each one of them, but to point out the current president of the Moose Jaw Wakamow Rotary Club, Judy Vermette and the incoming president, Mr. Dave Orr. We'll be touring the building, Mr. Chair, and observing the activities here in the House for awhile and then touring the building.

So I'd ask all members present to give a very warm welcome to the Moose Jaw Wakamow Rotary Club.

Hon. Members: Hear, hear!

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Subvote (HI01)

Mr. Elhard: — It's not normally my duty to do this on behalf of the official opposition but we'd like to welcome the guests from Moose Jaw here as well. I hope that they're interested in highways and new technologies. We're going to be discussing that for awhile yet, and I appreciate their interest in coming here

tonight.

Madam Minister, when you mentioned some of the projects that the department has a special interest in, I took particular note of two and I think that these two will probably represent sort of the opposite extremes of what are going to be strong potentialities.

The IRD (International Road Dynamics Inc.) activities I have followed with some fascination. I've visited their plant; I've talked to their president; I read their press releases; and they are making sales on almost a monthly basis in the States. They are a very active and advanced technology company.

I think it's ironic, frankly, that we would have a company that can produce a certain level of capability, technical capability, that is so widely used in the States and so highly recognized, and yet we've had so little opportunity to put some of their technology to work here.

Now if I could summarize what I see as the problem, we simply don't have enough truck traffic here to justify the costs. Is that what the minister believes of this technology, and would you elaborate a little bit as to how you think IRD's technology will be employed in Saskatchewan in the future.

Hon. Ms. Atkinson: — The member is correct. We do not have enough truck traffic. And we've had the discussions with IRD with regard to that problem but we believe as we begin to replace some of our capital asset base in the province, that there may be an opportunity for us to partner with them on the technology.

But I can tell you that we have a long-term partnership where IRD has developed the automated truck monitoring system at their expense and they're leasing the working system back to the department over a minimum of a three-year period.

We expect that the system will cost the department about \$560,000, and we fully expect that the system will be implemented later this summer. We've to date paid about \$104,000 to IRD for the system. And by the fall we are expecting to pay IRD approximately \$15,500 per month for the remaining 24 months, at which time our department . . . our department's partnership payment of \$432,000 for the system development costs and the \$70,000 cost for the committed purchase of 20 in-truck units will be completed.

So we are trying to assist IRD with their development cost as much as we can, and we have entered into a partnership with them. And after the three-year period is over, the leasing costs I believe will be reduced to about \$1,600 to cover administrative costs of the collection of data from the trucks.

The Chair: — Why is the member on his feet?

Mr. Kasperski: — With leave, Mr. Deputy Speaker, to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kasperski: — Thank you, Mr. Deputy Speaker. And thank

you to my colleague, the member from Cypress Hills, and to my colleague, the Minister of Highways and Transportation.

Mr. Deputy Speaker, you might recall a few days ago in this legislature I gave a member's statement on volunteerism in one of the community groups in my . . . in my constituency, the Dieppe Community Association, who held a very important event a week ago Saturday in the recognition of the International Year of the Volunteer.

And I'm very pleased to have to introduce through you and to all my members in the legislature some members of the executive who organized this event a week ago Saturday. I'm very pleased they took the time out to come down to the legislature here.

Dieppe Community Association, for those of you who may not be aware or do not know the city that well — as you are jogging west on Dewdney Avenue just past the RCMP (Royal Canadian Mounted Police), you will hit McCarthy Boulevard, and once you hit McCarthy . . . (inaudible) . . . Courtney and all the area to your right up to the creek is called Dieppe Community Association.

And I'm very pleased to have these members who I would like you to, if I could maybe just take . . . can bear your indulgence to introduce them individually. They are Jody Tetlock, who has organized the event, Jody; Patti Cossette; Irene Crossweller; Kari Siebenich; Tyler Tomlinson; Carol Biberdorf; Bonnie Kreklewetz; and Norm and Glee Chadwick.

And I just, in concluding my remarks, would like to point out that Norm was the volunteer that was given a lifetime honorary membership for his years of contribution as a volunteer to Dieppe. And I would just like to ask all of you to recognize these very important volunteers from my constituency and representing the Dieppe Community Association.

Hon. Members: Hear, hear!

(19:30)

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Mr. Elhard: — Thank you, Mr. Chairman, and once again on behalf of the official opposition I extend our welcome to these guests as well.

You know volunteers are very important in this province. In small communities we find them exceptionally important. They are the ingredient that holds a community together in many cases and . . .

An Hon. Member: — And even fixes the highways.

Mr. Elhard: — And we even fix the highways in some instances, that's true, yes.

However, moving along, Madam Minister, in view of your comments a few minutes ago about the partnership agreement you've got with IRD, would you indicate, for the record, does that partnership commit the department to any future activities with IRD? Are you anticipating being the beneficiary of some of the technology they've developed and will be selling around the world? And are there any other issues that this partnership agreement addresses but that you didn't allude to in your response?

Hon. Ms. Atkinson: — As I mentioned to the member, Mr. Chair, we enter into specific project partnership arrangements. Once the project is over then it's over, so we don't have an on-going relationship. But if other projects should arise, obviously our department is interested in supporting research and development in the province particularly in the area of transportation and we would be extremely interested given certain funds being available.

Mr. Elhard: — Madam Minister, I think in your response earlier you alluded to 20 units and I missed some of what you said because of some of the confusion behind me here frankly.

Would you describe that then as a test project that you are putting in place and are there things that you expect to derive from this project? Is there information you expect to derive that you think will be useable throughout the trucking industry?

Hon. Ms. Atkinson: — We're installing the 20 in-truck units. We're going to see how that works for at least a year and depending on the outcome we may be prepared to install the in-truck units in other trucks.

Mr. Elhard: — Madam Minister, I can understand the benefit to that type of technology. I think it has outstanding potential in terms of regulatory issues and damage, frankly, to our roads.

There is a Big Brother element to that however that does concern a number of people. Have you weighed the pros and cons of that kind of technology as opposed to the limitations it would create on individual freedom, frankly?

Hon. Ms. Atkinson: — What I can share with the member is that the issue has been talked about within the department and it's been talked about at our trucking advisory committee . . . because the member raises an important point. But I think the other important public policy issue is that trucking is consuming our asset in a sense. We've seen a significant increase in the volume of truck traffic and also the volume of goods that are being transported over our publicly funded infrastructure, meaning our roadways. And so you have to take these things into consideration.

And I think in terms of being accountable and responsible as we are to be as a department, we have a strategic plan in the department. It talks about accountability, responsibility. You have to weigh these matters. And then you have the whole issue of the life cycle of a road. And we talked about that earlier in terms of our asset management and how do you extend that asset as much as you can. And if this is a piece of technology that can assist us in extending our asset and helping us manage our capital asset, then I think it's something that we want to pursue.

Mr. Elhard: — Mr. Chairman, through you to the minister, frankly if I get passed on the highway at 130 kilometres an hour by a big truck one more time, I'm going to be supporting that — that particular technology. Because I think there is a — while there are some issues around freedom and that kind of complication — I think that we have a larger issue in terms of public safety. Not just the debilitation of the roads themselves, but in terms of public safety.

And I'm quite concerned frankly — driving the No. 1 Highway as frequently as I do at all hours of the day and night — the speed with which some trucks catch up and pass me. So I probably have done myself a disservice in terms of the trucking association, but I think that that is an issue.

Hon. Ms. Atkinson: — I just want to support the member because I drive the highways too, and I can't believe the number of times that I'm driving at 109 kilometres an hour — I will admit I'm speeding a bit, but I'm told the RCMP don't stop you until you're at about 112 kilometres an hour — and these great big trucks . . . B-trains passing you.

And I'm with you, and it's something that I have raised. It's unacceptable because speed does affect what happens to our road base; it does. So it's not just a matter of having these in-truck units. But we know from the research that's been done that it's not only weight that affects the condition of our roads but also the speed at which those trucks carrying that weight go on our roads.

And I'm committed to doing something about it because it's unacceptable from a public safety point of view and also for the condition of the road to have these trucks speeding at more than 100 kilometres an hour. So I'm putting it on the public record, so I guess we'll both be in trouble with the trucking industry.

Mr. Elhard: — Mr. Chairman, I want to digress just briefly from the new technologies subject that we've been pursuing here tonight, and in view of the fact that the minister mentioned the trucking advisory forum, I want to just talk about that just briefly if we might.

I understand that that forum by press release was called together in October of 2000 and it was to address issues related to safety and economic benefits to the province that the trucking industry would be able to provide.

I'd like to ask if I could, Madam Minister, how many meetings have you held to date, and what issues have come to the forefront as a result of those meetings?

Hon. Ms. Atkinson: — The forum has had five meetings. I understand that the report is practically ready. They're just sending it out for one more opportunity to have a discussion and then it will be presented to me. They have covered infrastructure, safety, and weights and dimensions.

Mr. Elhard: — Thank you, Madam Minister. Has the committee talked at all about what appears to be an increasingly severe shortage of professional drivers for the industry, not just in Saskatchewan but across the country? The papers are full of ads looking for drivers by any number of companies, and it appears to me that that might be a pretty negative factor when it

comes to the impact, the positive impact that the trucking industry will have on our economy.

Hon. Ms. Atkinson: — The forum has dealt with the issue. In fact two drivers attended the forum, discussing how we might be able to promote trucking as an occupation for people in the province. And, as I understand it, there have been ongoing discussions between Post-Secondary Education and the trucking industry to try and see if there is a way that SIAST (Saskatchewan Institute of Applied Science and Technology) can address this issue.

As well, I know that there have been some privately funded schools that have been developed in the province with the trucking industry to try and promote the industry and allow people to have access to training.

Mr. Elhard: — Madam Minister, through the chairman, to address this question. I'm not sure where I'm going here. It might be a bit dangerous. I might be treading on sacrosanct grounds, but would you tell me what the department does, what role the department plays, if any, in the regulation of or the approval of some of these private training programs. Is there any departmental involvement there whatsoever?

Hon. Ms. Atkinson: — I can tell you as the former minister of Post-Secondary Education that the Department of Highways and Transportation would have no involvement in approving the private vocational schools for driver training or truck-driver training.

Mr. Elhard: — As you may well appreciate, Madam Minister, the reason I bring that up is that when there's a shortage of professional drivers like we are experiencing across the country right now, that is seen as an opportunity by some people, some less scrupulous people, to make a quick dollar. And I've had complaints brought to me about just that kind of a situation developing, where schools are offered . . . huge admission fees are charged, and the result is often not just disappointing but disastrous for the people who've laid out hard-earned money and sometimes tough to come by money for training. And what happens is their training is inferior and often these students are not even able to pass a regular driver's test. So I would like to have on the record tonight some of those concerns that had been brought to me in that regard, and maybe we can take that to the appropriate department for review and consideration.

Returning to the new technologies topic that we started with earlier, I want to ask about the central tire inflation program. I understand that there has been quite a bit of effort expended on this particular initiative, more or less with inconclusive results. Can you tell me what role the department has played, how much effort the department has put into this, and whether or not you've had anything positive come out of that whole process.

(19:45)

Hon. Ms. Atkinson: — Well your question's very timely because I have had an opportunity to be briefed on this issue a few times by the department. And I have a number of tapes in my office, videotapes, if you'd like to look at this whole issue. And there are some people that would love to explain it to you because they have been quite involved with the project.

There was a demonstration project that was conducted in the fall of 1999 near Wawota, Saskatchewan. And at that time it looked as though there could be some benefits associated with variable tire pressure technology. Then an experiment was undertaken near Dafoe, Saskatchewan during July to further quantify the results of the work at Wawota and determine if variable tire pressure could lessen the damage associated with increasing truck axle weights.

The initial results seem to confirm that there are benefits. There are benefits associated with variable tire pressure, but there's a lot more work to be done. And I — just as someone who comes from a social science background — you want to make sure that your experiment and the results are both reliable and verifiable.

And I think there's, just from an observer's point of view, I think there's some more work to be done. The work will be analyzed, the data will be analyzed, and then a report will be produced. But my own observation is that we need to do some more work in this area before we go full tilt.

Mr. Elhard: — Madam Minister, from the reports, the anecdotal reports I have received on that whole initiative, it would seem that at best the results are mixed. I am concerned I think about the cost associated with this particular experiment. And I am also concerned about the impact on the roads that were volunteered for this experiment by the various RMs (rural municipality).

So would the minister confirm for us tonight the cost of this particular project; what the department has paid out and what other participants in the experiment have paid out; and assure us that the RMs that were involved, that volunteered their roads for this particular project, will be reimbursed for any damage done to those roads.

Hon. Ms. Atkinson: — The total cost was \$680,000. I should tell you the roads were repaired, so the damage was repaired — \$380,000 came from the federal government, \$300,000 came from the province. And Manitoba participated, the Government of Manitoba, participated with some in kind lab work and so on. So that's what I can tell you.

When you say that you've heard anecdotal evidence that it was mixed, the data is being analyzed right now and we expect a final report. But just based on what I saw from the videos, I'm not yet convinced.

Mr. Elhard: — Madam Minister, I'm wondering, as part of the experiment, whether the issue of stability is going to be taken into consideration. If you have a truck weighted at maximum loads and you're going to decrease the tire inflation to accommodate the weight, will that impact the stability of the truck and the fears or concerns of the shifting of the load while that truck is moving down the road?

Hon. Ms. Atkinson: — What I can share with the member is that there was some initial work done with the National Research Council. It didn't appear to have any impact upon the stability of the truck and the weights as long as they kept the steering axle at the same pressure. I hope you understand that.

Mr. Elhard: — At the same pressure, I assume means the

normal operating pressure. Is that right? Okay.

Let's move to another area if we can for the time being. I want to talk about new pavements, new mixes of pavements, new design for pavements.

And this particular issue was brought to my attention as a result of a paving contract west of Herbert on the No. 1 Highway in the Rush Lake area. As I mentioned earlier, I drive that stretch of road every week and I remember the project happening very clearly. I was often slowed down to accommodate that particular paving project.

But within weeks of the job being done, rutting started to appear, and in some conversations with individuals who know this area of endeavour a whole lot better than I do, it was suggested to me that the rutting came as a result of a new type of pavement design and mix that was tried on that stretch of road.

Would you please elaborate for us what that new mix or pavement design might be and why the rutting occurred?

Hon. Ms. Atkinson: — Basically we're using the same specifications. In the case that the member is referring to, the department advises me that we just didn't have the right aggregate in the mix of pavement and that was the problem. The aggregate wasn't as good a quality as it should have been and that caused the rutting.

Mr. Elhard: — Well if that's the case, Madam Minister, then I guess that leads me into a whole different line of questioning. Because as opposed to problems experienced by new technology as unexpectedly, what we have here is a problem that has developed as a result of error or misjudgement or something of that nature. I mean if we didn't have the right aggregate there, there has to be a reason why it wasn't there. We would normally not abide that kind of a problem.

Could you explain to me exactly who's at fault when it comes down to having the improper aggregate in place?

Hon. Ms. Atkinson: — We're still doing a bunch of lab work to try and figure out what happened. And it appears as though it was just a bad mix with the aggregate that was there and what was mixed with that aggregate. So we can't . . . we believe that there was a problem with the aggregate, but there's lab work that's being done because the result wasn't at all what we expected. And so we need to know exactly what went wrong so it doesn't happen in the future.

So I'm not prepared to say at this moment it was human error or it wasn't human error because we don't know. And that's why we're . . . there's further lab work that's being done in terms of taking test samples to try and determine why this particular stretch of road rutted.

Mr. Elhard: — Mr. Chairman, through you to the minister. Madam Minister, in a situation like that, who's responsible for quality control? I assume that that was a government-designed project that was tendered out and contracted by an independent contractor to complete the project. Does the government have their own quality control specialists in a situation like that or is

that left to the independent engineering firm or construction firm that does the job?

Hon. Ms. Atkinson: — Well, we obviously would set the specs for the road. The contractor would be in charge of making sure the quality was there and then we would do the inspection and determine whether or not the quality was there. So we would do a final inspection.

But, you know, this road started to rut after a certain period of time and we're still in the process of trying to determine exactly what happened. We don't believe it was a problem with the specs; we believe that it was a problem with the aggregate and the mix and it just didn't work.

And I should also tell you that there has been a similar problem developed in Manitoba and Alberta, so this isn't something that's peculiar to Saskatchewan.

Mr. Elhard: — Madam Minister, also along that stretch of road I notice that there are a number of patches — small patches about the size of the table here — throughout the length of that particular project. Is that patching connected to the aggregate problem and the rutting issue that we're talking about or was there some other weakness or failure in the roadbed that those patches were necessitated?

Hon. Ms. Atkinson: — Well this is a very timely question because I am far more observant on new stretches of road and patches, because my question is why are all these big black patches, big squares on the road? You know, what did the paving contractor do improperly? And what I'm advised, and there are several surfaces in the province that I've noticed this with, but I'm advised is that when the department goes along and does an inspection, if the pavement is a bit porous you run the risk of water getting into your roadbed which then causes heaving because we freeze and thaw, freeze and thaw. And so what is done is there is a topping that's put over those porous surfaces in order to ensure that water doesn't get into the sub-grade and into the road so that it doesn't heave. So it's not a matter of someone going out and digging up the road and putting a patch on it. So it's not patching, it's a matter of trying to protect the pavement so that the water doesn't get through to the sub-bed or sub-base and cause heaving.

So that's what . . . they go along, they inspect it. If it's too porous they put on a basically like a water or a waterproofing surface on it, and that's why you see these black patches on our roads.

Mr. Elhard: — Mr. Chairman, to the minister, the porousness that you've talked about on that particular site, is that related to the aggregate problem again or is that as a matter of fact of the process by which the pavement is laid? Is that something that comes out of the pavement layer?

Hon. Ms. Atkinson: — It could be a number of factors. It might be the paver. It could be the temperature. I should also tell you because I asked this question: who's paying for this waterproofing surface — are we paying for it as in the taxpayers of the province? And we don't. As part of the contractor's contract, he or she will pay for those porous surfaces to be basically waterproofed.

Mr. Elhard: — Thank you, Madam Minister. You have basically answered my next question. So I'm going to refer now to a question that I asked you in written form earlier in the session. It had to do with the newly-constructed interchange at Pasqua Street and Highway 11.

And I asked about some repairs that were ongoing there and in your response you said the pavement repairs were done to fix minor deficiencies in the exit ramps. They were identified last fall but due to winter freeze-up the work could not be completed until this spring. And the repairs were completed at no additional cost to the department.

Could you elaborate for us a little bit about those minor deficiencies? What were they about? What happened there? Was that an issue again of design specifications, or was it an issue of not actually getting the proper compaction in place? What is the specific there?

(20:00)

Hon. Ms. Atkinson: — Some of the work that was done on the ramps was basically the waterproofing. So there was some problems with the texture of the pavement. As well, the contractor had to haul his earthmoving equipment over the finished product, and they laid down these big steel plates which caused some denting or divots in the roads so they had to come back and repair that.

Mr. Elhard: — Thank you, Madam Minister. Through the chairman, again to the minister, if there are any other new technologies that we haven't discussed tonight, I'd be pleased to come back to the subject at another time but for now I think we'll move on to a different area.

I want to talk about the strategic rural roads partnership program. As you're probably aware, that is one program that your department has pushed rather extensively in areas where there's a considerable amount of highway failure. It is also one of the programs that has raised the ire of rural politicians and residents, more so than almost anything else that the department has proposed.

Now I understand that you have nine existing agreements, if I remember a comment you made earlier, and I'm wondering if those nine agreements that you eluded to represent the \$4 million that was spent last year in the budget, and will the \$6 million allotted in this year's budget give us an additional 12 or 13 agreements or will they, will this money be ongoing as part of some of the earlier agreements?

Hon. Ms. Atkinson: — We now have 12 agreements. We've been at these estimates for so long that we've been able to conclude three additional agreements. These 12 agreements will now keep 337 kilometres of TMS dust free. As I said, the program targets funding towards maintaining and improving our dust-free surfaces as much as possible.

As I said, that there is \$6 million in the budget this year. That's a \$2 million increase over last year's budget. And as I also said, we want to work with local governments to develop these initiatives and partnerships so that we can manage traffic as much as we can on a regional basis.

We are not interested at all in entering into partnerships if the RMs don't want to. And we have the example of Vanguard where they initially entered into a partnership, they received a lot of pressure from their local ratepayers, and two out of the three RMs decided they no longer wanted to be in the partnership. So it's not something that we're forcing on people; it's something that we support because we're trying to keep as many of our TMS surfaces as dust free as possible given the budget that we have.

And I recognize that it's controversial in some quarters, but it's one of our tools to try and manage our provincial highway system with the resources we have.

Mr. Elhard: — Madam Minister, does that program achieve any practical purpose other than to just postpone the repairs that are necessary though?

You know one of the reasons for carrying out this particular initiative, I believe, by the department is that they're trying to address the ongoing problem of too much grain moving down those roads, too much weight, too many tonnes. But the assumption, when you go to one of these strategic road initiatives, the assumption always is that the bulk of the traffic is grain. On the other hand, it ignores the other traffic that needs the use of that road, and as a result of the weight limitations, doesn't have access to that road.

And I'll give this as an example. I know that you just entered into an agreement with the RM in the Richmond area — I forgot the exact number of the RM — but you have an agreement there which takes all of the grain traffic off of the TMS road that runs from No. 21 past Fox Valley and out to the community of Richmond. But in talking to some of the business people in that small community, they're very worried by the fact that trucks that deliver groceries to their community for instance, will not come there any longer because they're not going to put a grocery truck on a gravel road.

And there's a small General Motors dealership that operates in that community. At least has until just the other day; I believe they announced that they're closing. But one of the, one of the issues that concerned them the most was that auto haulers wouldn't bring in their new car and truck product over a gravel road, in effect, strangling that dealership for access to product.

And while there might be some sympathy for moving the grain-related traffic to an alternate route, that doesn't satisfactorily serve the needs of other businesses that also depend on trucks.

So while you might win on one hand, you're really losing on the other hand in many respects; affecting, of course, the other part of your particular portfolio and that is Rural Revitalization. So, Madam Minister, I would appreciate it if we could look at this initiative in the light of the entire economic needs in rural Saskatchewan, not just specifically the issues raised by grain traffic.

Hon. Ms. Atkinson: — As you know, the RM can permit them to go onto the TMS, so arrangements can be made. And I would make this observation, and this is just an observation that I've had in terms of travelling on some of the gravel roads in

northern Saskatchewan. There are grocery trucks that go over those roads to get to communities to provide groceries to people who live in northern Saskatchewan. Your member for the Spiritwood area would know that there are communities that are serviced by gravel roads and there are trucks that go over those gravel roads that carry groceries to those communities.

The second point that I would make is that these are partnership arrangements between the RMs and the department. And we have many more RMs that are wanting to enter into agreements with us than we have money, so it's not as though we're busy promoting these agreements. My observation is that there are many RMs that are very worried about the future of their TMS. Their residents want to have a dust-free surface and they want to enter into partnerships.

And I would just make this observation from my experience on the Vanguard road. Now that trucks are back on that road, we're trying to maintain that road as best as we can, and there are citizens that are upset that the alternate truck route arrangement was not kept by the three RMs in that area because they're . . . With the rain that happened about a month ago or six weeks ago, parts of that road are beginning to fail again. So it's a matter of trying to balance things.

The other thing is that, you know, weights . . . vehicles can travel over those roads if they're under a particular weight. And I'm sure that if the business is talking to the RMs that they could be permitted to travel over those roads.

Mr. Elhard: — Madam Minister, I'm glad you brought up the area of the No. 43 Highway from No. 4 through to Vanguard and points east. That highway has caused me a considerable amount of concern and I have had people approach me on both sides of the equation as well, as recently as yesterday in fact.

But I do want to deal specifically with some of the issues related to No. 43. As you are aware, your department decided that it should have an 8-tonne weight limitation imposed on it. There were a number of people in the area who felt that they couldn't live with that particular situation and others who thought that it was an acceptable alternative. And I know you were lobbied pretty intensively by some individuals who felt that it was so onerous that their businesses wouldn't survive frankly.

But I've learned recently that when the Department of Highways went out there to erect the signs, they sent a sign crew out there, they spent quite a bit of time bolting the signs to the posts and actually drilling the holes so they could put the signs in place. They also found out that there was not an acceptable alternative route usable for that truck traffic.

Now, Madam Minister, I might not like the alternate route program that the department has implemented, but certainly if the local RMs agree to it, I think that I am the last person that has a right to criticize it. But I do have a right to ask questions about why the department would go to the expense of having the signs mounted and erected without a suitable alternative in place for that truck traffic to even use.

Hon. Ms. Atkinson: — There were basically two phases to the alternate truck route and the signs were put up on the municipal

road that was going to be the alternate truck route. But we knew that there had to be additional construction and that was going to be the second phase.

So I guess our officials would say that the signs were only on the municipal road that was going to be used as the alternate truck route. And we recognized that in order for the alternate truck route to be where it was going to be into the future, that additional capital construction needed to occur. But no signs were put along that part of the grid.

Mr. Elhard: — Madam Minister, I understand there were three RMs involved in that entire project. Can you tell us for the record tonight how many kilometres of road were in place that you felt were usable, and in which RM that particular stretch of road existed?

Hon. Ms. Atkinson: — The area that needed to be constructed was approximately 13 kilometres and it was in RM 106, but the alternate truck route took us from 4 to Vanguard, and that was in the other two municipalities.

Mr. Elhard: — I think I was a bit troubled, Madam Minister, by the assertion that we could get an alternate truck route there at a very minimal cost. I think somebody threw out a figure of \$5,000 a kilometre at one point, and I don't know any roads that can be built that would be suitable for truck traffic of any kind for that kind of money. I mean \$5,000 a kilometre might just get your machinery started and a few men out there, but it's not going to build much road, and especially if you're going to put a lot of heavy grain-related trucks on that particular piece of road.

I can't imagine a \$5,000 road standing up to that kind of use and abuse, frankly. And in view of the exceptionally low estimate of the cost, I'm wondering maybe whether the local people didn't have some sober second thoughts about the wisdom of even getting involved in this particular project.

Going back to Highway 43 though, I understand just recently the department went into some of the areas that were most broken up, areas that had basically gone back to gravel, and in an effort to improve the road did some milling and mixing of the product that was there, bladed it, graded it, and had it in really quite nice shape. But they omitted one small step that could have made that investment much more practical and long-lasting. They had an opportunity at that point to try some of the fly ash cement mix that would have prevented moisture from allowing damage to that road to become excessive. And for the sake of a few dollars, a whole lot of dollars were wasted.

And, Madam Minister, I would like to ask you if this is the approach that is commonly used by the department — save a few dollars here because we don't have it, but ultimately ending up squandering or wasting a fairly significant amount of money on any given project.

(20:15)

Hon. Ms. Atkinson: — What I can tell you is we're doing the design work right now on that road to see whether or not this is the kind of technology that could be used on that particular road.

Mr. Elhard: — Madam Minister, it seems that my questions are awfully timely tonight. That's the third or fourth instance that you've been right on top of it. I appreciate the effort you're putting into this particular exchange tonight.

I understand that again with Highway 43 that there was a directive sent out just last week I believe that several crews from the southwest — probably including Cadillac, maybe Swift Current, Maple Creek, and Shaunavon or selected people from those particular sites — will be going to Highway 43 to do some patching and sealing again. Now can the minister confirm that and is that the most economical and prudent way to spend money on that particular highway?

Hon. Ms. Atkinson: — We don't believe three crews are going over to that particular stretch of road. We're sticking to our . . . we have a schedule of maintenance in the southern part of the province. We made a commitment, I made a commitment, to those RMs that we would try and maintain that road as best as we could given that the truck traffic is now back on the road.

As I said, we're doing the design work right now. We can't go and do capital construction on that road this year because we already have done our winter tendering and our spring tendering and this was not part of the mix. We had an alternate truck route in place when we did our spring tendering so I can tell the member that.

I want to make a correction, too, as well, member. I said that that 13-kilometre stretch of road was in 106; it's also in 107. So it's not just in 106.

So what I can tell the member is there will be no capital construction on that road this year because our tendering has already been let but we are doing the design work. So that gives the people some cause for hope that maybe next year, you know, with resources we might be able to use the technology that's been developed at the University of Saskatchewan on I think it's a 10-kilometre stretch of road that is really . . . needs some work.

And I should also tell you that when we had the meeting here at the legislature with the RMs, I said that I . . . you know let's enter into a partnership. Let's each bring our money to the table. And I fully expect the RMs to honour that commitment. That we had so much money to spend and they had some money to spend on the alternate truck route; let's all bring our money to the table and try and fix that road. And I expect them to keep their commitment to me because I've kept my commitment to them.

Mr. Elhard: — Madam Minister, will the commitment the RMs make to this particular project be a one-time-only effort or do you anticipate it to be, do they believe it to be, an ongoing commitment that you're expecting from them?

Hon. Ms. Atkinson: — No, it's not an ongoing effort. It's a commitment that we made in this building that we would all bring our money to the table in order to service the public along that road in order to deal . . . in order to deal with the political issues that they were grappling with at the local level and the political issues that I was grappling with at the provincial level.

And I've honoured my commitment. And I expect them to honour theirs. My word is my bond and I expect their word to be their bond. And we'll see what happens.

Mr. Elhard: — Well I appreciate that, Madam Minister, and I'm not questioning your word or theirs for that matter. What I am asking though is if they have the money to come to the table for this particular agreement now, would the provincial government suggest to them that, well you've had money to do this, why don't you contribute a certain amount of money on an ongoing basis for the maintenance of this particular highway?

Hon. Ms. Atkinson: — No. I don't expect ongoing money. But we had a discussion in this building to try and solve a problem. We had an agreement. And I am honouring my word. We're doing the design work on this road right now. I expect them to honour their word and it's about next year. It's not about ongoing maintenance. Our job is to maintain the roads. That's not their job.

But we were going to construct 13 kilometres of grid road together. I said okay, you don't want this agreement. Let's take our money and put it into this highway. And that was our agreement. I'm honouring my side of the bargain and I expect them to honour theirs.

Mr. Elhard: — Mr. Deputy Chairman, to the minister, I'm sure that everybody involved in the agreement are honourable people. I expect they will keep their word as well.

Madam Minister, in view of the effort that was made to repair the broken parts of that road where the milling happened and the grading . . . and the blading and the grading . . . that was accomplished, but before it was sealed we had some wet weather and of course truck traffic went through there and vehicles of other sizes went through there and cut it up badly.

What is the plan now for those particular pieces of road? What does the department plan to do to make those broken stretches driveable?

Hon. Ms. Atkinson: — Before we entered into the partnership agreement with them we knew that there were parts of that road that were failing and that's why we wanted the alternate truck route agreement.

When the agreement . . . when the RMs were under enormous political pressure from their citizens to get out of the agreement, we indicated that . . . Our position didn't change. There were parts of that road that were going to fail. And with the rain and with the truck traffic that went back on that road, there were parts of the road that did fail.

We . . . I mean it has to dry out. It'll be bladed. It'll be gravel until we get there, next year hopefully, with our agreement to fix parts of that road, to rebuild parts of that road.

So we're not going to be going in and patching it if our intention is to have their money and our money start to rebuild that road. It would be a waste of money.

Mr. Elhard: — Madam Minister, there are similar kinds of questions associated with other roads that I won't take time to

pursue tonight. I think that if your agreement is firm with the RMs in that case, I have no reason to disbelieve that your agreement wouldn't be equally firm with other RMs if you're prepared to enter into those agreements.

I do have a few questions, though. I wanted to ask about equipment. I asked you for a list of equipment that the department was planning to purchase this year. And I recently found out that some equipment that was bought by the department in years just recently past appears to be inadequate for the job. And I'm referring specifically to single-axle oilers that were bought for oiling use in road construction projects. Prior to that, I understand that the department always used tandem-axle oilers which could carry a large volume of oil.

Now all of a sudden somebody in their wisdom has decided to go to single-axle oilers, which on primary-weighted roads can carry a full load, but on secondary roads have to cut their load back about 3,000 litres. Now while that in itself may not be a problem, what you've got is two or three or four tandem gravel trucks backed up waiting to dump their load for use with an oiler that can only accommodate maybe one truck at a time. And there's a lot of time lost, a lot of inefficient use of personnel and equipment as a result of that. Would the minister explain for us whose idea it was to go to single-axle oilers?

Hon. Ms. Atkinson: — We don't have the people here that can help me answer the question, so what I will do is I will respond to you again in writing if that's acceptable to the member.

Mr. Elhard: — Madam Minister, I appreciate your offer to answer our question in writing. You've been very prompt with most of your other promises in that regard and I appreciate that.

The reason I raised this, Madam Minister, is that this is a real faux pas. I mean this is a big issue. Because when you have trucks a long ways away from their source of oil, and you have gravel trucks that are handling much larger loads of material than the single-axle oilers can accommodate, you have a tremendous loss of productivity. And frankly with the jobs and the amount of work necessary for the department to complete, we can't afford that kind of lost productivity.

One individual I've talked to recently suggested to me that, basically, he worked four hours a day because of this particular change, and that is just unacceptable. So I think that when those kind of decisions are made, it might look practical from a paper point of view, but the implications in the field — especially when there are long distances to travel for replenishing the oil supply and the gravel supply — you simply can't afford to have trucks sitting there hours on end waiting to be put to work while some guy is off getting another supply of oil.

Madam Minister, one other little issue that was brought to my attention recently was the excess oil that was purchased by the department last fall. If you recall, the former minister of Highways indicated that the weather was — well let me go back a little bit. The department had found an extra \$12 million to spend on roads because of extra oil and gas revenue that the government had accumulated. That was put to a variety of projects and helped get the government or the department a jump-start on the winter tendering schedule, if I recall. But it was only a matter of a couple weeks later, maybe a month, that

the minister announced that the weather had been so good that they'd spent another \$12 million.

Now I have reason to believe, Madam Minister, that that \$12 million was spent quite unexpectedly. It wasn't a planned expenditure at all — that lots of oil was bought in anticipation of the good weather and the projects, but unfortunately more oil was bought than could be used in the time that the fall season allowed. When you buy that servicing oil or that patching oil, it has a tendency to freeze when it's stored in bulk containers and the temperature hits minus 25 or minus 30.

So I'm wondering if that additional \$12 million was well spent or did the department, in a panic to get rid of that oil, go out and use it on every possible road project they could find?

(20:30)

Hon. Ms. Atkinson: — What I could tell you is that we used the majority of the oil last fall because of the lateness of the fall season. There was some oil that was moved from the eastern part of the province down to your part of the province because you had an extended fall season. There was some oil that was stored over the winter, and my understanding is that oil is being used or has been used.

Mr. Elhard: — Madam Minister, thank you. I understand from my conversations with individuals involved with roadwork that that particular oil, if applied in haste and not properly applied, will result in bleeding when the weather warms up. And I think that was exactly what happened this spring. We had a couple of days where the temperatures went up quickly, plus 30 degrees, and that water . . . I'm sorry, that oil started to basically ooze and seep. And as a result, the department personnel had to go out and spread sand on it to, you know, kind of hold it.

I'm wondering, you know, in view of the kind of haste with which a lot of that work was done, whether it was really the best use of resources as a result of what transpired there?

Hon. Ms. Atkinson: — What I can tell the member is that my department officials vigorously disagree with whoever you've been talking about . . . or talking to. They believe the money was used effectively. It helped us with rutting, it helped us with some of our TMS roads, and there were very few incidences where this whole issue of bleeding occurred.

So I guess I can just tell you that I've got vigorous discussion on this side of the House, and they disagree with whomever you've been speaking to.

Mr. Elhard: — Madam Minister, this is probably the first instance of disagreement tonight, so it's not too bad. I see that our time is quickly drawing to a close. I have one final question, I believe, depending on the answer I suppose.

I understand, Madam Minister, that the day after tomorrow, June 20, the union representing personnel that work for the Department of Highways are planning a strike vote. Would the minister confirm what she knows in that regard and what contingency plans the department has.

Hon. Ms. Atkinson: — What I can tell the member is that I'm

aware that the Saskatchewan Government Employees' Union is involved in negotiations with the Public Service Commission. We have the assistance, as I understand it, of a mediator who's been brought in to try and assist the parties in concluding a collective agreement.

I understand that the Saskatchewan Government Employees' Union has been conducting a strike vote, I believe last week and part of this week, all across the province. And this is, from my experience in the legislature and my experience as an employer and an employee, that this is one of the tools that unions use in order to conclude collective agreements. So I would see this as part of the way the union has decided to proceed but I fully expect, with the help of the mediator, that the two parties will be able to conclude a collectively bargained collective agreement.

Mr. Elhard: — Madam Minister, I hope you're right, because otherwise it will put in jeopardy your statement there's going to be so much road construction happening in this province this year that people are going to be sick of it. So I do hope that you're right.

Having concluded our conversation and our question and answer period tonight, I'd like to thank the minister and her officials for attending, and I look forward to doing this again in the near future.

Hon. Ms. Atkinson: — Before we conclude, just in case we don't do this again, I also want to thank the officials from the Department of Highways and Transportation for the work that they've done to assist me in answering the many members' questions in this our fifth session of estimates.

I would recommend that we report progress and ask for leave to sit again.

**General Revenue Fund
Saskatchewan Research Council
Vote 35**

Subvote (SR01)

The Chair: — I'll ask the minister to introduce his officials.

Hon. Mr. Sonntag: — Thank you, Mr. Chair.

With me this evening seated immediately to my right is Dan McFadyen, the Acting President and CEO. To my left is Crystal Smudy, the Chief Financial Officer, and seated directly behind me is Bryan Schreiner, the Acting Chief Operating Officer.

And if I could take just a moment I would like to do a very brief overview of what SRC's (Saskatchewan Research Council) role is.

SRC is a leading Saskatchewan technology and knowledge-based focus . . . and knowledge-focused Crown corporation and employs more than 200 scientists, engineers, technologists, and administrative staff in facilities in Saskatoon and Regina.

This past year has been a year of significant change for the

SRC. The new board, the management and staff of SRC has responded with exceptional professionalism to these changes and have ensured that the SRC has continued to serve and meet its clients' needs with a business as usual approach. The SRC has delivered on its mandate of helping to strengthen and grow the Saskatchewan economy through the application and transfer of research and technology to help Saskatchewan entrepreneurs, small and medium businesses, and our large industries grow and prosper in a global economy.

The staff and management have contributed to another successful financial and operational year at the council. The SRC services are broad and diversified but I would like to highlight just a few of their many successes this past year.

The home retrofit project: during the past year energy has been a big issue not only in Saskatchewan, but across Canada. SRC is working on several projects related to energy, to improve efficiencies, and reduce environmental impacts.

For example, last fall SRC signed a contract with Canada Mortgage and Housing to retrofit six houses ranging in age from 1910 to 1986 to reduce energy consumption by 40 per cent. Building performance scientists at SRC continue to work on this project and expect to achieve at least 40 per cent energy reduction in each of the houses. This research will benefit homeowners who wish to reduce their energy consumption in their existing homes.

Saskatchewan Research is also actively engaged in work with alternative energies. SRC has further expanded its research in ethanol as an alternative fuel. We work with the Prairie Adaptation Research Co-operative.

And lastly, one item that I would like to draw attention to is that SRC's commitment to its mandate goes beyond its day-to-day projects. SRC also tries to ensure sustainable human resources for the future by supporting and encouraging youth programs related to science and technology.

In February, SRC launched a new program for Saskatchewan post-secondary students. This program awards \$10,000 annually to the major post-secondary institutes for student projects that have real application and benefit for Saskatchewan. The existing program not only encourages youth to think about sustainability in Saskatchewan, it also encourages them to get involved with Saskatchewan industry.

This is just a small sampling of the many exciting areas of research and technology that our SRC supports.

Thank you very much to allow me those brief remarks.

The Deputy Chair: — Thank you, Minister.

Mr. Wakefield: — Thank you, Mr. Deputy Chair and Mr. Minister, welcome to your officials. I'd like to ask just a couple of overall questions if I could to begin with. And I appreciate the statement that you read. That covered a lot of the objectives, what is being worked on.

And one of the things that I must concur is that money . . . usually money spent on research is money well spent because

the return on investment is usually very significant. And I think the research component is where we look into the future and try to adapt. And if we can capture the economic activity that we hope we can from that that is certainly money well spent. So I certainly don't have any problem with the things that you talked about and research in a general way.

I guess, Mr. Minister, the first question I would have is looking over the reports, the annual report of Saskatchewan Research Council, and then also looking at the budget for this year, there is an amount of money that is generally allocated to the Saskatchewan Research Council from the General Revenue Fund. And if I'm reading this right, it's tending to go down. Am I reading those numbers correctly?

Hon. Mr. Sonntag: — I'm informed you are reading it correctly. Last year there was some one-time money that was allocated for moving to the PTRC (Petroleum Technology Research Centre), and in fact there is a reduction this year.

Mr. Wakefield: — Correct me if I'm wrong again, Mr. Minister, but it would appear that the money that is allocated for the Saskatchewan Research Council is a grant from general revenue. The Saskatchewan Research Council takes that revenue along with other revenue that they generate themselves, and they, under the direction of their board of directors, pursues the initiatives and the programs that they feel needs to be done.

I guess what I'm saying is the government, once they allocate the money over to the Saskatchewan Research Council, do they then virtually stand back and let the board operate?

Hon. Mr. Sonntag: — You said that I should correct you if you were wrong again. You weren't wrong the first time; you were right the first time, and you're generally correct again.

The board though . . . Once the money's been allocated, the board has . . . its mandate is to operate under The Research Council Act and of course is responsible to the public through that Act.

Mr. Wakefield: — Thank you, Mr. Minister. What then is the role of the minister and through the minister to the president and CEO (chief executive officer) and through that to the board? Can you give me an idea of how all that works, comes together in allowing the Research Council to do the things that need to be done either from the board's vision or from other inputs?

(20:45)

Hon. Mr. Sonntag: — Much of that will be, much of that will actually be laid out in the Act, as I refer to The Research Council Act. But of course we are . . . the minister is the one — as I'm doing here this evening — the one that is responsible for speaking to the issues in the legislature and to the public of Saskatchewan on the more general issues.

Mr. Wakefield: — You talked about a year . . . it was an awkward year, it was a year of transition, there was adaptations. I'd like to get to the question of the dismissal of the Research Council board of directors. Could you get me, for the record, a bit of a background as to what events developed and why that

very drastic action had to be taken?

Hon. Mr. Sonntag: — First of all I would take again the opportunity publicly to thank the members of the former board of directors for the good work that they have done.

I think largely it came down to a fundamental policy difference or difference of opinion, and we worked very hard to try and find resolution. I'm advised that some three to four months was spent in trying to find a common ground. We simply couldn't find common ground, and as a result found this unfortunately as the only solution to the problem. But considerable time was spent in trying to find some common ground.

Mr. Wakefield: — Mr. Minister, what I have read in the media and some other reports would indicate that there was a difference of opinion as to where the location of the Research Council should be. Also there was a difference of opinion as to the value of making that transition. And I think one of the accusations that I remember reading was that there was never a business plan shown to the board at that time why the move should be made and on what basis.

And I'm sure that because they are considered to be an arm's-length board had to make sure that the right rationale was in place, at least satisfactory to them, why this move had to be made. And from my understanding that was never presented to them, at least not from what we were led to believe from media reports.

Hon. Mr. Sonntag: — First of all just a small correction. I think there was not an issue as I am advised over the location of the Research Council. It was more an alignment of research interests relating to the Petroleum Research Technology Centre.

And again there was just fundamental policy differences that couldn't . . . they couldn't find reconciliation on, as again . . . and having spent I should say some three to four months in trying to find resolution to that difference the only option that seemed to be available was the changing of the board.

Mr. Wakefield: — Thank you for the correction, Mr. Minister. In that particular move, although we've heard time and time again that ministers are reluctant to micromanage situations, that one to me seems to be a real example of micromanaging a situation where the board, which is a board appointed from the industry and pretty highly respected from my understanding, wasn't able to grasp the rationale for doing this, and I think very unceremoniously got notice, my understanding is by a fax, that their position on the board had been terminated. Is that not an example of micromanaging and maybe in the worst possible way of rendering advice to the board?

Hon. Mr. Sonntag: — In changing the board of directors, I think it's important to say that there wasn't any intent to be malicious or in any way be disrespectful of the work they had done. We were required, as I'm advised, to give legal notice. And perhaps things could have been done better. I don't think there's any doubt about that. Things might have been able to be done better in terms of getting a better notice. But we did have legal obligation to provide notice.

I think I do want to comment briefly, though, with respect to the

issue of whether it's micromanaging or not. I have always believed that it's the role of the minister and the government to generally lay out policy and the framework for whether it's . . . for whatever Crown or department. And if there appears to be a difference of opinion between the board and the minister or the government over the laying out of that . . . the rolling out of that policy is probably a better way to put it, then I think I would describe that not as micromanaging. There is a fundamental difference that has to be resolved. And again, as I've said several times, we spent some three to four months in trying to find resolution to that difference in the view of policy.

Mr. Wakefield: — Mr. Minister, could you tell us who the new, or the interim board was, how long they served, what was their first role? I understand that their first role was also to terminate the employment of the CEO. I may be wrong there too. I'm going from memory and from what I read. And is that board still in place? If not, has the new board been appointed, and who are they?

Hon. Mr. Sonntag: — The interim board was Dan McFadyen who was the Chair; Mike Monea who was the Vice-Chair; and Doug Kelln who was just a member of the board. They acted from October 5 of 2000 to January 18 of this year. And you are correct, their first order of business was to dismiss the past CEO.

And I believe you also asked what the makeup of the new board is now? Currently, Mr. Jim Hutch is the Chairman. Mr. Mike Monea is the Vice-Chairman. Mr. Doug Kelln is the secretary. Mr. Larry Cooper we have, Mr. Craig Zawada, Mr. John Bennett, and Mr. Keith Hanson.

Mr. Wakefield: — How many was that, Mr. Minister, by count? And it's considerably less than it was before. Is that correct? I think there was 14 if I remember right.

Hon. Mr. Sonntag: — There is . . . there was 7. The old board had 12. And we will be looking to add some more members in the not-too-distant future.

Mr. Wakefield: — Mr. Minister, can you give me an idea of the process that you go through — I assume you go through — to locate and appoint members to this board? What are the parameters? What are the conditions, the qualifications of these people, to come onto this board?

Hon. Mr. Sonntag: — Generally the names are usually recommended by the board itself. I've been in discussion personally already with the CEO about this just knowing that we'll be needing to add some more names.

What we're looking for is strong business skills, someone or people who understand research and technology. Obviously we'd be looking for regional and gender balance. And of course as well we want some diversity I should say within the different sectors as well into which much of the research is actually taking place.

Mr. Wakefield: — Thank you, Mr. Minister. Are any of the old board going to be re-evaluated and re-appointed? Are they in the . . . are they able to be in the short list?

Hon. Mr. Sonntag: — There would be nothing . . . I'm advised there'd be nothing preventing them from being put into the mix. And as well I'm also advised that we do have ongoing relationships with a number of the former board members in terms of customer and client relationships between the Saskatchewan Research Council and some of the businesses that I'm sure that they continue to operate here in the province.

Mr. Wakefield: — Mr. Minister, was there any exceptional costs involved in dismissal of the previous board or the previous CEO?

Hon. Mr. Sonntag: — There would have been transitional costs. Probably the most outstanding cost, although I wouldn't describe it as exceptional because it would have completely conformed with years of experience and years of service to government, would be the severance costs related to the president and CEO which I think were included in your globals at 284,000.

(21:00)

Mr. Wakefield: — Mr. Minister, we would appreciate seeing some updated figures, including the globals, so that we're able to have a look to see what you are referring to there.

I'll maybe just . . . would they be available — those numbers? I do have another question about this situation that happened last year with the board.

One of the positive aspects of the Research Council has been the confidence that people in the industry have placed in this over the years. You've talked about, in your opening statement, some of the long-term trends that . . . and projects and initiatives and moving into some of the new areas of research — all of that adds a confidence from the industry in this.

From what I have read in some of the clippings as I was glancing through this in preparation for tonight, I noticed a lot of clippings that gave a rather scathing condemnation of the way the board was dismissed and for the . . . at least on the speculation of what the reason would be.

And it would appear at that time the confidence was quite shaken in the SRC in trying to be an unbiased arm's-length research facility from outside interference. Now do you feel that was a justified criticism in the paper? Do you think there it was sending out a signal that SRC was going to become stronger or the transition was going to be better?

Personally I've hadn't seen that signal coming out of this exercise at this time. Could you comment on that?

Hon. Mr. Sonntag: — In the transition, I am advised that we did not lose a single client. We had a very strong year as it relates to third-party funding. There continues to be excellent relations with our customers and clients. The transition, while I know it's been difficult in terms of difficult internally to actually go through the transition, but in terms of what has happened with the clients there hasn't, I'm advised, been any adverse impact at all.

Ms. Draude: — Thank you, Mr. Deputy Chair. Good evening,

Mr. Minister, and to your officials.

Mr. Minister, you indicated that the globals had been handed in to someone last week and we had looked forward to receiving them so that we could go through them and ask additional questions. In fact this evening we had thought that we would be able to vote this department or this area off, but I'm sure that we're going to need the globals before we can do that.

Is there any way that the minister can get us a copy of the globals here this evening?

Hon. Mr. Sonntag: — That's what I was advised before I came in here. I'll undertake to find out what exactly happened and determine what we can do for you.

Ms. Draude: — Thank you, Mr. Minister. I know that my previous time with the SRC we had . . . we were excited that there were a number of donations that had been given to the SRC over the years was increasing. Can you give me an idea if the donations are still increasing and if it's the type of enterprise that people are still excited about with the changes in the SRC this year?

Hon. Mr. Sonntag: — Again I'm advised that there was a donation received on behalf of the Ian Wahn estate of some half a million dollars. And we continue to have excellent relationships with the Wahn family, although there aren't any other donations last year that would be, as I understand, of any significance.

Ms. Draude: — Mr. Minister, I think the donation from the Wahn family was something that was received a couple of years ago or it was actually looked at a few years ago. So when I look at page 28 of the annual report, we go from \$25,000 in 1999 to \$352,000 and some dollars in the year 2000 to the Technology in Action Fund. Is that actually this donation from the Wahn family?

Hon. Mr. Sonntag: — The half million dollars was not a one-time donation. He was donating \$25,000 a year, and when Mr. Wahn passed away they donated the balance of the half a million dollars which was the \$352,000.

Ms. Draude: — Thank you, Mr. Minister. And I also believe, if my memory serves me correctly, that this amount of money wasn't to be spent all at once. I believe it was the interest on the money that was going to be spent. Can you update that for me as well?

Hon. Mr. Sonntag: — You are exactly right. They only spend the investment earnings each year to a maximum of \$25,000 and the principal stays as a donation. The principal stays intact.

Ms. Draude: — Mr. Minister, can you give us some ideas of some of the projects that the money was spent on in the last year?

Hon. Mr. Sonntag: — As an example, last year there was \$10,000 put into a dust-catcher mask that is used largely in the mining industry, and the inventor is a Saskatchewan entrepreneur and of course this is what we try to do, is create development here in Saskatchewan.

Ms. Draude: — I have two questions. First of all, who gets the royalties for those? And the second one is who makes the decision on what project is going to be approved . . . that will receive the money from the one contribution each year.

Hon. Mr. Sonntag: — First of all, with respect to your royalty question, this one was just a straight grant by the SRC so there wouldn't be an issue of royalties related to SRC or the government.

You had asked, in addition, how the projects are approved. They go through the director of business development, who then is in consultation with the board of directors, and ultimately the board of directors then approves the projects.

Ms. Draude: — The new board of directors or the old board of directors? Mr. Minister, are there any projects right now that the SRC does receive royalties on?

Hon. Mr. Sonntag: — Yes, the SRC is collecting some royalties. Again I'm advised that these are very small. And you had also asked where these originate from. Again I'm advised because of confidentiality we won't be able to provide that level of detail.

Ms. Draude: — Mr. Minister, when I'm looking at the annual return, the net income from operations — actual '99-2000 — shows that there is a decrease of some . . . I'm not exactly sure what the number is but I understand that it looks like there's a decrease in operation funding this year. Can you explain that please?

Hon. Mr. Sonntag: — If you're referring to the net income from operations there is a small decline but if — I'm referring to page 28 — if you're looking just a little further down, the net income, there's actually a substantial increase from the year '99 to 2000.

Ms. Draude: — Mr. Minister, on page 36 we have the pension plan increase or decrease in surplus. Could you explain that to me? Is that an unfunded pension plan?

Hon. Mr. Sonntag: — The pension plan, if I understood the question correctly, is actually fully funded. I think the number you might be looking at on page 36 is a small surplus that exists in the plan.

(21:15)

Ms. Draude: — Mr. Minister, has the number of clients that you're working with increased in the last year or so? And also can you tell me what's happening with the joint ventures you were working on.

Hon. Mr. Sonntag: — The number of clients, I'm advised, would be similar but the actual revenue, the dollar amount, will actually have gone up from industry, from the federal and from the federal government. The only joint venture that I'm aware of is with Bova-Can. It's a strong productive partnership in which the partnership is a 50/50 split.

Ms. Draude: — Mr. Minister, can you tell what the SRC's relationship with PAMI (Prairie Agricultural Machinery

Institute) is now?

Hon. Mr. Sonntag: — Apparently at one time we used to manage them but there's no relationship with PAMI right now other than we occasionally keep in contact with them.

Ms. Draude: — Mr. Minister, can you tell me what the dollar amount of assets are now by the SRC and how it's changed from last year?

Hon. Mr. Sonntag: — The total assets are, to the end of 2000, just over 11 million and that would be up about just roughly 1 million from last year.

Ms. Draude: — Mr. Minister, when you started our discussion this evening you talked about money, the \$10,000 I believe that was given to post-secondary institutions. Can you give me an idea of what . . . of how this money is spent and how the determination is made on who will receive it?

Hon. Mr. Sonntag: — The funding comes through the Technology in Action Fund. These are obviously grants for . . . or goes to scholarships. The institutions are the ones that recommend the candidates and it's the director of business development that does the final approval, I guess. But the scholarships are recommended by the different institutions, and those institutions are largely the universities and technical schools . . . (inaudible interjection) . . . or FSIN (Federation of Saskatchewan Indian Nations) I should say. And also the projects are all technology-based projects here in Saskatchewan.

The Deputy Chair: — Order, order. Why is the member from Regina Qu'Appelle Valley on his feet?

Mr. Wartman: — To help out friends, thank you.

The Deputy Chair: — Thank you.

Ms. Draude: — Thank you, Mr. Deputy Chair. Mr. Minister, can you tell me how many of these \$10,000 grants were given out last year?

Hon. Mr. Sonntag: — This is the first year there have not been any given out yet and we're just determining how that \$10,000 will be split up for the awarding of the scholarships.

Ms. Draude: — Thank you, Mr. Minister. Then I guess one of your objectives right now will be to let the institutions know that it's available so they can make the determination on who will receive it. This is always exciting news for post-secondary institutions because they're always looking for money for their students and I'm sure it'll be well received.

Also, Mr. Minister, a year or so ago, the SRC had determined that there was probably other projects around the province that were worth investing in or worth helping to improve and many times people weren't even aware of the good work of the SRC. Are you doing any work to make sure that businesses around the province are aware of what is available through the research council?

Hon. Mr. Sonntag: — To the member, we work very closely with small- and medium-sized businesses here in

Saskatchewan. There's many strong partnerships that have been developed and we continue to try and grow those.

We are also working to try to improve and enhance our presence in the province through, I guess I would describe them as more aggressive forms of media release . . . in the form, I should say, of media releases, public events, just generally trying to raise the profile of the Saskatchewan Research Council so that small businesses and medium-sized businesses are aware of what the Saskatchewan Research Council has to offer here in Saskatchewan.

Ms. Draude: — Mr. Minister, the previous board members had expertise in various fields and I'm aware that the interim board, at least, was interested mostly in the PTRC. I'm wondering if your . . . the new board members will have expertise in different fields, and also what the relationship is with the PTRC at this time?

Hon. Mr. Sonntag: — The new board has a very wide range . . . or broad range of skills, I should say. We're obviously looking to add more people, as I've just described, with even a broader sectoral representation.

You asked about the relationship with the PTRC. We worked to continue to build a stronger relationship with the PTRC. In my estimation, that relationship is growing and developing. We see it as integral here in Saskatchewan that the PTRC remains strong and viable and I think our relationship with them is obviously critical to that development and therefore we want to continue to ensure that that relationship does grow.

And I'm repeating myself a little bit but from my vantage point, if you will, not intimately involved with this, we clearly see that that relationship has been flourishing.

Ms. Draude: — Mr. Minister, I would imagine that since this was one of the contentious issues with the firing of the last board that the relationship with the PTRC should be growing.

Mr. Minister, there are three areas that I'm just going to ask you to briefly outline the status of around the province. I know that at one time the Research Council was very involved in the work with diamond drilling, and I know that there is a lot of interest in the North right now with the potential for billions of dollars worth of diamonds, and I'm wondering if the companies there are working with the SRC?

And also the concern with water in the province. I know also that the SRC is working with some of the water problems around the province, and what is happening on that front as well?

Hon. Mr. Sonntag: — With respect to diamond drilling, our geological labs, I am advised, are amongst the leading-edge assessment labs in North America and in fact provide some of the most . . . we do most of the research with respect to diamonds in Canada and they're recognized as having some of the best labs in Canada with respect to diamonds.

On the issue of water, we continue to provide obviously water testing on a fully cost-recovery basis. And you may or may not be aware that the Saskatchewan Research Council was

involved, along with the Department of Environment and Saskatchewan Water, in the water framework, in the development of the water framework strategy.

Ms. Draude: — Thank you, Mr. Minister. I wasn't aware that they were involved with SERM (Saskatchewan Environment and Resource Management) and working on the framework strategy for the water problem in the province.

Mr. Minister, I think that you're probably aware that I have a lot of faith in the Research Council, that I was very much in favour of all the good work you are doing. And it was a disappointment not only to me, but to many people in the province, when there was a problem with the board and the CEO that happened last year.

I guess I am pleased that there doesn't seem to have had a negative effect on the SRC because with all the good work the board and the employees have done over the years, it would be terrible to have that all brought to an end because of some action by a minister or whatever did happen at this time.

So, Mr. Minister, I have just one question left before I turn it back to my colleague. I know that there used to be a lot of work done with IRAP (Industrial Research Assistance Program), through the Research Council, making sure that any grants that could be available for your clients would be referred to them. I'm wondering if the SRC is still doing that.

Hon. Mr. Sonntag: — We still deliver the IRAP program on a contractual basis and we're in discussion with the National Research Council as it's going through transition — it was their decision, by the way — to determine how we will continue to deliver that program, whether it be through the Saskatchewan Research Council or directly through the National Research Council itself.

Mr. Wakefield: — Thank you, Mr. Deputy Chair and Mr. Minister. I just have one quick question to finish up here. And there's been . . . I'm puzzling over this pension thing. And I just wished . . . if you could give me some assistance here.

I notice that the pension fund . . . there's an increase in the surplus in the pension fund, rather substantively from '99 to 2000; about a half a million dollars difference. I have trouble understanding that increase. And the terms that I see on the explanatory pages 32, part of the fund is a defined benefit plan and part of the plan after 1991 is a defined contributory, contribution plan.

I guess I'm wondering if one of those is an unfunded pension that we've referred to earlier with other estimates.

Hon. Mr. Sonntag: — If I understand your — if the member from Lloydminster — his question correctly, the defined contribution plan is the new plan as we would describe. And it's fully funded. And the defined benefit plan is the old plan with . . . it's the one that has the surplus in that I referred to earlier. It is also fully funded.

Mr. Wakefield: — Thank you, Mr. Minister. There's no, there's no unfunded pension liability that the government has to pick up on that, then I understand.

And I wondered why the discrepancy from 1999 to 2000 in the surplus in the pension plan. I'm referring to page 36 of the annual report under the note no. 13.

Hon. Mr. Sonntag: — I think better for clarification I would refer you to page 32. And page 32 in fact is a slight reduction in the pension surplus, and in fact that is attributable to the enhancement of the old defined benefit plan.

Mr. Wakefield: — I'm going to ask the minister, in the echoes of that; did you complete your answer?

Hon. Mr. Sonntag: — Let me try that again.

I would refer you to page 32 actually for clarification. You will note on the very bottom the numbers, the comparisons from 1999 to 2000, there's an actual reduction from just over a million dollars to 766,000. That is as a result of a pension enhancement to the defined benefit plan or the old plan, as I would describe it.

Mr. Wakefield: — Thank you, Mr. Minister and Mr. Deputy Chair. I wish through the minister to thank your officials. I don't have any further questions at this time.

We would appreciate a copy of the globals as you had promised and I would request that you ask for progress and we'll continue on.

Hon. Mr. Sonntag: — Thank you, Mr. Chair, and thank the members for their very good questions. I thank you for reminding me as well. I wish to table the globals and I do apologize for the misunderstanding. I was of the view that you had the globals. I would like to table those if I could.

Given that then, I would also take the opportunity while I'm on my feet to report progress and ask for leave to sit again . . . (inaudible interjection) . . . No? Report progress. Thank you for the correction.

General Revenue Fund Education Vote 5

Subvote (ED01)

The Deputy Chair: — I'll ask the minister to introduce his officials.

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair. To my immediate right is Craig Dotson, deputy minister of education, and to his right is Don Sangster, executive director, school finance, and to his right is Gerry Sing Chin, grants manager, school finance. To my immediate left is Michael Littlewood, executive director, legislation and school administration. Directly behind me is the associate deputy minister, Ken Horsman, and beside him is Frances Bast, director of finance and administration, corporate services. And at the back of the room we've got John McLaughlin, executive director, teachers' superannuation commission, and Cal Kirby, director of facilities planning. That is the group this evening.

Ms. Draude: — Thank you, Mr. Deputy Chair. Welcome, Mr.

Minister, welcome to your officials. Mr. Minister, on June 6 we had a short session and discussed some issues that some of my colleagues were interested in, and tonight I have some questions that are pretty well jumping all over the page. So I'd like to start by asking how many people the Department of Education has added to their staff in the last year.

Hon. Mr. Melnychuk: — Mr. Chair, there was an increase of 16.6 full-time equivalents within the department, an increase of 5.8 per cent.

(21:45)

Ms. Draude: — Mr. Minister, can you tell me what the cost was of the additional staff?

Hon. Mr. Melnychuk: — Mr. Chair, I don't have the exact breakdown in terms of cost. We can get that to her though. Certainly, I can give the breakdown in terms of the overall changes in FTE's. Nine of these new full-time equivalents were with regard to student diversity, which is community education and aboriginal education. There were six new FTEs for the e-Learning resource. They were two additional FTEs for information technology, and there was one additional FTE for early childhood development. There was also a transfer out of the department to post-secondary education and skills training as a result of the implementation of the shared services split which amounted to 1.4, and that's what we arrived at in terms of the overall increase of 16.6. So there was an increase of 18 overall and then a loss of 1.4 over to post-secondary education.

Ms. Draude: — Thank you, Mr. Minister. And I apologize for not thanking you for the globals I received just when you came in. We appreciate and we're going through the information we've received right now.

Mr. Minister, given the shortage of teachers and the aggressive recruitments of other provinces, I am wondering what initiatives your government is taking to ensure that Saskatchewan can compete with the other provinces in attracting and recruiting and maintaining their teachers. I'm aware that . . . I believe there's a \$1 million fund that has been set up in order to recruit teachers, and can you give us the status of your work in that area?

Hon. Mr. Melnychuk: — Mr. Chair, certainly she is correct with regard to the one million allocation with regard to new initiatives in recruitment and retention. And we have notified the chairpersons of all boards of education in the province of Saskatchewan and what we're talking about in terms of year one of the teacher recruitment and retention initiative is primarily a pilot year. And the funding will be directed towards developing support systems in northern Saskatchewan, projects arising from work done by the inter-organizational committee on the recruitment and retention of school-based administrators, teacher education in certain specified areas, funding to school boards to provide bursaries to teachers for further teacher education and for professional education in shared services areas, and also funding to school boards to provide bursaries to education students who have a major in mathematics, physics, chemistry, technology, practical and applied arts, Aboriginal education including native studies and language, and special needs.

So that basically is the program and it covers several areas where the department has identified particular shortages, and enhances areas with regard to Aboriginal and special needs education as well.

Ms. Draude: — Thank you, Mr. Minister. The bursaries to students that are being trained in specific areas that there's a shortage of teachers is interesting. I'm wondering if you can give me an idea of how much money is spent on that area, and if it means that these students are going to be asked to stay in the province if they receive this bursary?

Hon. Mr. Melnychuk: — Mr. Chair, I can't give the member opposite a concrete number in terms of allocation specifically for bursaries. It'll depend on the number of applications that come forward with regard to the various school divisions who are hiring new teachers or potentially new teachers for the future. However I can indicate to the member opposite that for these bursaries that in all cases there is a return for service involved.

Ms. Draude: — Mr. Chair, I have been contacted by a number of school boards who are concerned about the policy on urban bussing. And the problem is usually that there's no consistency amongst different school divisions. In some school divisions it's over 800 metres and in some it's over 1,200.

Can you give me an idea if your department is determining if they're going to make a stand on this and make this a consistent policy across the province, or if it's something you're leaving directly in the hands of each school board?

Hon. Mr. Melnychuk: — Mr. Chair, the policy of the department is to have recognized assistance with regard to transportation for primary school students to the point that any student that is greater than four kilometres will . . . that school division will be provided assistance to provide for that transportation. We don't have any similar policies with regard to secondary schools.

And I think I'd mentioned this the last time we were in estimates with regard to the policy, for example, in a large, urban school division where access . . . there are no boundaries between schools. So that certainly any student can attend any high school, for example, in Saskatoon and it has not been a policy to provide transportation funding for the transportation of those students in the secondary school level.

Ms. Draude: — Thank you, Mr. Minister. I'm aware that there has been no . . . there's no costs provider . . . no funding provided for high school students, but the concern was for elementary school students, that there was no consistency. And I was asking if your department was determining if there should be some area where a school division could bank on receiving funding.

Now I know you said that anything over four kilometres they would receive funding, but there still is a variance among school divisions. Have you heard this concern? Is it something that's brought to your office often?

Hon. Mr. Melnychuk: — Certainly, Mr. Chair, the provincial policy is consistent with regard to the four kilometre rule. There

are some minor variations, for example, in that distance. For example, if there was a major highway that was blocking the obvious transportation and required a further route. And also there is a choice involved by school divisions if they wish to enhance their transportation initiatives, then certainly that was within their purview to do that.

But the policy of the department — which has been recently checked as recently as a week ago by all regional directors — is that the policy by the department is applied consistently throughout the province.

Ms. Draude: — Mr. Minister, there was an article in the Saskatoon paper awhile back talking about French enrolment decline. And the first sentence says, as French immersion enrolment numbers continue to dwindle province wide, administrators from the city's two school divisions say that the program's days could be numbered. And yet at the same time I notice in the estimates that there has been an increase in the official minority language office. Could you explain this to me?

Hon. Mr. Melenchuk: — Certainly the member opposite's question was specific with regard to French immersion, but we also recognize that the department of OML (official minority language) is basically one that also deals with French immersion, core French programs, and the francophone community.

And there has been increases within the francophone division even though there may be some decreases in French immersion. It's necessary to look at the global picture in terms of core French, French immersion, and the francophone boards themselves. And that's why there was an increase with regard to the funding on the minority languages office.

Ms. Draude: — Thank you, Mr. Minister. Mr. Minister, I notice also in the budget there is money now available for early childhood development.

When the budget was released in March, we noted that there was a joint news release from the federal government talking about funding that was going to be coming from the federal government for early childhood development. And when I looked through the budget book I found it was divided between education, social services, and health care.

Now I understand that there is probably different areas that need the funding, but at the same time I know that some of the early childhood development offices are wondering if they're going to be getting more money and how the money is going to be broke down, do they have to apply for it? Could you give me some idea on what's happening in this issue?

Hon. Mr. Melenchuk: — Mr. Chair, certainly we're quite proud of the initiative in early childhood development and the co-operation between the three departments — Education, Social Services, and health care.

As indicated, the allocation for the Department of Education is part of the \$10 million that have been allocated totally for early childhood development this year. And we're looking at a total of roughly \$73 million over five years with regard to this program.

With regard to community groups who may be interested in participating in the early childhood development programs, the coordinator is within the Department of Health and the Department of Health does serve as the coordination of the early childhood development program. So that's where the contact would be made.

Ms. Draude: — Mr. Minister, I would imagine then your department is trying to get information to the various school boards to let them know that there is . . . that there could be money available for this program. And I'm sure that there'll be many of them looking forward to it.

Mr. Minister, one of the big issues that many school boards talk to me about is integration of services and the fact that there is a lot of duplication and there is a need to be able to work between government departments, mostly Health, Social Services, Justice, and Education.

(22:00)

I also know that a resolution that has been brought forward by the SSTA (Saskatchewan School Trustees Association) and STF (Saskatchewan Teachers' Federation) to ensure that your government starts working on this issue. The Role of the School is in some ways trying to deal with this issue but I'm wondering what steps you are putting forward to make sure that this real obstacle is being overcome when it comes to the problems the school boards are having to try and mostly get information about a student from various departments and ensure that we're looking at the children's needs and not the department's needs when it comes to spending money?

Hon. Mr. Melenchuk: — Certainly, Mr. Chair, the point made by the member opposite is well taken and certainly it is the philosophy of this government to look and accept the recommendations from the Role of the School Task Force and to take those recommendations very seriously.

When we talk about the School^{PLUS} environment and integrated school link services, it talks exactly to the question raised by the member opposite. When we refer to the co-operation and the information transfer between school boards, the Department of Education, Social Services, Justice, and health boards, we have models in existence now where that co-operation has developed and protocols have developed. And certainly I've talked in the past about the example of Nutana Collegiate and of course Scott here in Regina as well. So the point is well taken.

That is the philosophy. We are moving. We have developed protocols but we're not at that end point in terms of how this information with regard to children, especially at-risk children, are transferred between these various departments. But the process has improved dramatically over the past several years and it certainly is an objective and a goal as itemized by the Role of the School Task Force that we improve the information transfer to create that School^{PLUS} environment where we truly do have integrated services that are school linked.

Ms. Draude: — Thank you, Mr. Minister, and Mr. Deputy Chair. I know that many of the school boards that I've talked to are frustrated with the protocol that's there because it seems to be meetings and chatting but nothing really is coming of it yet.

I want to talk to you about the Role of the School, but there are some specific areas and one of them is the Wakaw School Division. They've asked about the community school that's in St. Louis, and I believe there is one at this time in the town of St. Louis. I'll ask you that question: is there a community school in the town of St. Louis?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, it is my understanding that there isn't a community school designation with regard to St. Louis in the Wakaw School Division. But it is also my understanding that there is a community education project through IMED (Indian and Métis Education Development Program) at that particular location.

Ms. Draude: — I apologize, Mr. Minister. I received some information from a colleague who just asked me to ask the question.

The Wakaw School Division is frustrated because they have a number of foster students that are going to school in St. Louis, but the fact that the foster children are often transient and they aren't at school maybe at September 30, the time for designation of students at a community school, there is not the funding available for them.

It is an issue that is of great concern to the school board because I think we're all aware of the benefits of being in the atmosphere of a community school. Is this an issue that you've been hearing about in your department?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, the member opposite really does identify an area that has been an area of frustration for school boards as well as the department. Oftentimes we see foster children arrive in communities out of sync with the school year, so they may come in mid-year or late in the year, obviously past the time of the budgeting cycle where there hasn't been grant recognition. And this is one of the areas that the Role of the School Task Force and those integrated school link services will provide those enhancements. And certainly it is a very good point and we are looking at this very seriously.

Ms. Draude: — Mr. Minister, could you explain to me what the difference is between a community school and the facility that is available in St. Louis at this time.

Hon. Mr. Melenchuk: — Mr. Deputy Chair, with regard to a community school designation within a school division, it is based on very definite criteria and it's demographic criteria. Areas for example — core neighbourhoods in Regina, Saskatoon — where they have high unemployment rate, higher welfare rates, those sorts of things that that then would qualify for them for the special recognition as a community school.

Where we have specific projects as the one referred to in St. Louis, which is an IMED project, this is very specific. This is the Indian and Métis Education Development. And just to give the member opposite some idea with regard to some of these projects that would qualify as community development or integrated services programming, for example in region 1, in Potashville, school counselling liaison program amount approved was 45,000. In Yorkton, amongst the school divisions there, there was a community education project where each of

the three school divisions received 40,000 in recognition.

Alternative high schools in Weyburn and Weyburn Central for example are part of the region 1 totals. In region 2 for example, the Red Coat Trail, Borderland, and Golden Plains, there's a community school based family support worker program with approved amount of funding of \$54,250. In region 3 just as an example, Buffalo Plains and Cupar School Division there's recognition for an early childhood behaviour specialist to the tune of 40,000.

So those are examples of integrated service programs that are project specific to a particular community where that community would not qualify as a community school in terms of the demographic and the clear criteria that are identified through community school initiatives.

Ms. Draude: — Thank you, Mr. Minister. Specifically when it comes to students that are foster students and are moved from one school to another, I would think that in a lot of cases they would start school in one town and be considered eligible under funding through the community school. If they move from that school then does the school lose that funding or does the school continue to receive funding even though the student may have moved on?

Hon. Mr. Melenchuk: — Certainly, Mr. Deputy Chair, with regard to the budgeting cycle and how the grants on the operating side are provided to school division, they're really based on the enrolments as of September 30 in any given year. So if there is movement in or out of a school division, there's really no way in the budget cycle to recognize that at this point.

So certainly, it's a very good question and I don't know if there is a better way of trying to deal with that situation. Certainly if a school division had a massive influx of foster children then they could make application with regard to some of these special projects that are available.

We don't, we haven't been seeing a lot of that or a lot of requests with regards to this particular issue, and recognizing that there are 99 school divisions and 185 . . . 190,000 students enrolled in the province of Saskatchewan, that there will be transfers in and out of every school division at some point in time during the school year.

Ms. Draude: — Mr. Minister, I would like to talk for a minute about CommunityNet. I know that there is \$33.7 million increase in the budget this year, and \$3.7 million of it been set aside for CommunityNet.

I'm wondering if there is more employees required because of it, and how long it will take to implement CommunityNet? And over and above the \$3.7 million the department has set aside, will the school divisions be required to pay to top up this amount within this fiscal year?

(22:15)

Hon. Mr. Melenchuk: — Mr. Deputy Chair, first off there is no incremental staff required with regard to the CommunityNet. The 3.7 million is the total amount. There is no extra charges to school division. And in fact as of April 1 of this year, all school

divisions, their charges for their high-speed Internet was eliminated, which is a saving to school divisions to the tune of 1 to \$1.5 million. So they are not paying any charges now with regard to their Internet access.

The CommunityNet is a three-year rollout which has begun this month and will continue over the next three years. The rollout has been identified in terms of an announcement made about approximately three weeks ago into the communities that will be receiving CommunityNet first and the high-speed Internet access that they will receive.

And in addition to the 3.7 million, the department is providing \$2 million per year for the next three years as part of the Centenary Capital Fund for in-school distribution and connectivity at that level.

And also as the final piece of the package, the e-learning resource is maintained within the department. And I think I've mentioned that part of the increase in the full-time equivalence will be related to the enhanced e-learning resource within the department.

Ms. Draude: — Mr. Minister, when we talk about integrated services we normally talk about the health care, education, social services, and justice. But one area that I think is missing in here is economic development.

And when I talked to a number of school divisions about the fact that CommunityNet was coming into the smaller towns — and I'm going to use Annaheim as the example — the businesses in town were saying yes, we're going to have this high-speed Internet in town. We'll be wired within the school. It should make it readily accessible for some of the businesses. They were very disappointed to find out that it's not going to be there for them. Now I know that integrating services and making sure that the economy works and works within different departments is supposedly an important issue for your coalition government.

Have you talked about this? Is this something that you can see would be able to be working within the business sector as well since the initial costs will already be made by bringing it into the school?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, recognizing that CommunityNet has the involvement of many groups, and when we made the announcement the Minister Responsible for the Information Highway, the minister responsible for SaskTel, when we talk about that involvement to the partnership involved with providing CommunityNet to schools, to regional colleges, to libraries. I mean this is all very important. But SaskTel is the operator of the infrastructure, and of course this enhancement to communities throughout the province of Saskatchewan will have an impact on the business community and SaskTel is assessing these commercial aspects as the roll out occurs, and I would suspect that this will provide for enhancement for these businesses in rural Saskatchewan particularly.

Ms. Draude: — I'm sure the minister is doing everything he can to push this issue with SaskTel at this time. Mr. Minister, I have a number of questions that I wanted to ask you for the

school boards, the issues that they have been dealing with for a number of years. And I'm going to start with the problem that they have with permanent residents who reside within provincial parks paying property tax. Is this an issue that you're looking at?

Hon. Mr. Melenchuk: — Certainly, Mr. Chair, there are issues that have been brought forward with regard to this. The department has had discussions with the department of SERM on this issue. They are reviewing the policies with regard to permanent residence within provincial parks as well as seasonal residence.

Some of the issues that have come forward, for example, in terms of resolving some of these issues, for example, is that many of the properties within these provincial parks have never been assessed so it's difficult to determine where they would fit in. But this is an area that the department is having discussions with the department of SERM and hopefully we'll have a resolution on these issues.

Ms. Draude: — Mr. Deputy Chair, and Mr. Minister, one of the issues that I'm sure that you are hearing about frequently, because I do, is one on fetal alcohol syndrome and the fact that we have many, many children — too many children — in this province born with this effect.

I know that SSTA has brought forward a resolution or a recommendation that labels be placed on alcohol containers talking about the dangers of drinking . . . that drinking would have on an unborn child.

I know that the government, the NDP government, four years ago brought forward the recommendation for signage within liquor establishments talking about the harm to fetuses. And I'm wondering if your government and your department is urging the government to make changes that there could be additional education and information available on this issue.

Hon. Mr. Melenchuk: — Certainly, Mr. Deputy Chair, when we look at the programs announced with regard to early childhood development and the \$73 million that will be applied over the next five years, that the approach is to look at a continuum from the time of conception to the time of starting kindergarten. And so the initiatives are provided to cover the high-risk communities, which would involve education, which would involve community outreach.

We recognize that fetal alcohol syndrome, fetal alcohol effect, and alcohol-related disorders have a huge impact on society. Fetal alcohol syndrome, for example, it is estimated anywhere from 1 to 3 per 1,000 births. When you factor in fetal alcohol effect that bumps it up again.

And when you look at all of the alcohol-related disorders that could have an impact on children, it may be as high as 9 or 10 per 1,000 births. And when you look at the actual impact on society in terms of resources required to deal with the damage done by alcohol in developing children, then certainly it is very much preferential and certainly the direction of this government that we get into education and prevention as much as possible.

And these early childhood development processes are currently

being developed. They are coordinated through the Department of Health. That is where the coordinator is located and there has to be involvement of numerous departments as well as community groups if we really are to get a real good handle on this issue and have an impact on society.

Ms. Draude: — Mr. Minister, I know that your professional background gives you information on fetal alcohol syndrome but I believe some of the latest figures shows that between FAS (fetal alcohol syndrome) and FAE (fetal alcohol effects), the figures are actually much, much higher than 9 or 10 out of 1,000. It could be, especially when you take into consideration the Aboriginal population. So I think that anything that we can be doing, whether it is through the Department of Health or the Department of Education, is very important and you should be, though your department, pushing it because as the department that's dealing with all children, especially now with early childhood development, the issue is in your hands.

Mr. Minister, the . . . one of the issues that we saw last year when, with the potential strike with the teachers was the concern in the government trustee bargaining committee with the structure with 5 and 4, or an equal number . . . not an equal number of representatives. Is your department looking at changing that number so there is equal representation?

Hon. Mr. Melnychuk: — Certainly the collective bargaining process, Mr. Deputy Chair, that has developed in the province of Saskatchewan, goes back to the early 1970s. And if we look at the track record in terms of collective bargaining between the Department of Education, the School Trustees Association, and the Teachers' Federation that has developed over the past 30 years or so, I would think that the last go-around is one of the most successful we have seen, where all three parties signed the agreement — consensus was reached. I think you'd be hard pressed to find a better model anywhere in North America in terms of the track record over the past 30 years.

There was some toying with the protocol agreement that was rejected by the Saskatchewan Teachers' Federation, and I think that if there were to be a new model developed that we would need to have consensus amongst the three groups involved. And certainly we haven't found a better arrangement at this point in time, but obviously if something came forward that would be considered an improvement in how collective bargaining is done in the province of Saskatchewan, the department would be willing to look at that.

Ms. Draude: — Mr. Minister, I dare to suggest we don't have the consensus right now on the bargaining.

Mr. Minister, could you explain how your department could spend \$1,192,169.89 on travel in-province last year and an out-of-province of \$128,876.96?

(22:30)

Hon. Mr. Melnychuk: — Certainly, Mr. Deputy Chair, when we look at in-province travel we have to recognize that Saskatchewan has 99 school divisions, it has 7 regions. There are regional directors, there are special education coordinators, there are facility planners within these region, and they travel to schools. We're close to 800 schools in the province of

Saskatchewan — 99 school divisions, 7 regional offices — and that's where that travel occurs; most of it of course in rural Saskatchewan. And that's to meet the needs and their mandate for service delivery in the province.

With regard to out-of-province travel, certainly this would be . . . primarily, we're looking at well over 300, roughly 300 full-time equivalents within the department. We're looking at staff that will attend professional development seminars in other jurisdictions. And if you look at that overall — and we certainly have the breakdown in terms of each staff person within the Department of Education — but most of these would be involved in travelling to participate in seminars, professional development experiences of that nature.

Ms. Draude: — Thank you, Mr. Minister. Could you tell me, is this number up or down from last year . . . the number for travel?

Hon. Mr. Melnychuk: — We don't have the numbers for the previous year available at this time, but we can get that information and provide it to the member opposite.

Ms. Draude: — Thank you, Mr. Minister. The issue of school bus safety is something that school divisions and teachers and parents right across the province are concerned about all the time. I know that there has been recommendations for additional signage and material to ensure that buses are visible and that children are safe while they're on the bus. Has your department looked at changing any of the signage or any of the information around school bus for additional safety?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, SGI (Saskatchewan Government Insurance) is the regulator for all public service vehicles. And it is my understanding that the Saskatchewan School Trustees Association has had correspondence with SGI on behalf of all school divisions with regard to these safety issues. And that they are working on policies for example, with regard to signage, with regard to empty buses for example. But there is the discussion occurring and methods in terms of how we can improve the safety around school buses.

Ms. Draude: — Thank you, Mr. Minister. I know that also there has been a request to your government to introduce legislation regarding campaign spending limits, which are reasonable, and election financing and expenditure reporting mechanism. Could you tell me what the status of this request is?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, it's my understanding that there has been some discussion with regard to how campaign spending and spending limits are to be determined.

The legislation that covers school boards is the same legislation that covers urban municipalities. And there has been discussion between the School Trustees Association and the department and also Municipal Affairs in terms of how this should be included or worked on.

But it is my understanding that if . . . as these discussions move along, that school trustees and the School Trustees Association will be involved and whatever policy is developed that there

will be recognition and certainly consensus from the groups involved.

The Deputy Chair: — It now being past 10:30, the committee will rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 22:38.