



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Vicki Mowat, Deputy Chair
Saskatoon Fairview

Mr. David Buckingham
Saskatoon Westview

Mr. Terry Dennis
Canora-Pelly

Mr. Delbert Kirsch
Batoche

Mr. Warren Michelson
Moose Jaw North

Mr. Doug Steele
Cypress Hills

[The committee met at 15:16.]

The Chair: — All right. Good afternoon, folks. I want to welcome the committee here today, the Standing Committee on the Economy, and myself as Chair, Colleen Young. Sitting in for Vicki Mowat is Mr. McCall, and we have also with us this afternoon David Buckingham, Doug Steele, Terry Dennis, and Warren Michelson.

This afternoon the committee will be considering the estimates for Innovation Saskatchewan. We will also be doing Bill No. 129, *The Saskatchewan Technology Start-up Incentive Act*, Bill No. 85, *The Reclaimed Industrial Sites Amendment Act, 2017*, and the estimates and supplementary estimates — no. 2 for the Ministry of Highways and Infrastructure as part of this committee.

**General Revenue Fund
Innovation Saskatchewan
Vote 84**

Subvote (IS01)

The Chair: — And we will now begin our consideration of vote 84, Innovation Saskatchewan, subvote (IS01). Minister Beaudry-Mellor is here with her officials, and if you would like to introduce who is with you here today as your officials and make any opening remarks.

And I'll just add we have another committee member who has just joined us, Delbert Kirsch. Thank you.

Hon. Ms. Beaudry-Mellor: — Well thank you very much, Madam Chair. I'm really pleased to be here for the consideration of the 2018-19 estimates of Innovation Saskatchewan. Here with me are some officials from our agency. Wes Jickling is our CEO [chief executive officer]. Kari Harvey is our COO [chief operating officer]. And behind me is Neal Cooke; he's our director of financial compliance at the Ministry of Immigration and Career Training. And also here is our chief of staff, Tessa Ritter, and also one of our summer students, Evan Banadyga.

So Innovation Saskatchewan is the Government of Saskatchewan's agency responsible for advancing our province's innovation agenda and priorities. It coordinates government's strategic direction in research development, science, and technology.

Madam Chair, we know that our province's future economic success will depend increasingly on knowledge and innovation. To help ensure this success, Innovation Saskatchewan has developed a strategy focused on three important goals. First, to ensure that research carried out at its funded institutes aligns with the province's research and development priorities. Second, to support rapid growth in the volume and quality of technology start-up companies in the province. And then third, to help create the conditions for established Saskatchewan technology companies to continue to grow and to create jobs in this province.

To achieve its goals, the agency manages research and

innovation in investments on behalf of Saskatchewan. It also supports and partners with a variety of stakeholders in alignment with our government's priorities.

This fiscal year, Innovation Saskatchewan has received an expense budget of \$27.135 million. The budget includes money for a few new programs: \$100,000 for the implementation of the made-in-Saskatchewan technology program, or MIST, that will see government partner with technology companies to develop innovative solutions to government challenges; \$250,000 for programming to recruit and support technology entrepreneurs and start-ups here in the city of Regina.

In addition, Innovation Saskatchewan will be spending its accumulated surplus of \$7.1 million over this fiscal year and the next two fiscal years for the Saskatchewan technology start-up incentive. The incentive will allow eligible investors to receive a tax credit for qualifying investments in Saskatchewan-based early-stage start-up technology companies.

Madam Chair, Innovation Saskatchewan's 2018-19 budget also includes the following commitments: 2.362 million for the Saskatchewan Advantage Innovation Fund to target the commercialization of new technologies. This amount reflects a \$1.476 million increase from the last fiscal year. It includes \$4.1 million for the Canadian Light Source, an important tool for Canadian research and development. And 2.979 million for the Innovation and Science Fund which matches federal funding of research projects at Saskatchewan universities, colleges, and research institutes.

2.131 million for the international vaccine centre. The centre is a facility of the Vaccine and Infectious Disease Organization which has over four decades of experience working with public and private partners to research and protect humans and animals from infectious diseases.

2 million for the PTRC, or the Petroleum Technology Research Centre, which provides project management and funding support for research into enhanced oil recovery and CO₂ storage.

1.2 million for the industry-led International Minerals Innovations Institute which provides project management and funding for research and education, improving the capability of Saskatchewan's mineral sector to address its needs. \$250,000 for Co.Labs, the province's first technology incubator, located in Saskatoon. In barely one year of operations, this incubator has coached and mentored 37 technology start-ups, which have secured over \$2.85 million in private equity investment. Innovation Saskatchewan's contributions to Co.Labs has also leveraged federal and provincial sector funding, as the incubator secured \$355,000 in additional funding in '17-18.

Madam Chair, Innovation Saskatchewan works closely with its numerous partners and stakeholders to ensure its investments are successful. For instance, it promotes industry engagement with its funded research institutes, encouraging and supporting the pursuit of research agenda that helps solve technical challenges faced by industry in Saskatchewan and worldwide, like genomics testing for the mining sector, and global food security, among others. In addition, last fiscal year, the agency

created and launched the Rural Crime Innovation Challenge to tackle crime in rural areas. This challenge, organized in conjunction with the Ministry of Justice, has led to the development of an application-based tracking system to alert landowners about irregular activity related to their property. It's one way we are trying to use technology in innovative ways to solve government problems.

Innovation Saskatchewan also works closely with the technology sector on behalf of the province. One of the ways it does this is through SaskTech, an industry group that is focused on building Saskatchewan as a key technology centre in Canada. The past year was truly remarkable for Saskatchewan's technology industry, which saw a number of accomplishments. For instance, multinational conglomerate Siemens acquired the Saskatoon-based semi-conductor design company, Solido Design Automation, in what may be the biggest technology deal in the province's history. Siemens has big plans to grow their new Saskatoon office. 7shifts and Coconut Software, two rapidly growing rising stars in this sector, each closed series A investment rounds in the ballpark of 5 million. And local technology companies Vendasta and Solido were named in Deloitte's top 50 fastest-growing companies in Canada. And here I would point out that both Vendasta and Coconut have female founders.

Our government wants to see this kind of growth and success continue in Saskatchewan, and this is why, together with SaskTech, we are working hard to address a shortage of skilled technology workers in the province. The technology job market in Saskatchewan is experiencing tremendous growth. According to StatsCan, Saskatoon has the second-fastest growing market in Canada after Waterloo.

To help attract and retain skilled workers and sustain the growth of the sector, Innovation Saskatchewan has been working together with ministries across government on a number of initiatives, and this includes developing a coding and robotics component in the provincial school curriculum, hosting a technology job fair and conducting social media campaigns to recruit talent, encouraging our post-secondary partners to look at comp sci and software engineering programs, supporting the industry's efforts to recruit international talent for Saskatchewan jobs, and more.

I would also add the patent box and the STSI [Saskatchewan Technology Start-up Incentive], which we can speak about, are part of a pathway here. As a result of all of these initiatives, Saskatchewan is now experiencing more relevant responses from potential skilled workers on its technology sector recruiting campaigns.

Madam Chair, as you can see, Innovation Saskatchewan investments have been paying off. We're a recognized front-runner in health research and innovation, and we're also home to some of the most advanced research technologies in the world. And no doubt this is thanks in part to this agency driving the province's innovation agenda and providing research and innovation investments in areas that are important to us. This in turn generates results that are transferrable and useful across the world. By working together with key stakeholders, industry leaders, and all levels of government, Innovation Saskatchewan is helping advance innovation for our

province's economic growth.

Madam Chair, this concludes my remarks. I welcome any questions the committee may have on these estimates.

The Chair: — Thank you, Minister. I'll now open the floor to questions from committee members. Mr. McCall.

Mr. McCall: — Thank you very much, Madam Chair, Madam Minister, officials. Welcome to the consideration of estimates for Innovation Saskatchewan. And always an interesting conversation, because there's always a lot of innovative and interesting things going on at Innovation Saskatchewan, certainly.

I guess just in terms of some pro forma questions off the top, in terms of this year's budget to the last, can the minister state what happened and how that is impacting the work of Innovation Saskatchewan.

Hon. Ms. Beaudry-Mellor: — So I'll start on this and then, if you want to ask further questions about it, we can take a bit of a deeper dive. But there has been a minus, you know, a 2 per cent reduction in our overall budget. A large portion of that has come from operations. And then there's really been what I would characterize as a reshuffling of a number of things. As you know, we had a surplus and we've rededicated some of that surplus to the STSI. And so we've made adjustments in some areas to compensate and shift our priorities in a number of ways.

Mr. McCall: — Thank you for that, Madam Minister. Two per cent, what is the dollar figure on that?

Hon. Ms. Beaudry-Mellor: — So this year . . . Yes. So last year we were 27,709 and this year we're 27,155. So there's about a \$600,000 difference.

Mr. McCall: — Thank you for that. In terms of the division, or the number of employees that work with Innovation Saskatchewan, how many are working for Innovation Saskatchewan? Any change from last year fiscal to this year?

Hon. Ms. Beaudry-Mellor: — It's actually gone up. So we've actually added a staff person. We lost one due to a retirement previously. There was a number of retirements. But we did add one this year so now we have 12.

Mr. McCall: — Thanks for that. How much payroll does that represent? What's the expenditure?

[15:30]

Hon. Ms. Beaudry-Mellor: — Our total payroll this year is 1.480 million, which is down 20,000 from last year.

Mr. McCall: — Thanks for that, Madam Minister. In terms of the senior leadership with Innovation Saskatchewan, I note that in the 2016-17 annual report, Jerome Konecni is still on staff or is still listed as a senior adviser. And I could be mixing this up, so if I'm mistaking anything please correct me, but that's the former CEO of Innovation Saskatchewan, is that not?

Hon. Ms. Beaudry-Mellor: — Correct.

Mr. Jickling: — So when I came into the role in July of 2016, we retained Jerome at my request. And it was sort of on a retainer and an as-needed, payment-for-work basis just in the event in the transition and, you know, me assuming my roles and getting up to speed on the files and the relationships. And any complexities that might come up, I asked that Jerome . . . We keep him on contract for a period of time. And I believe that expired in October or November of 2016.

And it wasn't a tremendous amount of work that we called him in for. And I think the amount of remuneration that ended up going his way was quite small. But that, the employment or the contractual relationship with Jerome ended in the final months of 2016.

Mr. McCall: — So it was a transitional measure. The measure was concluded, and on we go?

Mr. Jickling: — Onward and upward.

Mr. McCall: — Indeed. In terms of the senior leadership with Innovation Saskatchewan generally, I'm presuming that that's largely been consolidated. We've got the complement of folks in place to do the work that is set out for Innovation Saskatchewan. Is that correct?

Hon. Ms. Beaudry-Mellor: — Yes.

Mr. McCall: — Are there any human resources, people being severed out, people that have been moved out of the organization? Is there any work like that that is outstanding with Innovation Saskatchewan or anything of note that has gone on over the last year?

Hon. Ms. Beaudry-Mellor: — There's been no severances or unplanned departures but we have brought on, as we noted earlier, one individual to take on the MIST program, which I noted earlier in my opening remarks.

Mr. McCall: — I can hardly help myself, but it certainly sounds like a missed opportunity. Anyway, the work of Innovation Saskatchewan in general, I guess as we've referenced at the start, there's certainly an interesting, fascinating even, set of responsibilities set out for the organization. And I guess certainly some of the work that we'll get more into with the tech start-up, and how that relates to the expenditure and what's the anticipated benefit and on, how that interacts with other leveraging opportunities.

But in terms of the tech sector generally, is there any work that Innovation Saskatchewan is undertaking, perhaps in conjunction with the labour market services out of your colleague's ministry, in terms of the impact of artificial intelligence on the Saskatchewan workforce, broadly understood?

Hon. Ms. Beaudry-Mellor: — To date there's been no formal survey or anything done regarding artificial intelligence and the labour market. Where we have been working is on the number of individuals with tech expertise in the province. That's an area of labour market need here that we're addressing in a number of

ways, and we've been working with labour market about that.

Mr. McCall: — Which absolutely is as it should be. But there's no sort of broader analysis being undertaken on the part of the executive government or Innovation Saskatchewan on the impact, the anticipated impact of artificial intelligence. Am I understanding that correctly?

Hon. Ms. Beaudry-Mellor: — That is correct.

Mr. McCall: — Is there any thought, I mean, about maybe doing some of that analysis?

Hon. Ms. Beaudry-Mellor: — There has been some conversations about it. It just hasn't undertaken a formal review yet.

Mr. McCall: — Okay. Well I guess we'll put a bookmark on that one . . .

Hon. Ms. Beaudry-Mellor: — Yes.

Mr. McCall: — And you know, come back and see how that goes in the near future.

I guess, again in terms of the constituent funds and the organizations that make up the work of Innovation Saskatchewan, we can go through those sort of component by component, but one other thing that comes to mind in terms of . . . Like I always think of Innovation as being out there sort of on the edge of things, out there scanning the horizon, scanning beyond the horizon trying to figure out where the trends are going and how Saskatchewan can best take advantage of those developments.

And again I appreciate that there's been a lot of discussion, and there's even legislation that's off to a different committee. But for a place that, you know, diversification in our ag sector where it's always been such a big concern, has there been any work undertaken on the part of Innovation Saskatchewan around cannabis and different opportunities that exist there in terms of value-added or, you know, even in terms of crop diversification? Is there any work that's been done on the part of Innovation Saskatchewan that you're aware of?

Hon. Ms. Beaudry-Mellor: — Well this is an area of interest to me as well because I see there are a lot of value-added opportunities here. I had several conversations in my recent visit to the U of S [University of Saskatchewan], the College of Agriculture, on this note. It's doing some great work.

But for the purposes of Innovation Saskatchewan, we funded an early stage project through the Spark program, which talked about cannabinoids. But I would also say that the cyclotron creates an opportunity for us. I'm looking at isotopes and their impact on cannabinoids.

So that's another opportunity that we're looking at on radioisotopes. There's a lot more work to be done here. I think there's a lot more opportunity to be done here, and I think I would say that the synergy of my files, Advanced Education with Innovation, creates, I think, an important and useful space for this. I don't want to talk too much about Advanced Ed in

this right now, but the College of Ag will be a key partner.

Mr. McCall: — Okay. Are there any thoughts around a particular initiative or a suite of initiatives that might be brought to bear? And certainly we'll get to the discussion of Bill No. 129 soon enough, but is there any particular measure that's being considered right now either by yourself or the board or with the thoughtful folks you've got heading up IS [Innovation Saskatchewan]?

Mr. Jickling: — So just in response to that, I think where we see the most potential around medicinal marijuana or cannabinoids — I think, I guess to oversimplify and overstate it a little bit — would be to say one of the key outstanding scientific questions about, you know, what are the uses and the effectiveness and the effective therapies and treatments that you can achieve with cannabinoids? What the scientific community needs is answers to, well how do they behave? How do cannabinoids behave? What effect do they have once they've been administered or provided to a patient?

And you know, there's a number of questions, kind of sub-questions I guess underneath that overarching one and, you know, we have some private sector players in Saskatchewan who are interested in answering that question. As the minister mentioned, we have, you know, some very good talent, research talent, at the University of Saskatchewan: Robert Laprairie being one, Chris Phenix being another. These are both Saskatchewan researchers, Ph.D.s [Doctor of Philosophy] in Chemistry and so on.

But basically, I think Saskatchewan is pretty well positioned to answer some of those questions. And the minister talked about the cyclotron. Well the cyclotron produces isotopes, and I won't go into all of the detail there, but you can attach isotopes to a cannabinoid and track it as it works, and it's uptaken by a body or an organism — in this case, you know, an animal — just to test and see and start answering those questions and gathering data. And it's not everywhere that has a cyclotron and cannabinoid radiochemists attached with a research wing to conduct that kind of research.

So that's what we're looking at, and I think that you'll . . . I mean that's one thing that we'll be looking at in the coming weeks and months, is how we can leverage that and answer some of those questions.

Mr. McCall: — Okay. On the commercialization side of things, and certainly the medical applications, it's amen to that. Those are a lot of good questions to be asking and seeking the answers.

In terms of the economic opportunities that are there, in terms of the markets as a whole, as in emerging markets, there's a lot of interesting things going on certainly. But is there, in terms of that commercialization role that Innovation Saskatchewan plays, is there any sort of consideration around how to commercialize for market in terms of what's happening with cannabis?

[15:45]

Hon. Ms. Beaudry-Mellor: — So all of the medicinal, I guess,

all of the medicinal research that we're doing has the intention of being commercialized as an outcome. And so, you know, is there anything specific outside of the cyclotron's ability? There's tons out there, but that's the one that we're focusing on the most. Because it also partners of course with the College of Ag, and there's a great, I think, synergy there.

Mr. McCall: — Okay. Thanks for that.

Hon. Ms. Beaudry-Mellor: — Or maybe further explanation of the question . . .

Mr. McCall: — Pardon?

Hon. Ms. Beaudry-Mellor: — Or maybe further explanation of the question on what you're looking for.

Mr. McCall: — Just, you know, I think we're all aware of the emerging market quality of what's going on with cannabis across the country. We certainly know that Saskatchewan has a lot of innovative folks doing a lot of innovative work, and certainly we've got some of the best producers at work alongside that. So, you know, I guess there are some opportunities that will go to the quick in this market and there are some opportunities that will pass us by if we don't seize them.

So again, Innovation Saskatchewan, I'm not asking you guys because I think you've got a jones for this kind of question, but in terms of being out there forecasting what's beyond the horizon, where those opportunities lay in terms of commercializing the great research that's going on in the province and how that permeates the rest of the economy, I'm just interested to know where this is on your radar and what sort of opportunities you foresee for the province of Saskatchewan in an emerging market.

Hon. Ms. Beaudry-Mellor: — And so just to go back to my earlier question, so at the College of Agriculture they're looking at plant resilience and obviously the different strains of plants and there's some genomics aspects to that as well in terms of breeding up and breeding down levels of THC [tetrahydrocannabinol] and so on to be used for medicinal purposes. And then we add on the radioisotopes piece and the medicinal piece and what we have there is, I think, a stream for the medicinal part of this. But it is primarily the medicinal area that we're focused on.

Mr. McCall: — Again thank you for that. In terms of the broader . . . working with other jurisdictions, other levels of government, particularly the federal government which has had a lot to say about an innovation strategy being promulgated over the last years, if the minister or officials could highlight for the committee ways in which the synergies that are available there might be working for Saskatchewan, where there's some work to be done, how the federal moves are impacting what's happening in Saskatchewan.

Hon. Ms. Beaudry-Mellor: — So the federal government and Innovation Saskatchewan have had a pretty good relationship. And certainly I've had some great discussions with the federal minister.

With respect to Co.Labs, the federal investment has been about 1.5 to our one. We asked them on the venture capital funds, we asked them to actually switch and see if they could carve off a piece of that funding for Saskatchewan-based venture capital, which they did because the program didn't really fit our needs as well as it could have. Obviously you know about the protein supercluster, which is creating a number of opportunities for us.

I would say that the Western Diversification in general has been a really strong partner for a lot of Saskatchewan-based innovation. They've given us \$11 million in different kinds of announcements over the past year that I think have been pretty important. And if you have further . . . Yes, go ahead.

Mr. Jickling: — I'd also just jump in. We have two of the institutes that we fund. We fund six institutes and two of them are what we would consider major national science facilities, one being Canadian Light Source and the other one is VIDO-InterVac [Vaccine and Infectious Disease Organization-international vaccine centre].

And you know, in the last year both of them have been renewed in their funding, this multi-year major scientific infrastructure, MSI [Major Science Initiatives], funding from the Canadian Foundation for Innovation. And you know, that's the result of obviously discussions between those institutes and the federal government, but our relationships as well. And so we'll take that as a positive as well.

So anyway my estimation is as the minister said. Western Diversification and, you know, them having a base in Saskatoon and us being in Saskatoon as well, there's a regular sort of a couple times a week dialogue in getting together and sharing of files. And, you know, at the end of the year, you can look back and say, well some of the things that happened this year are down to that relationship. And so it's gone pretty well.

Mr. McCall: — Thanks for that. In terms of the institutes and funds that Innovation Saskatchewan has oversight for, how's the leverage going? We've talked about this in previous years' estimates in terms of for every dollar you put up in SHRF [Saskatchewan Health Research Foundation], what does that lever in broader economic activity or return, you know, to misappropriate an analogy. How's the leverage working out?

Hon. Ms. Beaudry-Mellor: — So the International Minerals Institute, the ratio there is about 1 to 1; with respect to Co.Labs, as we've already said, it's about 1 to 1.5; ISF [infrastructure stimulus fund], the ratio there is about 4 to 1; and probably the best story of all of this is the Saskatchewan Advantage Innovation Fund. The ratio there is about 2.5 to 1 or about 258 per cent.

Mr. McCall: — Good to hear it. And again in terms of, you know, if it's such a great return, why not put more money into those funds?

Hon. Ms. Beaudry-Mellor: — I think there's three answers to that question. The first one is, as you all know, we have a plan to get back to balance in three years; we're in year 2 of that plan. The second answer is the capacity of the organization and being able to focus on doing a few things very well. And the third would be that, you know, we are focusing on the areas

where we have the greatest impact. And certainly I would say that the elevation of Co.Labs is one of those things where we're getting a great return on investment, and we're also able to help build an ecosystem that we're very interested in building.

Mr. McCall: — Well thanks for that, Madam Minister. I guess we're coming up on the shifting over to consideration of Bill No. 129 but — and again, I know that you get to work with some really bright and engaged people on this file and it's always an interesting perspective to, you know, ascertain what's going on out across the province — but I guess my question to either yourself, Madam Minister, or to your officials is, what's the most exciting thing that's happened in the last year, and what's the one to watch for the year to come?

Hon. Ms. Beaudry-Mellor: — It was said that it's a bit like picking a favourite child, which I would agree with that statement a little bit, because there's some pretty exciting stuff in here that I've enjoyed learning about.

[16:00]

But I think we came to the consensus that it would be . . . Some of the work that's going on around Co.Labs is certainly I think some of the most exciting stuff. Not so much, I would . . . In my mind it's, yes, the fact that they've accelerated a number of companies and start-ups and got that going. But more than that — and I agree with Kari on this one — is the development of the community around it.

They held a Prairie Investment Forum. It was attended by . . . I was able to attend. There was individuals from LA [Los Angeles] and Silicon Valley there that were interested in Saskatchewan, and that was really exciting. The room was packed with a number of bright, young entrepreneurs and I think that was a really, really exciting thing. And so I'm looking to see what kind of spinoffs come from that, and I'm pretty jazzed about it.

Mr. McCall: — Duly noted. Well thank you very much for that, and I guess this would be the time to shift gears to Bill No. 129, Madam Chair, so I'll turn it back over to you for the interim.

Bill No. 129 — *The Saskatchewan Technology Start-up Incentive Act*

Clause 1

The Chair: — All right. We can move on to consideration of Bill No. 129, *The Saskatchewan Technology Start-up Incentive Act*, clause 1, short title. And, Minister, any new officials that you'd like to introduce at this point in time? And your opening remarks as well.

Hon. Ms. Beaudry-Mellor: — Okay. We're just waiting for one official to come into the room if you don't mind, Madam Chair. And then we'll . . .

The Chair: — Sure.

Hon. Ms. Beaudry-Mellor: — So you've already met with Wes Jickling, our CEO. Andy Melnyk has just joined us. He's

the director of innovation policy here at Innovation Saskatchewan.

So as you noted, Madam Chair, I'm here to speak about *The Saskatchewan Technology Start-up Incentive Act*. The legislation is designed to increase investment in early-stage technology start-ups in our province. It offers a competitive 45 per cent non-refundable tax credit for individual, corporate, and venture capital corporations investing in eligible technology-based start-ups. It's going to be capped at a maximum annual benefit of \$140,000 per investor. To qualify for this incentive, eligible technology-based start-ups will have to meet the following criteria.

Number one, they must be located in Saskatchewan. Number two, they must have 50 employers or fewer, with at least 50 per cent of those employed located here in the province. Number three, they must not have previously raised more than \$5 million in seed capital. And finally, they must be actively developing proprietary technology that will be embedded in a product the company intends to sell.

Madam Chair, in developing this program, Innovation Saskatchewan worked very closely with the Ministry of Trade and Export Development. As you may imagine, the technology sector is very supportive of this program. The incentive also has the support of Saskatchewan's investor community which has been requesting an angel investment tax credit for several years.

The Saskatchewan Technology Start-up Incentive will be managed by Innovation Saskatchewan and will be funded through the agency's \$7.2 million surplus, which will support tax expenditures and program administration.

We know that Saskatchewan needs to have a robust innovation ecosystem that supports and develops start-up companies in the early stages of commercialization and scaling up. Establishing a leading incentive to grow the number and size of Saskatchewan technology-based start-ups is key to achieving this ecosystem. By introducing an incentive tailored to our province's existing investment environment reality, we are providing a platform to help the province's technology sector succeed. This success will in turn help promote economic diversification in Saskatchewan as it will build our other core sectors through technology-based innovation.

The Saskatchewan Technology Start-up Incentive's features and benefits, including the 45 per cent tax credit rate and the ability to claim up to \$140,000 per year in tax credits, make it one of the most appealing programs available compared to other western jurisdictions. As a two-and-a-half-year pilot program, we expect that it will grow the province's innovation ecosystem to become a key investment and talent attraction tool in its own right. By strengthening Saskatchewan's innovation commercialization strategy, it will enhance the growth, attraction, and retention of start-ups and talent in this province.

Madam Chair, officials in Innovation Saskatchewan are working hard to finalize all the program details, following which the Saskatchewan Technology Start-up Incentive will begin accepting applications in the fall of 2018. I thank you very much for your time. My officials and I would now be pleased to answer any of your questions.

The Chair: — Thank you, Minister. I'll open the floor now to questions from committee members. Mr. McCall.

Mr. McCall: — Thank you very much, Madam Chair, Madam Minister, officials, new official Andy. Welcome. In terms of the dollars put up for this, just to state clear for the record, this has been taken from funds that the minister just now characterized as surplus, I think earlier just talked about them being reserves. So just where does the money come from? How much is it? And you know, over what number of years will the expenditure take place?

Hon. Ms. Beaudry-Mellor: — So it is an accumulated surplus. And it is in the amount of seven point . . . It's just below \$7.2 million. And it will be paid out over the next two and approximately half years until the sunset clause takes effect, which is March of 2021.

Mr. McCall: — So in terms of accumulated over what preceding period?

Hon. Ms. Beaudry-Mellor: — The accumulated surplus has built up over the 10 years that Innovation Saskatchewan has been around.

Mr. McCall: — I guess in last year's estimates there was an announcement that was, despite my urgings, was held off on. Fair enough. Was this that announcement?

Hon. Ms. Beaudry-Mellor: — It was Co.Labs.

Mr. McCall: — In terms of the anticipated impact of this investment over the next two and a half years, what does the minister or officials think this will mean in terms of jobs, in terms of economic activity? What are the anticipated benefits of this initiative?

Hon. Ms. Beaudry-Mellor: — So the Saskatchewan technology start-up incentive, as for goals or what our success would look like, we're anticipating 25 to 40 investors over the two and a half years. We are looking for at least 30 tech start-ups over the two and a half years, leveraging about 7 to \$10 million in private investment over the two and a half years. And if we add all those things up, it approximates to about 75 to 100 jobs.

Mr. McCall: — Thank you very much for that, Madam Minister. We certainly look forward to, you know . . . We wish you good success on achieving those goals and thank you for sharing them with us.

In terms of where this situates Saskatchewan in the Western Canadian dynamic and indeed in the Canadian . . . We'll, you know, stay away from the global context for now. But in terms of Western Canada and in terms of things like the New West Partnership Agreement, what kind of analysis has gone into what other offerings are available through other Western Canadian jurisdictions? And, you know, what do those regimes look like? And how does this situate Saskatchewan, both in terms of timing in bringing on the initiative, and also in terms of basic competitiveness?

Hon. Ms. Beaudry-Mellor: — I think there are two primary

unique features with respect to what is going on in the rest of Canada and certainly in the western part of the country. Number one is the tax credit rate. At 45 per cent, that places us above Alberta, it places us above BC [British Columbia], and it places us in line with Manitoba and Newfoundland.

The other part of this is that ours is very narrowly defined as tech. There are other programs that include things like tourism or other sorts of things. They have, kind of, a much more open angel investment start-up. It's not necessarily directed at tech whereas ours is, and that's because we're very specifically interested in growing that part of our economy.

Mr. McCall: — Thank you for that. In terms of how the initiative will interact with other initiatives that are already deployed by the government, does the minister or officials have any sort of observations as to how this will interact or is anticipated to interact with things like the patent box or with the R & D [research and development] tax credits? Does the minister or officials have any observations to share on that point?

[16:15]

Hon. Ms. Beaudry-Mellor: — So in terms of the overall continuum, the STSI actually helps really early stage start-ups. But I think the continuum that we'd like to see and that we hope to see is that those companies that are accelerated and incubated by Co.Labs would then have the opportunity to patent their work and their technology and their research. And so it's very likely that individuals who access the STSI will eventually also be able to access the patent box piece.

And Wes is also going to speak about the R & D tax credit.

Mr. Jickling: — Yes, that's a good question. So the R & D tax credit, as you'll know, 10 per cent, like from the provincial refundable R & D tax credit at tax time, a start-up company can submit through the provincial Ministry of Finance, and they'll receive up to 10 per cent of their R & D costs. So if you look at the companies in Co.Labs, for example, hypothetically they would get 10 per cent of their software development costs or some equipment they've purchased. They would get that back as a refundable tax credit at the end of the year.

I think the important distinction though, and to answer the question specifically, companies that qualify, or benefit from STSI, you know, they can also benefit from the R & D tax credit. Those two things are not mutually exclusive.

But I think an important distinction to make is the STSI, the benefit goes to the investor, not to the start-up, right, the start-up benefits from getting this injection of capital. But the tax credit will benefit the investor. Whereas the R & D tax credit, that benefits the company, right. So there's kind of two different groups receiving the tax credit there, and so I think it's a distinction worth making.

Mr. McCall: — Thank you for that. Again I wish you best of luck with the measure. We'll be watching to see how the goals work out. But again with that, Madam Chair, I have no further questions.

The Chair: — Thank you. Seeing there's no further questions, we will now begin to vote on Bill No. 129, *The Saskatchewan Technology Start-up Incentive Act* beginning with clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 49 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Saskatchewan Technology Start-up Incentive Act*.

I would now ask a member to move that we report Bill No. 129, *The Saskatchewan Technology Start-up Incentive Act* without amendment. Mr. Steele moves. Is that agreed? Carried.

If there are any final comments, Minister, that you would like to make?

Hon. Ms. Beaudry-Mellor: — Yes. I would like to add one more thing just for the critic's informational purposes. It may have been shared with you by your colleague but the STSI will be . . . We will be running a GBA [gender-based analysis] on the STSI as we roll it out. So the Status of Women executive director will be doing a gender-based analysis of this piece of legislation and the program as we roll it out.

Mr. McCall: — Thank you for that. And certainly this is probably a good time to say thank you very much, Madam Chair, committee colleagues, and Madam Minister, and officials for this time we have shared together.

Hon. Ms. Beaudry-Mellor: — Thank you.

The Chair: — Thank you. We will now recess until 6:30 p.m.

[The committee recessed from 16:24 until 18:30.]

Bill No. 85 — *The Reclaimed Industrial Sites Amendment Act, 2017*

Clause 1

The Chair: — All right. Welcome back to the Standing Committee on the Economy. We will now move on to consideration of Bill No. 85, *The Reclaimed Industrial Sites Amendment Act, 2017*, clause 1, short title.

Sitting in on committee this evening for Vicki Mowat is Mr. Belanger. Minister, if you would like to introduce your officials that are with you here this evening and make any opening remarks, please do so.

Hon. Ms. Eyre: — Thank you, Madam Chair, and good evening to you, to committee members. Accompanying me this evening are Laurie Pushor, a deputy minister; Kathryn Pollack, assistant deputy minister; Keith Cunningham, senior analyst; and my chief of staff, Jeremy Brick.

I am pleased to introduce you to several proposed amendments of *The Reclaimed Industrial Sites Amendment Act, 2017*. The current Act was approved in 2007 and, as part of its attendant regulations, implemented the institutional control program. That program manages the transfer of remediated sites to provincial custody. It also manages the long-term monitoring and maintenance of those sites. It helps to ensure as well the protection of the environment and public health and safety into the future and provides a mining company with closure once it has fulfilled its obligation to remediate a site.

Madam Chair, the program has proven valuable and prudent in the time since it was put into force. It has provided Saskatchewan with a practical means of providing stewardship of both the environment and industry and to the highest standards. In this manner, it has proven to be an asset for industry and government and also for attracting investment. As you know, Saskatchewan remains a jurisdiction of choice for the global mining industry in terms of favourable risk, mineral potential, and investment attractiveness. And we continue to build on this reputation by continually improving our operating environment and our policy structure in a transparent and collaborative way.

The current Act requires a mandatory review of its provisions within five years of coming into force. As a result, we have engaged in extensive targeted stakeholder consultations which have included industry as well as industry organizations and federal and provincial regulators.

The ministry is proposing to amend the Act to address issues that have been identified in the course of these stakeholder discussions. To that end, the amendment will address the following: first, it will provide the authority to require financial assurances for a closed site being accepted into the program; it will enable the transfer of rights and ownership for a closed site that's been accepted into the program and is under the management of the Crown; and third, it will allow exemption of liability for the institutional control fund advisory committee. It will also include a mandatory time frame for the review of the Act.

Madam Chair, our stakeholders feel that we are addressing what concerns they may have about the Act and the program in their current forms. The alternative of maintaining the status quo would have a negative impact with these stakeholders; as well, doing so would arguably fail to meet our obligations under the existing Act. This would not be aligned with the kind of leadership, responsiveness, and opportunity that the global mining industry has come to expect from Saskatchewan.

Instead, this is an opportunity for us to provide an example of other jurisdictions to follow and would in fact be exemplary of the kind of clear policies and commitment to environmental stewardship and regulatory responsibility that Saskatchewan is known and respected for. Thank you, Madam Chair, and we are happy to take any questions from committee members.

The Chair: — Thank you, Madam Minister. And now I'll open the floor to questions from committee members. Mr. Belanger.

Mr. Belanger: — Thank you very much, Madam Chair. I just want to first of all indicate that the importance of establishing a

robust relationship with the mining sector is paramount to being successful in governance overall. I think that's pretty much an apple pie statement. And that being said, when we look at robust, obviously we're also looking at the notion of returning and reclaiming sites that have been impacted by that particular industry.

Under this particular bill, *The Reclaimed Industrial Sites Act*, I just want to ask, when you look at the relationship with the federal government, say on the notion around uranium development, now from the provincial perspective we have our standards and our roles as it pertains to uranium mines overall, however there's much overlapping from the federal government as it pertains to uranium development as a whole because they certainly have their role as well.

So first I'd like to ask the minister if she could explain to me what the overlap with the federal government is as it pertains to uranium, of which I'm familiar with, how she interacts and how the Acts are positioned against each other as it pertains to uranium. And is there any other particular mining or minerals that we have an overlapping responsibility with the federal government on? Could you explain those two points for me, please.

Hon. Ms. Eyre: — So thank you, Madam Chair. The Beaverlodge sites that are outside Uranium City, it's a good example of a situation where we recognize that the Canadian Nuclear Safety Commission has an authority over a site such as that. And so we would work together insofar that the Canadian Nuclear Safety Commission would have to exempt the site before it could pass to the institutional control program. So they would have, in that sense, first supremacy. And I'll let Keith add anything further to that.

Mr. Cunningham: — Yes, that is correct. You know, we do recognize the Canadian Nuclear Safety Commission's authority to regulate the remediation of the sites. And for us both, with the Canadian Nuclear Safety Commission, they have to exempt a site from licensing, and our Ministry of the Environment has to sign off on the site that the decommissioning and reclamation has been complete, both to those regulators' standard. And then the Canadian Nuclear Safety Commission will then provide an exemption to the site before it will come back into or come into the institutional control program. So they are involved throughout that process in exempting a site for coming back in.

Mr. Belanger: — So is it fair to assume that the province would offer their sign-off before the federal government would offer their sign-off? Is that how the process works? We must first sign off before the CNSC [Canadian Nuclear Safety Commission] signs off? Is that how it works?

Mr. Cunningham: — When they go through the remediation of the site, both Saskatchewan Environment and the Canadian Nuclear Safety Commission would monitor all of those works. And so essentially those . . . Saskatchewan Environment and the Canadian Nuclear Safety Commission would be releasing from permit and exempting at the same time. And we would be accepting at that same time, so that there is a continuous line of custody for the site. So yes, it's a three-part approval, where Saskatchewan Environment releases, the Canadian Nuclear Safety Commission exempts, and we accept. It effectively

should all happen at the same time.

Mr. Belanger: — So am I to again assume that . . . You look at the language under 10.1, the new section, under 4: “The following section is added after section 10” where it talks about transfer of a closed site. And there’s a description under subsection (a), (b) and (c) where I’m picking up the language “prescribed conditions,” “prescribed manner,” “evidence satisfactory to the minister,” in which the closed site is “determined in the prescribed manner.”

Like, there’s all these prescription language, so to speak. So am I to assume that the prescript language used in this particular Act is really the language that the province is inheriting from the Canadian Nuclear Safety Commission if there’s a collaborative effort?

Because, going back to my earlier point, the uranium industry is . . . You know, I’m a very strong advocate for the uranium industry but obviously there’s collaboration and oversight by both the federal and provincial governments. So as I look at this from the provincial perspective, who’s the lead under the description that you use in the Act, “prescribed manner,” “prescribed conditions,” “evidence satisfactory to the minister”?

[18:45]

Hon. Ms. Eyre: — Thank you, Madam Chair. Thank you, Mr. Belanger. So the CNSC and the Ministry of the Environment have to be satisfied in tandem that a site is at a standard that it can be reclaimed into the ICP, into the institutional control program. And so there’s obviously a working together to that end. And I’ll let Keith add any detail beyond that.

Mr. Cunningham: — Yes, so when we accept a site in, the Act states that the minister will prescribe the conditions to do so, and one of those conditions would be that it is granted an exemption from the Canadian Nuclear Safety Commission. So we have that prescribed in regulation.

And similarly for the transfer of a site out, which is set in 10.1 that you identified, the same regulations will then state that it has to have approval or consent from the Canadian Nuclear Safety Commission for that site to be transferred. It’ll also require from . . . state that the Ministry of the Environment also would have to approve any new activity on that site. And without those, like the approval of the Ministry of Environment and/or the Canadian Nuclear Safety Commission, a site would not transfer out to a new company.

Mr. Belanger: — No, and I think that’s really important as you describe the process for me, and it’s more for clarification purposes. Obviously when you look at the relationship between CNSC and the province, I would assume that CNSC has much greater science and greater resources and, not to diminish the importance of our provincial counterparts, but more access to a lot more information, especially around issues of uranium development. And am I to assume that if you look at things like potash, that uranium development is the only thing that we have a kind of a cross-jurisdiction relationship with the federal government? Is it just for uranium mining, or is there any other industry impacted by this bill?

Hon. Ms. Eyre: — It would be that, predominately, that it would be uranium where the federal would have the most cross-intersection with us, obviously. But with navigable waterways, for example, there may be some crossover in those instances where the federal government would have . . . or the, you know, the federal umbrella, there would be regulations that would come into play in that situation as well potentially.

Mr. Belanger: — Yes. And I think it’s important to clarify the CNSC’s role. Because as I look at the bill, instinctively I think, well why is the minister taking responsibility for a site that is really jurisdictionally shared with the federal government? Because, you know, if I was a federal government, the more responsibility I wanted to give to the province on monitoring these sites well into the future, well that would be to their advantage. And do we have the capacity and the ability to go back to them saying, well hold it, your relationship clearly stated that you had a responsibility here as well?

So the reason why is we obviously went through this with the Lorado and Gunnar projects, you know, where later on in life we finally tracked down responsible partners and the federal/provincial government came along. And now we look at the more recent example around, for example, Cluff Lake, where we’re still getting information from trappers and people in the North saying, how are you monitoring this? What is happening? What is the relationship? When are you considering this site reclaimed to the satisfaction of CNSC?

All these questions remain from people out there, and from my perspective what I want to point out is that in support of the uranium industry, we must have clarity, I think, when it comes to roles and responsibilities as it pertains to the federal government from our perspective.

This way with confidence we can say, well no, their responsibility is clear and our responsibility is clear. And until these things are all lined up, we will not be turning anything or freeing anyone from their responsibility to reclaim that site to the satisfactory condition, not only by the province but by the federal government as well. So I just wanted to clarify that process to make sure I understood that right.

The other thing is, again going back to the money. I’ve got a few more minutes here. I just wanted to ask about how the money will flow for a site transferred to a public person. Like how do you . . . Like in the actual bill it says:

refund the monies paid to the minister on that site holder’s account in the Institutional Control Monitoring and Maintenance Fund and any amounts remaining to cover the anticipated future monitoring and maintenance costs for the closed site.

So how much do you hold back for future monitoring? And again, how will the money flow to a public person once it’s signed off by both the appropriate parties?

Hon. Ms. Eyre: — Mr. Belanger, I’m just going back just to the comments you were making previous to the question and I’ll give you an answer obviously to the question.

I mean, I think it’s very important in terms of this jurisdiction

that . . . in terms of this legislation rather, that this is really about providing the mechanism for accepting sites back into the provincial fold. That's the main intention, obviously.

And so this formalizes those mechanisms, and it provides for that long-term maintenance and monitoring after those sites have been successfully remediated. And I think what's important to recognize about it is that it provides that line of sight to the original developer. And you mentioned that to a certain extent with, you know, some of the problems that were encountered with, let's say, the Gunnar and those northern sites.

And so it's that continuous custody and that perpetuity of line that I think is the most important aspect to this. And in terms of, you know, you say, you mention the trappers and so on. I mean again, in terms of this, we're restricting the surface. So when a site gets, you know, put into the institutional control program, we obviously put that land use, those land use restrictions, on that surface. So again, hunting and trapping can be part of what is then permitted in that context. So anyway, I just will leave it at that for a moment and then we'll answer your other question.

Okay. So I'll just say then to your question, Mr. Belanger, that a company provides money for the long-term monitoring and maintenance, and the money then is standalone and tracked by site. And if there's any money then held on account for a site, if a new company takes responsibility, the original monies go back to the original company, if you follow. And I'll just let Keith add anything to that.

Mr. Cunningham: — So yes, like a company does provide the monitoring and maintenance funds to the stand-alone funds, the Institutional Control Monitoring and Maintenance, and Unforeseen Events Fund. The minister then expends any monies from that account on that site for monitoring and maintenance activities, and then if somebody wants to come back and transfer a site back out and take responsibility for it, we'll give anybody the monitoring and maintenance money that is left on that account back to the original company that gave it to us in the first place.

Mr. Belanger: — Right. And again, we look at the relationship with, say, a potash mine versus a uranium mine. Nobody's going to want to reclaim a uranium mine site, right? So there's obviously different industries would be less favourable to gain benefit under the Act than others. Is that a fair assessment to make?

Hon. Ms. Eyre: — All right, so again just to be clear this is only Crown lands that we're talking about, right? And so after a site has been reclaimed, and again Crown land, we wouldn't release funds to the original company until the new company which has requested the lands has put up equivalent funds.

Mr. Belanger: — Yes, well that's . . . I got one more question here. I probably . . . I need to get clarification on that previous question but I'll move on here.

Under section 12.1 the bill suggests a fund advisory committee. Could you give me a breakdown of how you will be selecting the committee members? Who has lobbied for a seat on this committee? And as well that you, I think, basically indicated in the bill that that advisory committee would be not so much

immune, but it would be very difficult to sue them.

So the question I would have is (a) how do you see the fund advisory committee being established in terms of membership? What would be their purpose? And finally, why did you insist that there be lawsuit protection for the fund committee members?

Hon. Ms. Eyre: — Okay, well thank you for the question, Mr. Belanger. Again this form of committee in terms of the fund and the managing of the, you know, Institutional Control Unforeseen Events Fund, the way that this committee is envisaged and would be and is set up is not unprecedented.

And again, I mean, this exemption is also granted under *The Oil and Gas Conservation Act* that the way to see this is, just in terms of the members of the committee, is that these are of course stakeholders and members who have, you know, skin in the game, so to speak. And so again, you know, Cameco, Canada Eldor, the Sask Mining Association has representation, the ADM [assistant deputy minister] chairs committee. These are members and participants who have direct, not only knowledge of the types of sites and scenarios that would come into play, but also direct experience with what is being discussed and how funds would be allotted.

So that's the purpose of it. It just makes common sense, and again isn't an unprecedented structure by any means.

The Chair: — Thank you. Seeing no further questions on Bill No. 85, we will now begin to vote on Bill No. 85, *The Reclaimed Industrial Sites Amendment Act, 2017*. No. 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 8 inclusive agreed to.]

[19:00]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Reclaimed Industrial Sites Amendment Act, 2017*.

I would ask a member to move that we report Bill No. 85, *The Reclaimed Industrial Sites Amendment Act, 2017* without amendment.

Mr. Michelson: — I so move.

The Chair: — Mr. Michelson moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you. Madam Minister, if you have any closing remarks that you would like to make.

Hon. Ms. Eyre: — Thank you to my officials, of course, and committee members, Hansard, and to Mr. Belanger for your

questions. Madam Chair, thank you very much.

The Chair: — Thank you. Mr. Belanger, if you have any remarks you would like to make.

Mr. Belanger: — I'm fine. Thanks, Madam Chair.

The Chair: — Good. Thank you everyone. We'll just take a brief recess to prepare for our next estimates.

[The committee recessed for a period of time.]

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

Subvote (HI01)

The Chair: — All right. We'll continue on. And at this point in time the committee will be considering the estimates and supplementary estimates — no. 2 for the Ministry of Highways and Infrastructure. So we will resume our consideration of vote 16, Highways and Infrastructure, central management and services, subvote (HI01).

Sitting in for Ms. Mowat tonight we have Mr. Belanger. Minister Marit is here with his officials, and if you would like to introduce your officials that are here with you this evening and make any opening remarks you have.

Hon. Mr. Marit: — Thank you, Madam Chair. No, I think my opening remarks I made at the first one. But I would like to introduce the officials that are here with me if I could. Obviously my deputy minister, Fred Antunes is here, and I'd ask the staff behind just to give a little wave so that you know who I'm introducing. On my left is Blair Wagar, assistant deputy minister, policy, planning and regulation division. Tom Lees is back here, assistant deputy minister, operations and maintenance division. Penny Popp is here, assistant deputy minister of design and construction division. Wayne Gienow is executive director of network planning and investment. Doug Wakabayashi is the executive director, communications and customer services branch; Kelly Moskowy, executive director, corporate services; David Stearns, executive director, construction branch; and my chief of staff, David Cooper, is also here. So thank you, Madam Chair.

The Chair: — Thank you. I'll now open the floor to questions from committee members. Mr. Belanger.

Mr. Belanger: — Thank you very much, Madam Chair. Just going back to the budget here a bit, I am expecting my colleague to join us for a few minutes, as she does have questions on a specific matter that she wanted to raise with the minister. And once she's here, I'll certainly step aside and let her ask her questions. I suspect she'll be here within the next 15-20 minutes.

That being said, Mr. Minister, getting right back to the Highways budget itself, and welcome to your officials. Just on the funding overall for the budget, there's a couple of areas I want to touch on. One of them is the reductions in certain areas. There has been a reduction in the transportation planning and

policy vote. Could you explain this reduction, and was there a job loss attached to that funding loss?

Hon. Mr. Marit: — Yes that's just a result of the wind-down of the Grain Car Corp, and there was no job loss at all. The employees from there just moved over to Highways.

Mr. Belanger: — Okay. And the other area we find that the airport and ferry line item lost all of its funding in this budget as well. Could you explain that?

Hon. Mr. Marit: — Yes, just in regards to that, that reduction was in capital. We didn't need any capital in the ferry service at all, but on the maintenance side it all stayed the same.

Mr. Belanger: — The other issue, the more significant drop, was on the infrastructure enhancement budget line, \$181 million less. Could you explain what this funding entails, like the reduction and how many projects that this was funded through last year, and how many are planned for this year as a result of the reduced money?

Hon. Mr. Marit: — Yes, actually the overall capital budget pretty well stayed the same. The difference you're seeing in that is 170 of this is a reduction in the bypass, and then it's just a reallocation of a little over 11 million from infrastructure enhancement over to infrastructure rehab. And that's just really the type of project we may do, as you well know, whether it's a paving job or sand seal or something like that. So that's really all it is, is just reallocation of the money. The money stayed the same other than the bypass. The capital went down 170 million there.

Mr. Belanger: — I want to chat a bit about the traffic safety that your ministry presented at the Transportation Association of Canada conference. And the goal and the study basically talked about strategies that would decrease the risk collisions at high-traffic intersections. And we do have some information here from the presentation. And I didn't realize the amount of highways, but is it a fair assessment — again going from the report — to make that Saskatchewan highways and your ministry have no rural traffic signals on 26 000 kilometres of its highways? Is that a true fact?

Hon. Mr. Marit: — We have them in some places. Like north of Regina, we have them. On No. 6 Highway going north of Regina, we have traffic lights there.

Mr. Belanger: — But I would say in the province as a whole, I'm just trying to . . . These are just items of the report that I want to clarify. It seemed odd, and it is a point that they pointed out that I wanted to put on record, that it says Saskatchewan Ministry of Highways and Infrastructure has no rural traffic signals on its 26 000 kilometres of highways. We're saying rural, okay. Is that a fair statement that they made at the outset of this report?

Hon. Mr. Marit: — I would say, no it's not, because we do have traffic lights in rural . . . In north of Regina here on No. 6 Highway, we do have a lighting system there.

Mr. Belanger: — No, I'm indicating . . . There probably are, but there's 26 000 other kilometres where there are no lighting

system.

Hon. Mr. Marit: — You're saying for lights, like the red, green, amber lights.

Mr. Belanger: — Right.

Hon. Mr. Marit: — Yes, we typically don't have traffic lights at rural intersections in Saskatchewan, if you're asking for a traffic light like you see in the city of Regina. Other than the ones we have north of Regina on No. 6 Highway.

Mr. Belanger: — Okay. No, I just pointed out that as a result of the Transportation Association of Canada conference, they talked about intersection safety and they made some very basic preliminary assessments of Saskatchewan's position as it pertains to lighting systems throughout rural Saskatchewan. And obviously the intersections is where the heavy focus was on. And one of the things that was brought forward is that there were limited options on Saskatchewan highways as it pertains to intersection safety. I think that was the general consensus of some of the report and certainly some of the presentations that were made.

And when they talked about improving safety in the rural part of Saskatchewan, the intersections — because we obviously have to begin to have those discussions — some of the arguments they brought forward is that because there are no current safety measures in place now for a fairly significant length of highway, they looked at what options would exist, what options could be put in place to reduce the threat for collisions and decrease injury and fatalities.

[19:15]

One of the ideas that were discussed at this conference was the whole notion about roundabouts. So has your department really assessed the value of roundabouts as it pertains to rural Saskatchewan, if you've already indicated that lighting systems are probably not pragmatic at this time?

Hon. Mr. Marit: — I do take somewhat offence when you say that there's no current safety measures. I think we have a lot of safety measures in rural Saskatchewan and the highway network. And the ministry does a very good job of inspecting and evaluating intersections and you see those upgrades we're making constantly with rumble strips, turning lanes, lighting, flashing stop signs, lighting at most of the intersections where highways intersect. I think we do a very good job on monitoring that side.

If you're asking specifically if we're . . . I guess a good example is we do have a roundabout on a bypass east of the city of Regina. We also have a diverging diamond, which is new to the province of Saskatchewan. So we do look at new and innovative ways of highway safety and mitigating those intersections and making sure that people are safe.

Mr. Belanger: — Yes, but this report was done by the Government of Saskatchewan. It talks about safety countermeasures for Saskatchewan highways. This is your report I'm reading from, and part of the conclusions of the report indicating that, well there's more to do. And that's where

I get the stat that there's no rural traffic signals on 26 000 kilometres of highways within the rural part of Saskatchewan. And then the study indicates that there are limited options on some of those highways to reduce injury and fatal collisions, as one of their findings. So I'm not saying that; the report is saying that. So I'm just reading your own report here.

So that being said, we know that there are some serious safety challenges on many intersections throughout Saskatchewan, you know, and that's the point I think of the whole report. They're saying that some of the ideas include roundabouts. If traffic lights aren't the solution, then roundabouts are. So some of the areas that could be identified that would need roundabouts and whether roundabouts are the answer, well that's what I'm asking you this evening. So is your department considering roundabouts at a rural two-way intersection throughout Saskatchewan that people are saying would decrease injury and fatal collisions by 87 per cent? Are roundabouts the way to go, in your opinion?

Hon. Mr. Marit: — We'd probably look at it that way but first and foremost we look at safety as a priority. And what we've done in quite a few of intersections now is we've done speed reductions where the communities have come and met with us and saying, there's issues here. So we've looked at where we've done speed reductions.

Roundabouts are just a tool in the tool box and may have a place and may not. I think there's a lot of things you have to look at when you do it. And obviously the engineers in this room would have a better answer than I have on that. And I think as I said we have . . . We've had the discussion and it's a tool in the tool box, but right now we're doing speed reduction in some of our intersections where there's challenges like that. And we've improved lighting.

As I said earlier, highway safety, intersection safety is a priority of this ministry and I know the ministry officials do a great job in evaluating our intersections on almost every three- or four-year rotation.

Mr. Belanger: — Yes. I'm just going to get the clarification on this report. I've got a few pages that I need to print out. I want to ask my official or my colleague to take the helm for a minute.

The Chair: — Ms. Sproule is in now as a participating member.

Ms. Sproule: — Thank you, Madam Chair. Good evening, Mr. Minister, and officials. I just have two lines of questions I'd like to go through with you tonight. The first one is in relation to the lawsuits on the Regina bypass, and I just wanted to get an update. I know we had written questions from the ministry a few months ago, but I just want to find out if there are any updates to those written questions. I'll just go through them individually and you can tell me if there's any updates or not on those lawsuits, i.e. are they settled or not or what stage they're at in the proceedings, are you in discovery, is there a court date, or sort of where the court case is at.

The first one is Ailsby Enterprises Inc. versus the Government of Saskatchewan.

The Chair: — Ms. Sproule, could you connect your question to the area of the estimates that you are asking the questions?

Ms. Sproule: — Sorry. It would be in land acquisitions because these lawsuits are all payments that come out of . . . Yes, thank you, Madam Chair.

Mr. Antunes: — So I guess if I could maybe answer in the . . . So we had 23 lawsuits. Two have been settled. I think that's the . . . Two have been settled, so that's the Argue and the Bolingbroke. And we have one that was dismissed in court, McNally Enterprises. The other 20 are still outstanding and they're in various, you know, I guess various phases of resolution. I think we've offered the landowners . . . trying to work with the landowners to identify, you know, various options that we can try to get more information, to see if there's a movement in our position in terms of what the entitlement is.

So we're hoping that we can resolve a number of these through either mediation, binding appraisal, binding arbitration, you know, as opposed to going all the way through the court process. But that is still a last resort for people if they want to take it all the way through the court process.

So I think what we're trying to do is look at each individual one, assess each one on its own merits, and then try to work through and say, okay, is there some merit in what the people are saying? Is there additional information that we didn't have at the time when we made the expropriation? And if we can, can we come to some type of a settlement that would provide, you know, what is fair market value?

Ms. Sproule: — Thank you. Would it be possible to obtain . . . I understand the process, but I'm just wondering if you could give us the status of the other 20 or so that you haven't updated us on. Or is that something you could provide us at a later date?

Mr. Antunes: — I do have a status report if you want me to go through. And I can go through each one of them. I think in the interest of privacy for the individual landowners, I think I'd like to keep the name of them private.

But I can give you an example. You know, we've got one that's in review awaiting a new appraisal. We've got one that's with the landowner. We're awaiting a response to an offer. Another one that we're in the process of reviewing the information. The two that I've said that have been settled. The landowner has not responded to our offer. An offer has been developed for approval. A strategy has been developed and circulating for our internal review. Another one, the strategy and recommendations are circulating for our internal review. Another one, we've got a strategy that's been approved, so we're in a position to make an offer. Another one that the offer has been made. We've got another one that we have to do a review. Two more that we've got to do a review on the actual case. Another one that we had a mediation and we're waiting for the landowner to provide a response.

So those are just some examples of kind of what the status is. These are all in pretrial. Yes, so they're all in pretrial. I mean we haven't actually got to any of these that are in court yet.

Ms. Sproule: — That's all I was looking for, was the word

pretrial. Do you expect any of these to go to trial? I mean you've offered fair appraisals based on your appraisal policy and you're getting sued multiple times, dozens of times on your own policy of appraisals. Do you think your appraisal process is flawed? Is that why you're settling these?

Mr. Antunes: — I wouldn't say that our process is flawed. I think the process is there to protect both the public and landowner. In some cases landowners have filed because there's a two-year limitation period, so they filed the claim in court because they couldn't resolve, you know, what we think the land is worth versus what they think the land is worth.

And what we do is we actually, we provide an appraisal based on the best information that we have. So as the landowners provide additional information, if they come up with some, you know, new data that we didn't necessarily have, then we take that into account. In some cases we've looked at doing binding appraisals where we couldn't agree on a value because of methodologies. Maybe we couldn't agree on the methodologies.

So I don't think the process is flawed. I think, you know, it's a matter of us getting information, sharing information, and then going back and forth with the landowner to make sure that we're following the Appraisal Institute of Canada guidelines and that we're I guess making sure that it's fair market value.

Ms. Sproule: — Thank you. I'm going to ask a question now about the agreement between the GTH [Global Transportation Hub] and MHI [Ministry of Highways and Infrastructure]. It is tied into this year's estimates because we haven't been able to find out the value of the borrow material because that was to be determined in the future. So I just want to check and see if that information is now available. Would the Chair be all right with that question?

The Chair: — Was it a question that was asked previous in another estimates?

Ms. Sproule: — Yes, and the answer wasn't available at that time.

The Chair: — Was it agreed to provide that answer at a later date?

Ms. Sproule: — I don't know. This wasn't this minister.

The Chair: — Ms. Sproule, it must be related to the estimates that are before us, and not previous estimates.

Ms. Sproule: — I understand that. I just want to know if that decision was made in the past year or if it's coming up in the future year, like in relation to last year's spending. So that would be the Public Accounts from 2017.

The Chair: — So you're asking if that has been carried forward into these estimates?

Ms. Sproule: — Yes.

The Chair: — I'm just rewording it so that . . .

Ms. Sproule: — Yes.

The Chair: — I'm just wondering, Ms. Sproule, if it wasn't anticipated for the estimates that are before us, that the minister and officials may not have that brought here this evening.

Ms. Sproule: — Certainly. And I'd be happy to have them table it at a later date if they don't have it with them.

[19:30]

Mr. Antunes: — So the original agreement was for the ministry to pay the GTH \$3.575 million. We paid them 80 per cent of that amount, \$2.86 million. It does not look like we're going to use that borrow material, so we've actually signed an amending agreement with the GTH that they will pay that money back to Highways.

Ms. Sproule: — Would you be willing to table those agreements between yourselves and the GTH in relation to this? When was the amending agreement signed?

Mr. Antunes: — Yes, so the amending agreement was signed on March 1st, 2018. That's the date we countersigned it.

Ms. Sproule: — Would you table that agreement with the committee?

Mr. Antunes: — Well since there's two parties that signed the agreement, before we table it we'd want to consult with the GTH. So we'll consult with the GTH and then we can provide it after we talk to them.

Ms. Sproule: — All right. And could you also include the original sale agreement for the borrow lands?

Mr. Antunes: — We'll talk to them about that as well.

Ms. Sproule: — Okay. So I'm looking for both of those documents: the amending agreement and the original agreement. In terms of the 80 per cent and 20 per cent, has GTH paid the point six million yet to Highways? Or when's the due date for that payment?

Mr. Antunes: — No. So the original agreement was for the 3.575 if we would've taken all of the material. So we only paid them 80 per cent. And then at the end we didn't take any material, so there's no transaction for the other \$600,000, right? We didn't pay them that. We didn't use it. So it's still their land.

Ms. Sproule: — The total you paid for the land was 2.9 million?

Mr. Antunes: — We paid, 2.9 million was the amount of cash. The value was 3.6. We only paid them 2.9, so the amending agreement is just to recover the 2.9 that we paid.

Ms. Sproule: — The amending agreement is to recover \$2.9 million?

Mr. Antunes: — Well, 2.86. Yes, just to clarify, so that's for the borrow land, right?

Ms. Sproule: — How many acres was the borrow land?

Mr. Antunes: — That would be for 55 acres.

Ms. Sproule: — I'm looking at the chart that was provided that summarized the original deal, and it indicated that there was 58 acres purchased at \$50,000 an acre. That was \$2.9 million.

Mr. Antunes: — Yes, so those are two different things. So the numbers that you're quoting, I believe, are for land that we actually acquired for the project. What I'm talking about is money that we paid for the GTH where we were going to excavate clay out of the land and then use it in the embankments. So they're two separate things.

Ms. Sproule: — Yes, I understand that. I was trying to get into the whole deal. There was a total of \$11.6 million in the original agreement between Highways and GTH: 2.9 of that was for the right-of-way land; 3.5 was for use of borrow land; point eight million dollars was for stockpiling of borrow material; 1.5 was for further borrow material; haul of stockpiled borrow material was 1.1 million; stripping, loading, and hauling of further borrow material was 1.8. Now the borrow portion of this adds up to \$8.7 million according to the information that was in the Auditor's report. And your official is shaking his head, yes; he's shaking his head yes.

So that means that the 8.7 million that was agreed to under the agreement . . . According to the Auditor's report, she said, Highways paid GTH \$2.9 million for the . . . "80 per cent of the amount for the use of land for borrow material." That's the exact same amount as what you paid for the right-of-way land. And then it says, "Whether the GTH receives the remaining 20 per cent (i.e., \$0.6 million) depends on whether ProjectCo or MHI uses borrow material from the land." So are you telling me that the GTH is going to pay back \$2.9 million?

Mr. Antunes: — So yes, we used the other borrow material, and this is the piece that we didn't use. So they're going to pay us back for the piece that we didn't use.

Ms. Sproule: — And which portion of the GTH land was the borrow material actually used on?

Mr. Antunes: — So the 55 acres is within parcels 203124079 and 203124169.

Ms. Sproule: — All right. Thank you. One last question: is it 2.9 million that the GTH will now be returning or is it point six million? I'm not clear.

Mr. Antunes: — I apologize. I rounded up. It was 2.86.

Ms. Sproule: — 2.86. And do you have a deadline for when those funds are to be returned to Highways?

Mr. Antunes: — The funds will be recovered as they sell the land or as they develop the land.

Ms. Sproule: — So it's amount owing that'll sit as accounts receivable presumably? Where does that show up in your financial statements? In your annual report?

Mr. Antunes: — So it would show up in government's consolidated financial statements.

Ms. Sproule: — Yes, I understand that. But in your own reporting within your ministry, does it show up in your annual report anywhere? Is there a line item for accounts receivable or debts owing?

Mr. Antunes: — Yes, so we follow government's guidelines for reporting in our annual report. So at this point I'm not sure if that's a line item that's in there or not. But if it needed to be in there, we would put it in there.

Ms. Sproule: — Would you be willing to provide that information, follow up on that and find out if it is in your annual reports on any page or line item?

Mr. Antunes: — Well the annual report would be published this fall, this summer, so yes we could indicate, you know, if it is in there and where it would be, yes.

Ms. Sproule: — Thank you very much. And so if the GTH never pays it back or if the GTH folds, would you just write off that \$2.9 million?

Mr. Antunes: — Yes. So there's a clause in the agreement that ensures that we get paid if the land is sold, leased, or transferred.

Ms. Sproule: — So then back to my question: if the GTH is folded, then Highways would just assume that as a loss, debt, or whatever you call it?

Mr. Antunes: — So it would still be a liability for whoever took it over, if somebody took it over.

Ms. Sproule: — So if the city of Regina, say, for example . . . then they would take that on as a liability. Okay.

Mr. Antunes: — It's a liability.

Ms. Sproule: — Okay. That's my questions, Madam Chair. Thank you very much.

The Chair: — Thank you, Ms. Sproule. We'll now turn back to Mr. Belanger for further questions.

Mr. Belanger: — Thank you very much, Madam Chair. Just going back to the minister's comment and statement around safety measures for Saskatchewan highways, when you took offence at the question. And what I was doing was I was reading from a report.

Are you aware, Mr. Minister, of a report commissioned by the Government of Saskatchewan under the Ministry of Highways and Infrastructure titled *Safety Countermeasures for Saskatchewan Highways*?

Hon. Mr. Marit: — That was done in February of 2015, and I haven't personally seen that report.

Mr. Belanger: — All right. And were you aware, Mr. Minister, that the ministry presented this report at the Transportation Association of Canada Conference in September 25th, 26th, 27th, 28th of 2016?

Hon. Mr. Marit: — No, I'm not aware of that.

Mr. Belanger: — And were you aware that the report basically identified the statements I made earlier when it said — and this is what I was trying to get clarification on — that Saskatchewan Ministry of Highways and Infrastructure has no rural traffic signals on 26 000 kilometres of their highways?

The other second statement they made in the background of this report: provincial highways are delegated to the cities they pass through, population of greater than 5,000, that they do have signals. The third point that the report identified was a limited tool box for helping drivers enter the highway: acceleration lanes, interchanges occasionally.

And the final point they made with emphasis on it: people want traffic signals. That was on the front page of this report. So when I identified those matters, you took offence to them. Well this is your report. This is not my statement.

So I guess I would further go on to the report itself, which has your logo on it, the Government of Saskatchewan Ministry of Highways. The statement that they identified, which was a problem statement and I'll reiterate it, so please don't get offended. It's your report. What strategies and countermeasures can the ministry implement to decrease the risk of collisions at intersections with high traffic volumes, including a high traffic demand on the minor approaches? That was the problem statement identified in your report.

Now the countermeasures of the focus identified traffic signals; it identified roundabouts; and it identified intersection reconfiguration. Now the project team on this report reviewed 100 research documents. And some of the documents include the Transportation Association of Canada, TAC; the National Cooperative Highway Research Program; it tapped into the US [United States] federal highway administration. It also tapped into the American Association of State Highway and Transportation Officials organization. It also tapped into other jurisdictions in Canada, the USA [United States of America], and I believe New Zealand.

[19:45]

And a lot of the project team were pretty impressive people. And the workshop participants include SGI [Saskatchewan Government Insurance], Ministry of Highways operations staff, the RCMP [Royal Canadian Mounted Police], the University of Saskatchewan, UBC [University of British Columbia], Associated Engineering. And they put forward some pretty damning challenges when we look at some of the issues as they correlate all the matters from the different organizations that I listed earlier.

And one of the things that they mentioned in the report is there are limited options on Saskatchewan highways to get onto highways safely. And this is where you took offence. It's in the report. And one of the things they talked about was roundabouts, that roundabouts at a rural two-way stop intersection would decrease injury and fatality collisions by 87 per cent. Now I'm assuming, and I think it's fair enough to say this, that they got this information from the people that participated at this conference which was a year ago.

So I go back to my point. Could you clarify for me as per your report what was meant by Saskatchewan Ministry of Highways and Infrastructure have no rural signals on 26 000 kilometres of highways? And then in the front page of the report that you commissioned, or that your government commissioned in broad, bold letters saying people want traffic signals. So can you explain the correlation between those two points?

The Chair: — Minister, would you like a copy of that at this point in time? If you don't have it?

Hon. Mr. Marit: — We have it. I just want to go on the record, Madam Chair, and I want it clarified that no time did I ever take offence to this report. I took offence to the member's comments about current safety measures and what we have done in the Ministry of Highways in the province of Saskatchewan.

So I'll want to put on the record that that's what I was offensive to, is his comments about our current safety measures, not offence to the report. And I'm going to let my deputy minister make comments to the report on which he's referring to.

Mr. Antunes: — Yes. So I think the, you know, the report was prepared because there is a recognition that, you know, intersections is where we have a significant number of accidents. There's over 7,700 intersections in the province that, you know, are on the provincial highway system.

Every three or four years we go through and we prioritize over 400 of those high . . . kind of the ones that have the highest instance — all the highway-to-highway ones plus 12 other ones. Every three to four years, we go through and we kind of look at those, do an evaluation to find out what the situation is.

What this report did was basically create additional tools that we can put in the tool box. No one of these solutions that's in here is the right solution for every single intersection. So you have to look at each individual intersection to find out what the traffic characteristics are there and determine what is the thing based on a site-specific study, determine what is the right thing that we can do to improve safety at that location.

So roundabouts, if you look at the report, they say that typically they result in an 87 per cent decrease. You're correct, but that may not be in every single situation. It depends on the characteristics of the traffic that you're dealing with. So you still need to go in and do a detailed engineering analysis to determine is this the right solution at this right location.

So have we used roundabouts already in the province? As the minister indicated, we've already used them in Balgonie. So we already have them in the province. We've looked at them in other locations, and now it's another tool in the tool box that we'll continue evaluating as we evaluate a number of other options to address safety.

You know, as the minister indicated, we've made a number of changes recently to speed limits where that again helps to reduce the impact of the severity of accidents and even to prevent some of the accidents.

We've done things like putting up oversized stop signs or oversized slow signs. We've put pavement markings on the

pavement to help people feel like they're constricted so that they slow down. We've put in place radar warning systems so that people know that they're going too fast. So there's a whole host of things that we do to deal with traffic. And at the end of the day, you have to look at each individual intersection to figure out what's the right thing to do at that location.

Mr. Belanger: — Now correct me if I'm wrong. The report recognized that there is a demand for more signals on rural highways. Is that a fair statement to make?

Mr. Antunes: — I think we have had numerous . . . I wouldn't know if that's a fair statement to make because we have had situations where people have said, hey we should put traffic signals in here. It's not a . . . If I look at the 7,700 intersections that we have in the province, I wouldn't say that we've got 6,800 intersections that people are saying you need to put lights here. So I think there are situations where people have said, can you install traffic lights? Typically they're around either built-up urban areas, is typically where they are.

So when you made the comment earlier saying that we have no traffic lights on rural highways, well we typically don't have traffic lights on rural highways. Where we typically have traffic lights is where there is more of a built-up type of urban or semi-urban environment. And then those are the locations where you look at it and say, well what is the right thing to do here. And before you go in and put in traffic lights, you know, traffic lights aren't also the panacea to solving all problems because it does create other types of traffic operation issues and other types of accidents that you can have. So you have to kind of look at each individual intersection and see what's the right thing to do.

Mr. Belanger: — The report also recommended starting the process to identify locations for the recommendations to be implemented. That was what the report indicated. Notwithstanding the argument you made that people want signals all over the place, I understand that there's something that people will ask for because they have concern of safety. And it's important for the government then to assess that.

So given the fact that you've had these requests from different places, and within the next several months it'll be two years since this report was commissioned. And the report recommended starting the process to identify locations for the recommendations to be implemented. How far down that path have we gotten in two years?

Mr. Antunes: — So as I said, we've got 400 intersections that we evaluate every three to four years — over 400 intersections we evaluate — and as we do the evaluation we look at what is the right thing to do.

These recommendations were not a recommendation to say, go put roundabouts or these types of solutions at every single intersection. What this report said is here's some additional tools that you can use, as you're doing your analysis, that are countermeasures to help you reduce traffic accidents.

So have we looked at roundabouts? We have looked at roundabouts at other locations. We have looked at, I think, another one that they've got in here is an indirect left turn at

offset T-intersections. We've looked at those in certain situations. So we are, as we do work every day looking at intersections, we are incorporating the best practices that came out of this report into the recommendations we make on how we should fix or help improve safety at these different intersections. So it's not a, hey, this report's going to be implemented tomorrow. This report is being implemented right now as we take this report into account as we make decisions on what the right treatments are to fix the safety at the intersections.

Mr. Belanger: — Given that this report was commissioned by the Government of Saskatchewan, the Ministry of Highways and Infrastructure, and the roundabout concept is highlighted as one of the solutions to this, and given the fact that you've indicated that there are intersection assessments or inspections, if you will, throughout the province, so has the ministry identified any areas in the two years, or almost two years that we've had this report, have they identified any areas to pilot roundabouts?

Hon. Mr. Marit: — We have looked at it. Right now we're looking at an intersection in the province. We've reduced the speed on it through that intersection to, I believe, 60?

Mr. Antunes: — I think 60.

Hon. Mr. Marit: — Sixty kilometres an hour. You have to . . . Because of the fact that if you put a roundabout out, you have to take a highway that's a speed of 100 kilometres and reduce it down to 40, and that obviously is going to bring some challenges within the system as well. So we're looking at this as safety reasons, obviously safety first. And that's what we've done to this intersection now, is we've reduced the speed, and we're going to see if that eliminates any issues that we've had there with traffic accidents at that intersection.

Mr. Belanger: — Are there any groups or organizations that have lobbied against roundabouts?

Hon. Mr. Marit: — As far as entities or organizations in the province, I don't . . . I can't recall any. There may have been individuals, but as far as organizations of that stature, I haven't . . . I can't recall any, I guess, any protests against a roundabout.

Mr. Belanger: — Now I just want to point out that the roundabout arguments, the findings are pretty conclusive around the success of the roundabouts. And granted, every roundabout and every intersection is different. I accept that. But two years ago we were looking at the notion around tools in the tool box, as you've indicated, that could in essence be part of the solution.

So the findings were pretty conclusive in the report, saying that there should be pilot projects that have roundabouts as some of the solution. And like I said, there is very impressive people that put together this information. And so I guess if there is no roundabout that was considered, or that roundabouts were not considered as a pilot project in rural Saskatchewan, then I guess the question I would ask is why not? Why weren't we looking at roundabouts as one of the tools? Because as indicated here, 87 per cent decrease. And safety's paramount. I agree with the minister. Safety's paramount.

And now as we move forward, as we move forward, we've got to try and figure this out. So I guess my question is if we've identified the fact that roundabouts may be part of the solution as per the report I'm looking at right here, and we've done inspections of a number of intersections, we've looked at the piloting the roundabouts as a solution to this, why didn't we do more of them? That's the question I have.

Hon. Mr. Marit: — All I can say is they're a tool in the tool box and we are looking at them.

Mr. Belanger: — Okay. Madam Chair. I've got the report. I'm sure the minister has. I'm just going to leave the report for a moment.

I want to shift gears to SUMA [Saskatchewan Urban Municipalities Association]. SUMA had called for the RCMP to be given authority to close highways down. SUMA made this call as a result of one incident where there was a fatality. And their understanding was the RCMP didn't have the authority to close down the highways and although the RCMP did contact Highways, they didn't of course, couldn't close it because they didn't have the authority.

And I understand that Manitoba RCMP have the authority to close down highways if there's a fatality or major accident. Has the ministry looked into this? And what was the position on this particular challenge that the Saskatchewan RCMP and SUMA identified as problematic?

Mr. Antunes: — At the present time, the RCMP do have the ability to close the highway if there is a traffic accident or some type of a collision, that type of thing. We have not granted them the authority to close road for weather conditions.

And the reason for that is, you know, we have trained staff that assess the conditions. They understand what our level of service standards are and what type of conditions are tolerable for them to be on the road and for motorists to be on the road. So we make the decision on closing the road in consultation with the RCMP, and that way we can ensure that that is applied consistently across the province and also then gets communicated effectively through the highway hotlines while motorists are aware. So that's kind of the procedure we've been using up until now.

Mr. Belanger: — So just to clarify, before SUMA was concerned about this because SUMA were the ones that called to get the RCMP the authority to close roads because of a traffic accident. How long ago was that decision changed?

[20:00]

Mr. Antunes: — Yes, for quite some time. So if there is a traffic accident, they need to close the highway because of . . . You know, I think there was one at Belle Plaine just this winter where they closed the highway for a number of hours because they needed to move the vehicles out of the way. So they can do those types of things because it's related to a traffic accident. But when it comes to saying hey, you know, the blizzard conditions are such that we want to close the highway, the ministry reserves that right.

Mr. Belanger: — And how is the contact made? Because obviously if you look at the 24-7 scenario, is there a direct line to people or officials at the highway hotline? Like how would typically the RCMP want to make a decision, who would they contact and are they readily available?

Mr. Antunes: — So there's a couple of different ways. We do have, during the wintertime, we do have the highway hotline staffed 24-7, so they can contact the highway hotline. Or some of them may have contacts with our district office managers, and they may call them and then we will notify the highway hotline. But either way the procedures are well developed and the RCMP and us work very closely on any of those types of incidents.

Mr. Belanger: — So the RCMP is fully aware of who to contact and where to get the response immediately if they have to make a decision around closing a highway. And they do have the authority to close the highway — I just want to clarify that.

Mr. Antunes: — They do have the authority to close the highway if there's a traffic accident, and they do have the procedures and they understand who to contact to be able to let us know that they are doing that for that incident.

Mr. Belanger: — All right. Now as you look at the scenario around RMs [rural municipality], we've been hearing a lot about the bridges across many of our RMs. Obviously this is not a new concern. And I just want to get an update from the ministry as to what bridges have you assessed and which are the more pressing, those of pressing necessity, and where are we in the shape of our bridges as it pertains to the RMs.

Hon. Mr. Marit: — Are you talking the municipal bridges or are you talking highway bridges?

Mr. Belanger: — Highway bridges.

Hon. Mr. Marit: — If you're talking the provincial highway bridges, we assess them every two years, and I think this year we've got a little over 61 million into our bridge and culvert rehab this year, into our budget. If you're talking the rural municipal bridge portion, that is totally under the auspices of SARM [Saskatchewan Association of Rural Municipalities], of which they have their own in-house bridge engineers that assess their bridges, and I think they even do some through private contractors that also go out and do their bridge inspections on their system.

They have what we call the Clearing the Path corridor system, which is just under 7000 kilometres I think in that system, and that takes primary weights. And that has been their first priority, as obviously you can't put a road to primary if the bridge can't take it. And that was the first thing that they did, was when we undertook that whole process of the Clearing the Path corridors, the main thing was that the bridge structures had to be able to take the primary weight and that. So that inspection is totally in-house at SARM.

The funding for the Clearing the Path corridors and capital is funded through Highways. I think this year it's 14 million we gave them for ongoing maintenance and some bridge rehab and some road rehab.

So we leave that to the municipal roads for the economy program committee to decide how that money's going to be disbursed out.

Mr. Belanger: — Now obviously SARM is a valuable partner in trying to move goods and services safely as well as the general public safely throughout all roads.

Now when the ministry embarks on a relationship with SUMA or SARM — and in the case I'm looking at, the municipal bridges within SARM's control — as you embark on this partnership, is it clear that once the investment is made by the Government of Saskatchewan, then the responsibility and liability lies with the RM, even though you've given them money? How does that relationship work?

Hon. Mr. Marit: — If you're talking a relationship to the work being done . . .

Mr. Belanger: — Yes.

Hon. Mr. Marit: — If that's what you're talking to, then there is an application base that they do. The rural municipality makes an application to SARM through the MREP [municipal roads for the economy program] committee.

Those applications are evaluated by the committee, which is joint between SARM board members and staff and the Ministry of Highways. And they go through all of those applications and rate them. And then the committee then decides which ones will be, which bridges will be upgraded through that program that year.

Some municipalities will just take it upon themselves and do the bridges themselves, usually through private-sector engineering firms. Or they may even use the SARM engineers to help them do that.

Mr. Belanger: — Okay. And I just want to touch base a bit on the Balgonie situation while we have a few moments here. I had the pleasure of attending a public meeting in which a petition was presented to me. And I read petitions in the Assembly and the Balgonie matter came up again the last several days where there was a vehicle parked on the access to the bypass and there was kind of a standoff in that instance.

So have you agreed as a minister to go and meet with the community and to resolve what the gentleman was trying to . . . the point he was trying to make? Has there been a public meeting established by yourself in which you will be attending?

Hon. Mr. Marit: — I want to make it very clear to the committee that this gentleman does not represent the community. We have a letter, an MOU [memorandum of understanding], signed by the mayor and town council of Balgonie supporting that the emergency access, where we put the emergency access in place and doing other things that the community wanted on getting on to the bypass and out of Balgonie on the, I guess it'd be on the west side and on the east side.

So we have worked with the council. We've got quotes from the council supporting . . . Obviously first and foremost, traffic

safety is their highest priority. “The elimination of the two level crossings near Balgonie has reduced the potential for traffic fatalities in this area.” That’s a quote by the council of Balgonie. So I have agreed to meet with the individual. It doesn’t mean . . . Obviously their position is what it is, is that we’d done very extensive consultation on a right-in, right-out on the Main Street of access. We not only engaged in our own ministry officials, we engaged RBDB [Regina Bypass Design Builders] officials, engineers, and we also did a private firm come in and did the assessment also and said that that Main Street access had to come out. The community of Balgonie knew in the early ’90s that if an overpass was ever built that the Main Street access would have to come out. So they’re aware of that, but I have agreed to meet with this individual to have a discussion with him as he has asked for.

Mr. Belanger: — Yes, I did have the pleasure of attending that meeting the night that the community gathered. And that was several months ago, and I’m not sure if the mayor has changed since then. Is it a new mayor or is it the original mayor?

Hon. Mr. Marit: — No. No, no. Same one.

Mr. Belanger: — Okay. Because the mayor at that meeting was quite animated and angry about the fact that he indicated that he was never ever in a position that endorsed that right-in, right-out elimination. And I probably sat no more than 20 feet from him. Now it surprises me that now you’re saying you have a letter from the mayor and council indicating that they’re fine with it. So I’m absolutely confused here because obviously the mayor was quite straightforward in the sense that he felt that he was led down the garden path, for lack of a better phrase, as it pertains to the right-in, right-out access to Balgonie.

So which is it? Like some of your officials were there that evening. They heard the mayor say what he said because I was sitting in the same room as they were. And now we have a letter. So I’m not certain how we interpret that. Can you elaborate as to how, what date that letter has been forwarded? And can you also explain to me in the early, I think you said ’90s the community understood this, and now we’re here at this day where they’re still not giving up on their right-in, right-out access.

So would you share with the committee a copy of that letter from the mayor and council that you alluded to?

Hon. Mr. Marit: — I’ll read you the quote here. Statement from the town of Balgonie council, May 10th, 2018. “Traffic safety is a high priority for the town of Balgonie. The elimination of the two level crossings near Balgonie has reduced the potential for traffic fatalities in this area.”

Mr. Belanger: — Okay.

Hon. Mr. Marit: — So that’s the quote that we’ve been given, and I can read you more quotes if you want them. You know, a lady by the name of Wanda Campbell, very well known: “I can’t understand why they are still protesting for it to be open. It doesn’t make sense when it has been deemed unsafe for the Department of Highways.” So there’s lots of quotes.

Mr. Belanger: — Well then we’re not picking certain lines out

of the letters that would . . .

Hon. Mr. Marit: — No.

Mr. Belanger: — Would you say that the mayor and council are in full support of losing their right-in, right-out access? Are you prepared to make that statement this evening, Mr. Minister? That they’re in full support of eliminating the right-in and right-out access to Balgonie? I just want to make certain of that, Mr. Minister.

Hon. Mr. Marit: — I find it ironic that for the last three-quarters of an hour you’ve been talking about intersection safety and going on about improvements to intersection safety in the province of Saskatchewan. Here we’ve done just that, eliminated an intersection that did have fatalities on it and first and foremost safety was a priority, and for the community.

Sure, I’m sure any community would like to keep the accesses, but this was all about safety. And the community and the town council understood that, got that and said that it’s important for safety, as I’ve just quoted the town council as of May 10th, 2018. So I just find it ironic that you talked for three-quarters of an hour about intersection highway safety and here we’ve eliminated one and did the right thing and you’re questioning it.

Mr. Belanger: — Well the question I asked was, are you saying this evening, based on the letter that you quoted from, that the mayor and council of Balgonie are supportive of closing their right-in, right-out access to the bypass? That was my question.

Hon. Mr. Marit: — For intersection highway safety? That’s exactly what they said, is that for safety we understand why the Main Street access had to come out.

Mr. Belanger: — Have you had any meetings with the community as a whole?

Hon. Mr. Marit: — Personally I have not. I’ve had informal discussions with the mayor, but I haven’t formally had a meeting with them other than our officials have been out there numerous times.

Mr. Belanger: — Have they asked for a meeting with you?

Hon. Mr. Marit: — No, they haven’t. Not that I know of.

Mr. Belanger: — Okay. Would you be prepared to go and have a meeting with the community if they requested you have a meeting with them?

Hon. Mr. Marit: — I sure would. I’ve never turned down a meeting with a community yet.

Mr. Belanger: — Now the whole notion around the access to the eastbound lane, none of the arguments . . . None of the arguments that they have made would suggest that they want access to Balgonie from the east, the eastbound lane. They understand that there’s some traffic issue there. They never asked for that. They asked for access to the eastbound lane in the event that there was major traffic accident.

[20:15]

So when you made the reference to the quote, you said the double access to the eastbound, westbound lanes. Well I don't think anybody asked for the continual access to Balgonie from the eastbound lane. They were just asking for the right-in, right-out. That's all they asked for. And when the issue came around the access to the eastbound lane, that was only for emergency personnel. It is very clear. So your quote saying that based on the two lanes, you know, I'm just telling you that that's what they said at the meeting. And then they turn around and said but we still want a right-in, right-in and right-out access. And this is where the mayor sat up and was quite animated about the fact that he felt that the department led him down the garden path on that matter. So they wanted answers.

And so did you have any discussion at all with the current MLA [Member of the Legislative Assembly] on this matter — and I think it's Mr. McMorris — as it pertains to Balgonie's matters?

Hon. Mr. Marit: — Yes, I've had discussions with the MLA from there. And as we've said and my officials have said, when we met with the town of Balgonie on numerous occasions, that when we came to agreement on the memorandum of understanding that we would address their concerns that they had, we also had proven to them and showed them, through all the engineering work that we had done, that it was unsafe. It was unsafe to maintain the Main Street access. And that is first and foremost for the community and for the Ministry of Highways, is we didn't need any more fatalities at an intersection.

As I said earlier, you just went on for three-quarters of an hour about intersection safety and we just solved it with the overpass for Balgonie where they had no level crossings to No. 1 Highway. Now we've done the emergency exit on the east side of Balgonie to give them access eastbound; that's an emergency exit that they are in total control of. And we addressed all their concerns about traffic flows out on the west side of town also. So that MOU was agreed upon both by the Ministry of Highways and the town council of Balgonie.

Mr. Belanger: — I just want to note for the record, Madam Chair, that the minister has indicated that the community was aware of this since the 1990s — correct me if I'm wrong — and secondly, that the mayor and council has forwarded a letter of support, and he quoted from that, as it pertains to losing the right-in, right-out access to Balgonie. I just want to clarify. Am I fair to assume that, Mr. Minister?

The Chair: — Mr. Belanger, I believe the minister has provided you with an answer to your initial question. You've asked the same question now, maybe in a bit of a different format, a number of times, four or five times now. And I believe that, you know, the answer has been given to you. This is about estimates and tying it into a budget rather than trying to make some political points. So if you have another question, you're welcome to ask it. We still have some time available.

Mr. Belanger: — Well thank you, Madam Chair, in the sense that you confirmed that what I believe his answers to be, so I will assume those answers as per how I heard them this evening. And going back to the budget — which is fair enough

— I want to ask two more questions and then I'm done.

Number one, there'd been some concerns from SUMA about cuts to the urban connector program last year. We've heard from SARM on the bridge matter; we have heard challenges from the RCMP as it pertains to emergency; and now SUMA's coming along about cuts to the urban connector program last year. And it looks like that cut wasn't restored this year and that the funding is flat. Have you had any discussions with SUMA and the municipalities that are impacted by this?

Hon. Mr. Marit: — I have opened that dialogue with SUMA to have that meeting. The funding for this year is the same as it was last year, exactly the same. It didn't change. So it wasn't reduced from last year to this year. It's the same amount of money.

And I am meeting with SUMA to look at the whole criteria around the urban highway connector program. Since its implementation there's been no discussion about the criteria around it or the program itself.

So I'm also going to do it with SARM on the MREP program too. I'm having a meeting with them. They're set up right after session to meet with both of those organizations to discuss these funding programs and see if there's any improvements or changes that they may want to look at.

Mr. Belanger: — Now if you can, under the surface preservation there's a \$5 million cut to that. Can you explain what this funding does exactly?

Mr. Antunes: — One of the treatments that we were currently using, seals, seal coats, they're a longer life treatment, so they've actually been moved to a capital type of work. So that work is still ongoing in the capital program, and as a result we were able to reduce the expense budget by the \$5 million. So it was just a reflection of a different type of work, the fact that these seals are lasting long enough that we can capitalize them.

Mr. Belanger: — Just on the last year — it may have been last spring; I don't really have the exact dates — there was a major collapse on Highway 155 north of Green Lake. And I know I got some information from you in a sense of a culvert was being washed out and some company basically came along and took . . . It took a lot of money to fix that particular collapse of the road.

And what was happening is the culvert that was put in place there, there was issue around water and it just basically washed a culvert out, debased the highway, and part of the highway collapsed.

Now Highway 155 is our only link. And I asked the question last year and I didn't get the information back, but exactly how many culverts do we have along 155 that really are acting as an outlet for some of the rivers and streams that cross Highway 155? Because the place that it collapsed, there wasn't a bridge; it was a culvert. So I don't know what that cost to replace that whole area because they spent quite a few months on that project. So have we looked at 155 and where there should be I think a bridge? There is culverts there now. Have we assessed those culverts and the stability of that base of highway?

Mr. Antunes: — So I guess we have over 62,000 culverts on the highway system. So we have a process where we go out and do inspections. I think what we're starting to see in some situations like in the situation maybe that you're experiencing — and there's been other places where, you know, we are getting more severe weather events — so what's happened is when these culverts were first installed they probably were able to handle, you know, the flows that we had at the time with the information that we had then. But now that we're seeing changing weather patterns with more and more higher 100-year flood levels and those types of things, the culverts that we had before are not able to handle the capacity. So what we try to do is . . . Unfortunately some of this is reactionary, so when you see that there is a problem. You don't know which of these culverts is going to fail or if there's going to be a problem, so you deal with it when it happens.

But we do have a process in place that if there are culverts that are near the end of their life, we are proactively going in and replacing them. And then whenever we do that, we do the analysis to determine, should they be replaced with culverts or bridges?

For the most part, what we try to do is look at, can we use a culvert to take over the flow as opposed to a bridge, because culverts are most cost effective. So that's typically the way that we try to look. But then you have to deal with the environmental concerns. If there's fish in the stream, then there's different flow restrictions and different things like that. So on each individual case we look at it to see whether it's best to be a bridge or a culvert.

But on Highway 155, you know, we haven't looked at those in detail to say, okay, these are the ones that we think there's a problem with because we don't know which river's going to be the next one that flows. The ones that are . . . When it was designed and put in there, they would've been designed for the information we had at the time, but with changing patterns, it's a little bit difficult to predict.

Mr. Belanger: — There hasn't been any warnings or concerns being raised by the area transportation committees?

Mr. Antunes: — Yes, I guess we're not aware of specific concerns related to individual culverts or culverts. I think in this situation, you know, the reason why it's paramount for the northern transportation committees is because it is, like you said, it is their sole link or their sole lifeline, right? So you know, whenever these types of things happen we do our best to get in and repair the culverts as quickly as we can. I know that in some situations this year our crews have been in, and within a week they've had culverts up and running again, once they've washed out.

So I think it just depends on the size of the culvert, how high the embankment is. If you've got a situation where there's a lot of fill over top of the culvert, well that's going to be a more involved reconstruction project. But in some of the other ones that we've been able to replace, our crews have been in and within, you know, a matter of weeks, a week, they've been able to replace some of the more standard size culverts.

Mr. Belanger: — Can you share with me the membership of

the area transportation committee for the Northwest?

Hon. Mr. Marit: — We could probably get you that because it's a voluntary organization. The community can make the decision whether they want to participate or not. I know in some of the southern ones participation is maybe 60 per cent or 70 per cent. Not all are . . . But we can get that. It wouldn't take too much, but we could get that for you if you want it.

Mr. Belanger: — Okay. My final question, Madam Chair, is around the capital projects for the North. When I say north I'm speaking of the NAD, northern administration district. All the while the minister has cited that the maintenance of the system in terms of the dollars that he has cited from time to time. I wouldn't mind having a breakdown of what specific improvements, capital improvements are being made to the highway network system. Obviously, you know, if there's a five-year plan, could you give a summary as to what areas are being prioritized by the government for capital investment — not maintenance, but capital investments — so the people of the Northwest could expect.

And the area transportation committees have been under a lot of pressure from a lot of groups and organizations, so it is hoped that their voice is not being ignored, and that somewhere along the line we could share with people exactly what is being proposed and what's in the five-year timetable.

Mr. Antunes: — Yes, so I guess when we look at major capital projects, and I don't want to give you the dollar values because a number of these are still to be tendered. And we've got quite a list here, but we've got Highway 2, bridge replacement near Montreal Lake. We use control sections when we designate the highway, so we break it up from north to south or east to west, so that kind of gives you an idea of where it is in the province. And again on Highway 2, a culvert replacement at kilometre 2.21; culvert replacement on kilometre 14.24; another culvert replacement at kilometre 18.84; another one at 38.87; another one at 40.88. Those are all on control section 2-22. On control section 2-23, we've got a culvert replacement at kilometre 4.54.

[20:30]

On Highway 915, we've got a side slope repair at kilometre 72. On Highway 102, control section 102-28, we've got a culvert replacement at kilometre 25.1. Control section 106-02-15, a culvert replacing a bridge at kilometre 0.7; control section 106-04-14, culvert replacing a bridge, a creek near Big Sandy Lake, kilometre 0.5; control section 106-03, replacing a culvert at kilometre 3.9; control section 106-03, an emergency culvert installation, five culverts between kilometre 30.9 and 39.7; control section 106-03 again, culvert replacements at kilometres 54.2; 106-04, a culvert replacement kilometre 1.22; 106-05, a culvert replacement at Morton Creek, kilometre 10; 106-05, another one, culvert replacement kilometre 55.4; 106-05, a culvert replacement at kilometre 62.66.

On Highway 123, grading southwest of Cumberland House bridge, kilometre 49.5 to 67.65. Highway 123 again, a grade raise and spot improvements and base stabilization, south of Cumberland House between kilometres 25 to 27 and 44 to 46. So those are sections that we're doing in there. 123-02, emergency culvert replacement and side slope repair at Sipanok

Channel, kilometre 22.53; control section 155-01, grading and paving north of Green Lake from kilometre 0 to 20; Highway 165-02, clay capping and base stabilization east of the junction of Highway 914 from kilometre 0 to 28. Control section 165-02, base stabilization and clay capping west of Highway 2 to Highway 910, 28 kilometres from kilometre 28 to 55.61.

And then we've got some more culvert replacements on Highway 165; a culvert replacing a bridge southeast of Air Ronge. And then we've got a culvert replacing a bridge on 165-03 at Tippo Creek; 167-02, a culvert replacement at kilometre 15.56. Those are various culvert replacements there between 15.56 and 19.7.

On Highway 903-03, we've got bridge replacements south of Buffalo Narrows over the Apps River at kilometre 52.8; a bridge replacement south of Buffalo Narrows over McCusker River at kilometre 62.4; 903-03, again culvert replacements at kilometre 4; 905-03, culvert replacement, kilometre 502; 905-07, a culvert replacement at kilometre 17.4 and 17.6; 905, this is the Stony Rapids airport and expansion. We're doing a little bit more work there to finish that off.

Highway 911, we've got a culvert replacement at kilometre 12.32. Highway 913, we're doing a road relocation from flooding at Whelan Bay access, kilometre 3 to 4.39; 913-01, culvert replacement, kilometre 39.3; 914, some EIA [environmental impact assessment] and design work on 914-04 and 905-08; 915-01, emergency culvert replacement, kilometre 14.67; 919, we've got a bridge replacement over the Cold River; 92-202, a culvert replacement at kilometre 17.9 and 18; and control section 994-01, a bridge replacement, Kinoosao, at kilometre 0.1.

So those are all of the major capital projects. In addition to that, we also have some major preservation projects. We got some microsurfacing near Weyakwin on Highway 2. On Highway 2-23, we've got some resurfacing from north of Two Forks River to south of Montreal River bridge. And on Highway 167, we're going to be doing design and resurfacing within the urban limits of Creighton from kilometre 15.56 to 19.7.

And in addition to that, we're also doing some design engineering work on a Wollaston Lake airport for that application, as we've talked about in previous estimates. So, you know, that's a list of all the capital work that we're doing in the NAD this year.

The Chair: — Thank you. Thank you, Minister. And thank you, Mr. Belanger, for your questions this evening. Minister, if you have any wrap-up comments before we adjourn consideration of vote 16, Highways and Infrastructure.

Hon. Mr. Marit: — Thank you, Madam Chair, and thanks for the questions from the member. I guess when we look at this Highways budget and the significant dollars invested in capital in the province of Saskatchewan, I can say we're pretty proud of it. And this now takes us over 3 billion over the last three years into highway infrastructure in Saskatchewan, so we're proud of that and we're anxious to get to work. Thank you.

The Chair: — Thank you. Mr. Belanger, any comments?

Mr. Belanger: — No, I'm good.

The Chair: — Good. Okay I will now ask for a member to move a motion of adjournment. Mr. Buckingham has moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until tomorrow, May 15th, 2018 at 6:30 p.m.

[The committee adjourned at 20:34.]