



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Mr. D.F. (Yogi) Huyghebaert, Chair
Wood River

Mr. Ron Harper, Deputy Chair
Regina Northeast

Mr. Darcy Furber
Prince Albert Northcote

Mr. Jeremy Harrison
Meadow Lake

Mr. Warren Michelson
Moose Jaw North

Ms. Laura Ross
Regina Qu'Appelle Valley

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 15:00.]

**General Revenue Fund
Highways and Infrastructure
Vote 16**

Subvote (HI01)

The Chair: — It now being 3 o'clock we'll call the meeting to order for start of business. This afternoon we have two substitution forms. I have Mr. Allchurch substituting for Mr. Michelson and I also have Mr. Taylor substituting for Mr. Furber.

I'd like to welcome the minister and officials. And I'd ask the minister once again if he'd introduce his officials and if he has any further opening remarks.

Hon. Mr. Elhard: — Thank you, Mr. Chairman. It's a pleasure to be here again today to handle questions from the committee members on the 19 . . . I'm sorry, the 2008-09 budget. I've lost a decade. I don't know if it's a function of age or what it is exactly. But we're in the 2000s and we're happy to be here today.

I have with me, to my right, our deputy minister, Mr. John Law. And to my left is assistant deputy director, Ted Stobbs. He's the ADM [assistant deputy minister] for corporate services for the ministry. And behind me to my left is Terry Schmidt. Terry is the assistant deputy minister of the operations division. Behind me to my right is Tim Kealey, director of corporate support branch. And immediately behind me is George Stamatinos. He is our assistant deputy minister for policy and programs.

And, Mr. Chairman, I don't have an opening statement today. I think that we covered most of the bases in our initial statement in our previous meeting. But I would like to provide the committee a written response to the questions that were asked in the last time that we met regarding the number of kilometres of repaving that had been done in the years 2004-05, year 2005-06, year 2006-07. And I would submit those for the committee's use and distribution at this time.

The Chair: — Thank you, Mr. Minister. And just a reminder to members, what we're considering here is consideration of 2008-2009 estimates for vote 16, 17, and 145 — Highways and Infrastructure. Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair. And I would add my words of welcome to the minister and his officials. The first part of this process I will turn the floor over to my colleague, Mr. Taylor, as he has some questions he wishes to ask.

The Chair: — Mr. Taylor.

Mr. Taylor: — Thank you very much, Mr. Chair, and Mr. Harper. I appreciate the opportunity to ask some questions. And I add my welcome to the minister and his officials. I've had a number of years of experience with the majority of the officials around the minister and I want to ensure that the minister knows I have full confidence in his officials. It's a strong team. I think they have the interests of the province at heart, and I think he

will get good advice for my tough questions this afternoon.

First and foremost, just has to do with the release of the priorities for the next two years. Can the minister outline the criteria that was used to develop the list of priorities for the coming year and the year following?

Hon. Mr. Elhard: — Thank you for the question. Mr. Chair, the discussion around the release of the first two years of priorities was fairly extensive in the previous session that we gathered here. I would think that I probably focused my comments first and foremost on the first year because we didn't have a lot of time to do what we might have done in its entirety before we had to start releasing tenders for the upcoming construction season. So there was motivation to get moving fairly quickly, and as a consequence we identified projects that we knew met certain criteria in terms of economic advantage.

We identified — oh, I'm guessing now and I can name them probably individually — but we identified about eight or ten projects in rural areas that we thought would meet the substantive economic argument that we had been making for the approach we were going to take as a mechanism to identify the highways and where we would spend our money.

Then we also indicated about eight or so urban-related projects that we felt absolutely had to be moved on. The necessity of getting started was critical. We were able to confirm that the other parties that might be partners to the projects were anxious to see us move forward, and having accomplished that, we identified those projects.

Now I can identify them again specifically for the member if he'd like, but you know we . . . Here was part of the problem. We knew what we wanted to do. We knew what we wanted to establish pretty much as criteria for focusing our attention on the most strategic investments, but given the time constraints and given the urgency in terms of nailing down contractor capacity and getting the tenders out in a timely manner and getting a response that would suit us in terms of sort of the time frame, we felt we had to deliver very quick, specific projects to the first year.

In terms of the second year, we've been a little more deliberate about that and we can, I think we can justify pretty well on the terms of the basis on which we are establishing criteria, the projects that we have identified for year 2. In some instances I'd like to assure the member that year 2 will see sort of the ongoing development of projects that we start. Not all projects will be started and ended in this year. Some are going to have a lifespan of two and three years, so the year 2 projects, in many instances, were a continuation of what we are beginning in year 1.

And I think of the Lewvan interchange project as one of the most specific examples I can identify. This year we knew that we wanted to get the engineering work done, the pre-design, the design, and then all the work associated with putting the tender together. That was pretty much what we would do this year. Then we would move into construction tenders for year 2 and completion of work would probably be accomplished in year 3. So the year 2 outline was in many ways a continuation of

projects we identified in year 1.

Mr. Taylor: — I thank the minister for his answers. I wanted to get a bit of a background before I asked my second, third question. The minister will obviously be aware of using that criteria or virtually any other with the dollars that are available. There are as many communities who are not on the list for year 1 and year 2 as there are on the list for year 1 and year 2. In other words, there are a number of communities that have projects, have been in consultation with the ministry and the officials, and they have not been given the opportunity to know where they stand, other than that there will be work in year 3 and in year 4 and in the future.

One of those communities, of course, is in my constituency, The Battlefords, and in particular a project in the town of Battleford, work around Highway 4 through the town of Battleford and connections to Highway 16, the Yellowhead Highway. With the announcement of priorities for year 1 and year 2, the mayor has expressed significant disappointment that this strategic initiative requiring strategic investment is most important to the town of Battleford. Can the minister outline the status of that project in terms of what he and the officials know about that project, and give us some idea as to what perhaps it did not meet in the criteria for year 1 and year 2? So my question is, the project through the town of Battleford: what is the status of that project?

Hon. Mr. Elhard: — Well I'd like to thank the member for his question. And I want to assure him and his mayor and his council that our meeting, when we were able to get it together — I think it was during the SUMA [Saskatchewan Urban Municipalities Association] convention — I found the project and the arguments pretty compelling and the presentation was really quite persuasive.

And I know that the community is very anxious to see some work done on the twinning of the highway through the North Battleford and Battleford — I guess it's the actual Battleford part of the highway there. And the argument was made that they had some development potential that was very interested in locating there, but there was seemingly a concern that if the road wasn't twinned, that that development might not happen.

Now I wouldn't say that I didn't discount that argument at all because, you know, I know that there are circumstances and situations around the province where development seems to be completely dovetailed into, or is desired, based on certain infrastructure being put in place.

But I was faced with a situation where we really had to carefully compare that particular project with some of other ones that were really pressing right now. And I would say that we had a situation in Yorkton where there are two canola crushing plants in the process of being constructed that demanded our immediate attention, and that there were some other projects that really required immediate attention because of increased traffic volumes or they were the final step in completing a total corridor.

But I would suggest to the member that there is always going to be competing interests for the money that we have available to us. And even though this year's budget was the largest ever in

the history of the province, I found that it's nowhere near adequate to meet all the demands.

So we had to come up with a system by which we could effectively prioritize our expenditures. And I wanted to take the small "p" politics out of a lot of this. I wanted to come up with a fairly clear set of criteria on which we evaluated each and every project, so that the projects would be driven by economics first off, and then secondly safety, and thirdly socio-economic criteria.

And we have not got far enough into that process to identify each and every one of those projects. And that's why you haven't heard from us what our year 3, 4, and 5 projects will be because there is that ongoing need to use our criteria to make that evaluation. And as the member can appreciate, it's a huge task that we're undertaking here when we talk about evaluating every highway in the province and every special project on the basis of these criteria.

So the rollout for years 3, 4, and 5 has been put back a little ways because of the size of the task and the immensity of the expenditures that are awaiting our attention. The situation, I guess, is maybe something in more detail should be better described by Mr. Stamatinos because he's been working very carefully on this undertaking. And it might be best if I had him kind of elaborate the process under which we're taking these decisions and where we're at in the structure of year 3, 4, and 5 projects.

But I want to assure the member that just because he hasn't seen it on year 1 or 2 doesn't mean we aren't considering it. And whether the prospect is for year 3 or year 4, whether there are important economic arguments that might be made that would move that project ahead a bit or not remains to be seen as a result of the analysis that the ministry's undertaking.

Mr. Stamatinos, maybe you could discuss in more detail your approach.

Mr. Stamatinos: — Thank you, Minister, and Mr. Chair. The analysis we've been undertaking will consider the criteria that the minister had just a moment ago presented to you. It will look at five specific pieces of information in helping us to determine first of all the plan, the five-year plan, as well as how they may be ranked.

The criteria are first really the contribution to the economy, which is probably the most heavily weighted piece of the frame. The second piece is determination of the function of the road: how it serves the health care needs of the region, the communities that are in that region, education, how it connects some significant industries, things of that nature.

The third piece looks more specifically at safety. The quality of the surface is important as well as how it fares in terms of the access we would expect of a road of that nature. The fourth looks at what we call socio-political, for a lack of a better term, and what that means.

As many of you would know, we have air transportation planning committees in our province, and they have been doing some very good work for us in terms of defining their regional

transportation needs. And the way the framework is structured, it will give certainly some significant consideration. But there's an alignment of the priorities identified by our ATPCs [air transportation planning committees] with our plan.

The other piece is we've been working with Tourism Saskatchewan, and we want to include the work that they've done and their priorities that they've established from their, I suspect, marketing efforts. We want to include that as well inside the framework.

And the last piece is we're looking at partnerships. As a ministry of the government, we value willing partners and contributions they might make, whether it be in terms of some financial contribution to the project or it could mean really working and creating a positive environment in which we can deal with our local stakeholders in the delivery of the project.

Now this particular project in The Battlefords, there's another piece to it actually. There's another level. Because it is within the municipality of The Battlefords, we've invited the community to participate in what we call an urban highway connector program. And we're still waiting from response from them. I know we are in discussions with them. And once we receive that positive interest, we will ask them to prepare with us a 5-year plan, a 10-year plan, 10, 15-year plan, etc. And our assumption would be that that particular project would appear in that plan. And what we would do is we would work with our other community partners that have indicated a willingness to sign up on the program. We would coordinate the delivery of that project in the context of the policy parameters we put together for the program.

Mr. Taylor: — Thank you very much for that answer. I like clarity. I always seek clarity, and when I see some potential for confusion . . . So I just want some clarity on the answer that you just gave. I hope the town of Battleford isn't looking at a 10-year window for the completion of this project. You talked about a 5-year plan, a 10-year plan. Just for clarity, we aren't looking at 10 years to complete this project.

Mr. Stamatinos: — What the process that will be, is first of all we have to have them indicate certainly an interest in joining the program. And we haven't had that confirmation yet. We certainly have a positive feeling that they will. Once that's done, and you prepare a 5-year, 10-year plan, it's really up to them. I assume they're going to show it in first five years. What we would do, we will apply the ranking that we discussed earlier, those five criteria to it, as we will with all the other projects we receive from our other partner communities, and see how it fares. And that's the way we will program it.

Mr. Taylor: — Thank you very much. On the same project, the minister in his part of the answer indicated that he was aware that there is industrial and commercial development that is indicated, that for them to make their investment, they need to have assurances from the province that indeed the work is going to be done there. The commercial development that's to take place adjacent to that roadway is dependent upon the changes that are being discussed by the department and the town.

And Mr. Stamatinos is absolutely right. The road goes through the town of Battleford. The only thing is, the town of Battleford

is on the east side of the road, and it's a field on the left side of the road. And it's the field that's being developed for the growth, the incredible growth that's taking place in the town of Battleford. So it's the development of that road, that highway, provincial highway which was adjacent to the community — in reality it goes through it, but it is adjacent to the existing community — that will ensure that the town of Battleford is ready for growth.

The theme of the budget, ironically, is Ready for Growth. The town of Battleford is well positioned to be ready for growth. So I simply ask . . . the town of Battleford is obviously in the queue. I'm assuming that from the answers that you've given us. What does it take for the mayor, the councillors in the town, and the staff in the town to ensure that while they're in the queue, they become a priority for funding in year 3 or year 4?

Hon. Mr. Elhard: — If I might, I'll just, I'll start the answer, and if you need more clarification I'm sure Mr. Stamatinos can provide it.

I guess I wasn't clear as a result of our meeting with the mayor and some of his councillors whether or not the development start was contingent on us doing the twinning project. Like there was talk of a project or some development happening there, and that they felt it was necessary at some point to have the road twinned, but I was never certain whether the request was for us to build a road before they came, or if they just needed some assurance that the project was . . . you know, we were willing to consider it as part of our ongoing development scheduling.

So I guess if the project hasn't shown up on our list, it doesn't indicate, it doesn't indicate a failure of the project. What it indicates is that we had more certainty of need in terms of immediacy with some of these other projects than we knew for certain with the Battleford situation.

Having said that though, the outline that Mr. Stamatinos gave you . . . Maybe we should clarify with you a little about the urban connectors portion of the provincial ministry.

This is a program that is being made available to 59 communities in the province of Saskatchewan with a population of 1,000 people or more. And it was precipitated by the fact that there were all sorts of different levels of service and agreement between the Ministry of Highways and Infrastructure and those individual communities. It was a hodgepodge or a very eclectic group of circumstances that each community held and undertook, in terms of maintenance, in terms of service, in terms of winter snow removal. All of those types of factors that were coming into play.

In some instances, the Ministry of Highways took responsibility for roads deep inside the urban area of any given community without legal authorization to do so. In other instances, we had highways that joined in a junction at maybe the outskirts of a city but did actually serve a good part of the city, and the road maintenance, the highways maintenance crews, would stop outside the boundaries of the city even though the highway continued through the city.

So this urban connectors policy was an attempt by the ministry

to rationalize how we, as a provincial entity, deal with infrastructure that serves both the community and a compelling provincial interest in each of these 59 communities. We've asked them to consider our invitation to join the urban connectors program. We are negotiating with a number of communities right now. I think we've had 15 or so. Twenty-five now have signed on, but we are waiting for some response from the additional communities that have yet to give us an indication of their intentions.

But maybe Mr. Stamatinos could provide you a little more clarity on that, and as part of his answer, might be able to identify how we see the city of Battleford and the municipality playing a role in helping us achieve what would be an appropriate level of service in that community before we actually get into the decision as to whether we're going to twin that section of road. Would that be all right?

Mr. Taylor: — I'm prepared to hear more from Mr. Stamatinos, yes.

Mr. Stamatinos: — If I might just pick up where the minister left off. Just in terms of accuracy, and I know the member has an interest in clarity. What we have is 25 . . . We've had positive responses with 25 communities that are eligible for the program. We're just in the process of reminding them again of that interest, and we're in the process of developing agreements with them. So just that little piece of clarity.

The way the program is structured is as the minister indicated. Again we look at a number of criteria that is of interest provincially and municipally to determine how we can calculate, in a consistent manner, the provincial and municipal interest on any particular highway connector. And we spent a good deal of time doing this. A lot of effort went, analysis went into it.

And we were able to, for each highway connector, a route within an eligible community — an eligible community of being a community of over 1,000 people — we've assigned to that route an interest level, whether it'd be 25, 50, 75, 100 per cent which represents the contribution the province would make to any manner of work that might be appropriate for that route. And the type of work that is consistent — I think the minister did mention — is a highway upgrading for example, a restoration project, or a just a normal operations and maintenance. And we've done that for every one of . . . well those 59 communities.

What is I guess a unique feature of the program is that it is voluntary. The ministry will respect any previous arrangements that are in place for the maintenance of their roads and the restoration and that responsibility. It's a piece that we felt was important because some of those communities, because of the consistent nature of how we're applying the policy, we felt some communities would not be interested, and for that reason we've made it voluntary. And for those who choose not to be part of that process, we will continue to provide the services that we had in the past. So in the context of the Highway 4 project in The Battlefords, we are applying that very same thinking to that project.

So I believe the first piece of the transaction has to be of course

to secure an interest by the community to be part of the policy. And there's a determination already made about what the interest level would be on that particular route. I apologize to the member; I don't have that information with me, but it would certainly something in 50 or 75 per cent.

When we deal with our community partners under the policy, we make a point of encouraging them to look at opportunities for federal cost-sharing, if they're available to them, because of course that defrays their costs as well as ours, and allows that project to proceed more expediently. Now once we receive notice from the community that they are interested, one of the things, first of all we'd need to have that plan from them. And the second piece is we would talk to them, as we will with all of our other member communities. Another 25 anticipate will be signing on to the policy. We will gather their five-year plans. We will apply a set of priority rankings to them, and we want to inform everybody on a consistent, transparent manner, where each of those projects sits in the plan.

Mr. Taylor: — Thank you very much for that information. The town of Battleford, the council, and the officials have actually been quite clear with me as to what they desire. It appears — from the answers that I'm getting from both the minister, and from George — that they haven't been as clear with the department or the ministry. I would welcome the opportunity to have discussions with the minister, but I think it's more important that the town have an opportunity to meet with and discuss this issue in greater detail. They do have some strong and fairly firm opinions on the urban connector program. I don't know that they are seeing a direct tie between an agreement on urban connectors and a commitment by the province to twin the piece of road that needs doing.

Is there a direct tie between these two pieces of policy within the department and the effect that it might have on queuing them further for additional investment by the problem in the town's ready-for-growth initiative?

Mr. Stamatinos: — Well I can tell the member is . . . I think what you're referring to, Mr. Taylor, is the . . . whether if they do not join the urban highway connector program, what is the process they would follow in terms of having some work done on having them before. Is that what you're asking me? Just so I understand.

Mr. Taylor: — That's part of my question. I can't say for sure it's a direct question that the town would ask, but I think it needs to be clarified before the town and the department continue their discussions.

Mr. Stamatinos: — I think it would be fair to say with participation in the urban highway connector program . . . provides a consistent framework, that we could assess all the investments that are required across all of our eligible communities. It's a reasonable, transparent, fair process. If a community chooses not to join the policy or the program, we would go in there with our normal partnering process that we've exercised in the past. And often that would involve some negotiation on how that transaction would occur. That's why we moved to the policy framework because it does provide a consistent framework on how we deal with folks on these types of matters.

Mr. Taylor: — On behalf of the town — and obviously, you know, I don't represent the council, town council, but based on my meetings with them — I simply make representation that I do believe another meeting should take place between officials from the province and the town to further clarify where things are at.

One other piece . . . I only had a couple of questions, and we're eating up a lot of time in the committee here, but I appreciate this. One other question on the town of Battleford project, just thinking about the growth in the economy, and in the past several years at third quarter and year-end there have been additional dollars available to various departments. I'm assuming that — if on third quarter or year-end there are additional dollars available, particularly for infrastructure and the ready-for-growth initiative of the province — department or Ministry of Highways would be eligible for some additional dollars.

Would a project like the town of Battleford have any chance of being queued up for additional funding in this fiscal year should additional dollars be made available — the town of Battleford of course being on the west side of the province where a lot of the growth is taking place, right up the whole west side of the province? I simply throw that in as a piece of new criteria.

Hon. Mr. Elhard: — Being a former cabinet member, the member would know how dangerous it is to speculate on where monies might come from and how they might be spent in the future. And I wouldn't want to speculate at all in that regard. I have no assurance from the Finance minister or the Premier that we're going to deviate too far from our budget as it stands right now.

But the pressure for infrastructure development in the province, as the member is aware I'm sure, is immense. It's far greater than we could cope with even if our budget was doubled. I mean, I don't think there's any exaggeration in making that statement here today. Not only do we have, you know, a significant infrastructure deficit coming forward; the demands from here forward are going to be almost exponentially greater than they have been. So I don't know how much money it would take to satisfy the infrastructure needs across the province. And that's why it was so critical for us to come up with a mechanism, a formula by which we could make whatever investments possible as strategically and effectively as possible.

The argument is if we invest our money in the most strategic manner possible, it will produce better and bigger results quicker, which in turn will give us more opportunity to address a greater number of infrastructure needs, and it'll have the ripple effect that the pebble in the water creates.

And you know, that concept might be challenged, but I think that we had to have some mechanism on which we could make these decisions so that they paid the biggest dividends with the sort of the least amount of politics around them. That's what I'm trying to achieve here. I'm trying to do the best for the people of the province, for the future of the province with the monies we've got.

And I don't want to dismiss \$513 million. That's a significant

amount of money, but given the demands and given the challenges for infrastructure, we had to have a very clear set of criteria to make the proper investments. And that is what I've charged the ministry with undertaking, and that's what their accomplishing now. And I'm amazed at how far they've come in the short time that they've had this challenge placed in front of them.

In fact as I alluded in my opening comments, the ministry was somewhat down that path already, and that is why we were able to come up with as specific and as practical suggestions for investment as we did for year one of our plan. They had looked at our needs and had a very inside and clear understanding of where the pressure points were and that's why we were able to identify those projects quickly for year one issue. And that's why we were able to tender them as appropriately and in as timely a manner as was undertaken.

But going forward, you know, the need is going to continue to grow at a faster rate than I think we've seen it grow in many, many years. And, you know, that might beg the question given the escalating costs of construction whether we're actually going to meet our bare minimum requirements with \$500 million budgets. You know, when \$500 million this year only buys what \$300 million bought a couple of years ago, it's hard to keep ahead of the curve, and we don't want to be falling behind the curve either. So if we're going to keep our eye on the curve we need to be making these investments in the most strategic manner possible.

Now I want to . . . I'm not going to second guess what Mr. Stamatinos said but I'll be a little more direct. Being a party to the urban connector's program won't make the project in North Battleford any less needy or any less appropriate, but we have basically looked at partnership as being one of the many criteria we're using to assess the efficacy or the appropriateness of any project. And if I had two projects around the province that were identical in terms of cost and need and benefit but one project had the benefit of partnership and the other one didn't, we're going to opt for the one that has partnership.

Mr. Taylor: — Thank you very much, Minister. I will take that information back to the town, and I'm sure that they will want to contact you at some time in the near future.

On another project in The Battlefords, I've talked about the mayor of the town of Battleford and the work that they want to see done on Highway 4 and the connector to Highway 16. But north of The Battlefords, Highway 4 North between North Battleford and Cochin, the resort village of Cochin, is another piece of highway that the mayor of the city of North Battleford has spent a considerable amount of time, and the mayor of the resort village of Cochin has spent a fair bit of time talking about.

And I commend your officials over the last three years, the work that they have done with those communities and others, to address some safety needs on that piece of highway. The officials certainly know — I don't know if the minister knows — but in two of the last three years, we've had some significant tragedy on that piece of highway, a significant number of deaths, loss of life. I'm wondering if the ministry is contemplating any further work on Highway 4 North of North

Battleford to the resort village of Cochin to address some of the needs expressed by the mayors of the resort village and the city of North Battleford.

Hon. Mr. Elhard: — To the member, Mr. Chair, the assertion he made about the willingness of the ministry to talk with communities and to deal with them candidly on issues of concern to them is something that I have found very refreshing, frankly. I have been a Highways critic for a lot of my political career, and I never had any reason to doubt their willingness to talk to the communities. But I've been greatly impressed, even more so since I became minister here, to find out how available our ministry people make themselves to communities and organizations when they express concerns around any particular highway in the province under our jurisdiction, I guess is what I want to say there.

The demand for the time of people in our ministry is incredible. If I just look at the number of letters that come to my office asking for my attendance at meetings, I can only imagine that Mr. Law here or any of our other assistant deputy ministers have as many or more invitations to attend. And I think we have area engineers and so forth that are constantly visiting communities and participating in area transportation planning committee meetings. And I think the list would be endless.

So I thank you for noting that on behalf of our ministry because I think we need to make sure that the good work of the ministry in those endeavours is identified and recognized publicly. In terms of work on Highway No. 4 North of North Battleford, I'm familiar with that stretch of road to some extent. I've driven it two or three times. It takes you into a lovely part of the province and an area to which I'd like to return at some time. But I did notice that the highway is impacted by the proximity of communities right to the road and the resort villages and all the holiday activity that occurs in that region, making it subject to some safety issues. And I really should let Terry Schmidt, I think, or Deputy Minister Law here address those concerns because I don't think we have them in our sights for year one or two, frankly.

Mr. Law: — Thank you, Minister. And to the member, as Mr. Taylor may recall, we commissioned a review by a consultant who identified a number of safety improvements under our safety improvement program as a result of the circumstances the member alluded to. And my understanding is that there were a variety of initiatives that the member will know were undertaken with respect to turning lanes and some signalling and signs and so on that were included as part of those recommendations. My understanding is that I think we have responded to all of the specific recommendations that were provided in that report that was developed in conjunction with the community.

That's not to say that there may not be other things that we can consider. The minister notes correctly that we didn't have any further work identified in our safety improvement program in the current year for that location, but it is a customary part of our process to monitor the effect and the efficacy of the improvements that are made as a result of these kinds of things, and that will be a part of the exercise over the course of this year as well.

So it's not to say there may not be other things that we can look at, but in terms of the initial set of recommendations that resulted from the study, my understanding is that the ministry has completed and delivered those projects.

Mr. Taylor: — Thank you. I'm watching the clock here, so I don't take too much time away from my colleagues. I have one last question. It could be more than one question depending on the answer but a bit of a comment first of all.

I did notice that back in 1982 one of the first things that we noticed after a change in government was a change in colours on highway signs. I've noticed that the new government seems to be bringing more green and yellow into government advertising and documents and that sort of thing. I'm wondering if there's any work being done, undertaken, discussed, or reviewed within the Ministry of Highways, with regards to changing colours for highway signs throughout the province over the course of the next year or two years or three years.

Hon. Mr. Elhard: — May I just respond by saying that if it's happening, it's happening outside of my knowledge. And if there are changes coming, it'll have to do with a full sign review. We've had lots of requests to the ministry, both prior to our arrival here and since, to review the sign policy in the province. The tourism community is not happy with our signage policy. There are a number of other agencies and organizations that aren't happy. I know I've been approached about 911 signs that we don't have in the province. And so those kinds of questions have come to us.

And I'm going to let Mr. Law speak to the review of the signage policy in more detail, but that has nothing to do with colours of signs that I know of.

Mr. Law: — Just to briefly add to the minister's comment, we are in the process having just completed a review of our signing policies to look at some options that may in fact have a bearing on the regulations, both within the rights of way and outside of the rights of way, on our provincial highway system. But there is nothing at this juncture that has been advanced with regard to changing the colours that I'm aware of. There may be something in terms of the ability to see signs that may affect, you know, some of the things that goes into the painting, but that would be of a technical nature. And at this juncture, that's the only thing that I'm aware of in that particular category.

Mr. Taylor: — All right, thank you very much. That would be the end of my line of questioning. Thank you, Mr. Chair, for allowing me the opportunity to ask the questions and thank you to the minister and his officials for being so gracious in their responses.

The Chair: — Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair. Along the same line as the last question by my colleague and this, Mr. Chair, this question came in since the committee commenced here today, and it came in by telephone. So I guess, you'd say, we're taking popular requests too.

But the question that was phoned in was, can you tell us, Mr.

Minister, the amount of dollars and cents that have been set aside in your signage program to provide tourism signage? Do you have that broken down?

Hon. Mr. Elhard: — Mr. Chairman, I'm advised by the officials here today that we don't have that kind of information specifically broken down along those lines. There is some information around signage costs in a larger sort of perspective. If you have additional questions or if you would like that information, we could provide it, but it's not broken down into the specific area of tourism or other types of signs.

Mr. Harper: — Well okay, if you haven't got it broken down then probably can't provide me the information or detailed information as to the amount of dollars being spent this year on tourism signage alone. You can't provide that then?

Hon. Mr. Elhard: — Well no, we can't. But tourism signs, though, in the past have been kind of a unique creature, because the ministry doesn't pay for tourism signs necessarily. If the tourism-oriented sign meets our established sign policy, then there is an opportunity for tourist ventures or activities or facilities to have a sign erected. But they bear the cost or the lion's share of the cost. We might provide erection and installation costs. I don't know if that's the area where your questioner wants to go.

I'm really happy to know that we're taking questions by popular request.

Mr. Harper: — First time I've ever experienced this in a committee.

My next question is along the lines of the First Nations road pilot project. I note that there has been a small increase in the funding in this budget, some \$100,000 which, as you and I both know, that in a world of road construction that doesn't mean very much. So I guess my question is, do you intend to continue on with this program? And do you see, into the future, this program being expanded or eliminated?

Hon. Mr. Elhard: — Well at this point, I don't see the latter option you gave me as being the direction we're going to go. I heard you clearly, I think. It's the First Nations access roads program that you're talking about?

Mr. Harper: — Right.

Hon. Mr. Elhard: — There are a number of those projects that were begun last year. There were some that we entered into understandings or agreements or contracts that haven't been completed yet and for any project that is in that state of incompleteness, we will move forward on that.

I think we want to evaluate the success of the program. We also want to look at other ways of delivering the program possibly. I think there is a fair amount of thought that needs to go into that program to make it the most effective program it can be in terms of meeting the needs of the First Nations, both in terms of physical construction and maybe their participation in.

The other thing I want to explore is what level of federal participation we might be able to look at in those projects as

well. That's not been done previously, and I'm not sure that it shouldn't be part of the equation here. I think the federal government has an interest in seeing greater access given to First Nations communities. We just aren't sure at which point they'll stand up and salute.

Mr. Harper: — Mr. Minister, can you tell me the status of the road into Witchekean Lake First Nations?

Mr. Law: — Thank you, Mr. Chair, for the question. Our work at Witchekean is continuing. We have awarded the grading contract and expect that — the conditions co-operating — we would hope to complete this work in the coming construction season.

As the member may know, this was one of the locations in the province where subsoil moisture conditions created some real challenges for us, and consequently we weren't able to make as much progress in 2007 as we would have preferred. But in the current year, the surfacing contract has been awarded. Last year the grading contract component was awarded. So with weather's co-operation and presuming that the subsoil conditions also co-operate, we would be hopeful to be able to complete that work in the current year. This year we have approximately \$4 million set aside to complete that work.

Mr. Harper: — Good, thank you. I'm very pleased to hear that.

My next question is in regards to . . . [inaudible interjection] . . . oops no, no that's all right. I don't need that. The municipal resource roads portion of (HI15) here, I see last year it was at 5,000 and this year continues to be at . . . pardon, 5 million and this year continues to be at 5 million. And yet I believe it was the sort of an ongoing process between highways and the RMs [rural municipality] out there to look at expanding that program and increasing the funding to that program once the RMs were able to identify a mechanism or a system of which that funds could flow. Is that still up in the air? Has that system not been yet been identified or is it your intentions to curtail this program?

Hon. Mr. Elhard: — No. As a matter of fact, it's not our intention to curtail it. If anything, I think we want to see it expanded. The question, I think, is timing and of course — no pun intended — resources on our part. The RMs, the municipalities that have been most seriously and adversely affected by the use of municipal roads in the development of resources have made a very compelling case for the support of the provincial Ministry of Highways and Infrastructure to maintain or help assist in the maintaining and development of some of those roads.

If you look at the impact of the oil industry on many of those RMs, to say that we have a pipeline on wheels wouldn't be an exaggeration. And the impact of the weight and the constant vehicular activity takes a toll on a road incredibly quickly. And so if you look at the economics of investment in infrastructure, boy that's a pretty important place to look at increasing your investment if you have opportunity.

And I guess the \$5 million that we put in the budget was there to indicate to the municipalities that the program there last year wasn't an aberration. We thought there was merit to the

program, and we wanted to send the signal that we saw value in the program and we would continue at a minimum that amount of money.

We've had conversations amongst ourselves, as an executive team, about that program and about the demands, and here's the complicating factors. The \$5 million probably isn't enough for what we knew was the impact of the roads-to-resources issue, and in the interim we've had all of the great news about exploration in the Bakken play in the southeast Saskatchewan. And the impact that's going to have on those roads is probably going to increase exponentially. I mean it's not going to be an incremental increase; it's going to be a significant increase. And I just had a conversation with the reeve in one of the RMs right close to my home community, who said that the impact of the oil industry on their roads is pretty telling, and they can see the road more or less disappearing before their eyes. The challenge, I think, is going to be pretty, pretty significant in terms of supporting municipalities that have that kind of heavy, especially heavy oil, but heavy traffic generally on their roads. And I think that we're going to have to do some serious looking internally to see if there isn't a means by which or an avenue whereby we can increase support for that particular burden that municipalities bear.

You might be aware of it, Mr. Harper, but during one of our visits with the RM group up around Lloydminster that basically have formed an association to deal with this issue, when they showed us the impact of the oil industry on their roads, they thought they needed to put it in terms that I would understand, which was a graph. And they thought I would understand the impact of a large grain terminal and the traffic to a large grain terminal and that I'd have some familiarity with that.

And I understand the impact of traffic going to a large grain terminal. Their graph showed that the impact on their roads is equivalent to in many cases 17, 18, or 19, maybe even 20 grain terminals. For those of us who don't, you know, don't understand the impact, that puts it into perspective. The impact on our roads with one grain terminal can be pretty significant. If you've got the equivalent of 20 grain terminals in your RM, that's dynamite. And so I think that that brought clarity to this whole topic — very graphic clarity — and I think that we need to find some way to respond.

Mr. Harper: — As I understand it, before your department's initiative here, before the program can be expanded, a system or mechanism of flowing those funds through to the appropriate RMs has to be established. Where are you at in your discussions with the RM in developing or identifying that system?

Mr. Stamatinos: — Perhaps I can add some more commentary to what the minister has said with regard to where we are at, I guess, a state of readiness to implement the program. I can tell you, Mr. Harper, that the program has been implemented. We have put together the processes required to gather, through an application process, project submissions from the various RMs that have an interest in the program. And largely the interest is in that northwest part of the province.

We work with our colleagues in Municipal Affairs. They have, I guess, a sister program that we administer on their behalf. It's called the heavy-haul, high-volume road program which

roughly has around \$2.3, 2.4 million available for projects of a similar nature.

And well we try just coordinate the two programs to get the best benefit for municipalities. We use the two in tandem. As I said, one is in Municipal Affairs; one is within our ministry, but we administer both of them. And we've developed a set of criteria that we believe works very well, and we have all the processes in place to ensure the payments are made and the inspections are made on a timely manner.

Mr. Harper: — So then the funds will flow through, through an application process. So each RM that may be affected would have to make application to the program for funds, and they would have to identify the impact that they are experiencing.

Mr. Stamatinos: — Essentially what they would do, we ask for a certain type of information. And obviously one would be the number of trucks. And I can tell you, Mr. Harper, the number of trucks that we typically look at is very high numbers. Like 200 trucks a day is not uncommon for the application we receive from those RMs. And we also look at other things as well. We look at the general traffic on the road, and we also look at the condition of the road as well.

Mr. Harper: — So the significant criteria in the application would be the number of trucks that would be going over a stretch of road on any given day. That seems to be the most critical part of the application?

Mr. Stamatinos: — That would certainly be one of the principal parts of the application.

Mr. Harper: — Okay.

Mr. Stamatinos: — We haven't had any difficulty attracting applications, I guess, that don't meet that criteria because there's such a backlog, as the minister mentioned earlier, that we're trying to meet some very significant demands for infrastructure for that sector. So that would be certainly one of them. And the other piece is ensuring the state of readiness, I guess, of the municipality to partner as well.

Mr. Harper: — So is this program then only available to the RMs who are impacted by the oil industry?

Mr. Stamatinos: — No, no. Just in the last couple years it certainly has been direct to the oil industry, but our intent is clearly to move it to other municipal road projects in municipalities that have a resource development piece to them.

Mr. Harper: — Okay. Thank you. My next question's in regard to the partnership program and road management under (HI15). It's been reduce by about 3.4 million. Can you explain to me why it was reduced from 6 million to 2.6 million?

Hon. Mr. Elhard: — Mr. Chairman, there are some technical explanations for the different numbers that I would feel more comfortable, I think, if Mr. Stobbs handled the question, please.

Mr. Stobbs: — Yes. Thanks for the questions. And, Mr. Chairman, the money in the strategic partnership program was moved into our rural highway strategy, so there was no decrease

in the funding at all for the types of roads that we have, but we've amalgamated that in with another program in strategy.

Mr. Harper: — Okay. It's my understanding that your department over the last period of time have in certain areas of the province have entered into maintenance agreements with RMs, where the RM will be now maintaining certain stretches of highways. Can you tell me what that program costs your department each year?

Mr. Stobbs: — Yes, we have entered into a number of agreements with rural municipalities to help manage truck traffic on our provincial highway systems, typically around areas where TMS [thin membrane surface] roads are. So this year we have \$2.6 million that's been allocated to those partnerships, and it's a payment to the RM to help maintain their road because of the truck traffic that's moved onto them. So the TMS is maintained by Highways and Infrastructure crews, and it's maintained at a service level that's good for light traffic, but the RM roads is maintained for the heavy traffic and that 2.6 million is targeted for that maintenance.

Mr. Harper: — So that's the funds that's made available to the RMs to compensate them for the extra maintenance on designated truck routes.

Mr. Stobbs: — That's correct, for the incremental costs.

Mr. Harper: — That is where the designated truck route is running through RM or on RM roads.

Mr. Stobbs: — That's correct. It's in payment for the incremental costs associated with the trucks that is re-routed from our highways onto their roads.

Mr. Harper: — Right. Do you have any arrangements with RMs where the municipality is maintaining a Department of Highways road or a highway?

Mr. Law: — Thanks for the question. We do in fact have some selected circumstances where municipalities may in fact be helping us look after part of our system. Most typically that occurs on the gravel portions of our network where in some circumstances, either by virtue of location or the nature of the work that's going on, the municipality may have some comparative advantage in terms of being able to look after that for us.

But the specific budget allocation that Mr. Stobbs talked about earlier is actually a feature of an effort that we've been undertaking in regards to integrating more closely our work between the provincial system and the municipal system, where for example in the case of the heavy-haul roads that we were just talking about, it may ultimately be of greater benefit to have the heavy truck traffic accommodated on municipal roads which structurally may be able to accommodate those better. And in cases of us trying to maintain TMSs, it just simply may make more sense for us to have control vehicular traffic and keep it to lighter loads.

So there's a fair bit of that going on, whether it's with respect to resource roads or just in terms of general traffic management. It's a major part of the strategic approach that we're trying to

bring around partnerships where it's not simply a matter of financial sharing, but in some instances it's a matter of looking at the operation of the system and trying to determine who is better positioned and where some of that activity might be better managed. And in fact we're finding that there are some real opportunities here on both sides that can benefit both the municipalities and the province.

But in direct answer to your question, there are some select circumstances, not as explicitly identified as we have for this particular program, where in most instances we've actually approached or worked with municipalities where we've perceived a benefit either in terms of economic activity or in terms of general traffic management and flow or safety to have that traffic accommodated on the rural roads.

Mr. Harper: — Thank you, and I totally agree with your initiative, and I want to commend your department for taking the initiative of moving that heavy truck traffic off of those TMS roads and putting them onto grid roads where it is certainly, I would think, certainly a lot easier and a lot cheaper to maintain the grid roads than it would be try to maintain the TMS roads.

Can you at this time tell me how many RMs that you have entered into agreements with as far as heavy-haul roads is concerned?

Hon. Mr. Elhard: — Maybe while the ministry officials are determining the exact answer to that, I can tell the member that we've had discussions with, you know, a number of RMs. And we've got agreements in place with a number of RMs, but I think we have kind of reached a point where the most readily co-operative RMs have had agreements established. We're at a point now where we're going to have to expand our search a little further afield to find additional RMs that are prepared to get involved in this type of a venture.

You know, in some instances it made absolutely perfect sense for RMs to say, yes we'll involve ourselves in this project, and we understand the benefit and the necessity of coming to some kind of a partnership arrangement or agreement. In other instances it wasn't quite so clear-cut. You know, maybe there wasn't a natural alternate route through a certain area, and it didn't make actual sense to create the expense of another alternate route. So I think that in the days going forward, we're going to be talking to RMs again about the prospect of becoming partners in these types of efforts to take the heavy traffic off the TMS structure so we can save what's left there.

But it's probably not going to be as readily achieved from here on as it was in the initial stages because there are maybe some physical or geographical challenges. Maybe there's some issues, you know, in terms of how long the road might be, what distance it might traverse, whether it makes sense for the first two RMs. But doesn't make sense for the next two or three RMs. Those kinds of issues are problematic in terms of coming up with really beneficial arrangements. And that doesn't mean we're not willing or able or desirous to find those arrangements. It's just a realization that it's a bit more problematic as we move forward.

Mr. Harper: — I assume the minister isn't suggesting that it

would be a lot more efficient if there was less RMs and as he suggested perhaps RM amalgamation or something like that . . . but I'm sure that's not what he was suggesting.

When you enter into this type of arrangement with the RM, what is the RM's responsibilities? And how would they identify adequate and fair compensation for their efforts and their energies in maintaining those roads? And how would you identify that, you know, they're accurate in their applications?

Hon. Mr. Elhard: — I think before we get to that particular question, Deputy Minister Law has the answer to your previous question available. But I think it would also be fair to say that while we might have a template that we would like to work off of when we're striving to make these partnership agreements, each partnership is fashioned in a different way ultimately. It really depends on what resources each of the parties to the agreement has to bring to the conclusion of the agreement, and it can vary a fair amount from place to place. But I guess what that encourages is a whole variety of different possibilities. You know if, I guess what . . . if we try to one-size-fits-all solution in this effort, this undertaking, it would probably be a total failure. But as long as we can be responsive and malleable enough to move and adjust as the parties seek a solution, I think we have better chances of success. And that's I think the approach the ministry has taken, and that's certainly the approach we will take going forward.

But I believe Mr. Law has the exact answer to your previous question.

Mr. Law: — Thank you, Minister. To the member, we currently have 44 RMs that are signed up under the program. It covers approximately 600 kilometres of road and about 55 sections that are included in that program.

With respect to your second question that the minister was responding to, I could add that the technical components of what obligations the RMs inherit are generally based on standards that we would set with regards to the nature of the traffic that is travelling over those roads and so that there isn't a difference, if you will, in terms of migrating from one part of the provincial system to the RM system.

They are typically based on our historical costs so that they're . . . When we try and assess what the cost implications should be and therefore what the compensation should be in relation to additional truck traffic over the road, we use historical data as a basis for making that calculation, and then we update that on an annual basis. Essentially there's a review that takes place with the RM in terms of making adjustments as is necessary to perhaps factor in inflationary factors or some of the changes that may be necessary depending on the treatments that would be required to deal with the circumstances of that individual section of road.

Mr. Harper: — Great, thank you very much. Just shifting gears just a little bit here. Would you explain to me the process that your department goes through when it identifies roads to be included in a twinning project. What's the criteria? How do you go about identifying what highways in Saskatchewan need to be twinned?

Hon. Mr. Elhard: — Mr. Chair, the members of the committee will understand by the length of time we had this discussion that that's not an easy question to answer because in fact there are a lot of considerations that go into any determination as to whether a particular highway should be twinned.

Well one of the things that has to be considered obviously is the cost. It is the most expensive type of highway you can build. And typically, now we're looking at about almost \$1 million a kilometre to build a twinned highway to standards that would be expected of the national highway system. And so, you know, given the financial limitations, you don't want to undertake a twinning project in more or less a cavalier or spontaneous way. You want to be absolutely certain that your expenditures on that type of undertaking are well considered and that it meets a number of criteria and a number of ultimate purposes.

The national highway system, however, is a good place to start. The national highway system identifies a number of highways in the province of Saskatchewan, several of which are twinned; some of which are not. And of course you will recognize Highway 11 between Saskatoon and Prince Albert as one that is currently in progress.

And the criteria for twinning a road under the national highway system is pretty rigorous and pretty specific. It's generally related to economic activity. It's not just traffic count. You know, the amount of traffic on a road can be fairly high, but if it isn't sort of economically driven, it may not result in a mandate to twin. So if you look at the highway traffic count and you can determine that a considerable portion of that is probably truck traffic and that there is very significant economic criteria being achieved by that traffic, then you could probably make a fairly good argument to undertake a twinning project.

But then you would also want to factor in issues surrounding safety, and I think the member will be well aware that there are several twinning projects that have been concluded in the province that were accelerated because of very significant safety concerns. So the safety aspect, while it is important, is not the first criteria. And in many instances, it's not the first criteria because so much of accidents are a result of human or driver error. And in many instances it wouldn't matter if you twinned or not, you might still have human error. But I think the imperative is first and foremost economic justification. And whether or not you can make the argument, it would be primarily driven on that consideration.

Now I guess there are some parts of the province where we have short stretches of road that have been twinned that aren't part of the national highway system, and the decisions to twin those roads have been made purely on the basis of traffic count and safety and maybe the cost of building it at the time the decision was taken wasn't as onerous as it was today. But those particular roads are quite few and far between in the province.

The Chair: — I'd just like to announce a substitution. We have Mr. Weekes that'll be sitting in for Ms. Ross for the rest of this evening's committees. Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair. So what would be the level of economic activity that would be identified acceptable to trigger a twinning project?

Hon. Mr. Elhard: — Mr. Chair, the same comment is applicable now as I made in the last huddle we had here. I guess to answer the question, there's no one specific set of criteria that would really trigger the twinning response. The national highways system, as articulated by, you know, the federal government and the provincial partners in the system, is both specific and general. It's specific in the fact that in order for a highway to qualify as part of the national highways system, traffic count is very important. And I think the count is somewhere in the range of 4,000 vehicles per day. But in terms of twinning, the traffic count by itself wouldn't be sufficient to make the case for twinning unless there was a very significant portion of truck traffic as part of that 4,000 vehicles per day. And so that is going to help drive the decision.

And the truck traffic, I think, clearly identifies the extent of the economic activity. And when the twinning is contemplated, it would be contemplated on the basis of the two criteria I just articulated. And then also how many communities along this route are served? And what is the nature of those communities? And what is the economic activity in those communities? And how would they benefit by this undertaking? And so there's some, you know, clarification of the type of economy that is addressed here.

And another factor that might come into play is the ability of a twinned highway to accommodate oversize trucks, not just the regular 53-foot trailer, tractor-trailer units, but the elongated units, the double trailers and so forth. You don't really want those on single lane highways. And so is there an opportunity to advantageously employ that type of transportation on this particular route, and can twinning accommodate, you know, a fair amount of that type of traffic? So those are some of the factors that go into the decision of twinning.

There were some in the last couple of years, three years or so, there were some added highways in this province to the national highway system that, you know, aren't seen as candidates for twinning any time in the near future. But we're talking about Highway 10. We're talking about Highway 11, and that is one of the roads that we've already undertaken some twinning.

We're talking about Highway 2 from Moose Jaw to Chamberlain. That was designated as part of the national highway system just recently, and Highway 2 continues from Prince Albert up to La Ronge. That is now part of the national highway system as well. But there's been some arguments made for twinning north of Prince Albert up to Waskesiu, but given the kind of criteria that we're asked to use in justifying the development of a twinning project, that road really wouldn't qualify at this time.

Mr. Harper: — So what does this mean to Highway 10 being designated as part of the national highway system? What benefit?

Hon. Mr. Elhard: — If I may, Mr. Chair, the advantage to No. 10 and the other highways frankly is, you know, cost sharing. If it's part of the national highway system, the federal government has some apparent obligation or responsibility in terms of cost sharing. And just recently the federal government has conceded that rehabilitation costs should be considered as a shared obligation as well, which is a fairly significant move forward, I

believe.

Mr. Harper: — So what percentage of cost sharing would the federal government pick up on these designated roads?

Hon. Mr. Elhard: — Good question. I think it will vary to some extent, but ordinarily the cost sharing should be up to 50 per cent.

Mr. Harper: — That's pretty good. So you had the opportunity to address the good folks that live along Highway No. 10 from the junction on No. 1 to Fort Qu'Appelle.

According to the 2006 traffic volume map, indicates to me that the traffic on there is about 4,100 a day. That particular road services three grain terminal elevators. It's a significant tourism road with a lot of tourism traffic, particularly in the summer but also in the winter with skiing and snowmobiling and so on and so forth taking place.

So if you had the opportunity to talk to the folks that live along there in the many communities that are a part of that stretch of highway and they were to ask you as to what are the chances or how soon could they expect to have that portion of No. 10 Highway twinned, what would be your response?

Hon. Mr. Elhard: — Mr. Chair, to the member: I haven't been asked that question directly yet, but I've had some representations made to my office about the volume of traffic on that particular road and the safety concerns.

There's a lot of commuters on that road. In the summertime, there's a lot of tourism-oriented recreational traffic — boats and trailers and any number of different recreational vehicles. And I understand, you know, sort of the frustration of the local citizenry with that volume of traffic on, well it's not a bad road but it's not, you know, it's not really intended to carry an average daily traffic count of 4,100 vehicles.

And the variety is fairly significant, especially in the summertime. There's quite a variety of different vehicles on there. And I've been on that road and have been shut down on that road while repairs were happening and the truck traffic is pretty significant too. It's actually more heavy truck traffic on that road than I had anticipated.

However in terms of what I might say to them about twinning, I don't know that I could make any reasonable claim to knowing that definitively. I don't anticipate that it would be a candidate for twinning as yet anywhere in the near term.

But there is something I would like the ministry to consider on that road, and that is maybe the development of really good passing lane construct. You know I've travelled extensively across Canada and the United States, and in some areas you see a very good usage of passing lanes where they are clearly identified as to their length, and you know before you get there how long it's going to be until you reach there. When you come off the passing lane it says, you know, 10 miles to the next passing lane. And then when you get there it says, this passing lane three miles long.

I think that's a very effective use of both money and material to

help address some of the issues that Highway 10 is experiencing, particularly that stretch between the No. 1 and Fort Qu'Appelle. And I would suggest that as an interim measure that we look at the construct of an effective passing lane system to alleviate some of the congestion, some of the safety issues that the people who travel that road on a regular basis experience. I'm not making any promises, but I think that that might be a better and sooner solution than the prospect of twinning.

Mr. Harper: — Mr. Minister, when you say sooner, how much sooner? When could the good folks expect construction to start?

Hon. Mr. Elhard: — You're really trying to put me on the spot, aren't you?

Mr. Harper: — Doing my best, sir.

Hon. Mr. Elhard: — I won't make any assertions one way or the other, but I can tell you that we would evaluate the merit of that type of expenditure on all the same criteria that we're using to evaluate the road system in the province. Does it serve an economic purpose? Does it serve a safety purpose? You know, does it serve any other purposes that are going to go into the formula that we're using to evaluate all of our expenditures going forward?

Mr. Harper: — Well based on what little understanding I have of your formula as you've outlined here this afternoon, I would think that that road probably fits the bill. I mean it certainly has the economic drivers. It certainly has the economic activity, the traffic count, the truck count, as you've indicated. And I think it certainly raises some issue about safety and the ability to maintain the safety of that particular road. So I think — I would like to think — it would be high on your priority list of considerations for addressing. I would hope that would be the case, at least.

Hon. Mr. Elhard: — Well, Mr. Chair, to the member, I will give it and the ministry will give it every consideration. But I do want to emphasize that that type of development, that type of expenditure on that particular stretch of road would be in direct competition with people who feel exactly the same way about Highway 39 in the Weyburn and Estevan area where the traffic count numbers are actually higher than 4,100. And I'm sure that the people along Highway 16 East of Saskatoon, for some distance, would make much the same argument. There is no shortage of opportunities to spend money on twinning, if I may characterize it as such.

But the other thing that we have to consider is the money that we spend on twinning will come out of the budget that we need to spend on other road repairs. This is really a very important balancing act. And as I said earlier, if we had a \$1 billion to spend on highways this year it wouldn't be enough.

Mr. Harper: — Thank you, Mr. Minister. I do have just a couple of quick questions here, and my colleague wants to ask some questions here too. Last summer — I believe it was virtually all of last summer — there was extensive work done on the bridge on Highway No. 9 South of Canora, north of Yorkton. The bridge is at the Whitesand River. Can you, first of all, tell me why the work was done? And what did it cost to do

the refurbishing of that bridge?

Hon. Mr. Elhard: — While the information is being gathered by the officials here, I would like to tell you an anecdote related to that bridge. It came to my attention very early in the tenure of my involvement here. In fact within hours of being asked to serve as minister for this particular ministry, I had the privilege of hearing about it from the MLA [Member of the Legislative Assembly] that represents that area, the Hon. Ken Krawetz. And he spoke to me personally, and I believe he wrote me a letter, and he demanded the complete answer as to why that undertaking had been started and then seemed to be in limbo for a fair amount of time. And I also met somebody at Agribition — I was out walking through the barns — who I stumbled into and who asked me the same question. So I had an opportunity to address it fairly early. But I think the best response might come from Mr. Law.

Mr. Law: — Thank you, Minister. In answer to the first part of your question, Mr. Harper, the purpose or the rationale for the work that was done out there really was twofold. As part of our maintenance practices, we do some life cycle asset management around when we think we need to do bridge replacements. And like the rest of our system, we have more work than we have money or capacity to do at any one time. But one of the reasons for this work was in fact that we had reached that point in time where the bridge was scheduled to receive some of that rehabilitation work.

The other, probably more significant factor for the work was that we — in much the same way the conversation has been talking about some of the economic factors affecting the demands on roads — had identified the need to ensure that the bridge could manage and handle primary weights for the truck traffic that, as a result of some of the economic development in that area, was required.

So those two reasons were principal in terms of the identification of work that needed to take place there. We don't have the actual budgeted dollars here with us today, but we can make that available to you in terms of the total cost and will undertake to provide that to you.

Mr. Harper: — Thank you. My last question before I turn it over to my colleague is, the Leader of the Opposition got an email in regards to Highway No. 14, so of course it got sent over to me. And it's from a Mr. Jeff Auer at Kinley, Saskatchewan, and his concern is about the movement of prefab homes along Highway 14. And his concern is a safety factor. According to him, the movement of prefab homes along that highway causes the traffic in both directions to be allocated to a single shoulder. And this of course creates a dangerous situation.

I'm just wondering if you could enlighten us as to what the policy of your department is as far as the movement of oversized buildings, and what safety precautions would be upon the contractor or the mover to ensure that the motoring public out there enjoys a safe opportunity to get past these obstructions.

Hon. Mr. Elhard: — Mr. Chairman, to the member. Before I ask Mr. Stamatinos to address your immediate question, I just

want to go back quickly to the bridge question you asked earlier.

You know, we have literally hundreds of bridges in this province, some of which are the responsibility of the Ministry of Highways and Infrastructure, some of which belong to RMs and it's their responsibility. But hundreds of bridges are our, the ministry's, responsibility. And the majority of those bridges are bridges that date back to the 1940s and '50s in terms of construction, and their normal life expectancy is at pretty close to the end right now. And that was one of the reasons why I asked the ministry to take the challenge of that issue, that critical issue seriously, and this year we more than doubled the amount of money that we're going to be spending on bridges in the province of Saskatchewan. I think last year we had about \$9 million, a wee bit more than \$9 million in the budget. This year we've got in excess of \$19 million.

It's absolutely critical that we get to the bridges. And when Mr. Law referred to the, you know, the fact that he wanted to maintain or assure that the bridge could service for safety and then the decision was made to replace it and put in a primary weight bridge, we're going to be faced with that kind of a set of circumstances in many, many instances around the province because, as we go to expand our primary weight corridors which is absolutely essential to the economic efficiencies of our transportation industry, we're going to require additional expenditures in bridges. You know, if they were designed 40 years ago, they probably weren't designed for anything more than — well I don't know — 20,000 pounds or something like that, light vehicle traffic. And now we're looking at putting 63,000 pound trucks on the road.

I think we're going to be, you know, faced with a fairly formidable challenge, and that's why it was necessary for us to take such a significant approach financially to catching up in that particular area. But we'll go on with the question you most recently asked and Mr. Stamatinos will do that.

Mr. Stamatinos: — Thank you, Mr. Minister. With regard to the movement of pre-manufactured homes, there are very, very strict guidelines contained in our policies with respect to how that movement will occur. We require, depending on the width of the road, particularly the Highway 14 which is a single lane . . . or sorry it's not a twinned highway. We require a lead and escort vehicle, one in the back and one in the front to ensure that people are properly notified and aware as they start to approach that very wide load. The two vehicles are in constant communication. They have, you know, CB [citizens' band] radios so they can inform one another what's actually occurring in front of them and behind them.

The other piece is we restrict those kinds of movements to certain times of the day. We don't want them on the road obviously during morning rush hour, don't want them there at supertime, so we put tremendous amount of effort to ensuring that the safety of other users of that road is maintained.

The other piece is we do occasionally pull over on an approach. That's why we have the vehicles; they can see an approach coming. If there's a backlog of vehicles queuing behind the load, we will pull that load over on an approach so that other folks can pass. So again I stress that when we have an

over-dimension load, they're usually lit up like a Christmas tree, and we have lots of markets and lots of communication to share that safe movement of that particular product.

Mr. Harper: — Thank you. Mr. Minister, back to your comments about bridges, you indicated that, as we all know, there's thousands of bridges probably in Saskatchewan that are the responsibility of the Department of Highways and the RMs. It is my understanding that when an RM requires work done to one of their bridges, it's usually or perhaps mandatory that it is carried out by a bridge group for the Department of Highways. Is this correct?

Hon. Mr. Elhard: — Mr. Member, the answer to that would be no. The ministry bridge crew was readily available, you know, in certain circumstances in prior years, but the work required now and the volume can't be all undertaken by the crews that belong to the ministry.

So there are private contractors that might be able to do this work. They'd be welcome to do the work. There is a stipulation, however, and that is that the work be done to standards that the Highways ministry approves, and there are some other legalities around that. But in terms of the actual construction and location on site of a bridge — it's not a requirement that the Highways ministry do it.

Mr. Harper: — So if an RM was to carry out some work done to a bridge, that was done by a private contractor, would the plans or requirement or the work required, would that be provided to the contractor after it's been approved by the Department of Highways, or does the Department of Highways send out an inspector to look at the job after it's complete to ensure that it's done to the standards the Department of Highways would require?

Hon. Mr. Elhard: — Mr. Chair, the situation I think is somewhat different than common understanding. If a project is wholly within a municipality, it's their responsibility entirely; they're paying for the bridge replacement and so forth. They don't need the permission of the Highways ministry to do that. But what they do have to have is a bridge design that is duly stamped by a registered engineer, either in the province of Saskatchewan or maybe Alberta, if he has privileges in both jurisdictions. And the engineer that does the bridge design will probably specify all of the other materials for the project. And that is accomplished according to plan. And so outside of any participation of the Highways ministry, we don't have any interest in that bridge in terms of inspection, to make sure the contract is complete. If we have involvement in it, if we are participating or it's on our road, or the standards are somewhat different.

Mr. Harper: — Mr. Minister, how many bridge crews does your ministry employ?

Hon. Mr. Elhard: — They're discussing that behind me, but I think the answer is two. In fact I'm pretty sure the answer is two, but there was a crew that sort of floated as part of an agreement between ourselves and, I believe, a First Nations group in the North, that provided an opportunity for capacity building because we see the need for considerably greater bridge capability in the North in the years to come. And we

thought it was an important opportunity to provide that capacity. They aren't officially a Highways ministry crew, but they worked under request for proposal process with the ministry. So the answer ought to confirm that.

Mr. Harper: — So the answer is two, plus a floater.

Hon. Mr. Elhard: — Pardon me.

Mr. Harper: — So the answer is two, plus a floater.

Hon. Mr. Elhard: — Well two that actually belong to the ministry. The floater crew does not belong to the ministry.

Mr. Harper: — Oh okay, okay, that's all I needed to know then. So as you've indicated, there's been a significant aging of our infrastructure, our bridges in particular, throughout the province. And as you've indicated there's been extra funds allocated to restoration of these bridges. So does that mean that you're going to hire on new or extra crews to do this work, or are you going to look at privatizing some of this work out to the private sector?

Hon. Mr. Elhard: — I think we will look at whatever capacity we can determine is available. If there are contractors that are interested in providing the services, I think we'll have to look at that. You know, the issue around this topic isn't philosophical; it's practical. It's how many bridges need replacing, how much work there is to be done, and how many specialists or companies are available to do the work versus the capacity we've got in-house. And you know, I wouldn't want to restrict the number of projects that we could undertake in any given season, given the immensity of the challenge to the two crews we've got. And so if there is capacity outside of the ministry, we would entertain that.

And I also want to make mention of the fact that we've had letters to our office already from organizations in the north part of the province who found the experience of that floater crew that we talked about in terms of building capacity so valuable that they'd like to replicate that in sort of other areas of the North. I think that's a very valuable exercise and we need to consider those offers very carefully.

Mr. Harper: — Thank you, Minister, for that answer. I hope the name or the nickname for that crew as a floater crew wasn't because a bridge didn't hold. But, Mr. Chair, I'd like to turn questions over to my colleague from Moose Jaw.

The Chair: — Ms. Higgins.

Ms. Higgins: — Thank you very much, Mr. Chair. And I want to thank the Vice-Chair for cutting his questions kind of short to leave me a little bit of time. I just have a few questions.

There's a couple intersections going into Moose Jaw or accesses into Moose Jaw — Thatcher Drive where it joins onto the Trans-Canada Highway and also 9th Avenue North West where it meets the Trans-Canada Highway. I know there have been a number of meetings over the past couple of years on these intersections. Pretty dangerous, had some serious accidents, especially at the 9th Avenue North West. Can you update me as to where this is? Any plans from the department?

Hon. Mr. Elhard: — Well thank you, Madam Member. I have personal first-hand experience of both intersections every week — going west one time and coming east the next time — and I'm very familiar with those intersections. In fact I would have to say that of the two, I think the Thatcher Drive intersection is probably the more problematic as opposed to the one on 9th Avenue. But having said that, you know, I've seen some kind of hair-raising episodes at that intersection as well.

And we've had kind of a long-standing relationship with the city of Moose Jaw as it regards specifically Highway No. 1 and 9th Avenue North West. The ministry is in agreement with the city that there needs to be some work done there. I believe the work is going to be undertaken this year; that's part of our plan for this year's rollout.

It's my understanding that the city will actually do the work, but we will share the cost of that particular project. And it involves primarily a wider exit off of the No. 1 Highway. For eastbound traffic if they're wanting to head south on 9th Avenue, there will be a wider exit. I'm not sure of the technical name for that, but that is part of the design that's planned for that particular intersection. And I think it will make a difference there.

You know, there is so much different traffic and so much different activity happening at that intersection. You can have people going east heading south or north. You can have people in the westbound lanes heading straight west, going south, or turning north. There's some people who are just crossing the two lanes of traffic, and it's really not a very safe intersection.

Ms. Higgins: — So there is money dedicated towards that project. Thank you very much.

There is another . . . I'm trying to squeeze all these in in the last few minutes. Another intersection that is a concern . . . It's getting busier all the time, and it's going to continue to get more so, especially if the polygen plant goes in. You have Saskferco. You have Mosaic. You have Terra Grains which will be opening and up and running, my understanding is the middle of May.

Where that road meets the Trans-Canada is a horrible intersection when you are in a busy season for hauling fertilizer, staff coming and going. And I would assume once you start having the trucks heading in that way . . . Now I'm told they will be accessing Terra Grains also from the north, but I'm sure you will see a fair bit of traffic coming off of the Trans-Canada. Is there any plans or any discussions that have been had about that intersection on the Trans-Canada Highway?

Hon. Mr. Elhard: — That particular intersection, I also have quite a bit of experience with. I've hit the brakes more than once there, and I understand the concerns about safety, especially as the truck traffic increases at that particular intersection with the additional development that's happening there. There will be, you know, considerably more heavy traffic in that immediate area. The ministry is looking at some solutions around that.

We really don't know yet what the appropriate undertaking might be to address the safety concerns that are attendant in that

particular case. We have looked at resurfacing the road from No. 1 Highway up to the Kalium plant. The funding for that would come from the transportation partnership program, the TPP, which has generated some funding. It's not identified as part of our budget directly, but that is where we thought we might undertake that. So I think we'll probably do a full engineering analysis of the safety requirements at that intersection. We can't comment yet on what the solution might be, but we need to do that as part of the upgrading of that particular road.

Ms. Higgins: — Well, and the access in and out of the various plants that are there.

Another area that I just wanted an update on is 339, cuts off Highway 39 down towards Claybank and Avonlea, has been troublesome for the last few years. There was a solution reached and we came to the TMS being maintained and the heavy-haul being moved off to the grids. Has the pavement been maintained on 339, or will it be maintained? And, any work planned for 339? Is everything done? Is this agreement going ahead? Just kind of an update I need.

Hon. Mr. Elhard: — Thank you for the question. I can tell the member that I personally and several members of the executive team met with advocates on the 339 route. They are a very well organized and very dedicated group of people. But more than that, I want to commend them for coming to us with solutions.

And I thought that, you know, of all of the efforts that have come my way since I've been named minister here, that one was one of the very most solid presentations I heard because what we had in that presentation was representation from the individual towns that would be impacted there, and some RM representation, and some business community representation. And there was a commitment among the group to do whatever they could, both financially and from the perspective of getting all the players to sing from the same song sheet, to make that particular route a reality in terms of a paved road. And that's their ultimate aim and we understand that.

We have asked them to take their project as described to the group that is looking at all of the primary weight applications. We have established a working group of people who will evaluate each highway for its involvement or its consideration as a primary weight route. We've asked them to take their argument there. And it will be evaluated by this group who have a very strong working knowledge of what's required. And depending on how it is handled at that level, we might be able to respond.

You know there aren't many people in this large geographic area who have worked as effectively as a group to put together a proposal. And I really wanted to commend them publicly for that. But they've done more than that. They've put their money where their mouth is. And it was a pretty impressive commitment on their part. And it made me sit up and take notice, frankly.

The Chair: — We'll take one more question — and short question — and one more short answer.

Ms. Higgins: — Thank you very much. Well my one other

question then is some concerns over the highway signs. That has to be a major frustration. And also for these folks down in that area, I have met with the RM that's in my constituency. And I mean this has been over the last couple years, getting regional park signs put up — always a bit of a dispute with the Department of Highways.

So I would be curious as to when the review of regulations for signage, when that will be done and when and if we will see any changes put forward; how public you will be with any changes that are put forward for signage; and also if there will be some attempt to accommodate, I mean with the push towards tourism and the work that needs to be done in that area. So the signage is a major irritation. So when will the review come forward?

Who enforces regulations for highway signs? If there is signage in contravention of Highways, who enforces that and what's the process someone should follow?

And part B of the question is, is the municipal airport program still in the works and is there still grants available to municipalities?

Hon. Mr. Elhard: — Mr. Chair, I don't know how the member managed to get five questions into one sentence, but it seemed to have worked. There's a quite a few answers to the questions you posed, and I'll be as brief as I can.

We did some work on Highway 339 — this is in response to your previous question — and there's some additional strengthening work that has to be done this year on Highway 339. So that I think will alleviate most of their concerns on that front. It's not the paving that they're looking for, but it's strengthening and making it a better driveable surface.

The question you asked about signage, there's a couple of different questions there. One of the questions that committee brought to us was they didn't like the way the signage indicated the truck route was down here, and then signage that didn't direct people down that road for other reasons. They were concerned about maybe the inappropriate placement of signs identifying them as a destination. So I think we've attended to that.

The tourism signs you're talking about, I'm very cognizant of the concerns of that, you know, that type of issue. I know the tourism community is very frustrated with our signage policy. I don't think there'd be any other way to describe it. And so I'm hoping that we can address many of those concerns through a new signage policy. It's coming. It's being worked on. I hope it's not too far into the future because I have some questions to answer and ask myself on that issue.

And in terms of who enforces the signage issues, I don't know the answer to that question. I wish I did. Because I have some questions about that as well. I'm being a bit facetious, you know. We have a group in the ministry that actually does sign enforcement. There are at least three or four individuals in various parts around the province that are charged with that responsibility.

Ms. Higgins: — That's pretty good. And part B, municipal

airport program?

Hon. Mr. Elhard: — Yes, there is one.

Ms. Higgins: — Yes there is one. And the same amount as last year?

Hon. Mr. Elhard: — We are including the same amount in this year's budget.

Ms. Higgins: — Thank you very much to the Chair for letting me run overtime and get in a few questions. I appreciate it.

The Chair: — Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair. Mr. Minister, and to your officials, thank you very much for your answers today. We muchly appreciate your being here. And I think this probably concludes the questions we'll have, and likely the last time we'll see your officials here before the committee in this session. So once again to your officials, thank you very much.

Hon. Mr. Elhard: — Well thank you, Mr. Harper, for the questions, and to your colleagues as well. I think these exercises are valuable in terms of exchanging information and learning what are important issues to the people of the province and what our ministry is doing to address those problems and those issues.

The Chair: — I'd like to thank the minister and officials for being here this evening. We've passed our time by a small amount. I'd like to adjourn discussion on Highways and Infrastructure at this time. And the committee will recess until 6 o'clock, and please be back promptly at 6 o'clock.

[The committee recessed for a period of time.]

**General Revenue Fund
Environment
Vote 26**

Subvote (EN01)

The Chair: — Okay. Good evening. Welcome to the minister and officials this evening. We will be continuing consideration of estimates for vote 26, the Environment. But before we start I would just like to remind committee members that questions and answers should go through the Chair.

We have a pretty wide-ranging latitude on questions; however, there's times that it has to be mentioned to members that the questions have to be relevant to the estimates. And I think it might be worthwhile to read out just some comments.

It's not always possible to judge the relevance of a member's remarks until he or she has made some progress in or completed his or her remarks. Nonetheless this latitude is not limitless, as Marleau and Montpetit point out on page 872:

The questioning and discussion at this meeting is generally wide-ranging, although the rule of relevance does apply.

And I will state that it's incumbent on the Chair to facilitate

debate, not to curtail it. It is my intention to continue to exercise the latitude that has been shown in times past. However, if necessary I may call upon the member to connect their line of questioning to the estimates under consideration.

I would ask the minister to introduce her officials, please.

Hon. Ms. Heppner: — Thank you, Mr. Chair. And I thank you, committee, for having me back again this evening. To my left is Liz Quarshie, deputy minister; to my right, Bob Ruggles, associate deputy minister; behind me, Alan Parkinson, president, Saskatchewan Watershed Authority; Dave Phillips, assistant deputy minister, Environment; Donna Johnson, executive director, finance and administration, Environment.

Other officials include Ron Zukowsky, director, climate change program; Chuck Lees, acting manager, sustainable communities and economy unit. And from the Watershed Authority, Bob Carles, vice-president, stewardship division; and Wayne Dybvig, vice-president, operations.

The Chair: — And questions. Mr. Forbes.

Mr. Forbes: — Thank you very much. I appreciate the opportunity to be here and wish the minister and through the minister to the staff, happy Earth Day — a pretty significant day for the Department of Environment.

My questions, Mr. Chair, I think pretty straightforward, and I appreciate your opening comments. The first one I would like to ask the minister about is, I notice on April 3 the minister had announced support for regional recycling programs, and that's so important, very important. I'm curious to know if there is plans in the next budget year to develop a solid waste management program for the province as a whole that all of these regional authorities can be a part of.

Hon. Ms. Heppner: — Thank you for the question. We are currently working on a multi-material recycling program for the province. We are engaged in consultations with stakeholders and working on a business plan. And although I do not currently have a date of announcement for that, it is something that we are working towards.

I had the opportunity on Thursday in Wakaw and yesterday in Regina to help open brand new depots for SARCAN. And the people of Saskatchewan have a real interest and a dedication to recycling, and we want to make sure that we tap into that. And so we are working on a multi-material recycling program.

Mr. Forbes: — That's very good to hear. There are challenges out there. Some of the regional waste management authorities are very, very strong in the programs they've done, but I know, with the challenge of the high price of gas, is not what it was, and particularly paper, recycling paper is not what it used to be. There are challenges there.

You're not prepared tonight to talk about timelines, and I understand that. Are there significant challenges you see out there that your department will have to overcome? I know one of the ones you may have to deal with is the idea around paper and recycling. Do you recycle it? Do you do other things with it? Because the cost of recycling is actually getting higher and

higher.

Ms. Quarshie: — Thank you, sir, for the question. We have engaged the newspaper industry in discussions about including the newspapers in with the other waste streams, you know, cardboard and so on. They haven't come to the table willingly, but they are at least ready to be engaged in discussions. They asked us to, to do an economic analysis on the impact of recycling the paper in the province and then come to the table with some kind of a proposal to initiate discussions in terms of how they would contribute to the overall program. So that aspect of the program has just been initiated and it's in the works.

Mr. Forbes: — I think that's a very important part to do, especially the industry people. We see Saskatchewan's had a lot of good work in this area, going back to the beverage containers and batteries and tires and so on, and most recently computers and paint. So when you're talking to the newspaper folks, they're a very, very important group of people to get onside because I think that when we know the landfills are 50 per cent paper, that's a big, big deal and so this will be a tough battle. So I would urge you to continue on this.

Another area I want to talk a little bit about is water conservation. It's one that . . . in fact just listening to the news on the way in, it's a big, big deal obviously on Earth Day, any day. Have you thought about water conservation strategies, what will be in through the budget this year and what, as a minister, you'll be promoting in the years ahead?

Hon. Ms. Heppner: — There is some additional programs that I've asked the Watershed Authority to look into for the average person to engage in water conservation. We know things like toilets use a lot of water and if we can find incentives and get people onside with replacing low-flush toilets . . . to change out their traditional ones with low-flush toilets.

I understand there's currently part of the EnerGuide program, you can apply for that, but it has to be throughout the entire home audit process and in some cases that is rather cost prohibitive. You have to get an auditor in to check out your whole house and if the rest of your house is in good shape and, you know, that's not a problem, to pay 150 or \$200 to get an auditor in to tell you need to replace your toilet is perhaps not the best use of money in that circumstance.

And so we're looking at initiatives such as that for the average homeowner. It's pretty astounding how much, how much water you can save through small things like that.

It was interesting. When I was in Australia, they have some huge water conservation issues there and regardless of where we went, whether it was a private home or a hotel or business convention centre, every toilet was — I love the fact that in my job I get to talk about toilets — every toilet was actually a low-flush toilet, everywhere we went. So the possibility is there to really engage people to get onside with this and it can make a really big, huge difference on our water conservation ideas. Yes. Toilets are the mainstay of my job now.

Mr. Forbes: — I can relate. It would be an interesting slogan: every toilet a low-flush toilet in Saskatchewan. But I think it is

an issue. And it's particularly one in the South, and it is one that everyone can be part of the solution. And particularly I'd be curious as we go forward — I know in the last session we talked a bit about relationships with Alberta — but in terms of water supply coming into Saskatchewan, how is the relationship particularly with Alberta? You know, we do have the agreement of how much water comes forward, but it's important that we be vigilant in that area. Do you have any comments on that?

Hon. Ms. Heppner: — As I'm sure you are aware, Saskatchewan is a member of the Prairie Provinces Water Board, and actually I just received an invitation — I think it was yesterday or today — to attend a meeting of the provinces that are engaged in that. It'll be in Manitoba in June where some of these ongoing discussions will be taking place on the conservation side and that sort of thing. And our relationship with Alberta is good, and I don't foresee any difficulties or challenges in that area at the moment.

Mr. Forbes: — Well it's an important area. Just to wrap up though in terms of the water area, is there funding in the budget here? Can we see in terms of water conservation — you did talk about some programs, the Watershed Authority — is there more money in the Watershed Authority budget for water conservation initiatives?

Hon. Ms. Heppner: — The particular item that I referred to that we're looking at would be funded through their go green funding envelope of money. It would be under the \$7.5 million envelope. We'd fund the funding through there.

Mr. Forbes: — And will people be watching for that and advertising or that type . . . How will the word get out about the water conservation initiatives?

Hon. Ms. Heppner: — My idea for that is to have a, I think, pretty intensive advertising campaign. There was some advertising done from the Watershed Authority on overall conservation and directed people to the website just to give them tips and hints on what they could do. And so as a follow-up to that I think there probably would be some pretty intensive province-wide advertisement and education on what people can do and hopefully get them involved in the program.

Through the EnerGuide program I think there was 150 or 200 toilets replaced — I'd have to double-check the numbers for you — but it wasn't a huge take-up through the EnerGuide program. And like I said, my concern with the lack of take-up on the toilet side could be the cost prohibitive nature of getting an auditor into your house if all you need to do in your home is replace a toilet. So I think this is going to be a slightly more accessible program. The toilet program through EnerGuide will remain as the overall EnerGuide program and the things that are listed as eligible through that program, but this would be in addition and slightly easier accessible program.

Mr. Forbes: — I want to move on to the biodiversity action plan. I'm not sure if it's in the budget for this year, but I'd be curious to know that. It does wrap up . . . It started in '04, wraps up in '09. And so this would be the year in terms of consultations or the next phase of that. Is there a plan? Are there plans to continue the biodiversity action plan?

Mr. Phillips: — We're just in the process of generating a progress report tracking the accomplishments for the period 2006 to 2008, and we're canvassing all the participating ministries to generate a progress report. It would be our intent to bring forward recommendations based on where we're at as of the fourth year of a five-year plan for, you know, future continuation or new directions.

Mr. Forbes: — Will you then proceed with consultations or what will happen in the fifth year to continue on with this? This is a pretty major . . . This is not only a provincial initiative really. I mean this is part of a national, international thing, so this is a very significant thing.

Mr. Phillips: — Yes. We get to do our thinking about what sort of consultations with the public would go on. There's consultations now under way with Watershed Authority, Highways, Agriculture and Food, the other provincial ministries. There's also an initiative under the Canadian Council of Resource Ministers related to biodiversity outcomes, and we're a participant in a process to generate a, it's called the status of ecosystems in Canada report for ministers in 2010. Saskatchewan has the lead responsibility for the Prairie ecozone. So there's some national work going on that's catching up to the individual provincial biodiversity action plans where they exist.

Mr. Forbes: — One particular area within the biodiversity action plan was representative area networks. And our goal as a province was to set aside I believe it was 12 per cent of representative areas. And I don't know if we actually achieved the 12. We were up at about 9 or 10, I think. And so is that correct? Or where are we at with that?

Hon. Ms. Heppner: — It's 9 per cent currently is my understanding.

Mr. Forbes: — Will there be any new areas coming in in the next year or so?

Mr. Phillips: — We are continuing along with some of the land use planning activity that was initiated over the last five years, notably the north central land use plan which is sort of the Churchill River west of La Ronge. There are some potential candidate areas identified in that land use planning area that would be desirable for the representatives area network. We've not brought forward any specific recommendations at this time.

We also have allocated to the ministry in this year's budget money for a northwest Saskatchewan development study. We're in the process of developing terms of reference for that planning project, but it's likely that out the end of that exercise there may be other candidate areas identified in sort of the northwest part of the province that will be suitable for inclusion.

Mr. Forbes: — Right. Now with . . .

The Chair: — Just one moment, Mr. Forbes. Could we have, for *Hansard*, could we have officials when they come up please give their name so we could have it recorded in *Hansard*, please.

Mr. Phillips: — My name is Dave Phillips.

Mr. Forbes: — Within your campaign the commitment was made around parks, and of course I know you don't have parks any more, but parks are part of the representative area networks or can be counted towards that. Will you be working with the parks people in identifying potentially good areas for these wilderness parks?

Mr. Phillips: — We've gone through an exercise in the last four months of developing a specific set of operating arrangements between Ministry of Environment and the parks service part of the Tourism, Parks, Culture and Sport. We are under a shared services arrangement with the other ministry administering land transactions. So we're providing that service in support of ongoing dispositions in the parks.

With respect to planning of additional areas for representative areas purposes, we collaborate with the parks service. And certainly if there were any additional parklands identified for provincial park status, one of the screens would be their representative value and we would intend to include them in the representatives area network.

Mr. Forbes: — Just a couple of more questions, and one is around the Great Sand Hills and the report that was done. And I understand that it's under an environmental assessment process right now. What is the timeline? And what do you see, what is the plan from the department, from the ministry, to move this forward?

Hon. Ms. Heppner: — The technical review has been completed. And you had asked about timelines on next steps. It's our hope that within the next few weeks we can take the information from the technical review and have it out for public review. I understand that the normal timeline for the actual public review process is 30 days, and we're proposing to have it out for 60 days to get adequate feedback.

Mr. Forbes: — I don't know. This is just a general question for the minister, and how familiar you are with the Great Sand Hills, if you have any sort of feelings or affinities. You know this is one that's been through many governments. Quite an issue from, I don't know when it really, in terms of the development there — it goes back quite a ways. What are your hopes in thinking about the Great Sand Hills?

Hon. Ms. Heppner: — Well there's both opportunities and challenges surrounding the Great Sand Hills. As you know, there's currently gas development there already. And as in many areas of the province, there's a balance that needs to be found between protection of the environment without stopping economic growth. And there's some very sensitive areas in there as well.

And so I'm looking forward to having the public feedback. Obviously everybody's got a different opinion on this depending on which area you come from, whether you're a rancher or you're involved in the gas industry or if your first instinct looking at the Great Sand Hills is from a purely conservation point of view. So there are some challenges but there's some opportunities there as well. And so like I said, I'm looking forward for the information to come back to see what the public input is and what their expectations are of us. I'm expecting some very interesting comments on the technical

review coming back.

But there are challenges. And I think every government, ours included, has understood that. And there's potentially some tough choices ahead as to our final determination on the use of that land in that area, but . . .

Mr. Forbes: — The whole area, I mean, it's a fascinating place, right? From Cypress Hills right up to the river. And I see some of the, you know, the project proposals and the quarterly status report that are out there, and I assume . . . Can I get an update, or just verbally tonight, I mean, what . . . Are there more gas wells being drilled in there? I'm hoping that everybody is following the letter of the law, but I look through here and I see that there are some drilling in the Great Sand Hills. I mean they're really pushing. I mean it's a great resource as well. How are the environmental assessments going in the area?

Hon. Ms. Heppner: — To save time we'll just let Dave answer.

Mr. Phillips: — Dave Phillips. In the core area that's under review there is very limited development going on at this stage but in the contributing area, the broader ecosystem, there is quite extensive development continuing to go on. But each development, each project, is subject to a screening and approval, subject to conditions. And there'd be ministry's observation that the, you know, the best management practices are improving as we go along — things like access only on frozen ground condition, density of trails, and that sort of thing. I think the industry is becoming a little more mature and there's more stability and the operators are actually bringing in the proposals for review. But there is, you know, extensive exploration and development programs still going on.

Mr. Forbes: — One area that I've had some questions about is around Gallagher Bay, and of course it's quite a well-known birdwatching, bird sanctuary area. And there is an agreement in place amongst the partnerships, I believe, or the Ministry of the Environment, formerly Industry. Could you talk . . . How is that agreement going? Is it still in place?

Mr. Phillips: — This would be in the Galloway Bay area?

Mr. Forbes: — Yes.

Mr. Phillips: — Maybe we could get back to you.

Mr. Forbes: — I'll get you the information I have, because it's a very important one. But all along the riverbank right to the Alberta border, there are some challenges in terms of, you know, whether it's land claims or developments or . . . And I don't know what's happening in terms of oil and natural gas development, but this is a beautiful part of the province. Are you paying special attention to that this year, and what do you see happening? I mean I know there are concerns from the some of the local people when they see both sides of the riverbank being developed. And I know there's a debate about whether it's the high-water water mark or halfway across the river. And so any comments on any special attention to the river?

Mr. Phillips: — There would be special setback distances and also seasonal restrictions on when activity could go on because

of the importance of the area for staging waterfowl. And the pattern of the parcels along the river course in that area, some places they do come right up to what would be the normal high-water mark, so there'd be, you know, special protections on any steep shorelines or areas that were within, you know, erodible distance from the riverbank. We tailor the conditions for the permitting to match the local site conditions.

Mr. Forbes: — This area too has been . . . There's been a lot of conversation about designating it as a heritage river, and this would be something that I think has a lot of merit. And have you folks considered doing something or promoting it this year within your budget?

Mr. Phillips: — I've been in conversation with the executive director for the park service which is now part of Tourism, Parks, Culture and Sport, and I understand that they are looking at potential designation of different — or that might not be the right word for it — special treatment of some of the important rivers, and the South Saskatchewan River is one of the areas that he mentioned to me. So that would be more logically be a question to ask the Tourism, Parks, Culture and Sport people about.

Mr. Forbes: — Yes okay. They're dealing with the heritage river designation. Okay, okay, good. Thank you.

The Chair: — Just before I give you the floor, Mr. Nilson, I'd just like to read into record that Mr. Nilson is substituting for Mr. Furber on committee this evening. Mr. Nilson.

Mr. Nilson: — Thank you very much, Mr. Chair. It's a pleasure to be here this evening to ask a few questions and hopefully provide some illumination to the public about a lot of very good work that's done in this department. And I know that's what Mr. Forbes was trying to do as well, and I'm sure he'll maybe even think of a few more questions that he wants to ask before we're done here. So welcome.

I want to ask questions in a few areas. One of them is the whole area of land use planning, and my understanding from looking at this year's budget is that there is some money now available to start the land use planning in the Northwest. Could I have a more detailed description of exactly what the plan is?

And I'm assuming it's a multi-year funding plan because I know that many people are watching that area very closely. Obviously the work done with the monitoring bus is part of that plan. But it's really about getting staff and getting, I guess, resources to do the job. So I'll leave it open like that and get an explanation.

Hon. Ms. Heppner: — Thank you for the question. Yes, in this year's budget there is \$1 million set aside for the northwest land use plan. And we understand the challenges. As I said before when talking about the Great Sand Hills area, there is many areas of the province that offer challenges and opportunities at the same time. And the Northwest is one of those.

And as you've said, this will be more than just a one-year funding. There will be more funding going forward. There's \$1 million in the budget this year. We're estimating that it'll be another million next year, but I hate to prejudge what the

budgetary process is going to be in the next budget cycle. But this is the first year of a longer term plan. And I will let Dave follow up with some of the details.

Mr. Phillips: — Part of the direction we're working with is to return with terms of reference for the project. So we've had consultations with Municipal Affairs; First Nations and Métis Relations; Watershed Authority; and Energy and Resources. And this is with respect to scoping the project. We've done some initial preparatory work. We've purchased remote sensing imagery that is being analyzed right now to develop a good picture of current conditions in the area. We've brought in an expert from Alberta who uses a scenario modelling software and advises the Alberta government on development decisions, had a training session that included seven of our staff as well as staff from FNMR [First Nations and Métis Relations] and Energy and Resources. And we're receiving advice from the consultant from Alberta on how best to approach the project.

So we'd be in a preparatory stage — about to develop a terms of reference for how the work will actually be delivered and analyzing the data that will go into the model right now.

Mr. Nilson: — Are there more staff positions in the Ministry of Environment to deal with this? Is that included in the \$1 million budget?

Mr. Phillips: — No. No. There is no additional staff resources. But we're in the process of assigning the people directly to the project that have the most pertinent professional competencies as well as organizing both inter- and intra-ministry teams that will draw in the GIS [geographic information system], the forestry expertise that we'll need. So the project manager will facilitate inputs from various parts of our ministry and inputs from other ministries that have relevant information on water or mineral dispositions, the types of content that's relevant to their ministries.

Mr. Nilson: — How many people do you anticipate will be working on this project, either full or part time?

Mr. Phillips: — We presently have three staff fully dedicated to the work here in Regina. There's a socio-economic modeller and an aquatic modeller and then a sort of a land technician person. We're working to soon name the actual project lead. But in addition we expect that other ministries will have particular kinds of capabilities that are relevant to this project. For example the Watershed Authority would have, you know, knowledge and expertise on groundwater availability and surface water conditions that would be part of the projects. So there's presently four ministry staff directly associated with the project.

Mr. Nilson: — So has this meant that other land use planning projects have had to be curtailed or slowed down so that you can move the staff to this area? Or do you have resources that allow continuation, for example in the Athabasca work?

Mr. Phillips: — I think the answer is that those other land use processes continue. We have continuing capacity to deliver what's needed on those projects as well.

Mr. Nilson: — So then the extra people needed for the

Athabasca land use plan completion are there as well in this budget?

Mr. Phillips: — Yes. Maybe I could just give a bit better explanation. The three people presently full-time assigned to this project were formerly doing other work in the ministry, in our corporate policy and planning area, so they're redirected to the project. And then the project lead yet to be identified — and we're soon in a position to do that — will be someone who would be redirected from other work to this, but then we would backfill behind that person.

Mr. Nilson: — So then the answer is people doing this kind of work, the number has increased by taking existing positions from other areas and moving them there. Okay. Well that's, I mean that's, I guess, relatively good news although I hesitate to ask where they came from because somebody else, I'm sure, is having some trouble.

Just another question in this area and I know that there's quite a bit of work being done in a number of different areas, but the whole Nisbet plan, what stage is that at?

Hon. Ms. Heppner: — Thank you for the question. It's my understanding that the draft plan in place is going to be shared with a local review committee within the next few weeks and that it will be completed by the end of this calendar year — not budget year, calendar year.

Mr. Nilson: — And this is the 15th version of the draft plan or somewhere in that number. Would that be accurate?

Mr. Ruggles: — Close to it.

Mr. Nilson: — Well I mean I know that people are anxious to see that because it's the whole area of the forest around Prince Albert. And there's so many different uses in there that it's very difficult to put a plan together, but I know everybody's anxious to see that.

A question that's related to this but it's slightly in a different spot. You talked about getting the remote imaging information for the Northwest. Does this budget include money to continue with the whole GEOportal and province-wide mapping that has been in the works or have been worked at in piecemeal, I guess, over quite a number of years?

Hon. Ms. Heppner: — There's a collaborative amongst various ministries — I think almost all of them at this point — and Environment is one of those. And we just approved funding a few weeks ago. It was \$400,000 over the next five years, I believe, for Environment's portion of that collaboration amongst ministries.

Mr. Nilson: — So is it possible to give me and the public the website where we can go and get the mapping tonight, or is that going to happen in five years?

Hon. Ms. Heppner: — There is information currently available, I understand, on the Environment website. As this additional information comes about, it will be posted through the ISC [Information Services Corporation of Saskatchewan] portal, and as we acquire it, it will be posted on an ongoing

basis. So it's not going to be all stored until the five years are up and then all of the information going out. It'll be as we receive it; it'll be rolling out as we receive it.

Mr. Nilson: — Is there any information available right now?

Hon. Ms. Heppner: — Yes. On the Environment website.

Mr. Nilson: — So does that include the Great Sand Hills information as one aspect of it? Well I mean I think that . . . encourage people then to go to the Environment website and follow the tracks because it's quite interesting to go to your neighbourhood, if it's already been included in the map, and see what satellite imagery can provide you with, the information.

I guess the next question is, is this continue to be developed with the Google mapping so that ultimately it'll be available through that space?

Hon. Ms. Heppner: — There have been discussions with Google Earth, but at this point there is no agreement with them to partner with it, and we'll have the information on our own sites instead.

Mr. Nilson: — Okay. So that can be one that we'll all be watching to see, just to see how we fit in there.

Okay. I'll move on to another area which Mr. Forbes asked a couple of questions, and that relates to this relationship between Parks and Environment. And it sounds like you're still working hand in hand and probably have the Parks people pretty close by. But I guess my specific question relates to the development in the parks that might not be of sufficient nature to require a whole environmental review but that will have a direct impact on a number of the Ministry of Environment's policies. Could somebody explain how that's going to work in the new world here.

Mr. Phillips: — We've developed a memorandum of understanding between our ministry and TPCS [Tourism, Parks, Culture and Sport], and scheduled to that memorandum of understanding are specific appendices for each of the program areas. So for example there'd be one for lands, one for fisheries, one for park security, and so on. And in each case it identifies lead and consultant support responsibilities and where those fall out.

So for land development, if you will, the lead responsibility within . . . According to our agreement with TPCS, the lead responsibility generally rests with TPCS and the park service, except where it would, you know, require formal environmental screening or permitting for a shoreline development, that sort of thing. That's where our ministry would become involved. So the policy choices around land development, if you will, within the provincial park system would normally reside with the park service and with TPCS as opposed to Ministry of Environment.

Mr. Nilson: — Is the Watershed Authority included in this agreement as well?

Mr. Phillips: — They're not a signator to the memorandum of understanding, but they would normally . . . like, their normal authority would still be expressed on waters within parks.

Mr. Nilson: — Okay. I'm asking these questions as it relates to Lake Diefenbaker and the South Saskatchewan River Valley. And it sounds to me that there may be areas now where there are three levels of authority — that the Watershed Authority has certain powers and abilities to manage; that Environment has certain powers and abilities to manage; and then where there are parks, parks people. And then I add the other aspect of the regional parks.

I know from my travels that people are very concerned about the whole South Saskatchewan River Valley. And can you explain how this is going to work?

Mr. Phillips: — For developments on . . . Oh, sorry.

Ms. Quarshie: — I think when it's within the context of environmental assessment, even though there are many different agencies like Parks and so on within it, if you look at it in terms of how we'll manage our environmental assessment process, that's not going to change significantly. In other words, if there is a project that comes before us for assessment purposes, you know, Environment will be the lead.

We'll solicit comments and input from all the other agencies in terms of, you know, in terms of the development. And any questions and so on that they may have, that will be sent to a proponent to address those. You know, the particular agency will have the opportunity to again look at the responses and see if it really satisfies their requirement going through the full process before it is completed.

So even though there are many parties involved, it doesn't shortcut the whole assessment process. It's just having different comments from different agencies on the development, which is similar to soliciting comments from other ministries for example.

Mr. Nilson: — Well I asked the question though because many of the projects don't meet the bar to actually have an environmental assessment. In fact I can't think of any except maybe a big industrial project that might.

So what happens to an RM decision or a local community decision to open up a whole area for subdivision? Like is the Department of Environment involved at all? Is it the Watershed Authority? If it happens to be in a regional park, who's in charge there? And it all goes back to my original questions about land use planning.

Mr. Phillips: — There is a screening done on some for example residential or country residential subdivision developments that move through to Municipal Affairs. Some of them do cross the threshold to actually be, you know, full projects for purposes of the EIA [environmental impact assessment] review, but that's based on past precedent within the environmental assessment programs of where the threshold is.

And for developments within a kilometre of a reservoir like Lake Diefenbaker, there is a pre-requirement for . . . approval process through the Watershed Authority for who is the administrator for the reservoir development regulations.

Mr. Nilson: — Well I raise this issue because I know that there are a number of different processes that maybe don't always mesh together. Are there any plans in the ministry to actually work together with some of the other ministries on developing a broad land use planning structure for Saskatchewan, possibly following what Mr. Coutts was organizing in Alberta, as the minister in Alberta?

Hon. Ms. Heppner: — I'm going to ask for some clarification. Were you asking for a land-use plan province-wide? I'm not sure if I caught your question properly or not.

Mr. Nilson: — That's ultimately what I'm asking, yes. And what we know in Saskatchewan from listening to all the various people involved, that there's a fair degree of frustration around planning. And it's the same kind of thing that's happened in Alberta. And they have now, I think, in probably about year 3 or 4 of a plan of developing a land-use structure for the whole province.

And my question is, is that something that you are considering doing as the Minister of Environment? Because that's the logical place where this would take place, obviously working in conjunction with the Minister of Agriculture. You know, the Minister of Agriculture has in his or her name the land in southern Saskatchewan and you as minister have the land in northern Saskatchewan.

We've traditionally used the ownership of the land by the Crown as a method of control, but every time there's a problem it usually is in a situation where that ownership has gone from a lease to a sale of land, and then all of a sudden there's no control, whether it's in the northern part of the province or the southern part of the province. And so my specific question is whether this is on your agenda to see if you can get a better system.

Ms. Quarshie: — Thank you for the question. In terms of a broad-base Saskatchewan land use plan, we currently do not have a plan like that in place because the plans are designed to address specific issues around, you know, different ecosystems. For example you mentioned the . . . [inaudible] . . . land use plan, for example. So there is a specific reason for looking at that area of the province. I call it discrete settings of different areas.

So we currently don't have a plan to integrate all of the land use studies that have been conducted and also look at others outside of those into a complete Saskatchewan plan. Potentially I don't know; that could be a possibility sometime in the future. But at the moment because of potential pressures in certain areas, it's become necessary to look at those areas at the moment and put priorities on those.

Mr. Nilson: — Well yes, I appreciate the answer because, I mean, I know there isn't a process. And the question is, will you be putting this on your agenda over the next few years because we know that we can learn from what's happened in Alberta in a number of areas. And this is one area where I know they wished they'd done it quite a few years ago, but they're still ahead of us.

And it's very clear — it doesn't matter which part of the

province you go to now — there are issues about use. And quite often they do come back to the environmental policy, which is why I'm asking it here. But it, you know, it runs up against other departments; I know that. But so right now there's no plans to do any work in this area?

Hon. Ms. Heppner: — Not currently beyond, like we said, the plans that are currently in place, Athabasca and the Northwest. Those are our priorities at the moment, and that's what the budget speaks to. That in no way precludes looking at a broader approach going forward. But in this year coming up, we would like to finish the ones that we've currently started.

Mr. Nilson: — Okay. I'll go on to a slightly different area. What is the plan around the whole Churchill River area and the study that's there in that particular land use plan? Can you give me a report on that?

Mr. Ruggles: — Bob Ruggles. We have been working on an integrated land use plan for the Churchill River corridor and areas north of the Churchill. An area originally referred to as the north central land use planning area, more recently it's been renamed Missinipe planning area. We have completed a draft integrated land use plan for that area, have taken it out for discussion with the communities within the planning region and expect to have a final draft ready for government's approval in the next six months.

The area does include a big stretch of the Churchill River and is contiguous with plan that's already been developed to the east, a plan known as the Amisk-Atik land use plan. So the Churchill River gets similar treatment in that entire area.

Mr. Nilson: — We'll look forward to seeing that work soon. And I know that lots of people are very interested in that one, whether they live in that area or in Saskatoon or Regina or New York or Australia, whatever. It's got the eyes of the world on it. I know that.

Part of the announcement of the new government's plan included developing new parks, and we've heard some hints about that. And I know it's in the Parks area, but very clearly they would be having to work very closely with the Ministry of Environment. Could you give us some hint as to which areas are being looked at for the development of some new parks?

Hon. Ms. Heppner: — As you said, yes that was our party's position is to potentially have a new park. The Ministry of Parks has not yet approached Environment over that, but if they have a proposal, to answer your question, we would be working with them. That request has not reached our ministry yet. I'm sure you could follow up with the minister on that, but we would be working with them, but we just haven't had a proposal yet.

Mr. Nilson: — So the idea of what land would not fit within the biodiversity plan, which is in the Department of the Environment . . . is that what you're saying? Or is it going to be a request that comes from another place?

Hon. Ms. Heppner: — You're correct with the biodiversity areas, and it would be part of the consultation with Environment if Parks has a certain proposal for land to be used for a park,

that we could offer our input on that, whether we feel it infringes on the biodiversity areas or not. And that would be part of the consultation process. But as I say, we have not yet been approached.

Mr. Nilson: — Okay. On to another area, could we have the April 22 report on the whole Qu'Appelle Valley negotiations with the First Nations and the federal government and what the plans are for this summer's flows of water in the Qu'Appelle Valley.

Hon. Ms. Heppner: — Well as I am sure you are aware as the former minister of Environment, the negotiations that are currently going on, the province is there, as is the federal government and affected First Nations. And we have an agreement around the table not to discuss those negotiations. We are bound by that. It's an agreement that the parties at the table have.

As to the ongoing use and operation of the structure, I think we can give you an update on that. Correct? And Wayne can speak to that. But as I said, as for the actual negotiations, we are bound by an agreement at the table not to discuss those publicly.

Mr. Dybvig: — Wayne Dybvig. Well currently with negotiations, we do not have an agreement for operation of the structures for this spring or summer. As the minister indicated, we can't speak to the negotiations very much due to the confidentiality, but we are very confident that negotiations are proceeding quite well, and we're still hopeful that we can see an agreement reached soon this year. And such an agreement would then facilitate the operation of a structure at some point — late spring or early summer.

Mr. Nilson: — I guess while we have the water expert here, can you give us an April 22 status report again on hot spots as far as both drought and flooding for the Saskatchewan viewers who are watching us tonight.

Mr. Dybvig: — Well I guess coming into this spring, we were looking at pretty much a normal runoff in the southern part and a much below normal runoff in the southwest part of the province, and a bit above normal as you move from Saskatoon, north.

The melt this year occurred rather strangely. It was abnormal and took longer than anticipated and there's kind of a diminishing of what the total runoff anticipated turned out to be. So as a result we didn't get some of the flooding problems we anticipated say, in the Corman Park area north of Saskatoon. There's still some issues there but not quite as severe as we thought they would be.

In the southwest part of the province, we do have some concerns about the drought situation. This latest snowfall on the weekend did not appear to materialize very much south of the No. 1 Highway and places down there did not get much snow. And most of that has ended up in the Beaver River basin and the Churchill watershed where they're getting more moisture.

So all in all there are some concerns with drought in the Southwest. Pretty much the other areas of the province, we're

looking at closer to a normal runoff.

Mr. Nilson: — Thank you very much. I appreciate that report.

Now on to another area which I think is still in your responsibility, and that relates to . . . the minister's responsibility as it relates to the enforcement of issues in northern Saskatchewan. It's always been a challenge in budgets to get sufficient funding to have enough conservation officers to do the work.

Can you explain how many more conservation officers . . . and I guess I use the environmental enforcement officers . . . in a lot of ways their role working with the mining companies and with a number of other things that is, especially in forestry I guess, but especially the mining companies because we know we have a great deal of activity . . . Does this budget have more money for more positions in northern Saskatchewan?

Hon. Ms. Heppner: — The personnel involved in both . . . You had asked about conservation officers and enforcements? The numbers in this budget are the same levels as last year's.

Mr. Nilson: — So it's quite clear from all the reports we've been seeing that the amount of work in the North, in the mining industry, has continued to expand even over the last couple of years. Can you explain how that's being managed?

Mr. Phillips: — The budget brought with it three additional positions for the environmental impact assessment process. We have some increased capacity in that regard. With respect to conservation officers in the North, the numbers remain the same as in past years. We've managed to relieve some concerns related to northern utility costs that are enabling us to move people into positions that had been temporarily vacated as staff turned over. And I believe we're in the process of looking for some additional capacity in the permitting office in La Ronge for review of mineral development proposals. This would be, you know, redirection of existing staff.

Mr. Nilson: — Is there any delay involved in that permitting or has there been any difficulty in meeting the demands of the mining industry because of the numbers of staff in the Ministry of Environment?

Mr. Ruggles: — This year we're experiencing about the same level of mining exploration activity as in the last year or year and a half, and our current staff complement is able to keep those permit processes moving in the same kinds of time frames and approval times as previous years. So we're able to meet the turnaround requirements and the turnaround times and not slow down the industry activity.

Mr. Nilson: — Obviously this is something that you are continuing to monitor on a regular basis to make sure that there isn't a problem as it relates to that. I appreciate that.

Another area that I will ask a couple of questions on relates to the air quality management, air quality monitoring. Can you give us the status report on what's happened down in the southeast Saskatchewan and the work that's being done around monitoring of air quality in that part of the province?

Mr. Phillips: — We're moving to try and implement airshed approaches. In the southeast airshed, it's our first. It started as a pilot but it's operational now, and we're beginning work to try and establish a similar sort of an approach in northwestern Saskatchewan in association with the Wood Buffalo airshed group which is in the Fort McMurray area.

We have reassigned one of our limnologists to work with our mobile air monitoring lab for a quite aggressive air and lake acidification sampling program in the northwest area, and we've reassigned a staff person to serve as a manager of our air unit, so we've reassembled capacity. We're going to have more data in the Northwest than we've had in recent past years, and we're basing it, the approach for community involvement based on what we've experienced already in the Estevan airshed area.

Mr. Nilson: — Is there more money in this budget for more staff in this area, or once again are you reassigning from some other part of the department?

Ms. Quarshie: — The staff complement that we have . . . We've increased the program across Saskatchewan in order to get more data. The staff compliment that we have is adequate to some extent, but we need some more specialists' positions to be able to do certain tasks, and we are in the process of trying to fill those specialized positions for air quality monitoring.

Mr. Nilson: — So you have sufficient budget to do that in the budget plan for this year?

Ms. Quarshie: — Yes we do.

Mr. Nilson: — Okay now I'll ask the question I didn't ask before. It sounds like there's been about somewhere between 4 and 10 positions taken from other places to do work that's a priority. Where have they come from and what other work has dropped to the wayside?

Mr. Phillips: — For the staff positions in the northwest project area, they've primarily been redirected — they have been, I shouldn't say primarily — they have been redirected from our corporate policy planning area. This is the socio-economic modeller, aquatic modeller, land use technician and then the project manager that we're in the process of assigning.

For the air monitoring program that we've talked about, the person who will operate the airbus comes from, had been working as a term position in our green policy area. He's got superior field skills.

The limnologist had been working on lake productivity studies, as basic fisheries productivity, reassigning him into the lake acidification monitoring and makes use of his limnology Ph.D. background, and it's our assessment that acidification is probably a greater management question at this stage than sort of general productivity. So he's doing similar work, but directed into the Northwest as opposed to general fisheries productivity work.

The person who's serving as the manager in the air quality area came from, it within our environmental protection branch. I believe the work he was doing was primarily air related but in the southeast airshed area. Now he's acting as manager for the

unit.

Mr. Nilson: — So from what you said, does that mean that the whole green policy area has been cut back substantially? Or what has happened here?

Ms. Quarshie: — No. Actually the green policy area has not been cut back at all. As a matter of fact, we are in the process of actually even staffing it up with more staff and external resources.

What Dave was telling you is that within the corporate policy area, we had several specialists within that area in the past who were there for policy direction for the ministry. We found that that resource is not being utilized adequately, and we redeployed that resource into areas that we think will be most needed.

The Chair: — Ms. Morin.

Ms. Morin: — Thank you, Mr. Chair. Good evening. I'm wondering if there's any third-party funding cuts to NGOs [non-governmental organization], environmental groups, etc., that I'm not aware of yet.

Hon. Ms. Heppner: — No. There isn't.

Ms. Morin: — Is there any situations where there was funding for any types of organizations such as this where their funding has simply run out and the funding has not been renewed?

Hon. Ms. Heppner: — Not that I'm aware of.

Ms. Morin: — Has your . . . Oops, sorry.

Hon. Ms. Heppner: — There was a funding cut to the Saskatchewan Forest Centre — sorry — to qualify my answer.

Mr. Forbes: — The funding for, I think it's the elm beetle group, that's secure?

Hon. Ms. Heppner: — Yes.

Ms. Morin: — Thank you, Madam Minister. I'm sorry about that. Has your government changed the forest fire policy, or does it have any intentions to make any changes to the forest fire policy?

Hon. Ms. Heppner: — There have been no changes to the policy.

Ms. Morin: — Is there any intentions to look at making changes to the policy, given the concern that was raised by some Sask Party members over the last session, the last term I should say? I'm curious as to . . . And I seem to have noted it also in the Sask Party policy book for 2007. I'll read a quote:

Be it resolved that a Saskatchewan Party government will review best forest fire fighting practices in other Canadian provinces including Manitoba's Single Engine Tanker Program (SEAT) with a view to strengthening Saskatchewan's capacity to fight forest fires and protect communities.

I'll also mention the letter that was written to the Standing Committee on the Economy, dated August 21, 2006, wherein the MLA for Last Mountain-Touchwood and the MLA for Rosthern-Shellbrook had grave concerns about the current policy. And so I'm wondering if the minister might tell me if there is any notion of reviewing that policy.

Hon. Ms. Heppner: — Thank you for the question. I know that there was concerns over what had been called, the let-it-burn policy. And there are concerns that there is, in an effort to protect communities, there is a 20-kilometre radius. And there is some concern that no action was taken until it came right up to that 20-kilometre radius and that what I have been asking about and is my request — and I'm sure this is the way it's going to be looked at — is that the 20 kilometres is a guideline.

If there's a risk assessment or a need to come in sooner than that, those opportunities are there. And so as far as reassessing the policy currently in place, no.

Ms. Morin: — Thank you for that. With respect to the environmental concerns and the environmental cleanup that's happening at Woodland Campus in Prince Albert, I'm wondering if someone can give me an update on that.

Mr. Phillips: — The present status is that, over the last year, it might be 18 months, the highest assessed risk area — and it was not an immediate health risk, but it had potential for exposure especially to young people — was a berm along the north side of the property. That has been re-contoured, seeded to grass, and fenced off, so that isolates people from exposure to that pathway.

It's my understanding that we're still working with the potentially responsible parties on what next might need to be done at the site. But that was the highest risk was that one particular part of the site, and that's stable now.

Ms. Morin: — It's my understanding from talking to some people in the community that there is a concern for the campus with respect to the drinking water that is supplied to the campus. Have you heard of any of those concerns? Is there anything that's being looked at in terms of addressing those concerns? Or is there any awareness within the ministry about these concerns right now?

Mr. Phillips: — I'm not aware myself. It is possible that the responsible project officer may have been in communication with the Woodland Campus or at the city of Prince Albert or others in the area on that issue, but it's not something that we're aware of in our Regina offices at this stage.

Ms. Morin: — And with respect to the Domtar site, there's clear environmental concerns about that as well. And given that that's an ongoing project or not, in terms of what the future holds for that, can you give me an update as to what the ministry is looking at for that as well?

Hon. Ms. Heppner: — There was a preliminary estimate done in 2006 which had the costs of cleanup at \$53 million. The responsibility would be up to the company. I understand under the MOU [memorandum of understanding] that is no longer in place that the previous administration was going to assume part

of those costs. But in the absence of the MOU, it would be up to the company to pay for the cleanup.

Ms. Morin: — Has your ministry been involved in any discussions given that there are ongoing discussions with the MLA for Kindersley? Unfortunately I ... [inaudible interjection] ... Yes. Thank you. Their titles have all changed, anyways the Ministry for Industry and Resources. Is the Ministry of Environment involved in those discussions as well with respect to the environmental cleanup component of it? And if so, can I get an update on that as well?

Hon. Ms. Heppner: — There have been no discussions with the ministry as of yet, and obviously I can't speak to the negotiations. That is under the purview of the Minister of Energy and Resources, but we have not been approached as of today.

Ms. Morin: — Does the minister herself have any intentions of speaking to the minister responsible for Industry and Resources to ensure that that obviously becomes a component of any future agreement potentially that might take place or to ensure that if the possibility of it being sold to another company is undertaken that that responsibility be taken on through that agreement then as well. Or does the minister foresee perhaps the government taking on the responsibility or not?

The Chair: — We've reached our agreed-upon conclusion time. I will allow a couple more short questions if that's all you have, is a couple more short questions, with some short answers.

Ms. Morin: — I'll make it a couple more short questions then.

Hon. Ms. Heppner: — It's my understanding if there was a proposal to decommission the site, then the cleanup would occur. But if the business is ongoing, it's commercial property and it carries on.

Ms. Morin: — Okay. So if Domtar sells to another company, then the company assumes the liability of the environmental impact that that site has incurred. Is that correct?

Hon. Ms. Heppner: — It's my understanding that liability would be a part of any kind of sale agreement and, as I said, as the Minister of Energy and Resources is the lead on that, you can possibly pose your questions to him on future negotiations.

Ms. Morin: — I guess what I would just be looking for then is a commitment obviously that the Minister of Environment and the ministry would want to have a strong involvement in any potential plans that are undertaken for that site to ensure that the environmental concerns are properly addressed.

I guess one last question, and that would simply be, what are the intentions of the current government with respect to wind generated power in the province?

Hon. Ms. Heppner: — The question of power generation in the province falls under the purview of the Minister of Crown Corporations in his role as overseeing SaskPower. So you could ask those questions of him.

Ms. Morin: — So there's been no discussions between yourself and the minister responsible with respect to any projections for future projects or anything to that effect. I mean clearly it has impact on the environment, so I would assume that those conversations would be taking place between you and those ministers responsible, so I'm wondering if any of those conversations have yet taken place or if you know of any future plans?

Ms. Quarshie: — We don't know the details of future plans that's happening within the province with respect to wind power. But we do know that the potential impact on the province in terms of a whole climate change profile, this will be part of the analysis that we'll have to undertake. In other words, if you know there's more wind generation power, then you know presumably there'll be less coal. So what's the impact and what's the potential effect on the targets and so on and so forth.

Ms. Morin: — Well I'd like to thank everyone for appearing this evening and answering questions. I certainly would hope that there would be some ongoing discussions between your ministry and those ministries responsible for developing more wind power in the province. We are currently the leaders in the country, and that will soon not be the case, and so I'd hope that those conversations would take place going forward. Thank you very much for your co-operation this evening.

The Chair: — I'd like to thank the minister and officials for being here this evening. And at this time I'd like to adjourn debate on vote 26, Environment, and the committee will recess until 7:30 sharp, if we're back in our positions at 7:30. Thank you.

[The committee recessed for a period of time.]

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — Good evening. I'll call the committee to order. Tonight we're going to be continuing with vote 1, 146, and vote 147. Before we start I would just like to read into the record a couple of comments.

There's a wide range of latitude for asking questions, and sometimes it's not always possible to judge the relevance of a member's remarks until he or she has made some progress in or completed those remarks. Nonetheless, this latitude is not limitless, as Marleau and Montpetit point out on page 872. And it states, "The questioning and discussion at this meeting is generally wide-ranging, although the rule of relevance does apply."

And I will state that it is incumbent on myself to facilitate debate, not curtail it. It is my intention to continue to exercise the latitude that has been shown in times of past. However, if necessary I may call upon the members to connect their line of questioning to the estimates under consideration.

I would like to now ask the minister if he'd introduce his officials.

Hon. Mr. Bjornerud: — Thank you, Mr. Chair. To start with, to my left is Alanna Koch, deputy minister. To my right is Laurier Donais, director of corporate services branch. Stan Benjamin, to my left at the back, general manager of Crop Insurance. Tom Schwartz to my right — I'm all mixed up here — director of financial programs branch. Abdul Jalil, director of agriculture research branch, and Maury Harvey, manager, business risk management and policy branch. We're open for questions.

The Chair: — Ms. Atkinson.

Ms. Atkinson: — Thank you. Yes, Mr. Minister, the other night during our discussions I asked you if all of the vacancies were filled through the Public Service Commission in your ministry, and you advised me that all but one would be through the Public Service Commission and of course the new deputy minister. Can you tell me what position that one was?

Hon. Mr. Bjornerud: — We had one person transfer to Enterprise Saskatchewan . . . No? I was wrong. The one position that wasn't filled was the deputy minister's position, and now that is filled.

Ms. Atkinson: — Okay. So we're just talking about the deputy minister. All other positions have been filled through the Public Service Commission.

Hon. Mr. Bjornerud: — Yes.

Ms. Atkinson: — Thank you. And we haven't been together in a week. Can you advise me whether or not any actions have been filed in the court as a result of the dismissals of the four public servants?

Ms. Koch: — No.

Ms. Atkinson: — So no actions have yet been brought. Okay. Thank you. Mr. Minister, can you advise me whether you have received any correspondence on any of the dismissals? And if you have received correspondence, what is your response to that correspondence?

Hon. Mr. Bjornerud: — Have we received any correspondence from the individuals that . . .

Ms. Atkinson: — No. Have you received any correspondence regarding the dismissals in your department?

Hon. Mr. Bjornerud: — No, nothing at all.

Ms. Atkinson: — And none of your colleagues have received correspondence and spoken to you about any of the dismissals?

Hon. Mr. Bjornerud: — If they have, no one has said anything to me. No.

Ms. Atkinson: — Okay. Thank you. The other night, Minister, we were talking about agricultural research and you indicated that you'd have some information for me tonight. I wonder if you have that with you.

Hon. Mr. Bjornerud: — If we do, we'll pass it on. Do you

want it right now or . . .

Ms. Atkinson: — I would, please.

Hon. Mr. Bjornerud: — Sure. Was it the research Chairs that we were providing? I'm trying to just jog my memory here.

Ms. Atkinson: — I was interested in . . . There's an allocation for agricultural research in the province through your ministry. I was interested in seeing a breakdown of the allocation to the various organizations, the university. Just a breakdown of that research. How it's being allocated.

Hon. Mr. Bjornerud: — Just be a minute. Would you like me to read this out, or would you like me just to give you this . . .

Ms. Atkinson: — If you wouldn't mind. And then I'd like a copy, if that's okay.

Hon. Mr. Bjornerud: — Sure. Okay. Let's just pass that over. Just as easy. Do we have a copy of that? Could we get a copy of this made possibly, and then we could keep a copy here. Was there any . . .

Ms. Atkinson: — Okay. While we're waiting, maybe I'll . . .

Hon. Mr. Bjornerud: — Was there other information that we were to get to you that I'm forgetting about?

Ms. Atkinson: — I was interested in that in particular.

Hon. Mr. Bjornerud: — Okay. We'll get a copy right away.

Ms. Atkinson: — Minister, the other night we spoke about the difficulty in the hog industry. And since that time I've had the opportunity to speak to people in the industry, and the situation is becoming much more grim. And you will know that Sask Pork has issued what I consider to be a very strongly worded press release on the situation. And they've called upon yourself and Mr. Ritz to do everything in your power to remove the cap. And I'm wondering, Minister, what communications you've had directly with Gerry Ritz and what you're going to do.

Hon. Mr. Bjornerud: — As I said the other night, we have talked to Mr. Ritz on a couple of occasions, and we have another call in to him to talk about raising the caps.

I've talked to a number — it's probably the same people you have — to Florian Possberg and Neil Ketilson and a number of those people with Sask Pork about exactly the issue of the cap. So that'll be front and centre very quickly that we'll be contacting Mr. Ritz once again to follow up on what we had asked for before. But I can't tell you how that's going to go, of course, because we haven't had that conversation.

Ms. Atkinson: — So what is the Government of Saskatchewan's position on lifting the cap?

Hon. Mr. Bjornerud: — Well I think we're in favour of it, but I'm not sure that the federal government is all that willing to open that up. At least that was the impression I had the last meeting, although Mr. Ritz has had time now to think about it. I'm sure the producers have contacted Mr. Ritz's office — in

fact that's what I suggested they do — as well as ours. So we'll see what kind of a reception we get this time around.

Remembering that the hog loan too is still ongoing. I mean there's producers that are still receiving money out of the hog loan. It's a formula, as the member knows, that is ongoing. So that isn't over till, I believe, May or June that that program ends. So they have a while yet that they can still take advantage of the hog program, loan program.

Ms. Atkinson: — But if you're a large producer of course you know there's a cap.

Hon. Mr. Bjornerud: — Yes. They're capped out . . .

Ms. Atkinson: — Right. So when you say I think I'm in favour, like are you or aren't you?

Hon. Mr. Bjornerud: — Well we're in favour of the caps, but of course, as you know — of raising the caps — but as you know we can't do that on our own. We have to have agreement from the federal government to do that because it costs both end of them.

So 7 out of 10 provinces also have to agree before the caps can be raised. And I think that might be a problem right now. We had a conference call of Ag ministers, federally and provincially, and I didn't see that being something that was going to be passed that quickly. So it's a process that's going to take some time.

Ms. Atkinson: — So, Minister, does the province have the ability to introduce a short-term loan program on its own without the federal government to assist these producers?

Hon. Mr. Bjornerud: — Additional loan program, you mean, on top of the one we already have? We certainly haven't talked about that at this point because the program that we do have out there is still ongoing. At the end of that I'm sure we will look at that and see what the situation is.

We know that the futures for pigs are looking somewhat better than they were a while ago. I talked to Neil Ketilson last Friday, and he said the futures are starting to . . . And, you know, this is down the road a ways. So at the end of the first short-term hog loan program, we will look at that and see what situation we're in. And we talk to Mr. Ketilson just about every day or every other day to just keep abreast of what is happening.

Ms. Atkinson: — So what you're saying is the province does have the ability to introduce a program of its own.

Hon. Mr. Bjornerud: — Well I'm not saying that at all. I'm saying we will look at it at the end of when this first program runs out. So June 10 this program goes till, so we still have a couple of months, and the producers — other than the ones that you mentioned that would have hit the cap right away of course with their first part of the loan — others are still accessing it on an ongoing basis. So I guess we'll take a look and see as we get near the end of that deadline.

Ms. Atkinson: — Maybe I'm not making myself clear. Do we or do we not have the public policy ability to introduce a

program, a loan program of our own? Without the federal government, do we or do we not have that ability?

Hon. Mr. Bjornerud: — We did that. We did that on our own. The federal government wasn't involved in the hog loan program.

Ms. Atkinson: — Okay, so in terms of the cap, do you or do you not . . .

Hon. Mr. Bjornerud: — Oh you're talking about . . . I'm sorry. I apologize then because I thought you were talking about the short-term hog loan. You're talking about the cap itself?

Ms. Atkinson: — I am.

Hon. Mr. Bjornerud: — No, we wouldn't look at it without the federal government. It's costly. It's risky. And I think that we would feel that both levels of government should be involved in that. And I think all the other provinces agree with that.

Ms. Atkinson: — That's your public policy position then.

Hon. Mr. Bjornerud: — That's my position right now, yes.

Ms. Atkinson: — Your position is that you would not be prepared to go it alone in terms of lifting the cap.

Hon. Mr. Bjornerud: — Well we certainly haven't talked about that even yet because we're hoping Mr. Ritz will be more favourable than he was the last time around when we talked to him to looking at raising the cap. So I don't think that's something we even thought about at this point because on our own is far more risk. There's much more risk involved and could be far more expensive down the road. So I guess my first wish would be that they would, you know, join with us with the programs that are there and raise the caps.

Ms. Atkinson: — Okay. So well that's helpful. So we now know very clearly what the province's public policy position is on this.

Hon. Mr. Bjornerud: — Yes.

Ms. Atkinson: — My second question has to do with — and we had this discussion last time — about the program that was introduced in Alberta in terms of supports for fuel and feed, the \$160 million. And I'm wondering, given . . . I see you're a little more optimistic about the hog industry than I am at the moment, but given the province's fiscal situation, which is very good, and I believe that the price of oil was at \$119 a barrel today, I'm wondering if you and your officials are working on a program to support the livestock and hog industry, a program similar to Alberta.

Hon. Mr. Bjornerud: — Are you talking ad hoc?

Ms. Atkinson: — Yes, I am.

Hon. Mr. Bjornerud: — No, we aren't at this point.

Ms. Atkinson: — Okay. I mean it would have to be an ad hoc

program at the moment because of the dire situation. Are you working on a longer term program to support the livestock and hog industry?

Hon. Mr. Bjornerud: — Very definitely. We're working on the programs that are in place, whether it's AgriStability, AgriInvest. AgriRecovery is in the development stages but I think that would — if we could get that up and running — that would partially deal with what's happening in the Southwest, or at least we're hoping that to be.

We're also looking at the AgriStability end and the AgriInvest end to try and improve those programs. And I think one of the ways of doing that was we're bringing the CAIS [Canadian agricultural income stabilization] program or in the process of putting a plan together to bring the CAIS program back. And I know this is down the road a bit but, you know, it might be a year. But I think that was one way we can hope to make some improvements in that program by having them answer to us right here in the province.

But we want to improve the programs that are there. And I think from my part on the conference calls with the other Ag ministers and the federal government, that seems to be the trend right across the country right now that they would like to fix the programs and start to make them actually work for a change.

You know, I guess you talk about Alberta and what they're doing for their people over there. I think their loan program they had for their cattle, only about 50 per cent qualified for that program. So it wasn't quite as great as we hear over here when you hear their cattle producers talking about it. And you know, Alberta's been known for doing this as an ongoing basis. We haven't. The previous government of course that wasn't a policy of theirs. And to this point, it isn't of ours either — remembering that we're watching this very closely.

I'm going down to the Southwest to take another look right after seeding. And we were very disappointed in the last round of moisture we had here, where the heavy snow was up in, you know, the Northwest and Saskatoon area and that, where we didn't get very much in the area that we really needed in the Southwest. And that was disappointing. So we're hoping that changes too. But that isn't going to solve all the problems too.

And I guess the other side — and we talked about this the other night too — that ad hoc has trade implications that both the cattle associations, both the stock feeders and the cattle guys, have come to us, and the same day the hog guys were with them, and their first concern was naturally the hardship they're having out there because of the high dollar and high feed prices. But they also in the same breath said, be very careful of countervail. And I think I talked about this the other night. But we don't want you to deal . . . to try and help us with what we hope is a shorter term problem — and this was pretty well the words they used — and create a longer term problem by having, you know, R-CALF [Ranchers-Cattlemen Action Legal Fund] or somebody in the States really go to bat to get the border closed again because we're creating problems.

In our federal-provincial conference calls I think that was resonated right across the country. There's a big concern, especially when Alberta does things like they do and so far they

seem to have got away with it, and we've got our fingers crossed that it continues to happen. But Ontario did a small ad hoc payment in Ontario, and again, only part of their producers could benefit from the way they had it set up. So it always sounds greener on the other side, but it's not always that way.

So again we're watching what's happening there very closely and talking to these producers every day. We're doing the digging of the community wells, and things like that will be up and running within the next month. We hope to be able to start on that kind of a project, so that'll help a little bit. But we're watching very closely.

Ms. Atkinson: — So it's very interesting to see your position now, Minister, but I guess you've done some work in the last five months. But nevertheless we do live next door to Alberta. We are in a financial situation that has improved dramatically, particularly given the world price of oil. And so I guess what you're indicating tonight to our producers is don't expect any kind of program, well not as large as the Alberta program, but there won't be any program like Alberta where there is some acknowledgement of the high cost of fuel and feed.

Hon. Mr. Bjornerud: — I would maybe clarify that a little bit. I won't say I'm not here tonight saying there won't be a program. I'm saying at this point there is no program.

Ms. Atkinson: — So is there any public policy work being done in your ministry on this issue?

Hon. Mr. Bjornerud: — Pardon?

Ms. Atkinson: — Is there any public policy work being done in your ministry on this issue of the high cost of feed and fuel, particularly in the livestock industry and the hog industry?

Hon. Mr. Bjornerud: — No, not other than we're in contact with producers every day. The hog guys we talk to constantly. The cattle guys are in about every other week, and we talk to them on the phone so we're keeping touch on that. I notice calves today were up to about \$1.05 a pound for 500-pound calves, which is an improvement from where it's been. So that's come back a wee bit. It sure isn't where we'd like to see it to go, and I'm sure it isn't where the cattle guys would like to see it to go.

So I guess you talk about me, my position now from where it was in opposition. I guess I remember the NDP's, you know, position when they were in power, so I guess this works both ways.

Ms. Atkinson: — No, I know. I just find it fascinating. But given that you have this position, so what exactly then do you see your role? Is it to simply work with the federal government to try and put together federal-provincial programs? Is that what you see your role as?

Hon. Mr. Bjornerud: — For the province — and I think the member knows this well — for the province to do an ad hoc payment right now on its own, I think wouldn't even probably make a blip to what could happen out there. I think, you know, if that was to happen, I would certainly hope the federal government would be at the table and it would be joint, say.

You know, we talk to the chairman and the Chair from his constituency. And members like that down there remember very well in the Northeast when the \$25 an acre was on the table — 10 provincial, 15 federal. It didn't solve all the problems, but I think it helped out there. But if it was just a province's 10 at that time, it wouldn't have gone very far. I've been out there, and I know what \$10 would have done. And you know, I think the member would have to agree with this — it doesn't go very far. So we would certainly hope if we get to that point where there is no alternative but to do something like that, that the federal government would play a part in that also.

Ms. Atkinson: — So in terms of your ministry, can you describe how you see your role in agriculture in the province? What do you see? How do you see yourself? What do you see yourself doing in the next four years in terms of moving the agriculture file forward?

Hon. Mr. Bjornerud: — I talked about this the other night. I think if we had of been to the table when your government was in power, seriously, and not pointing the finger always at the federal government, whether it was the federal Liberals or the federal Conservatives, some of these programs might be working better. I think we've wasted a lot of time here in this province and not got things for our farmers that we could have got. Your government's Ag minister of the times, whether it's five years ago or eight years ago or 10 years ago, I felt always pointed the finger at the federal government and said, well it's their responsibility. It's their fault.

At the same time I don't think we ever got, especially when we were designing the CAIS program . . . If you remember back, the member will remember AIDA [agricultural income disaster assistance] and then CFIP [Canadian farm income program] and then CAIS, and now we've got AgriStability. And where are we?

We've really got the same programs that we started out, and they didn't work then, and they're not working now. And I think part of my job is to seriously get to the table, work with our federal counterparts and the other provinces. And we're doing that right now especially with the Western provinces, to this point with Alberta and BC [British Columbia], and hopefully Manitoba we can work very close with on this and try and fix these programs.

You know, if the programs work properly like they should work with the millions of dollars that are going in, and maybe they'll take more money going in, there would be no . . . You know, we would have AgriStability here, AgriInvest here, and AgriRecovery here, but there wouldn't be the holes in between. And I know this is a perfect world I'm talking about.

Really the amount of money we're putting into these programs, I don't think we're getting the full bang for our dollars. And I think that's where our job comes in and my job comes in as Minister for Agriculture for Saskatchewan, is there's where I think we have to really concentrate right now and try and fix those problems. Because I farmed for 30 years, and I've never seen anything change really over the, you know, that period. We had the GRIP [gross revenue insurance program] program that started to work really well. And your government come to power in '91 and saw fit for whatever reason, I'm not arguing

that at all, but I'm saying that program disappeared.

Since then we have had nothing really to replace it that really has worked out there. So I still think that's where we have to concentrate our main effort, and we wouldn't have to run all the time when . . . You know, this isn't going to be the last time we have a southwest drought, isn't going to be the last time we have flooding in the province and things like that. I think it's time we got to the table and fix these programs so they actually start to work.

Ms. Atkinson: — So how will you measure your success? What will you call success as a Minister of Agriculture? Let's say . . .

Hon. Mr. Bjornerud: — Probably surviving four years.

Ms. Atkinson: — Four years. Okay. So what . . .

Hon. Mr. Bjornerud: — And I'm joking, but that's probably what I . . .

Ms. Atkinson: — Yes, right. But obviously . . .

Hon. Mr. Bjornerud: — You know compared to the NDP [New Democratic Party] that would be a long term for an Ag minister.

Ms. Atkinson: — Right. What I want . . .

Hon. Mr. Bjornerud: — That's surviving the . . .

Ms. Atkinson: — I'm being very serious here, Minister. I'm being very serious.

You have indicated to us that you think there are public policy gaps that no one has fixed for 30 years. As you know, there are federal-provincial programs; there are federal-provincial ministers that come together. This tends to be a collaborative relationship when it comes to how the federal government moves forward on agriculture policy.

So I guess I'm interested in understanding from you how you will measure yourself as a successful Agriculture minister. What will the outcomes be with the federal government? And if you could describe that tonight, I'd really appreciate it.

Hon. Mr. Bjornerud: — Well I think I've already touched on it. I think if I see improvement in the programming. I don't think the programming's ever going to be perfect to satisfy you or me or the producers, more importantly the producers of this province, but I think if we can make those improvements.

I mean we have a very good relationship with industry right now. We're a phone call away from any of them, and quite often just stop in and fill us in on where we are today. Crop insurance is an example, I think, of where we're heading right now in trying to improve that program by having the review we're having right now and having farmers have that input.

I think I would like to see farmers start as soon as that review is over to give us their input into the CAIS . . . AgriStability, the new programs. I would like to see their input come in to see

what's not working for them in that program so we really know. And we have some of those ideas, but we certainly don't have an in-depth feeling of what most producers find that isn't working for them.

I know that some of the things that they call us about are, it's so slow reacting. It's three years. You know, we even have files out there from 2004 yet. And I think the member would agree with me that this isn't satisfactory. We've got to fix this. And that's one of the areas we can do that. In some cases . . . Stomp might be a prime example, and I don't know if they're in that situation. But if it's a program where they're three years behind, they're gone or in, you know, protection before they ever get a payout from their 2004-2005. There's some of the pitfalls.

So you ask me what I would think of, you know, looking down the road what would be successful. I just think leaving the programs in far better shape than they are right now, you know. And I don't know at this point where we're going to get with that, but that's certainly where I'm going to put my effort and time in to see if we can't make those improvements. Crop insurance, I think, we've stepped out, I think, in the right direction. We'll see how that pans out. But we certainly have to try and improve these programs for producers.

Ms. Atkinson: — So you will measure your success as, I guess, as a minister or government based on a crop insurance program that is far more — what? — far more nimble, far more flexible, far more . . .

Hon. Mr. Bjornerud: — I would say far more reactive to the problems that are happening out there. You know, the grain prices went up this year. We improved the coverage quite dramatically from where it was before. I think that's a step to start with, and we'll see what comes out of the review right now.

I can't tell you down the road, you know, what changes we're going to make to programs because I'm not just totally sure what the producers want out there. That's the one thing, I think, that we're relying on very heavy is producers to help us, tell us what the changes they want made because, I mean, they're the people that deal with it every day, whether it's farm wives that do, you know, the books for the farm, or whoever it is has to tell us this isn't — maybe their accountants even can help us with this — this isn't working for the people that I represent.

Ms. Atkinson: — Okay. And then of course you want a federal-provincial program that reacts to disasters, reacts to price, and is funded how, 60/40? Are we still . . .

Hon. Mr. Bjornerud: — Well that's actually a good question on the AgriStability and that. I think 60/40 is where we're at. We've talked to the federal minister on that, and I don't see any movement at this time. I think we've agreed with you in the past; 60/40 is very heavy for Saskatchewan because we're such a diverse, large province for agriculture.

When it comes to AgriRecovery, I think there's possibly some movement there. I liked what I heard on that. There's no commitment, you know, in writing that the federal government with certain levels of disasters in the province will pick up more. But he's open to discussion on that, and I like what I hear

there because I think you would agree with me that our province, if we happen to hit a disaster that hit this province right across, say, for an example — and, you know, we cross our fingers that never happens, but it could; we don't know that isn't coming with the weather patterns that we have — it would just floor this province. And I've agreed with your government in the past that the formulas that we have in place for funding aren't fair.

But the 60/40, I don't see any change there right now. There doesn't seem to be a whole lot of support with the other provinces. They agree with us, I think, on the fact they don't like the 60/40, but it doesn't seem to be something that's coming up every meeting we have.

Ms. Atkinson: — It's not their hill to die on. So do you think we'll be looking at an 80/20 . . .

Hon. Mr. Bjornerud: — Well I'm hoping for AgriRecovery at worst . . . And there's going to be different levels I think — if I'm reading it right — and I don't know this for sure, but there's some negotiations that are going on. There may be two different levels of disaster. I would actually almost like to see three different levels. You know, you have the smaller disasters that possibly could be 60/40, and then you maybe have something in the middle third. And then what is created or, you know, called a tremendous disaster out there where I'm hoping . . . I even have higher expectations. But I don't know if that's going to happen, so I shouldn't say that. But even 80/20 would be a vast improvement from where we are.

Ms. Atkinson: — So as you know, Minister, agriculture has changed dramatically in the last, I would say, 20 years and it's interesting. There are those that'll argue that farmers aren't very prepared to change, and I would argue that they have been the most change adapt people in our province because they've had to.

I'm wondering where you think, what do you think agriculture is going to look like 20 years from now? And how do you think we need to position ourselves as, I guess, as government to respond to that change that we will no doubt see?

Hon. Mr. Bjornerud: — Well I agree with you. I think we're going to see a lot of changes in the next 20 years. Look at the dramatic changes we've saw in the past 20 years where farms have gone from four-quarter farmers, six-quarter farmers to . . . it's nothing to have 80 or 100 quarters right now. I think that trend is probably is going to stay there because out of necessity of the situations that they find themselves in, it seems that volume is the only thing that's keeping them in there now.

That doesn't always work. We see in the hog industry right now. It seems the bigger the hog producer is the quicker they're in trouble or the more trouble they're in because of the loss of each hog. So that doesn't always, you know, prove to be the answer, but it seems to be the direction we're going. I think that was out of the control of your government to seem to be able to stop it, and I'm sure it's out of control of ours. And I'm not sure that that's our job to control that. That's up to farmers to decide how big they want to be.

I don't know if we have any idea of where we're going. I think

research is going to play a big part in, you know, some of the things that we can make improvements out there, whether the biofuels or the ethanol industry now. Right now with high grain prices, I think ethanol is kind of slowed down in everywhere that you talk to, different jurisdictions. Bio's a bit different. I think there's a few more dollars in that, and it's not quite as crucial, you know, because grain prices went up. So the whole scenario is changing out there. And I think with high grain prices . . . and as I said the other night, if we could click on a crop or two here, it would sure put our farmers back on a far better footing than they are right now. They've got a lot of catch-up to do, whether it's machinery or, you know, capital investment around their yards and things like that. And there's, you know, buildings and things like that. They've been behind the eight ball many of the farms out there, and they need dollars to be able to start catching up on that.

So what is it going to look like? I have no idea. You know if you'd have said to me 20 years ago, what's it going to look like now? I'd probably would've never thought that farms would be as big as they are right now or machinery that big. I mean you can see a couple of outfits out in the field that are worth \$1.5 million, and they can cover thousands of acres in a hurry. I would've never been able to, you know, guess that, so I don't think I even dare go there because I'm sure I won't even have any kind of a feeling for where we'll be.

Ms. Atkinson: — So do you think that the Ministry of Agriculture, is it into adapting along with farmers? If you think about the ministry 20 years ago, you compare it to today, I'm just wondering if you're thinking about what agriculture — and I'm talking about your policy people — if they're thinking about what's agriculture look like 20 years from now, and what do we have to look like as a ministry to support or adapt to that change?

Hon. Mr. Bjornerud: — Well I think it's probably adapting as we go along here without us maybe even realizing it. I mean we have specialists and technicians that are probably doing different jobs than they actually even were five years ago I would guess. And that's what I think I've seen the short time I've been in here is that different parts of the industry are saying, do you have someone in there that could help us with this? And I think a lot of the people that we have in place, maybe not right under that heading right now, but are diversifying into areas that, you know, may be a little bit different direction than they've been in before. But with the qualifications that they have, they're assisting the industry out there maybe in a different direction than they were five years ago. But I think our department is very well capable of adapting to the changes we need.

Ms. Atkinson: — And do you have policy people that are — and I don't know if you have any policy people with you tonight — but do you have policy people that are thinking about what that change is going to perhaps look like? Because there is work being done in terms of agriculture futurists and what we need to do, or what your ministry needs to do in order to support that change. And I'm just wondering if you have policy people that are thinking about these issues.

Hon. Mr. Bjornerud: — Well I think it's an ongoing process that we do as we go. Do we have a specific area that's looking

where we will be 10 years and 20 years down the road? We don't at this point. That's something I think is a very good question. and we need to look at, to try and project where we will be even 10 years down the road would even help so that we're prepared for that. So I think that's a very good question.

We deal with the federal government on the Growing Forward program that they're coming out with, so I think that's looking to the future of how we can improve those things. That's kind of ongoing negotiations. I'm hoping other provinces and the federal government are open to change as we go here. I hope when we get the new programs in place that they're not . . . you know, I'm hoping there's room to improve them because if there's not, then we're not going to get anywhere near where I'd like to see us to go.

Ms. Atkinson: — One of the changes that's taking place in the province is the growth of organic farming, and I think there's probably, well there's several reasons for that. I think one of the reasons is just the high cost of inputs. And the second reason is market, that there have been markets for organic food. I'm wondering, we had a Legislative Secretary that looked at this, and there was some work, as I understand it, that was done inside your ministry. And I'm wondering what kinds of supports there presently are for organic producers and whether some of the policy that was beginning to be implemented inside your ministry, if that continues today.

Hon. Mr. Bjornerud: — Well you know, the organic industry out there has a niche market, and they're working to make an extra dollar off that, and I think that's great. For us as government to be picking winners and losers and saying, well we're going to put more into organic than we do into the normal commercial farms out there, is not where I think we should go. I think the programming that we have out there has got to be made adapt to help organic farmers out there. But the same program can work for farmers that aren't organic and, you know, use chemicals and fertilizers out there.

So are we specifically taking organic and setting them aside as, you know, some of your people did in the past and say, we're going to put more money into organics because that's a specialty we want to see grow? You know, I think it's going to grow. I think there's some very capable organic farmers out there that have a market built up for themselves, or will have markets built up for themselves, making actually extra dollars by doing it that way for the product they're selling, but then maybe not the same volume of course as they are on the other side where they're using chemicals and fertilizers. So are we specifically picking organics out? No that isn't where I feel we should go.

Ms. Atkinson: — Okay. So as you know there are livestock specialists inside your ministry. There are pulse crop specialists. There are grain specialists. I mean there are people that have some expertise, and they're supporting various industries — agricultural producers to represent specific industries. So what you're saying when it comes to organics, that's not something that you're interested in pursuing.

Hon. Mr. Bjornerud: — Well within the department, you know . . . and maybe I didn't explain myself well enough. We still have an organic specialist within the department. That's an

area we're certainly going to, you know, we're going to assist them in any way we can as we do in every other area whether it's livestock or hogs, bees, whatever it is. We have specialists within the department that help those people, you know, do their programming and marketing and things like that. So that's certainly going to be there. Like that isn't something I would say we're just going to cut completely out of it. All those, you know, the opportunities that are there are going to be there for all of the producers out there, no matter whether you're organic or not.

Ms. Atkinson: — So, Minister, can you be a little more specific because there was some work done to try and put together a little a directorate of some kind to support the industry — wasn't large — and the concern prior to even the appointment of the Legislative Secretary was that if you were an organic producer, if you tried to make your way through the ministry, it was sort of something on the corner of someone's desk, and it wasn't really, you didn't really have someone who focused on that as we do in livestock and hogs and chickens and eggs and so on. So is there a dedicated person or group of people that are there to support the organic industry now?

Hon. Mr. Bjornerud: — Yes there's an organic specialist within the department still there. I mean that position is still there, works with the organic industry and will be there. You know, his people that he works with will be there to assist in any way he can.

Ms. Atkinson: — So there's one person in the department.

Hon. Mr. Bjornerud: — Well as a specialist.

Ms. Atkinson: — Yes.

Hon. Mr. Bjornerud: — But there's other people within the department. There's a number of staff that work with specialists.

Ms. Atkinson: — Okay.

Hon. Mr. Bjornerud: — I mean, one person is the specialist that they probably would be dealing with amongst others.

Ms. Atkinson: — Okay. Thank you. Now I'd like to move to the research. There's 7.5 — or no, pardon me — I believe it's \$9.4 million that's dedicated to research and development. Do you have a breakdown of that?

Hon. Mr. Bjornerud: — 9.4 million for the ADF [Agriculture Development Fund] fund.

Ms. Atkinson: — Yes. And do you have a breakdown for the 9.4 million?

Hon. Mr. Bjornerud: — The officials say that what we have is, it's project funding that we put money in for, and we're taking applications now for the next round of what we'll be funding.

Ms. Atkinson: — Can I have a commitment that you'll send me the details of those projects once the funding is allocated?

Hon. Mr. Bjornerud: — Yes, because I myself am interested to see exactly what the projects are. So we will get that for you, yes.

Ms. Atkinson: — Now I understand that some of these projects are ongoing, so this might be the second year of three years or the third year of three years. So in terms of the 9.4 million, can you tell me how much is already dedicated for this fiscal year?

Hon. Mr. Bjornerud: — 5.1 million, to the member, is what is going into ongoing projects.

Ms. Atkinson: — And can you just share with the committee what those ongoing projects are?

Hon. Mr. Bjornerud: — I'll let Abdul just answer you. It'd be far simpler and probably more factual than I might.

Mr. Jalil: — Thank you very much.

Ms. Atkinson: — Thank you.

Mr. Jalil: — Your question is about the \$5.1 million commitment for those projects.

Ms. Atkinson: — Yes.

Mr. Jalil: — There are different areas which we fund under that agriculture research branch funding. And it varies from crops, livestock — and there are details about those — soils, air, and water, and value-added products, and some in general areas. Those are the five or six main categories where we provide funding out of the research branch budget.

Ms. Atkinson: — So can you, through the minister, can you indicate to us how much of this funding is going to the College of Agriculture, crop science? I'm particularly interested in this as many of the academics are people that I represent, and they have been working very hard to gain research dollars for the college. And I'm just curious to know what kinds of projects for funding.

Mr. Jalil: — The way it works, University of Saskatchewan is major beneficiary of . . . [inaudible] . . . funding. Historically within 70 to 80 per cent of our funding goes to the University of Saskatchewan. And for example when the minister made an announcement on February 4 for the previous round, which we received application last year, out of \$8.3 million which was announced, 6.4 went to University of Saskatchewan. So if you look at that historically from that perspective, that's where I would draw the line.

Ms. Atkinson: — Through the minister, can you describe the types of projects for funding.

Mr. Jalil: — Yes. I think on our ministry's website we have listed those projects, and it varies from . . . if you want me to name some of those.

Ms. Atkinson: — I would, please, into the public record.

Mr. Jalil: — Let's see, the first one which is on this list is value of ethanol by-products as feed for high-producing dairy cows.

Novel feed products based on glycerol cogeneration product from biodiesel production. And I'm just picking in between. Resistance gene and molecular markets for spore blotch resistant combined with net blotch resistant for Saskatchewan barley. Genetic improvement for bioavailability of selenium content in lentil seeds. Soil activity of solubilizing microorganisms. So there is a whole list of the projects which in on the website.

Ms. Atkinson: — Through the minister, you'll know that there is a genome project that is very important. And I'm wondering if we believe that with the additional \$4.3 million that has not been . . . not the additional but the \$4.3 million that has not been allocated, do we anticipate that any of this funding will be used in any of these projects?

Mr. Jalil: — As you may know, the Genome Canada announced its competition no. 4 very recently. It's I think towards either March 30 or 31. And Genome, through Genome Prairies, we are working with the Genome Prairie in terms of determining what are the projects which need to be proceeded on those lines. And as such, we are looking at various concepts.

And part of that funding could go, but don't know. I mean at this stage I have no idea what those projects are going to be, what the commitment is going to be. Whether they'll be any beneficial to us. And again it will be determined by the ADF advisory committee of the board because there's a certain criteria which need to be followed so if . . .

Ms. Atkinson: — So if there are some projects that deserve funding and it can certainly lever other research dollars from other parts of the country, do we have the flexibility within the unallocated \$4.3 million to support some of those projects through Genome Prairie?

Mr. Jalil: — I think that's something which we need to review and look at it once those requests come to us.

Ms. Atkinson: — Okay.

Mr. Jalil: — I think it could be. I'm not saying that it won't be, but again it will depend upon the due diligence process and go through that.

Ms. Atkinson: — Okay thank you, Minister. I realize that there's some reference to it on the Agriculture ministry's website, but I'm not sure about the money that's been allocated. Is it possible to have some indication from your ministry, the projects that have been funded and the allocation once it's done?

Hon. Mr. Bjornerud: — Yes we can. Sure. We will get you those.

Mr. Jalil: — It's on our website, and it has the amount as well for each of those projects.

Ms. Atkinson: — Oh I didn't see that, okay.

Mr. Jalil: — It has the amount. It has the department. I mean we have all the . . .

Ms. Atkinson: — The new ones will be up? It'll have the amounts for the new projects that have not yet been determined?

Mr. Jalil: — Not . . . This list is for projects which were approved as part of our last . . . This year we just received letter of intent. April 15 was our deadline and we received those. It will go through the due diligence process, and once the decision is made then they will be posted.

Ms. Atkinson: — To the minister: when do you anticipate the decision will be made?

Mr. Jalil: — The final decision will be made sometime around November 2008.

Ms. Atkinson: — Okay. Thank you. One of my colleagues has some questions.

The Chair: — Mr. Nilson.

Mr. Nilson: — Thank you and welcome this evening. I have some questions around the land holdings of the province, and I guess the policy of the government as it relates to, I think, it's about 1 million acres that are in the name of the Minister of Agriculture for the province of Saskatchewan. I don't recall any specific program that was set out in the new government's platform in the election. So could you give us some idea what the intention is as we move forward as it relates to this land?

Hon. Mr. Bjornerud: — Yes. I think 7.8 million acres is actually what we own as a province, and that was news to me too when I got here, to the member. I think where we're at with that right now is we're reviewing whether it's cultivated lands and pasture lands and all the different aspects of the land we own. And I think we're going to take a good look at whether as a province, you know, we need to be a landlord and have all this land. So that's part of the review process that we're doing within our own department here to see where we're going to be going. So I would think probably later into the spring we would have a better answer for you. I can't give you a complete commitment right now. But we are certainly taking a good look at that.

Mr. Nilson: — Okay. As it relates to this land, as the former minister of the Environment, basically all the land in the northern part of the province was held in the name of the Minister of Environment whereas in the southern part . . .

Hon. Mr. Bjornerud: — Yes, that's right.

Mr. Nilson: — Any Crown land is pretty well held in the Minister of Agriculture, although there's some land in the Minister of Environment in the South as well. Do you realize that that ownership of the land is one of the sole methods of providing land use zoning of land in Saskatchewan?

Hon. Mr. Bjornerud: — Very definitely. In fact I think we had a parcel of land that moved here just in the last short while where both the Minister of Environment and myself had to sign off on it because it was a joint holding where Agriculture and Environment both had to pass it on. I believe it was First Nations near Saskatoon that were buying land that was actually

some Crown land involved in the spot that they were buying.

Mr. Nilson: — My question though is that do you realize that that is one of the main ways that the provincial government has of controlling the land use in the province is the ownership of land?

Hon. Mr. Bjornerud: — Do you want to explain to me land use, to the member?

Mr. Nilson: — Basically if you live in the city, there are rules around how land should be used, and it's basically a method of restricting an individual landowner's ability to use the land. You can't build a building too high. You can't build a building too close to the road — those kinds of things.

One of the issues as we continue to develop our province is that we don't have these kind of land use rules outside of our major municipalities, and that in effect the only controls are the controls that are within primarily the Department of Agriculture and the Department of the Environment. And so if in fact there is a goal to try to see whether you should become less of a landlord, I'm very concerned about that and I think you should be too, until the province develops land use rules that cover the whole province.

So I guess my question is, is this part of your agenda? Is there money in this budget to actually work towards developing broad land use plans for Saskatchewan much like Minister Coutts, who's now retired in Alberta, started in Alberta. And will we be learning from some of the things that they've done there so that we can protect the land that we've got.

Hon. Mr. Bjornerud: — We will surely be looking at that. But part of the review that I was talking about also will be land use policy. I understand what you're saying now. I didn't get it to start with. But that will be part of the review that we're going to look at so I certainly understand what you're coming from.

And you know, we'll certainly be making that a part of the review that we're going to do of the land use policy and whether we keep the . . . I can't remember how many cultivated acres out there. But it's a tremendous amount of acres out there that are cultivated; 600-and-some thousand acres are cultivated now. I'm not sure like there's many, many more that are pasture land out there and protected lands and, you know, under the environment right now. But that is what we'll be looking at too.

Mr. Nilson: — Okay. I appreciate you saying that, and I will be watching carefully as you move forward, but I strongly encourage you and your officials to actually look at some of the things that have happened in Alberta as they've grappled with a very difficult topic because people who own land in Saskatchewan, including me and all my relatives, you end up having a certain expectation around there haven't been rules, but we've been seeing development in ways that we know some of this has to change.

Hon. Mr. Bjornerud: — Well and I appreciate the question. And I think land use policy will be something that we will also be looking at.

The Chair: — Ms. Atkinson.

Ms. Atkinson: — Thank you. Minister, I want you to explain to me why it is that you and your government have great difficulty with the notion of the Canadian Wheat Board. I, to be frank, have not really paid attention to your comments in the past, and I haven't had the opportunity to have a conversation with you. But I am interested in knowing your position on the Canadian Wheat Board and why you hold that position?

Hon. Mr. Bjornerud: — Well number one, it's not a Canadian wheat board; it's a western Canadian wheat board. The rest of the country doesn't have to go under the same rules we do. And when I was farming, that always bothered me that I was locked under the Canadian Wheat Board. Ontario and Quebec could do as they pleased. The Atlantic provinces could do as they pleased, and yet we called it a Canadian Wheat Board. So number one, that was a fallacy right there.

Number two, I always felt that I should have the right to market my grain as I saw fit, to who I saw fit, for the best price I could get, and I never had that luxury under the wheat board whether it was wheat or barley or originally oats were under there also. Oats is a good example to talk about. Oats was taken out from the wheat board and is doing very well. So grain can do very well outside of the wheat board, contrary to what's being spread by the people that would like to keep everything locked in under the wheat board.

Sixty-two per cent of farmers voted that they wanted choice. All of them certainly didn't say they want to get rid of the wheat board, but they said they wanted choice to market their own barley. And I agree with them. I feel that if they pay the inputs, they own the land, they certainly should have that right to sell their own grain. And I don't know how as government . . . There was a time probably the wheat board served a very good purpose, back in the '40s, '50s, '60s, but I think that day's gone by. I mean, we can turn our computers on, and on the Internet we can find out what markets are doing all over the world. And again you talked about change before. Here's a prime example I think of change that we're not being allowed to take advantage of.

And I think what farmers are saying right now is we want that choice. We want to see what we can get for our own grain without being locked in under the Canadian Wheat Board. I mean the monopoly that the wheat board has, many producers out there will say to you that they lose money by having to sell through the wheat board. You get people that are pro-wheat board saying oh the end of the world is coming if the wheat board goes because we're going to lose money. And I think your past minister always had a figure there that he threw out. I think it was a quite high number, that we're going to lose that much money if the wheat board goes.

How would we know that? We've never had any other world that we could sell our grain under other than the wheat board, so I don't think that was a fair comment. For people that agree with my position that we should have the right to sell who we want, we can't put a figure on how much more we're going to make. We've never had that luxury, and I think that's what farmers are saying. We should have that right; it's our grain.

What other part of society is locked under a board like that where they can't sell their grain, only when the wheat board

says they can sell it? When they do sell it, they're told how much they can sell it for. I mean, everything they do is locked under the wheat board, and I have a real problem with that, and I think what we're seeing out there right now it more and more producers are having a problem with that.

Ms. Atkinson: — Okay. So this has been your position since you began farming?

Hon. Mr. Bjornerud: — Since I knew what the wheat board stood for probably and I'm fairly old so that goes back quite a few years.

Ms. Atkinson: — Okay. And when it came . . . As you know, the Liberals got rid of the Crow rate. And that certainly has had a dramatic impact upon transportation costs. And I'm wondering, Minister, were you one of those producers that thought the Crow should go?

Hon. Mr. Bjornerud: — Well I don't think so. I think, I don't know of many producers thought that Crow should go instantly. I think where I had a problem with it is we dragged our . . . we knew it was . . . Many of us I think understood it was going, whether we liked it or not, as we got nearer that process.

But as we dragged our feet, I think what I saw as a producer, my share of that Crow benefit going from — what was it? — 7, \$8 billion down to one point some billion dollars. And we all shared in that one point some billion dollars. If we'd have understood at that time change was coming . . . We didn't make the change; the government made that change. But if we'd have got on the ball at that time, we might have shared 7 to \$8 billion. And we stood there and we, you know, we argued back and forth that we don't want to lose the Crow. Full well most of us, I think, knew it was on the way out anyway. And I think we lost millions and millions of dollars for producers.

So did I want the Crow to go? Naturally not. I mean, it was a subsidization of transportation that helped me as a farmer. But it was going.

Ms. Atkinson: — Okay. Do you recall the argument that was made by various interest groups and the federal government as to why the Crow . . . by changing the Crow, by get rid of the Crow, what type of benefit we could have here on the Prairies? Do you recall the argument that was made?

Hon. Mr. Bjornerud: — No, I can't tell you that. I'm sure no expert on it.

Ms. Atkinson: — I think it was, part of the argument was that we'd be able to feed our grain out on the Prairies. We wouldn't have to ship it out and that we could see a significant increase in the livestock and hog industry and the packing industry. And I think if you look at what's happened, that hasn't come to pass. And it was also meant to add value to our production or to what we produce. And we really haven't seen that as well, either here or in Manitoba or in Alberta.

So, Minister, your position in terms of Canadian Wheat Board is one of a philosophy. You don't have really anything from an economic point of view to support your arguments. Is that what you said? You haven't got any, you don't have any data to

support your argument?

Hon. Mr. Bjornerud: — Oh not at all. I mean, it's my experience as a farmer of what I would've liked to see when I was out there. And you know, and now I'm seeing . . . We had the plebiscite. Sixty-two per cent of farmers agreed with the position that I would have voted if I had of had a vote.

Ms. Atkinson: — Right. And so that, we understand your position. And do you believe that this should apply down the road to wheat as well?

Hon. Mr. Bjornerud: — Pardon me. I'm sorry.

Ms. Atkinson: — We've been talking about barley. I understand your position on barley.

Hon. Mr. Bjornerud: — Yes.

Ms. Atkinson: — Does your position extend itself to wheat as well?

Hon. Mr. Bjornerud: — Oh definitely. If I was farming today, I would want that choice. I want that choice for barley, but I certainly want it for wheat.

In my situation, I used to grow a lot more wheat than I did barley. So same thing fits there.

Ms. Atkinson: — Okay. And you haven't looked at any research that's been done that supports the argument that choice will be of enhanced benefit to farmers?

Hon. Mr. Bjornerud: — Well I don't know who you would listen to out there because the pro-wheat board people have their numbers and their statistics — and I don't agree with them — and the other side naturally, the people that want the wheat board out of their lives and out of their way, will have their statistics. I don't think there's any statistics that will tell us anything until we have that opportunity for once to sell our own grain outside of the wheat board. And I think that'll be the best answer we'll get.

Will we always get better prices? I don't know that. I would like that opportunity as a producer to have that opportunity. And I think many farmers out there — probably close to two-thirds — are saying, I also would like that choice.

Ms. Atkinson: — Right. Can your ministry tell us today — for those grains that are not board grains, and oilseeds that are not oilseeds — can you tell us what's happening in the industry when it comes to contracting? I'm talking about . . .

Hon. Mr. Bjornerud: — Canola or pulses or . . .

Ms. Atkinson: — Yes. I'm talking about what the large companies are doing when it comes to contracting with farmers, how long they're prepared to peg those contracts, how long those . . . what the price is, what they're prepared to do for how many days. Do you have any understanding of that?

Hon. Mr. Bjornerud: — I've been out of touch with it for a little while. I can't tell you exactly. Deputy Minister, maybe

you can tell us more. She's active in farming yet. Things again have changed so dramatically, even since the last five or six years.

Ms. Atkinson: — Right.

Ms. Koch: — I would just generally comment that most definitely the industry has moved to a wide variety of options on contracting to a wide variety of crops. And certainly we see that in canola but also in pulses, canary seed, you know, even some barley contracts as well. And you know, that's obviously within the wheat board monopoly.

But there's a variety of contracting options that are available for producers. Some of them will be forward priced. Some of them will have, you know, a variety of different options. Sometimes it will be that you've agreed to purchase your seed as well as sell the grain back to the company who you've contracted with. Sometimes you agree to purchase all of your inputs through that company. Sometimes that's not part of the contract.

There's such a wide variety of contracting options now that producers have access to that really what producers are able to do is customize in many cases their contracting options based on what business risk management they want to put in place in their farming operation. So I know, for example, you know, my husband and I, we contract a certain portion of the production that we have on our farm. We don't contract all of it. We want to keep our options open. So we may contract our canola production, but we probably won't contract our canary seed. We'll maybe contract a portion of our pea production, but not all of it. So I think, I think it's a wide array of contract options, both for pricing as well as marketing as well as input purchases, those kinds of things.

Ms. Atkinson: — Through the minister, have you noticed a tightening up of contract options — that the industry is becoming much tighter in terms of options that are available to producers, particularly in the last month or so?

Ms. Koch: — Not at all. I mean that wouldn't be a signal that I've sensed from the industry. If anything, certainly on the grains and oilseeds side, it seems pretty wide open when we consider some of the pricing opportunities that are out there. We certainly know input costs are increasing, and so that's obviously a concern of producers. But I can't say that I've sensed, you know, as a farmer myself or even in my community or in speaking to the industry, that that's been a concern that's been raised with me personally or on my farm or even just, you know, from the ministry's perspective.

Ms. Atkinson: — The reason I ask is when I was driving back to my apartment this afternoon I was listening to a man by the name of Mr. Weber who you may be familiar with. And there was a very large meeting in the United States in Washington today where there has been alarm bells raised by producers that contracting options are becoming very, very, very tight, and there isn't really a lot of flexibility for producers at the moment because the industry's not allowing it. And that's why I was curious to see if we've seen anything tightening up here in Saskatchewan.

Ms. Koch: — That wouldn't be my sense. I didn't hear Larry

Weber's report today. I'm not familiar with that meeting that was in the US [United States]. Certainly we'll have a look at that. But we have not had calls of concern regarding that, and I wouldn't think that that's occurring here in the Western Canadian industry, anyway.

Ms. Atkinson: — Okay. Thank you. I just want to ask that you, Minister: we understand your position on the Canadian Wheat Board. Do you have a position when it comes to other marketing boards that we have — eggs, chickens, turkeys, dairy — do you have a particular view on whether or not these marketing boards should be dismantled?

Hon. Mr. Bjornerud: — Not at all. I think every one of those boards are working very well right now. I know the milk industry, some of my constituents — actually some of my supporters — are under the, you know, auspices of the supply managed with milk and milk control boards. So no, not at all. I think they're working well and that certainly wouldn't be one of the directions that we would go to even change that at all.

Ms. Atkinson: — So then it's the position of your government that when it comes to supply management, eggs, chickens, turkeys, broilers, dairy — those are working well. You have a different view on the Canadian Wheat Board; it's a free market view, basically.

Hon. Mr. Bjornerud: — Yes. Well I think the difference there, to the member, is that the people that are — dairy, let's use dairy for an example — the people that are producing milk and have the dairy cows and that are satisfied with what's going on. I think the public is very satisfied with the product that they're producing and I don't hear too many complaining about the price of milk. And I think that goes through with eggs and everything else. So I think that's satisfactory.

Where the difference comes in is when we talk about the wheat board, the people that are producing the wheat out there — a large majority of them I feel right now — are not happy with what's going on. So I guess there's a big difference there.

Ms. Atkinson: — And they continue to elect people to the Canadian Wheat Board advisory committee that support the Canadian Wheat Board. But I guess we'll leave it at that.

Hon. Mr. Bjornerud: — We'll agree to disagree.

Ms. Atkinson: — We will agree to disagree. Okay, Minister, I think I don't have any further questions for tonight, but maybe my colleagues do.

Mr. Harper: — Just a couple of short questions.

The Chair: — Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair. As you've indicated, in most recent times we've seen commodity prices rise quite dramatically, which I think — at least in the short term — was a very happy occurrence for farmers out there, having gone through probably a decade of very low prices.

But we have also seen in most recent times, following the commodity price rise, the costs rising — fuel costs, for

example. And I'm from the old school. I would guess at today's price of fuel would be about, probably about \$1.10 a litre to the farmer out there, factored back into the imperial system you're looking at about, what, 5.50, 5.75 a gallon. To my knowledge some of these four-wheel drive tractors the farmers using out there would probably burn about 12 gallons an hour. You're looking at fuel costs of somewhere around 70 bucks an hour.

I understand just most recently, I've been informed that fertilizer prices, phosphorus fertilizer in particular, is somewhere around 13, \$1,400 a tonne. That would probably relate to about \$85 an acre in fertilizer costs — nitrogen fertilizer on top of that; chemical costs on top of that. Input, just basic bare-bones input costs to a farmer would be running probably around \$400 an acre, maybe a little bit more than that.

With those dramatic costs, would your department be looking at any program that would relieve, bring some relief to those costs to the farmer, whether that be fuel price compensation, or for lesser . . . price compensation, or input compensations of some type?

Hon. Mr. Bjornerud: — No, I don't think so. That's not something we look at right now, although I certainly agree with the member. We saw fertilizer prices triple. Spoke to the fertilizer institute this morning in fact and just happened to mention to them that we're getting a lot of calls about the price of fertilizer. But again remembering that, you know, it's the marketplace. That's where it's going.

And I think we're going to see a large demand for fertilizer this spring, even though it's tripled, as the member knows. You've been there. And never have we seen in my days of farming these kind of prices. But then of course on the other side we've never seen grain prices, I don't think, where they are today.

And, you know, I guess my concern, the biggest concern would be, what happens if grain prices drop? Where do our costs go? And I think that's the scariest part of all because we've seen throughout history our input costs have gone up along with grain in the '70s, middle '70s. The member, I think, was farming then. He would see that full well.

When grain prices come back down, our input costs didn't come quite as quick, whether it was fertilizer, fuel, taxes, you know. Like I don't think on the fertilizer side we would even contemplate in doing anything. Education tax, we've dealt with a bit on the tax side, which is also a cost there. But I certainly sympathize with the questions you're asking, and we fully understand where they're heading, yes.

Mr. Harper: — Well my concern is that most recently we've experienced a very dramatic effect on the hog industry in this province because of the prices for their product just falling through the basement, really. My concern here is with the high, high input costs that grain, oilseed farmers are looking at across this great province, I mean they can survive it probably and make a profit if we get an average to above average crop.

But what would happen if we didn't? What would happen if we experienced a killer frost something like we experienced a few years ago that impacted the entire province? I mean I'm afraid that we could, without some preparation in the event of a

disaster, a killer frost or a drought or something along that line — and at today's rates I don't think, even if a farmer covered themselves with crop insurance, it would come anywhere near paying back the input costs that he or she has out there — we could very easily find ourselves having an entire oilseed and cereal grain industry in jeopardy.

Hon. Mr. Bjornerud: — Well yes, you're probably right to a degree. But then take crop insurance, for an example. There's the variable price option with, I think, more . . . Mr. Benjamin would probably correct me but I think we talked about this the other day. The uptake on the variable price option is dramatically higher than it was last year so I think farmers are choosing that higher price to do just exactly what you're saying, is to try and offset those high input costs.

So AgriStability we're hoping, you know, we can make improvements to that. Maybe not in time for this year but that's what I talked to the member about before. That's why we've got to make the changes to these programs that actually are more responsive because we don't want to get caught in that.

And there will be probably parts of the province this year that don't have a good crop. I mean I hope I'm dead wrong on that but we always see that. Southwest has had a poor crop for the last three or four years. Let's hope that doesn't spread and let's hope they get rain there and can take advantage of these higher prices. Nothing can be more frustrating than having grain prices go up and have empty bins out there. And I've been in that situation a couple of times and it's not a really great feeling because you know sooner or later grain prices are going to get back down to probably, maybe not normal — I hope they never go as low as they were — but they'll probably come down somewhat. And I don't know that but, you know, we've always seen that in the history of our farming days that that's what's happened.

Mr. Harper: — So if you haven't, are you anticipating having any discussions with the federal Agriculture minister in regards to some preparedness in the event of a crop disaster in the province in light of the high input costs?

Hon. Mr. Bjornerud: — That's probably where the different parts . . . There's AgriRecovery would kick in then and we're hoping to have that up and running as soon as possible. And again that goes back to what I said before. I think the programs certainly have room for improvement there. But if they all get in place and they were all working the way I think they should work or at least more adequately they are now, that might cover some of exactly what you're talking about. It might even have covered what's happening in the Southwest right now and helped those producers out.

And you know we wouldn't be . . . I think the member will know from our past history that ad hoc . . . Every time we turn around we're in trouble and we need an ad hoc payment. And number one, in my farming days and my experience I hated those things and I'm sure you did and every other farmer does out there, but we needed them from time to time, the only way we could survive.

The programming has to be fixed. I think there's millions of dollars being spent on these programs and I don't think always

we're utilizing those dollars to the best of our producers.

Mr. Harper: — So are you anticipating carrying out discussions with the federal Agriculture minister to develop a plan that would be sort of a constant — it would be able to be there to provide the benefit in the event of a disaster but would be one that would actually be there on a consistent basis that farmers could rely on from year to year and be able to actually plan on?

Hon. Mr. Bjornerud: — One of the very first meetings I had with the federal Ag minister, we talked about that where we talked about the new programs. He was explaining the new programs, and I think that's what I brought to the table and said, these programs have to be reactive to what's going on out there — and that's the changes.

The member asked what I would like to be remembered for. Well if nothing else, let's improve these programs. I don't need credit for that. But the taxpayer is putting money into this, and I don't think we're getting the benefit of what we, you know, we're investing into these programs. And the farmers at the other end certainly don't seem to be getting the benefit they need, or we wouldn't see the cattlemen in a position they are or the hog producers or the grain producers, many years out there.

So between crop insurance, AgriInvest, AgriStability, then let's have AgriRecovery designed so it actually handles what these programs won't cover. And you know, this isn't going to happen overnight, and it probably won't happen this year, but let's start working towards that so maybe five years from now these programs really are lot more reactive to what's happening in the farming community.

Mr. Harper: — So in your opinion if there was a crop disaster similar to say the big frost we had about four years ago, would the present programs that are in place, both federal and provincial, would they suffice in allowing the farmers to survive out there? Or would they be not quite enough?

Hon. Mr. Bjornerud: — I don't think they would right now without the AgriRecovery program designed and up and running. I think there's holes there, and you know I talked about that before. That's why I think it's so important.

We're at the table and have input for our producers because I think our producers have different needs than Ontario have and Quebec farmers have. And I think that's maybe where we missed the boat a little bit. We needed more input, I feel, anyway. And I'm over-simplifying this to a degree. It's not that simple I know. But we've got to be at the table and make sure our farmers here in Saskatchewan have their voice at that federal table.

Mr. Harper: — One last question. As you've indicated, we're all aware that the livestock prices, cattle prices have really plummeted in this province and put our livestock producers under a lot of pressure. Has your department or ministry given any consideration to reducing the community pasture grazing rates and the land rental grazing rates to compensate to some small degree at least the . . .

Hon. Mr. Bjornerud: — Yes, actually they have come down

this year because of the formula. As prices come down, you know, the pasture rentals drop. But remembering that on the other side then, the land that we own that's cultivated, they've gone up because grain prices are up. And you know how that formula works. It kind of reacts to it but probably a year later. But it does react and they have gone down on the pasture side.

Mr. Harper: — Yes, but realizing that's usually a one-year lag on that, I was wondering if you took any initiative to increase the . . .

Hon. Mr. Bjornerud: — That's in for this year though, the decrease in grazing fees, yes.

Mr. Harper: — Okay. That's concludes my questions.

Ms. Atkinson: — I have a few more questions. Minister, we've been asking all ministers this question. Has your department designated certain positions as essential under essential services?

Hon. Mr. Bjornerud: — We can't tell you that right now because we don't know. It's a work in progress working with PSC [Public Service Commission], and that's where we're at right now. So specifically to say this position or that position, we don't know that spot yet.

Ms. Atkinson: — Oh that's surprising because out of the last collective agreement when I was the minister for the Public Service Commission, departments provided a list to the Public Service Commission on positions that would be designated essential. So did your department not provide a list to the public service last fall?

Hon. Mr. Bjornerud: — . . . minister then, but I don't know. The information I'm getting is that we're not aware that any list was provided last fall.

Ms. Atkinson: — Then, Minister, could you, you may not have the right officials with you tonight, could you ask your officials?

Hon. Mr. Bjornerud: — I can certainly check on that and find out if that has been, but I know . . .

Ms. Atkinson: — And if you do, could you provide us with a list?

Hon. Mr. Bjornerud: — Yes, we'll find out that information for you.

Ms. Atkinson: — Thank you very much. Mr. Chair, I've concluded my questions, so I'd like to thank the officials for being here tonight and . . .

The Chair: — We have some more questions, Mr. Weekes has some questions. Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Welcome to the minister and your staff. A couple of general areas I want to talk about, but the first one I want to go back to the Crow benefit, and I take issues with the member from Nutana, when she said that the elimination of the Crow didn't have any effect on

livestock production or value added in in Western Canada.

My recollection, and I think the history of the industry would say that, the elimination of the Crow really spurred a massive production of livestock in the West and really took it away from eastern Canada, specifically Ontario. Also with provincial programs at the time, because of the Alberta programs, most of the livestock feeding industry went to Alberta and also the packing industry followed the cattle to Alberta as well. And really the closure of much of the packing industry in eastern Canada and other provinces went to Alberta.

Also I'd like to note that, you know, Manitoba really attracted most of the pork production, and in Saskatchewan we did attract some of the production in both those areas. Back in, oh, late 1970s, early 1980s, when there was extremely high interest rates, Alberta protected or helped their feedlot industry by, well, subsidizing to a certain extent or helping your industry to a great extent and really save their feeding industry which in turn saved their packing industry and all the job that came with it. At that time, the government of the day chose not to help the feeding industry. And really it was decimated, and it's taken many years to grow since then.

I also, your comment, I also agree that if the Crow benefit, even if it wasn't paid out early, even if it was put into a fund and then just the interest from those billions of dollars — my recollection, at one point it was up to \$12 billion — and if that money was put into a fund, and that interest on that investment could have been used as support for the government, for the government to the producers, I guess we really missed an opportunity at that time to take advantage of the elimination of the Crow and the potential of the Crow benefit that could have been used for, well I don't know if subsidies, but helping the agriculture industry.

I know first-hand that in the early 1980s, when the feeding industry in Saskatchewan really needed help, and the then Blakeney government basically, well did say to the cattle producers of the day that, you know, we just want to produce it and ship it. And well we've seen the result, that it's taken, you know, nearly 20 years to recover from that, from that attitude of the provincial government at the time. Where we see in Alberta the huge benefit of first attracting a feeding industry both in hogs and livestock and then of course the packing industry would, would follow suit. Could I get you to comment on my take of the history of the Crow benefit?

Hon. Mr. Bjornerud: — I agree with you. I think our livestock numbers jumped. Our feedlots grew like crazy there for a while because I think we saw what was coming down the road.

I also agree with you — and I touched on it before — but I think if all that money had been put in our hands that was, could have been allotted, there would be a lot, lot bigger payout there. But as I said before, we kind of dragged our feet out here as governments and argued that it shouldn't be cut. And in the same time, we saw that rate going down, and we lost millions upon millions of dollars. So I agree with you. It did affect the cattle industry. It affected the hog industry, I think, to some degree and certainly changed it. But yes, I agree with you.

Mr. Weekes: — On the green side, I think, also I think, we

seen the same type of increase in production of pulse crops and canola, as an example, away from, you know, wheat and really the crops that were produced through those years. And I mean it seemed to coincide exactly the same time when the Crow benefit disappeared that you know on the pulse side and the lentil side exploded in production.

And again a development in production came with jobs in a value-added sense. And I think the whole picture of the Crow rate disappearing not only from the producer point of view, but the value-added point of view from packing plants to seed cleaning plants to you know everything from dehydration for alfalfa, all those types of advances took place immediately after the Crow rate was gone and really helped, you know, set the stage for diversified agriculture economy.

Hon. Mr. Bjornerud: — I agree with you. I think that's where diversification actually got its kickoff is when that happened and started and value added is . . . and look where we're going today. I mean it's just improving, and new crops are coming on all the time in the pulse industry. And it's a very lucrative industry right now.

Would that have happened if that hadn't changed? Maybe not. I mean that would seem to be where we got that start and the push to do some of these things, so I agree.

Mr. Weekes: — If I may just go to another topic, the country of origin. Could you just give us an update? I believe you've been in contact with your fellow ministers and the federal Minister of Agriculture. Where is country of origin going in the US? And well, I assume our federal government is lobbying to look after our trade position. But if you could give us an update on those negotiations and what's happening there?

Hon. Mr. Bjornerud: — From the last I've heard — and we maybe have an update here — but that the US is definitely going ahead, whether it's going to be a watered-down version of what we originally heard. But I think you know our concern is that it's going to be, and it's going to be a big concern. All the producers here are very, I think, as . . . you know you're a producer yourself, so I think that you understand the concerns that we have with the labelling that's going to cost dollars and whether the Americans are going to even bother with our product if we get to that point.

So I think it's a grave concern. We hear it every day from producers out there, and I think many of the provincial governments feel the same way. Do we have a lot of cautions when it comes to the COOL [country of origin labelling] program that the US is putting in place? And you know, the Premier raised this when he went to Washington with his . . . you know with the departments down there. But the last I heard, it's definitely going ahead whether it's, as I said, a watered-down version. But even then I think it's still going to cause problems up here.

Mr. Weekes: — Yes of course, the Americans are into an election year, so these types of things seem to get promoted rather heavily, and then after the election they kind of water it down. So hopefully that'll be the case.

Just reading in *The Western Producer* the Manitoba hog

producers seem to be very concerned that the American hog producers would not be allowed to buy Manitoba weanlings at all. Did you get a sense of it? Would it be that extreme?

Hon. Mr. Bjornerud: — We're hearing those same rumours. So you know, like I mean, that's the scary part of this. What is the final effect going to be? I don't think we even know now. And I think that's why there's concerns with the cattle industry and the hog industry right now.

Mr. Weekes: — Yes, and the cattle industry.

I guess I'm just wondering, what's your understanding of where they are or how extreme they're going to go. It's one thing to do labelling. I think Canada would do very well if we advertised our meat products in the United States as Canadian. I think that the Canadian pork producers have done that to their benefit. It's a higher value to have Canadian bacon.

Do you get the sense of it is going to be any far-reaching than just labelling or actually restricting the purchase of live animals from Canada or even Mexico or other countries?

Hon. Mr. Bjornerud: — Maybe let the deputy minister . . . she's had an update probably — and I haven't had — in the last week.

Ms. Koch: — Well I would just say that the administration certainly is looking to try to limit the impact of COOL because even the US administration recognizes that it could have some damaging impacts on their own industry because they've built a lot of slaughter and packing capacity, based on a lot of Canadian imports into their facilities.

And so should COOL have an impact on the ability for those, that livestock that come down to fill their capacity, that has a damaging impact on their economy and on jobs and things like that. So you know, even the US administration is trying to mitigate as much as possible the negative impacts of COOL.

We don't know yet. There seems to still be not a lot of clarity as to how severe COOL might be. We know it's going to have significant impact on our industry. Exactly what it would be, we're not sure because it's still, you know, still being determined. The farm Bill process is still occurring in the US and so, depending on what the farm Bill results are, part of the adjustments that might occur in the farm Bill could still potentially be amendments to COOL.

So it could be, you know, something about labelling which obviously adds costs. But it could be, you know, as severe as really limiting the ability for our livestock to move down into their market. A lot of it will be, sort of you know, just generally the market signals that will be sent because of COOL, and so how will firms react to that in the US? We know the signals are not positive at this point. And we have seen, as you said, Manitoba hog producers very concerned as to what that might mean for their wieners to actually move down into the US right now. So still it's unknown. But we know it's not good news.

We have certainly . . . the minister has sent letters. I attended a meeting down in the States, in Missouri, early in my position, raised it down there with American politicians and decision

makers, and we continue to press. As the minister said, the Premier was also down in Washington and raised it. I know that it's a constant pressure that our federal government is taking to the US. And provincially Ag ministers have been very active on it as well, trying to stay up to speed and understand what the impact might be. But none of it is good, that's for sure.

Mr. Weekes: — Definitely going to the American election cycle, I mean like the comments made by the two Democratic potential nominees, Barack Obama and Clinton, they're both kind of slamming NAFTA [North American Free Trade Agreement]. And of course Barack Obama was caught sending a message to the Canadian government saying, well this is just politics. We're not actually going to . . . we wouldn't actually do anything to or with NAFTA. So I'm hoping that'll be the attitude with COOL as well as once the election is over, that things would kind of simmer down and cooler heads would prevail.

I think, you know, just recently we went through the whole BSE [bovine spongiform encephalopathy] fiasco which decimated our industry, and at that time, you know, that helped our packing industry. I think in this case, of course, it's going to hurt our packing industry. I understand. That's one view of the industry that possible our packing industry would go south if the restriction of product would be restricted going into the US. I guess that's hypothetical. I don't know if you want to comment on that.

Ms. Koch: — I would just say that, you know, that's really difficult to know at this point. And you know, I think what we will see as a result of COOL — first we need to determine what the impact will be. I think you're absolutely right, right now. There's a lot of positioning going on in the United States because of the current political situation and climate and presidential election. So what will actually occur as result of implementation by US administration of course might be very different that what we're thinking right now might occur.

What I will say is that of course we'll go through a fairly immediate and perhaps significant adjustment for our industry if COOL is, you know, a very, very serious negative impact. But I will say that, you know, out of all of those challenges I think always comes opportunity. And so will there be opportunity for our industry here in Canada as a result? I'd like to think there may be, and maybe that will be that our own Canadian processing and packing industry might react where maybe they'll look at this as an opportunity to brand Canadian product and brand Canadian product into some key markets, premium markets.

I mean clearly on the other side of that is we require, you know, trade market access and of course, you know, that would launch me into a discussion about the WTO [World Trade Organization] and how we need market access.

But clearly there's always opportunity out of every challenge and I think the question will be is, how does our industry get through those challenges, how do we get to the other side to get to the opportunity of it? And there may potentially be opportunity for our industry in the Canadian brand and reaching out to some new markets and maybe not be quite as dependent on that US market as we have become.

Like you said, we saw some good things result out of the very unfortunate circumstances of BSE. The question is, could we also see perhaps some opportunity out of COOL? It's unclear at this point but I think it's something the industry is thinking about as far as trying to prepare and try to get through the adjustment phase.

Mr. Weekes: — I think the industry certainly recognizes the overdependence on the American market. You know, we've had BSE. Now COOL may be the next one that hurts our industry. And opening up new markets, export markets for our beef and pork products I think would make a lot of sense in any case, regardless how things develop. And I know there's a lot of work being done in that area.

And I think the Canadian meat product is far superior and is recognized that way around the world. So we certainly have an advantage and the opportunity to export into other countries besides the United States. Not that we would try to divert everything from the United States. It's a massive market and is always going to be a huge potential for us.

But being in the feedlot industry I know that there's cattle that have been exported out of Alberta and Saskatchewan as feeder cattle to as far away as Texas and Dodge City, Kansas. So certainly feedlots down there recognize the quality of Canadian cattle. So I know during the BSE years when I've been down into Nebraska and Kansas on exchanges that certainly Canadian cattle, talking to the Nebraska cattle association, they were certainly in favour of keeping the border open. They recognize the importance of the border being open because they had feedlots that were closing down and in turn there were packing plants that were running half speed or closing down as well.

So certainly I'm sure there's forces in the United States that will counter some of the more extreme things that are happening concerning COOL and we'll hopefully get through the election cycle in the United States and despite whoever they elect . . . There's one party that certainly is more open for free trade, and given the remarks by the other party's candidates, I think it's all posturing in the political process. So hopefully it won't be quite so bad for us at the end of the day. But that's all I have at this moment. Thank you.

The Chair: — Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Minister, and welcome to your officials here tonight. I first of all want to start off and that's in regard to ad hoc programs. But I want to say to you, the minister, and your chief of staff, I want to thank you for coming up to my area of Spiritwood here last weekend and talk to the farmers there. And from the comments and suggestions that were tabled there at that meeting, they were from a large variety of people from a big area.

Regarding the ad hoc programs, if a government . . . Like previous administrations have been doing is all ad hoc programs, and I agree with you that in order to resolve the issue we can't rely on ad hoc programs. If though the government was to go to an ad hoc program now, how would that work out and how would that affect NAFTA and free trade with the United States?

Hon. Mr. Bjornerud: — Well that was one of the concerns I talked about the last time we had Ag estimates here, I think, is that one of the concerns that the cattle feeders and the stock growers and even the hog guys said. And I'll kind of repeat what I said there, that they're really worried about fixing what we hope is a short-term problem with a longer-term problem. And it was them that initiated how careful we should be about countervail, and I think we understand that fully that it wouldn't take much for the Americans . . . We know there's groups down across the border here that would love nothing better than to have that border slammed shut again. And they want to keep it that way.

So I think that's why we have to be very, very careful. That concern is right across the country. It's not just here in Saskatchewan. I think we hear that from the Atlantic provinces right through to BC. So I think it's a concern that everybody has, and as we talked before, Alberta does do ad hoc. It seems that they've just kind of been on their own in this.

But I'm not sure if all provinces started to do it that there wouldn't be a big push back from the US, and there has before, especially when we saw BSE and they wanted to keep it closed. We might see that again, and we certainly don't want to get in that position.

Mr. Allchurch: — Well you mentioned that Alberta with their ad hoc program. I was talking to some of the people from Alberta that have moved into Saskatchewan. And they said the ad hoc program that Alberta undertook, it was paid on the calf program. And it was a very poor program because basically the feedlots got all the money, and then the producer itself got completely squat. So my farmers that are originally from Alberta said, if you're going to go into an ad hoc program — and they would say not to go there — don't pay it on calves because just the feedlots would gain the money. Is that correct as far as the Alberta program?

Hon. Mr. Bjornerud: — I'm not sure exactly how it worked. I do know my chief of staff, Tim Highmoor, worked for the cattle association in Alberta when they made some of these ad hoc payments. And he said that he was surprised that there was a lot of producers there that weren't very happy with the program because a lot of them didn't qualify.

So however they did it . . . You know, we always hear, well there's ad hoc there so all the producers must get benefit of it. But if I remember, and I can't remember his exact percentages that he used, but it was probably not much over 50 per cent of the farmers that actually got benefit out of these programs. So you know, the grass is always greener on the other side, but when you get there and see what the actual program's about, maybe they aren't that, you know, that great either.

Mr. Allchurch: — Thank you for that. Just on another area I want to go to and that's with community pastures. Pasture rates have gone down because of the formula that's out there right now. But that formula is only strictly for community pastures, is it not?

Hon. Mr. Bjornerud: — It's for grazing leases and community pastures, so on Crown land.

Mr. Allchurch: — Grazing leases also will be affected. So how will it . . .

Hon. Mr. Bjornerud: — On pasture land that's Crown land.

Mr. Allchurch: — Pasture land, okay. So how will that affect the grazing leases on pasture land as far as them going down?

Hon. Mr. Bjornerud: — Well there's a formula. And I think you're well aware of this. How it works is with the price of cattle as it drops, per cow per acre, so many cows per acre or acres per cow — whichever way it works out; how good the land is — that the formula then drops the price because the value of the cattle have gone down.

It's the same thing we see on the other side with grain right now because grain's gone up. Now we're a year later of course, or getting into the second year, but now we see that formula kicking up and some of the grain land has took a pretty dramatic increase. Of course so have grain prices. So I had Crown land out there and, you know, the first year you're maybe not as appreciative of it as the second year. But it does react and it may be a year late getting the full benefit of it out there, but it's certainly, it's certainly a plus.

The deputy minister just corrected me on one thing. Community pasture rates have not changed. It's on the lease, on grazing leases on Crown land.

Mr. Allchurch: — Okay. So community pasture rates have not changed. Is that something that we could look at in regards to changing that or would it have to be changed through the formula? Because there's a lot of people that are farmer, ranchers that put cattle through the community pastures. And would that be considered an ad hoc program if they were to drop rates for community pastures also?

Hon. Mr. Bjornerud: — I don't think it would be anywhere near what we were talking about before. I think, you know, unless it gets to the point where there's a large subsidy involved, I don't think it would flag anything right there.

The community pastures rate, the deputy minister tells me that they're already lower than a commercial rate would be, whether you rent it to me. So that rate is lower. And I had pastures of Crown land out there, but I also knew with the cattle that I had in the community pasture. So there's some appealing rates there, and with lower cattle prices of course on the lease side that's adjusted somewhat.

Mr. Allchurch: — Do you know if with the formula the way it's situated in the leases, have they gone down quite dramatically or can give me a ballpark figure of how much they would go down roughly?

Hon. Mr. Bjornerud: — Yes. We sure can find out here for you, yes.

The information I've been handed here is that grazing and hay rentals will be down about 15 per cent, and that's due to the lower cattle prices. So about 15 per cent from where they were.

Mr. Allchurch: — Okay. Thank you, Mr. Minister. I'd like to

go now into the crop insurance review. I believe that you are undertaking a crop insurance review. The crop insurance review, is that going to be included in the Crop Insurance budget?

Hon. Mr. Bjornerud: — Yes, It will be.

Mr. Allchurch: — Okay. What will . . .

Hon. Mr. Bjornerud: — We think approximately \$250,000 for the review. Of course that's an estimate of what it will cost because we're not sure of the actual costs. You know, there's a number of uncertainties out there, what halls will cost and things like that.

Mr. Allchurch: — The cost is \$270,000, you said?

Hon. Mr. Bjornerud: — Approximately \$250,000 for the review.

Mr. Allchurch: —\$250,000.

Hon. Mr. Bjornerud: — Yes. And that's a guesstimate again.

Mr. Allchurch: — What is in the crop insurance review? What agencies will you be looking at as far as crop insurance review?

Hon. Mr. Bjornerud: — It's wide open. Producers have the ability to ask us, you know, or suggest anything. Wildlife compensation — you and I have talked about that on many occasions on my side of the province and up in your corner there, a very big concern for our people up there. So there's no limitations.

That's really why we hired Meyers Norris Penny to do this review was that it keeps us separated from that so there's no bias coming from the department or from my own personal point of view of the changes maybe I think should be made. I didn't want that to happen. I wanted farmers to have the ability to put all the ideas in here that they want, and then we'll sift through all those ideas. And as we can afford them, we'll make changes that farmers have asked for.

I guess the only thing that we would say to that is I certainly hope farmers take the advantage. And not only the people that have contracts with crop insurance; just as important the people that don't have contracts. Why don't you have it? What would be in the program that we could change that might entice you to take part in the program? So I think there's a lot of good things can come out of this, but we'll see as the summer goes on.

Mr. Allchurch: — Well I'm so glad that your government has decided to go to a crop insurance review. I've heard from my area, because I live in the central north, I've heard from my people over and over ever since I became a MLA in 1999 that crop insurance doesn't work for them. We in the North have too many variables, and we have yet to have a minister that will undertake even coming up to the area to even talk to the farmers up there.

I know, Mr. Minister, you've been up once and you've said that you would come again. And I welcome the opportunity to take you around and show you, but I think it could also be addressed

through this crop insurance review. Will you be holding meetings across Saskatchewan in regards to this review?

Hon. Mr. Bjornerud: — There's going to be 10 different locations. I don't think we've completely settled — if we have, I haven't seen them yet — but they'll be spread all over the province. We're going to try and keep it within 100 kilometres of each other if that's possible, so we can fit those 10 meetings in.

There's another number of other avenues, whether it's on the website that we've set up, toll-free line they can call to get information, going to be a mail-out to those that have contracts. But also those mail-outs are available to anybody else that calls the 1-800 number. So there's a number of avenues that producers, whether you're in the program or out of the program, can have input here. And again, I guess what the message I would hope farmers would get out there, is please take part in this survey because the only ways it's going to get a really good feeling and an idea of what producers are asking for and need.

Mr. Allchurch: — In regards to the crop insurance review, is there any timelines as far as when you're going to start with this process and when it will end? And I'm hoping that when it starts it won't be during the seeding time, because the farmers are definitely too busy for that. But is there a timeline when it's going to start and when it's going to end?

Hon. Mr. Bjornerud: — Well the end has got to be September 30, and we had to put that deadline in place because we need that information back in then, from Meyers Norris Penny, because of the contracts. You know, they start late fall putting contracts together for producers so we need that information at that point so we can get through it and see what changes we can make. Website's up and running right now, toll-free number's up and running — meetings I'm not sure — June 1, meetings going to start.

Now — and I agree with you — it was a great concern for us of seeding time and how do we . . . Of course spraying is going to follow right in behind. By June 1 we hope a lot of areas are finished seeding and of course depending on the spring. But yes, we're going to start where, you know, where we think seeding will finish first, and then work the other ways. But it is a concern. But then of course, as I said, there's a number of other avenues how producers, if they miss the meetings, can still take part, And you know, we again certainly hope that they take that advantage of doing that.

Mr. Allchurch: — Well as far as the timelines, you could probably could start in the South because usually seeding is virtually done by June 1, except this year the way it's going, doesn't look that good. But normally is that you could probably start in the South and then work your way up to the North as far as when the crops get seeded up there.

After September 30, you had mentioned that will be the deadline. Then what will happen with the information gathered and the results from the meetings and stuff that's taken place? What will be the process after that is what you're going to do?

Hon. Mr. Bjornerud: — Well at that point then we'll take all the information that Meyers Norris Penny has gathered for us

and, you know, look through it all. If one issue, wildlife compensation for an example, if that happens to be one area that there's just a tremendous amount of response to, then I think we would, you know, it would be like anything else. We would say, okay here's one issue that really is hitting a nerve out there and go down the list and see, you know, maybe there's other areas that may not be quite as important. But you'll get, you know, a smaller number of inquiries or advice of what you should change out there.

I think that's probably how we will look at that at that point and then say, okay now if we make . . . say for an example, go back to the wildlife compensation, what would it cost to go from 80 per cent if they're saying to 100? I'm only using that for an example. I don't know if that's even a concern they're going to have. I think it might be. Okay now, what's the costing of this?

Now remember the federal government also plays a part in this and they have to agree to the changes that we're going to make. But I'm quite happy with their response. They're very interested in the review we're doing right here, right now. And they're going to be watching very closely and want the information that we're getting also. So I think they're going to be open to change. We've talked to the minister on a number of occasions about the review we're doing . So I think, you know, I'm not saying they're going to agree with everything that we want to change or whether we can afford, how many of these changes we can afford the first year.

I think the beauty of this program is we're going to get the input from the farmers here and we can keep that information on file here. We'll have it for the next few years. But as we can afford to integrate some of these changes into the program and try and strengthen the program . . . And I've said on a number of occasions if we could get more farmers involved, you know, if we could ever get to the point where we have 75 or 80 per cent of the farmers in the program — and I think Mr. Benjamin will agree with me — if we had that many farmers involved, the crop insurance program would be just that much stronger because we share the risk a little more although we have more producers in it.

Mr. Allchurch: — Well thank you for that. And I agree with you. If we can get more farmers involved in the crop insurance program it would be better. But it comes back to my area and that's why the farmers in my area said that we need somebody that will understand crop insurance and would hear to the north people as far as the crop insurance, but that doesn't work for them.

And you mentioned about wildlife damage. I have heard that over and over and over. And at that meeting you also heard that regarding wildlife damage and what changes need to be made. Just on wildlife damage, is there any other province out there that has wildlife damage that is paid different than what ours is? Ours is paid on 80 per cent.

Hon. Mr. Bjornerud: — I don't know that offhand. I'll have to . . . Mr. Benjamin, do you know?

Mr. Benjamin: — The wildlife compensation is part . . . Stan Benjamin, general manager of Saskatchewan Crop Insurance. The wildlife is part of the agriculture policy framework and

therefore all provinces are paid at 80 per cent, use 80 per cent as the compensation level in order for the federal government to provide their funding if there is top-ups. And I don't believe there is any that I'm aware of. It's all provincial funding.

Mr. Allchurch: — Okay. I was under the assumption, and I stand to be corrected, that Alberta and Manitoba both have top-ups to 100 per cent payout.

Mr. Benjamin: — There may be, but that would be all provincial dollars.

Mr. Allchurch: — Yes, it would be provincial dollars. Okay. I had another question here. Has anyone else been hired to look after the crop insurance review other than Norris Penny?

Hon. Mr. Bjornerud: — Just Meyers Norris Penny.

Mr. Allchurch: — Meyers Norris Penny is the only ones that's going to be affiliating that?

Hon. Mr. Bjornerud: — Yes. I should maybe clarify one thing. Why I used wildlife compensation . . . and certainly not to try and drive the agenda here and say that should be a big issue, but you brought that to my attention on a number of occasions that that's been a problem in your area and certainly has been in mine. So that's why I used that for an example. But to me it's no more important than anything else that, you know, that's why we're hoping to see what . . .

Mr. Allchurch: — Well I know, just that meeting we held in Spiritwood, that was a big issue, and I know it's a big issue around the North and probably down the east side. With the grain prices that we see today, the high grain prices, the problems that the farmers are having is trying to obtain full maximum out of that grain that they got, but they still got to contend with the wildlife problem. And they lose every time they got to deal with the wildlife problem, and they don't have any control over that — none whatsoever.

So I'm glad that the review is at least undertaking the wildlife damage part of it. But I'm also glad that the review is going to take place so that crop insurance will be looked at as a whole, for the whole province, not for certain areas. I'm so glad this review is taken place.

Is there going to be something put in the paper in the next weeks or so in regards to when the meetings will take place — phone calls and whatever have you — so farmers all across the province can take advantage of trying to fit their schedule to come to a meeting closest to them?

Hon. Mr. Bjornerud: — Yes, that very definitely will, both newspaper and radio ads we're going to have on prior to the meetings being held. So it'll give farmers a chance, especially in seeding time when they're on the machinery and the tractors and that, they'll get the opportunity to hear where the meetings are going to be and then decide which one's closer for them.

Mr. Allchurch: — All right. Thank you, Mr. Minister, and thank you for your officials tonight.

Hon. Mr. Bjornerud: — Thank you.

Mr. Allchurch: — That's all the questions I have.

The Chair: — Ms. Wilson.

Ms. Wilson: — Thank you. Thank you, Mr. Minister. As an ag producer, I have several questions regarding the crop insurance program. And I have a large constituency that has many rural ag producers too, both grain and livestock. We have a lot of flooding in the Northeast, so I know crop insurance is going to be a very important issue to all of these producers. So I'd like to know, why is there an additional 25 million for crop insurance this year?

Hon. Mr. Bjornerud: — Good question. That's strictly because of the higher grain prices this year. So the coverage that we have, the estimated payout or the average payout that we may have goes up. The federal government has to put in more money too, which is a win for us, I guess of course, and the province, win for the producers. But it's mainly because of grain prices have gone up this year. A number of producers have said to me — and I don't know if you're hearing this in your area — that this was a step in the right direction, just by reacting to that.

I might add that we worked with the federal bureaucracy probably two weeks to get them to that point where they started . . . And I'll use wheat for an example, but they started out about \$150 a tonne. And we felt that was way too low for where prices were right now. And we've learned that that's how the negotiating can work. I think my officials did a good job on that one, getting them up not quite to where we wanted, but at least a lot higher than where it was.

Then the variable price option comes in where they can pick — I believe it's July 31 — the price at that day and set that. That could give them an even a higher price. And I think, as Mr. Benjamin said last round, there's a lot more people taking advantage of that than had last year. So I think that shows right there if we make improvements to the program, get prices up where they should be, I think a lot more people might take advantage of the program. And that's what I hope happens.

Ms. Wilson: — So how can farmers participate in this program? Where do they go? Who do they contact? Do they contact the RM or the ministry? Because a lot of the farmers will be asking me about this new 25 million. How do they access it? Yes. How do they access it?

Hon. Mr. Bjornerud: — Oh okay. I'm not explaining this properly. The 25 million is extra dollars that we put in as the province to cover our share of what the coverage will be in the crop coverage. It's not as if it's a \$25 million payment to producers. It's just going to cost us more for coverage because the value of the crops we are insuring is far higher than it was last year.

So you know, it's an estimate of what the coverage is going to cost the province, and the federal government puts their share in too. But it's not as if anybody can access the 25 million. It's just part of the program, what it costs us to cover the program for this year. And because grain prices have gone up so dramatically, our costs naturally have gone along with that.

Ms. Wilson: — Okay. Have you had to hire a lot more employees to carry out this review?

Hon. Mr. Bjornerud: — The review right now is Meyers Norris Penny that are doing the review. So that's why we hired them. They're going to handle the review, and then they'll report back to us, as Crop Insurance and myself, as minister, and provide us with the information they get from producers. And I'm hoping — that's a pretty big job — I'm hoping when we get all that information we have a lot of information to sift through.

Ms. Wilson: — Okay. And another question, could you explain what programs are part of the farm stability budget? Perhaps one of your . . .

Hon. Mr. Bjornerud: — Yes. I guess, AgriStability. That's the first part of it. AgriInvest is like the old NISA [Net Income Stabilization Account] program where they put 600 million in at new year's there. That's why we signed on as quick as we could, so our producers had a chance to take part in that and get the payouts out of that program.

AgriRecovery is the third arm of that, and that's the one we're trying to develop right now. We're negotiating with the federal government and all the other provinces to get that into place. But that one isn't in place yet. And they're hoping by, I believe it's July, that everybody will be agreed on what the program will look like — to start with, anyway — and be signing onto that program. Whether we get there at that point . . . I hope we do, but I'm not sure about that because I think we even have a lot of questions about how AgriRecovery's going to work and how the other programs, you know, finalize as our officials are working on a constant basis with federal officials and other provinces to try and develop the program and get it to the point where it's satisfactory for Saskatchewan but all the other provinces too.

Ms. Wilson: — Okay. What is included in the contributions for general agriculture interest? (AG03), would that help?

Mr. Donais: — Laurier Donais, director of corporate services. In that industry assistance (AG03) subvote, there's two main things. Contributions for general agricultural interests of about 5.864 million; there's a number of grants, I guess I'll call them, that are paid out of there. And then also in that subvote is Farm and Ranch Water Infrastructure Fund for \$6 million, for a total of \$11.9 million.

Hon. Mr. Bjornerud: — And that water fund, I might just add too, is a new water program that we've done for the Southwest this year. And it's just getting set up. We have a committee set up to find the ways that we're going to deal with that program, but it's something that . . . because they're running out of water in dugouts and wells and that in the Southwest right now. And Mr. Chairman's constituency is right in the heart of that.

The tour we took down there where dugouts either are dry or very close to dry and no runoff, and this last bit of moisture didn't help them all that much either. So that's why that program was set up, and we're going to get that running very quickly.

Ms. Wilson: — Maybe I should make a suggestion. Can you pipe our water from the Northeast . . .

Hon. Mr. Bjornerud: — We would love to.

Ms. Wilson: — Down to the South? I think that would help.

Hon. Mr. Bjornerud: — All down the North . . .

Ms. Wilson: — Would that help?

Hon. Mr. Bjornerud: — And into the east side, yes. If we could just slope the province a bit more and let it run down there, we'd be great. The member from Wood River would be very happy too. He wouldn't be getting quite as many calls as he is.

Ms. Wilson: — Have you established a committee to assist with the development of the Saskatchewan farm and ranch infrastructure fund?

Hon. Mr. Bjornerud: — Yes.

Ms. Wilson: — We were kind of talking about that.

Hon. Mr. Bjornerud: — That was the ad hoc I talked a few minutes ago. Dave Marit, president of SARM [Saskatchewan Association of Rural Municipalities], actually is on that ad hoc committee. Doug Steele, who is a director with SARM, and Larry Grant is the other one on that committee, who is a rancher and farmer down in the Southwest there, so right in the heart of the drought. And that was one of the people that took us around for that tour that day. We're finding these people are invaluable because they're right on the ground. They represent RMs and ranchers down there that are, you know, responding to them of what they'd like to see in the program. So again I guess it's the same as the crop insurance review. It's going to be driven by the farmers, really, out there of the needs that they've got right now.

There's the C-SAP [Canada-Saskatchewan adjustment program] program that's already in place where there's three and a half million dollars in. But you know, maybe there's other areas that this program will cover that that one doesn't. And I think that we want to fill in those holes.

We're going to look a lot more at maybe community wells out there where farmers or ranchers have to haul water. We're going to try and position these where they're spread out through the Southwest where the drought area is. And it makes it a lot easier for cattle producers and that. And even for your own use to be able to utilize these community wells, and then we're going to expand it from there. This ad hoc committee is actually driving the agenda and telling us what they'd like us to see. Community wells were one of the things they suggested that make a big part of the program right now.

Ms. Wilson: — And I'm curious, how many farmers are left in Saskatchewan? How many agriculture producers? Would you have that number?

Hon. Mr. Bjornerud: — I would guess 40-some thousand. Does that sound right? We've got to say that quick because as

we know in agriculture that number's going down.

We can get that for you. We don't have that information here tonight. But I think it's around 40, 45,000. It wasn't many years ago it was 55,000 and it's dropped. And I think we're going to see that number drop again because as grain prices have gone up, and land prices are starting to move, I think. I know in my area a lot of sales this spring out there where a number of farmers that are getting up in age and haven't had the opportunity to sell at a price that they, you know, could feel was comfortable to retire with. I think we're seeing that change a little bit now. And I think that's why we're seeing a lot more for-sale signs out there.

Ms. Wilson: — Thank you, Minister. And one last question. What is the average age of the farmer?

Hon. Mr. Bjornerud: — I'm going to guess again, but I think about 55 . . . [inaudible interjection] . . . 58 actually. Older than I thought.

Ms. Wilson: — Okay. Thank you.

Hon. Mr. Bjornerud: — Good.

Ms. Wilson: — Thank you. No more questions.

The Chair: — Ms. Atkinson, did you have a . . .

Ms. Atkinson: — Yes. I know we're at 9:30, and I believe the committee is about to adjourn. So I wanted to, on behalf of my colleagues, thank the minister and his officials for answering our questions tonight. And I would appreciate the written information once the grants have been given or the funding has been given to the people under the Ag Development Fund.

Hon. Mr. Bjornerud: — Yes.

Ms. Atkinson: — Thank you.

The Chair: — I would also like to thank the minister. Do you have any comments, Minister?

Hon. Mr. Bjornerud: — Well I just want to especially thank my officials here tonight. Thank the members for their questions, but thank my officials here tonight. I'm new to this job and can use a lot of assistance, and they're very capable, as you saw tonight, every area. So I want to thank them for the support they give me tonight.

The Chair: — Well I'd like to thank the minister and officials for their answers this evening. And the time has approached, so I would ask or entertain an adjournment motion.

An Hon. Member: — I'll make that motion.

The Chair: — Agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. The committee is adjourned.

[The committee adjourned at 21:30.]