



STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2004**

Mr. Ron Harper, Chair
Regina Northeast

Mr. Bob Bjornerud, Deputy Chair
Melville-Saltcoats

Mr. Denis Allchurch
Rosthern-Shellbrook

Ms. June Draude
Kelvington-Wadena

Ms. Sandra Morin
Regina Walsh Acres

Mr. Kim Trew
Regina Coronation Park

Hon. Mark Wartman
Regina Qu'Appelle Valley

The committee met at 15:00.

The Chair: — I will call to order now the meeting of the Standing Committee on Intergovernmental Affairs and Infrastructure. We have a chit, Mr. Borgerson, for Ms. Morin today.

I also note to the committee's information that we are going to change the agenda slightly. We'll be dealing with our first item of business, Bill 71, The City of Lloydminster Act, Minister Taylor. And then for accommodating purposes, we will then switch to the Municipal Financing Corporation estimates. And then we'll go back to our agenda items as they are listed on the agenda.

So with that, I will invite the minister to introduce his officials.

Hon. Mr. Taylor: — Well thank you very much, Mr. Chair. I'm pleased today to be here in this capacity. On my left, directly to my left, is Mr. Keith Comstock, policy manager with Government Relations. To his left is Noela Bamford, senior policy analyst with Government Relations. And to my right, Ray Petrich, Crown solicitor, Department of Justice.

Bill No. 71 — The City of Lloydminster Act

Clause 1

The Chair: — Thank you, Minister. I invite you to present us your opening remarks.

Hon. Mr. Taylor: — And again, thank you very much, Mr. Chair. I'm pleased today to be here to answer any questions that might come forward on The City of Lloydminster Act.

By way of introduction and in answer to the question, what is the purpose of the Bill or why is the Act necessary? Just by way of background, let me say currently The Lloydminster Municipal Amalgamation Act, 1930 provides the legislative framework for establishing the governance, authority, and responsibilities for the city of Lloydminster. The LMAA (Lloydminster Municipal Amalgamation Act) and its Alberta counterpart give Saskatchewan and Alberta the authority to draft and approve the Lloydminster charter which sets out the details of how the city is administered in the same way that The Cities Act does for the rest of Saskatchewan cities.

The City of Lloydminster Act will do three things, Mr. Chair: number one, replace the outdated LMAA with an updated statute appropriate for the current times; two, provide for a new and more efficient process for reviewing and drafting changes to the Lloydminster charter; and three, reflect current legislative standards and practices and will be easier to read and use.

In terms of why the Act might be necessary, Mr. Chair, let me say this, that since 2001 a project team comprised of officials from Alberta, Saskatchewan, and Lloydminster has been working on developing a renewed charter for the city of Lloydminster. The project team recommended to government that it would be worthwhile to update the LMAA, the Lloydminster amalgamation Act, at the same time as the charter was being worked on. Government accepted the

recommendation and my department, Government Relations and Aboriginal Affairs, was directed to prepare the Bill that we are discussing today.

Mr. Chair, we have agreements with the Government of Alberta and the city of Lloydminster to proceed with this Act, and I'm prepared to answer any questions that there may be.

The Chair: — Thank you, Mr. Minister. I'll also draw the attention of the committee to the fact that we have another chit, Mr. Serby, for Mr. Wartman. Mr. Wakefield.

Mr. Wakefield: — Thank you, Mr. Chair, and Mr. Minister, and welcome to your officials. Just a couple of quick questions, Mr. Minister. You're right; in discussing this with the city of Lloydminster officials, the mayor, the city commissioner, and so on, they're anxious to get this moved through so that it's really and in fact enabling legislation to do the thing that you were referring to, and that is to develop a renewed charter, Lloydminster charter. And I think there'll be some further discussions needed there. But the enabling legislation I think is important.

But I just have two quick questions for clarification maybe for my own mind. The first one is, there's a section S.S. 2002, 15(1). It says:

The Regional Health Services . . . amended in the manner set forth in this section.

They talk about the schools, but they don't talk about the health. I'm just wondering how that enters into this Act.

Hon. Mr. Taylor: — In consultation with Mr. Comstock here, I'm not sure I completely understand the question. But I think what . . . In answer to what I think you are asking, it basically just updates the name. Maybe you could describe your question a little bit more.

Mr. Wakefield: — Yes. Thank you, Mr. Minister. I'll try and rephrase that. In the Act they talk about the schools in Lloydminster, in this Lloydminster Act, but they don't talk about the health region, the health services. But they do refer to it in section 15(1) where it says it "is amended in the manner set forth in this section."

And to me that was a little confusing.

Hon. Mr. Taylor: — Mr. Chair, again pardon me for confusion because section 15 does mention The Regional Health Services Act and refers to, as I understand it, 62(1) which reads:

Notwithstanding anything in The Rural Municipality Act . . . The Urban Municipality Act . . . The Cities Act, The Northern Municipalities Act . . . The Lloydminster Municipal Amalgamation Act . . . the council of a municipality may:

enter into an agreement with a regional health authority to provide funds to the regional health authority; or

(b) convey any real or personal property, for any

consideration that may be agreed upon or by gift, to a regional health authority.

So the health authorities are considered in the Act.

Mr. Wakefield: — Okay, thank you. I appreciate that. I didn't find that in the Act, and I guess I should have looked a little closer. But as long as it's mentioned there, I think that's all I needed to know. The other question, if I could continue on, Mr. Minister, was . . . this is being done by the province of Saskatchewan, this enabling legislation. Is Alberta as anxious to change their enabling legislation, or where is that at?

Hon. Mr. Taylor: — Mr. Comstock confirms some comments I made in my second readings speech in this regard. The province of Alberta is working just as we are. We're slightly ahead of the province of Alberta in this regard. We are informed that companion legislation or similar legislation will be introduced this fall in the Alberta's legislature, this fall.

Mr. Wakefield: — Thank you, Mr. Minister. Mr. Chair, that's all the questions I have, and we're anxious to move this one through as well.

The Chair: — Thank you, Mr. Wakefield. Seeing no further questions, the committee will consider the Bill now. Short title, clause 1, is that agreed?

Some Hon. Members: — Agreed.

Clause 1 agreed to.

Clauses 2 to 16 inclusive agreed to.

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 71, An Act respecting the City of Lloydminster. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — We need a member of the committee to move that the committee report the Bill without amendment.

Mr. Trew: — Mr. Chairman, I move that the committee report the Bill without amendment.

The Chair: — Mr. Trew has moved that the committee report the Bill without amendment. Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

The committee agreed to report the Bill.

**General Revenue Fund
Lending and Investing Activities
Municipal Financing Corporation of Saskatchewan
Vote 151**

Subvote (MF01)

The Chair: — The next item of business before the committee is the consideration of the estimates for Municipal Financing Corporation. It's a statutory amount in the amount of \$10,000,000. Mr. Minister, do you have any comments?

Hon. Mr. Taylor: — I have no direct comments in this regard as I understand this is a non-votable item. If there are some questions, I am happy to answer them, but this is a statutory matter.

The Chair: — Do the committee members have any questions? Seeing no questions, this is approved. Okay, thank you, Mr. Minister.

Subvote (MF01) — Statutory.

Vote 151 — Statutory.

The Chair: — The next item before the committee would be the consideration of Bill No. 23, The Regional Parks Amendment Act. We'll wait for the officials to take their place.

Why is the member on his feet?

Mr. Hermanson: — With leave to introduce guests?

The Chair: — The member has asked for leave to introduce guests. Is leave granted?

Some Hon. Members: — Agreed.

The Chair: — I recognize the member.

INTRODUCTION OF GUESTS

Mr. Hermanson: — Thank you, Mr. Chair. I am very pleased to point out that in the east gallery there are 10 students from the Dinsmore Composite High School . . . or not from the high school, but actually they are grade 6 and 7 students. And I have had the privilege of meeting with them just a few minutes ago. And they had a lot of really, really good questions, and some of their questions pertained to what we do here in the Legislative Assembly. So I'm very glad that they're now able to actually sit in the Assembly and observe the proceedings.

And what happened when you just came in, students, was that a Bill was given its final view here in committee and passed on back to the legislature, and now we've gone into a process called estimates where we review what — I believe we're in estimates now — where we review different functions of different departments. And another minister with the minister's officials are sitting before the legislature to answer questions and to hope that the budgets for their various departments will be passed.

So I'm pleased to introduce not only these 10 students but their teacher, Lisa Reinfelds, and chaperones Joe Lytle and Marnie Thorpe. And I hope you enjoy your time in the legislature, your time in Regina, and we certainly welcome you here today. Thank you very much, Mr. Chair.

Hon. Members: Hear, hear!

**Bill No. 23 — The Regional Parks
Amendment Act, 2004**

Clause 1

The Chair: — The next item of business before the committee is the consideration of Bill No. 23, The Regional Parks Amendment Act, 2004. I recognize the minister and I ask the minister to introduce his officials.

Hon. Mr. Forbes: — Thank you very much, Mr. Chair. To my immediate left is Dave Phillips; he's assistant deputy minister and his area is resource and environmental stewardship. To his left is Susan Graham, parks business administrator. And to my immediate right is Bob McEachern, manager of park business services. And they're here to help with any questions around this Bill.

Is it now appropriate to talk a bit about the Bill?

The Chair: — Mr. Minister, I'll invite you now to give us your opening remarks.

Hon. Mr. Forbes: — This Bill speaks to the regional parks' borrowing powers and essentially the amendments will provide regional park authorities with the legal authority to borrow funds from lending institutions to fund their operations and capital projects.

This legislation is one that they have been seeking, and it will be very satisfying to the regional parks of Saskatchewan. And as we know, the regional parks do form a very important component of the park network here in Saskatchewan.

The Chair: — Thank you, Mr. Minister. Any questions? Mr. Wakefield.

Mr. Wakefield: — Thank you, Mr. Chair. Just a couple of quick questions, Mr. Minister, and welcome to your officials as well.

I understand this is the first time that there has been the legal framework to do borrowing on behalf of the parks, regional parks?

Hon. Mr. Forbes: — That would be correct.

Mr. Wakefield: — On that basis, is there any anticipated change of operation? Is there a change of requirement for business plan or anything from your perspective?

Hon. Mr. Forbes: — There is a provision provided in the Act that we may ask for an information report on all outstanding borrowing and current investments, but that won't be mandatory every year. But it is a provision that we may ask.

Mr. Wakefield: — Mr. Chair, Mr. Minister, traditionally over the last two or three years, has the funding for provincial parks been changing from your provincial budget?

Hon. Mr. Forbes: — The organization, the Saskatchewan Regional Parks Association, has received a \$75,000 annual grant since 1997 to assist in organizational development. There

has been some other funds, such as the centenary funds, but those have been more project specific.

Mr. Wakefield: — Okay. Thank you, Mr. Minister. And just one more question if I could, Mr. Chair. This isn't going to be an opportunity, is it, to download some financial responsibilities on these regional parks where they can get it through borrowing and easing back on what the provincial government has traditionally offered them in their budget process?

Hon. Mr. Forbes: — This is an amendment that was asked by the regional parks, and it was initiated by them in response to their local lending institutions that have been updating their requirements and noticing that they didn't have the ability in statute to borrow money. And so this is why it's very satisfying to them because it would continue the process that they've become accustomed to but they've noticed that there is this one piece that's missing.

Mr. Wakefield: — Okay, thanks. Sorry, I just need to follow up then. And I think that's positive. I think it gives them as the authority, to do the things they need to do.

But is it restricted just to capital projects or can they . . . is there in fact, can they borrow money for operational? And that's where I'm getting at. Is this allowing the provincial government to cut back on their anticipated budget donations to these, or budget payments to the regional parks and forcing them into borrowing money to continue operating?

Hon. Mr. Forbes: — No. This was something that was initiated by them at the request of their own local lending institutions. And it's also one of the other areas that's important; it's also been not only borrowing, but investing. They have the power to invest as well.

Mr. Wakefield: — That's the response then that we'll have on record then. I appreciate that, Mr. Minister. That's all I have.

The Chair: — Thank you. Seeing no further questions, the committee will now take into consideration Bill No. 23, the Act to amend The Regional Parks Act, 1979. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

Clause 1 agreed to.

Clauses 2 to 11 inclusive agreed to.

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 23, the Act to amend The Regional Parks Act, 1979. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I ask a member to move that committee report the Bill without amendment.

Mr. Trew: — Mr. Chairman, I move that the committee report Bill No. 23 without amendment.

The Chair: — Mr. Trew has moved that the committee report Bill No. 23 without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Mr. Minister.

The committee agreed to report the Bill.

Bill No. 33 — The Archives Act, 2004

Clause 1

The Chair: — The next item of business before the committee will be Bill No. 33, The Archives Act, 2004. We'll wait for the minister and officials to take their place.

I'll call the committee back to order. The item of business before the committee is the consideration of Bill No. 33, The Archives Act, 2004. I'll invite the minister to introduce her officials.

Hon. Ms. Beatty: — Good afternoon. To the left is Ron Wight, executive director of recreation and corporate services. To my right is Trevor Powell, Provincial Archivist, and Don Herperger, director of government records branch, Saskatchewan Archives.

The Chair: — Thank you, Minister. I'll now invite you to give us your opening remarks.

Hon. Ms. Beatty: — Basically the Saskatchewan archival legislation was first passed in 1945 so it's out of date. It does not reflect the changes that have occurred in government organization, in the creation of records, in the fields of record management, and in the matters of access and privacy of information.

Because of the large number of changes to be made to the existing legislation, a new Act has been created. And basically the proposed Bill updates the legislative framework under which the Saskatchewan Archives has been operating, and it brings about the desired conformity between archival legislation and The Freedom of Information and Protection of Privacy Act. And it also assists in implementing the privacy framework across government and brings Saskatchewan's outdated legislation in line with other Canadian jurisdictions.

The Chair: — Thank you, Minister. Questions? Seeing no questions, is the committee ready to consider the Bill?

Clause 1 short title, is that agreed?

Some Hon. Members: — Agreed.

Clause 1 agreed to.

Clauses 2 to 38 inclusive agreed to.

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: the Act respecting the archives of Saskatchewan and making consequential amendments to other Acts. Is that

agreed?

Some Hon. Members: — Agreed.

The Chair: — Mr. Trew.

Mr. Trew: — Mr. Chairman, I move that the committee report Bill No. 33 without amendment.

The Chair: — Mr. Trew has moved that the committee report Bill No. 33 without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Minister.

The committee agreed to report the Bill.

Mr. Trew: — Mr. Chairman, I just wanted to note, sort of for the record, we've just amended a Bill that was passed . . . My grandmother would have been part of passing this original Act in 1945 when she sat in this very Chamber as an MLA (Member of the Legislative Assembly). So it's an important piece of work that we've done here today and I congratulate the minister and her officials on the terrific work that they've done over many years, I'll put it that way, where that fits. But it is very important and I'm honoured to be part of what we've done today. Thank you.

The Chair: — Thank you, Mr. Trew. I thought perhaps you were going to suggest it was a Bill that you were part of passing when you were first elected here.

Thank you, Minister. The next item of business before the committee will be the consideration of estimates of the Department of Northern Affairs. We'll wait for the minister and his officials to take their place.

General Revenue Fund Northern Affairs Vote 75

Subvote (NA01)

The Chair: — I will draw the committee back to order. The item of business before the committee is the consideration of the estimates for the Department of Northern Affairs, and we'll be considering administration, (NA01).

I'll invite the minister to introduce his officials.

Hon. Mr. Belanger: — Thank you very much, Mr. Chair. To my immediate left is the acting deputy minister, Mr. Glenn McKenzie. To my immediate right is Cheryl Stecyk, the director of business affairs . . . sorry, sorry, Anita Jones, executive director of planning and performance management. To her left of course, Richard Turkheim, the acting ADM (assistant deputy minister); and directly behind us is Cheryl Stecyk, who's the director of business affairs and human resources.

The Chair: — Thank you, Mr. Minister. I'll invite you to give us your opening remarks, please.

Hon. Mr. Belanger: — Thank you very much, Mr. Chair. I want to begin today by making some brief introductory remarks about Saskatchewan Northern Affairs.

We at Saskatchewan Northern Affairs are eager to meet the challenges and realize the opportunities that lie ahead for northern Saskatchewan. In all that we do, our engagement of northerners as partners is central to the way we work to promote the social and economic development of northern Saskatchewan communities. The success and growth of northern Saskatchewan are vital to the future of our province.

The mandate of the Office of Northern Affairs is to promote the social and economic development of northern Saskatchewan communities. We deliver on our mandate partnerships with the federal government in northern communities by supporting regional business and industry development and also coordinating government activities within the northern administration district, the NAD (northern administrative district).

Our vision is that northern residents and communities will have the opportunity to provide their quality of life and to increase their self-reliance. With a greater capacity to create a viable and social and economic future for themselves, northerners will take a greater role in the social and economic development of their communities and of their regions.

It is our responsibility in Northern Affairs to lead the province's cross-governmental and northern strategy and to coordinate interdepartmental activities related to that strategy. It is the goal of Northern Affairs to assist the development of key sectors of the northern economy, including particularly mining, forestry, tourism, and fisheries.

It is an often unsung role of Northern Affairs that we'll broker and coordinate amongst departments, communities, and industry to better capture northern opportunities and to resolve issues that affect the North.

Northern Affairs tries to provide consistent and easily understood provincial government communications to northerners. We want to help northerners understand all of the programs and services offered by our government to the North, not just those of Northern Affairs.

We develop policies and advise departments on appropriate responses to initiatives and issues in the North. In support of this policy advisory role, we deliver economic development programming and services in the NAD through the Northern Development Fund.

We also administer northern mineral surface leases and manage a northern mines monitoring secretariat and the environmental quality committees, the EQCs. It's a program that helps northerners monitor uranium mining developments and operations.

One of the more notable achievements of Northern Affairs is the delivery of the Northern Development Accord and Agreement. Saskatchewan Northern Affairs plans and coordinates the delivery of provincial investments under the Northern Development Agreement in conjunction with the

federal government and with our northern partners, specifically the Northern Development Board Corporation.

In this year's budget, SNA (Saskatchewan Northern Affairs) seeks additional one-time funding of \$100,000 to provide support to the Northern Development Board Corporation. The funds will help the board undertake its broader mandate under the Northern Development Accord. Provincial funding will continue to be earmarked in the department's budget to fulfill the province's commitment of \$10 million over the five-year term of a \$20 million agreement. SNA is one of the contributing departments to this agreement.

Under the Northern Development Fund, we service, we service deliver small-business loans and limited grants that annually benefit an average of 150 northerners. We also offer business developing counselling services to northern clients.

Specific financial supports available from the NDF (Northern Development Fund) include commercial loans to northern businesses; primary production loans to trappers, commercial fishers, and wild rice growers; grants for marketing, research, and development; grants for organizational development and business skills training; and grants to encourage and support youth entrepreneurship; and financial support to five regional development corporations.

Our commercial fishing production incentives program provides financial support for the commercial fishing industry in northern Saskatchewan through a freight subsidy and price support mechanisms. Freight subsidy accessed by more than 500 fishers helps equalize transportation costs for fish payments throughout the North ... or fish shipments throughout the North, sorry. The price support mechanism compensates for reduced market prices or increased operating costs on certain species.

Saskatchewan Northern Affairs, through mineral surface lease agreements, oversees negotiations and ongoing administration of 14 surface lease agreements for current and former mining operations in the NAD.

Reps from 31 northern communities — municipal and First Nations — are part of the environmental quality committee, or EQCs, that play a critical role in meeting industry and regulatory authority requirements for public inputs into operating approval decision for the industry.

And finally, through the northern mines monitoring secretariat, we operate the northern mines monitoring secretariat, which coordinates provincial government activities pertaining to northern uranium mining and supports the activities of northern Saskatchewan.

SNA provides regional planning organization, technical and advisory support services to five regional development corporations, including the development of operating plans, budgets and projects. SNA provides strategic and developmental assistance to economic sector associations, actively participates in numerous interdepartmental and interagency forums representing economic and business development interests in northern Saskatchewan, and provides referrals to other programs and services. SNA provides business

support to northern entrepreneurs, businesses, co-operatives, community development corporations, and other organizations.

SNA has a total staff complement of 34.6 full-time equivalents. We have permanent offices in Regina and La Ronge with field offices in Creighton, Buffalo Narrows, and Saskatoon. Most SNA staff will work in the NAD.

I've given you some short highlights of the program and services my department provides to northern Saskatchewan. As members will know, I could go on for a lot longer, especially when it comes to the merits of northern Saskatchewan, but I will stop here and look forward to any questions that they may have. Thanks.

The Chair: — Thank you, Mr. Minister. Questions? Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Chair. Welcome, Mr. Minister, and I'd like to welcome your officials here today.

I have a few questions for you today. A lot of the questions have been answered already somewhat in the estimates of Aboriginal Affairs and of Environment. But I have a few questions. And I'd like to start off with, one of the overriding concerns that I hear from northern communities is that their voices are not heard; their concerns are not listened to, and their issues are not adequately addressed. Obviously there is a certain remoteness living in the North. And as you, Mr. Minister, coming from the North from Ile-a-la-Crosse, you know that. But this speaks to the larger issue of maintaining a level playing field no matter where one lives or where one works. Can you comment on this today.

Hon. Mr. Belanger: — Well one of the challenges of working in northern Saskatchewan and trying to create an economy and beginning to try and strive for a better quality of life, there are numerous challenges facing governments and people of the North in trying to meet some of those aspirations that we have as a province.

Some of the challenges in northern Saskatchewan, as you may be aware, are for example lack of investment pool. There's a lot of skilled trades shortages.

The North is blessed with a lot of resources. And where we have been able to make inroads and gains as a province, we certainly have undertaken to do so. We've made . . . numerous examples that we have been actively involved with as a ministry has been everything from the, as an example, has been the forestry file where we have seen investment of over a billion dollars involves the forestry sector. And the North is part of that.

There has been no allocation of any TSL (term supply licence) or FMA (forest management agreement) without northern and Aboriginal participation. We have positioned northerners to be part of that successful forestry industry.

We look at some of the activity within the mining sector where we have some great success in terms of having . . . At one time 18 or 19 per cent of the labour force come from the North under the former Tory administration, and now we're up to 60 per

cent, if not 65 per cent, of northerners working at these mines, in certain mines. So there has been some good progress overall, and there's much more work that needs to be done.

There are certainly challenges, but what we have to be careful of — and I'll remind the member of that — is that when we talk about a level playing field, we have to be very careful on those terminologies because at the end of the day the northerners who have had access to this land and the resources for years and years and years, when we start talking about economic development, they do not have, they do not have an investment pool or a pool of money which you can tap into. They do not have automatically skilled, qualified workforce that could drive those different parts of the economy to make sure that we have a very strong North as we all want in the province.

So when you talk about a level playing field, I'll just caution the member — level playing field with whom? From my perspective, we have to make sure as a government that we position, as best we can, northerners to be part of every sector of the northern economy as possible to make sure they benefit just as much, if not greater, than some of the industry and some of the people coming to the North to put its bid in that resource-based economy.

Mr. Allchurch: — Thank you, Mr. Minister, Mr. Chair. Well I couldn't agree with you more, Mr. Minister, in what you're saying about a level playing field. And I think that's one of the things that the northern people feel that they're up against . . . is the fact that they're not on an even playing field. And that was part of my first question is, they want to be and they don't feel they are.

In my travels and talks to many of the northerner people, they want to be free enterprisers. That's what they grew up to be years and years ago. That's their foundation. And they feel that there's barriers in front of them that are not allowing this to happen. What does your department feel they can do to help this?

Hon. Mr. Belanger: — Well I'm going to ask the director of business affairs to talk about . . . or the acting ADM to talk about some of the loans that we have given over the past number of years to the small private business man.

There's been a lot of effort to try and stimulate the economy, not just on the large scale when we talk about forestry and mining and tourism and so on and so forth, but to make sure we look at the smaller sector as well — whether it's the commercial fishing file, which is not a small industry, but it is certainly an industry where they have a lot of players that are active at the local level; whether it's trying to promote participation in the forestry sector. We know that there's a lot of people that are looking at the harvesting or logging aspect, which are not small roles in terms of economic development, but a small part of what forestry companies do.

So we have had some, certainly some progress and some growth in that regard. And I'll ask the appropriate individual to certainly give some advice and . . . sorry, some figures, I guess, as to how we have approached and have developed the North when it comes to the small-business man, so to speak.

Mr. Turkheim: — Thank you, Mr. Minister. As you're probably aware, the Department of Northern Affairs operates the Northern Development Fund which provides loans as well as grant financing in support of economic development in the North. Since 1995 that fund has provided about twenty-one and a half million dollars worth of loan funding and support of commercial ventures in the North, but equally important in support of continuation of the very important primary production industries — commercial fishing, trapping, and wild rice.

In addition, that fund provides grants to support business planning, organizational training skills development at board level, and provides modest grants; they are albeit for marketing promotions. So in that manner and over the history, the fund has provided a fairly broad base of support both in the form of debt financing as well as enabling grant capital to northern entrepreneurs. It does so not alone. It does so in conjunction and often in the case of loans in syndication with other federal and provincial developmental programming

And just one other point in terms of the efforts of the department in this, if I may — it more so goes back to your first question about voices being heard. An important part of the department's approach is to very much ensure that as many venues as possible are provided for northerners' voices to be heard. Perhaps most notably in the area of people's interests, support for and concerns about mining in the North, — and particularly uranium mining — there are more than 30 communities who have primary and alternate representatives who comprise the environmental quality committee. That gives quite a wide representation throughout all the regions of the North.

But beyond that, the 12 members — business, community members, etc., entrepreneurs — who form the Northern Review Board, that plays a fundamental role with regard to that Northern Development Fund's provision of loans and grants. As well the Northern Development Board Corporation that has a role, a very critical role, representing First Nations people from Meadow Lake Tribal Council, Prince Albert Grand Council as well as Métis members in managing, if you will, the Northern Development Agreement.

So there's a variety of means that I think we use to try and ensure the voices are heard and to stimulate the economic development.

Mr. Allchurch: — Thank you for the answer. One of the things I've heard in many locations when I've gone up there and that is especially from young mothers, is the fact that how can they justify the price of a carton of milk, of what it costs up there. And I think it's somewhere in the neighbourhood of 5 or \$6 a carton, versus the price of a bottle of beer and the bottle of beer is less than half that cost.

Now I know you have to take into consideration there is some transportation costs, but the transportation costs should be the same for both.

Hon. Mr. Belanger: — Thank you very much for the question. What I'm going to do is get our executive director of planning and performance management to speak about the difference in

terms of how we perceive that particular issue.

I would point out that this is the purpose and this is the reason why on a daily basis we talk about the specific challenges of the North. The North is not asking for any special privileges. They're not asking for any kind of special status. But it's recognized throughout the government benches — and I certainly hope that it becomes recognized throughout the entire province and that takes a bit of effort — that northern Saskatchewan does specifically have some challenges that are not shared with the rest of Saskatchewan — whether it is weather that does not allow flights into certain communities and you're stuck without fuel, for example; or you're stuck without food for several weeks and supplies; whether it's the cost of transportation in general; or whether it's accessing health care.

The North is vast. It is half the land mass of our province. There's 45 communities that dot the wide land mass. There's approximately 30,000 people, 35,000 people that live in the North. So I think one of the most important critical aspects of why we have Northern Affairs is to recognize those specific challenges and to coordinate all that.

Now in reference to the question of milk versus the sale of beer, I'm going to defer the question to Ms. Jones or to Richard, and they'll explain the difference. But I know one of the critical points is that as you move forward with some of the issues . . . for example the Far North road as you hear me often speak about roads in northern Saskatchewan, that's a 45, \$50 million price tag. But we know at the end of the day if they have access by vehicles, then it's going to bring down the cost of food. That's the ultimate solution. So the question is, do you put it in subsidy for food transportation costs, or do you put it in the ultimate solution of having a road built to the Far North . . . is one of the examples that you'd use.

Now obviously places where there's Buffalo Narrows, the comparison isn't that dramatic when you make that point. Where the comparison gets dramatic is in the Far North. And we're acutely aware that the ultimate solution is a \$45 million transportation system that will overnight bring down those costs. And that's exactly what we aspire to do as a government in co-operation with the federal government on meeting some of the challenges of building these roads. But perhaps Anita can give you more information on your example.

Mr. Turkheim: — Or I will if that's all right. And I can't really comment on the beer costs because I don't drink beer, but the milk costs are high, particularly in the Athabasca Basin, Stony Rapids, etc., Fond-du-Lac, Uranium City, Camsell, because of the transport.

As the minister's already pointed out, the continued work toward improving the Athabasca seasonal road . . . and there will be further improvement to that road this year — I believe the commitment is in the order of \$2 million — those improvements will help to reduce these kinds of essentials costs. You pointed out milk and that's a good one, or it's vegetables or breads. And I'll just make a finer point on that one.

For example, the \$2 million this year, and I don't want to comment too far on highways, but that will end up shaving

down certain hills on that haul road which are critically important to the likes of Ridsdale, A & L Transport, and others because it's shaved down those degrees from 8 degrees to 7. They can carry increased loads in, which means delivered lower prices to the retailers, which helps.

With regard to the costs, I believe the last survey that I remember — and I may be out here and I want Anita to correct if I'm wrong on the year, but then we'll file that with you — but about two years ago was the last food basket survey, comparing Stony Rapids to one west-side community, and I can't remember which one; also to La Ronge, to Prince Albert, and to one other southern, rural community.

The costs were, yes, higher in Stony Rapids because of the freight factor. But back to a point the minister was making, where some of the other, let's call them middle zone northern communities are making progress in terms of achieving delivery of goods and services at costs that you and I are more familiar with such as here.

They are making progress because the last survey from two years ago actually indicated that you could buy certain things in La Ronge more cost-effectively than you could in a rural service centre of about comparable size in southern Saskatchewan. So hopefully we can take that as some sign of progress towards bringing down the costs of people living where they want to live.

Mr. Allchurch: — Thank you. Another concern I've heard in my travels up to the North and that is regarding the infrastructure funding and it not being designated properly. The money simply is being directed to where it is . . . is simply not being directed to where the money, where the need is directed most. The Provincial Auditor recently raised concerns about the Northern Revenue Sharing Trust Account which provides revenue sharing and grant money for projects in northern communities. Can you comment on that?

Hon. Mr. Belanger: — In general I don't want to get specifically or give any specifics on the NRSTA (Northern Revenue Sharing Trust Account) because obviously the NRSTA is being managed within the Municipal Affairs portfolio, and I would kindly request that that question be directed to the appropriate minister.

However in general when we talk about the infrastructure challenges in the North, we have been very, very aware that there are many demands, as you have indicated time and time again, for northern Saskatchewan. There's highways, there's housing, there's water and sewer projects; people want to see recreation facilities. The demand is huge. And as you probably are aware there are demands all throughout the province when it comes to issues such as water and sewer or recreation facilities. The North is not immune to those kind of needs as well.

So in that point, some of the things that we need to remember is that we just come off a fairly lengthy agreement with the federal government to look at the water and sewer needs of northern Saskatchewan. As a province we've prioritized water and sewer development as being pretty darned important above many other projects; that we think that we have to make sure that if we have resources now that's where we shift the attention to.

And I can say that one particular community, that being Stony Rapids in the far North, never had water and sewer. And for a community of that size, roughly 250 people, maybe 300 tops, you know, we've put in a 6.7 or \$7 million water and sewer facility. So the challenges there are tremendous in terms of trying to provide the necessary, adequate infrastructure money. And secondly is, where do we put the infrastructure focus on? Is it roads? Water and sewer? Is it facilities?

My point being is that the demands are great, and we as a province, in conjunction with northern leaders and the federal government when we have multi-agreements of this sort, we have to stress the importance of prioritizing that money. And now over the last several years it has been towards the water and sewer needs of the North. And safety of the community is pretty darn important.

Mr. Allchurch: — Thank you, Mr. Minister, for that answer. And I agree that the wants and needs of the people from the North are great, and the money that is accounted for for the North is sometimes not inadequate for what is needed up in the North. And I couldn't agree with you more.

The Provincial Auditor has indicated that the trust account operations needed to be more closely monitored and that an annual business and financial plan be approved prior to the start of the fiscal year. Since this impacts directly on northern communities, have you been asked for any input or recommendations, and is it your intent to become directly involved with the revamp of the operations of NRSTA?

Hon. Mr. Belanger: — Well, first and foremost again, I'm not trying to be evasive here, but I'll point out that we did have discussions with the appropriate minister. Minister Taylor and I spoke about this issue, and Minister Taylor's response was, as the minister responsible, they were going to comply with the auditor's directives. It's as simple as that.

As you may or may not know, the NRSTA is being managed by northerners — the actual board is consisting of all northerners — and that part of the criticism dealt with of course the business plan, performance plan, these kind of process-orientated issues that the auditor had some trouble with.

But just for the simple purpose of having the appropriate minister answer the more specific questions of that issue, again, I am aware of the issues. I am aware of the challenges. I know that you're working your way through this. And I'm not . . . We always strive to have high standards when it comes to government accountability, and we will certainly do our part to try and add to the successful conclusion of what the auditor wants and not simply stand by and hope it clears up on its own. So we'll offer as much help as we can.

Mr. Allchurch: — Thank you, Mr. Minister. I know these questions seem like they should be directed toward a minister of Municipal Affairs but I also feel that you, as the minister for Northern Affairs, should have a say in what's going on. And when the Provincial Auditor comes down on a provincial . . . or ministry as it has in Northern Affairs, I felt that you should be involved in those discussions and recommendations in regards to that. So even though my question may be regarded as for Municipal Affairs, I feel you still have a responsibility for it and

that's why I'm asking these questions. Otherwise, how would the northern people from the North understand how the process works and what their minister is actually doing for them?

Another concern that was raised in the auditor's report was the insufficient development programs for staff responsible for trust account. What kind of impact would you, as Northern Affairs minister, have in addressing this?

Hon. Mr. Belanger: — Okay. One of the things I'd point out is that, absolutely, I think as you've mentioned previously, that our role is pretty darned important in terms of making sure northerners are, or northern interests are positioned well within the overall government strategies.

We consult on a regular basis, as a matter of course, under the northern strategy with every department that has any effect or activities occurring in the NAD area. I should also point out the NRSTA Board, the Northern Revenue Sharing Trust Account Board, the issue of which you made reference to, is managed totally by northerners. So as Minister of Northern Affairs, obviously, you know, we consult. It's a matter of how we do business. We look, as we mentioned in the opening comments, about partnering with northerners. And we also want to add to the overall solutions or add to the overall . . . meeting the overall challenges of the North. And that's just a matter of the activity of my office.

So on three or four fronts, we certainly concur with you that our involvement is good. It's very thorough and there are many avenues of involvement. It's not just the minister's office that's involved.

We have northerners sitting on very specific committees. Northerners that select . . . are selected by such groups as the New North, which is a municipal organization. We consult with chiefs and band councils. So the effort to try and involve northerners as a partner is very thorough. And this is one of the examples of how the NRSTA itself is being managed by a board of directors that consisted of northerners. And we work very closely with them.

Mr. Allchurch: — Thank you, Mr. Minister. One of the things I've found when travelling in the North is the fact that a lot of the northerners are somewhat — I don't know what the word to use there — disoriented as where to go for information. Because if they go to your ministry which is Northern Affairs, then they're told no, you should maybe look at Municipal Affairs or Environment or Aboriginal Affairs. And that is a problem I think some of the northerners have with trying to find answers to questions that they have, is that they get kind of a ring around as to somebody actually taking a stand and directing them to where they should go, and answering the question.

And a lot of northern people have said, we feel that being that we're from the North, our minister for Northern Affairs should be asking . . . or answering those questions. And they are very concerned because they are not getting that.

Now I know there's a lot of questions that I could have been asking here today that still tie to Northern Affairs, but they're with Environment. The same questions with this trust account

maybe should be asked about in Municipal Affairs. But to the people from the North, they feel that the minister for Northern Affairs is the person they should go to for direction. And they feel they're not getting that.

My final question I guess in regards to this is regarding with the auditor, and that is concerns relating to the written agreements for administering lease and land sales and that there was insufficient reporting regarding the annual performance of the trust account. Since these lease and land sales would directly impact on the amount of funding available for northern communities, is it your intent to take a more proactive role in addressing the particular issues?

Hon. Mr. Belanger: — Well in terms of the one-stop shopping centre, as you like to make . . . as you make reference to in terms of all the people in the North that have issues, where do we go? Instead of getting the, you know the runaround, that we should go to one specific place and get answers, I'm going to defer that question to my deputy minister.

But just in reference to the Provincial Auditor's report on the NRSTA, in terms of the official response, and the response has been very clear-cut, straightforward, and quick. And the Provincial Auditor stated that the Northern Revenue Sharing Trust Account's financial statements are reliable and they comply with the authorities governing its activities. The auditor identified areas that required documented policies and procedures to provide further guidance to staff managing the NRSTA.

In response to last year's auditor's report, the department developed a detailed work plan to address each of the auditor's recommendations. And under the work plan several items have been addressed, and the documentation of policies and procedures has begun. The department will also be hiring an outside consultant to review and document the processes and procedures of the NRSTA. And the department will continue to work with the Provincial Auditor to enhance the processes and procedures for the operation of the NRSTA.

And I think in general that answers your question as to the strategy that the Government Relations office has been working towards. It is something that we concur and comply with, and will work very hard to achieve. But clearly it is something that we know we need to work on as a government, and the appropriate ministries will be involved and Northern Affairs will offer all the help that they can to improving that particular aspect of the auditor's report.

It is in my opinion . . . again the auditor's pointed out that the financial statements are reliable and comply with the authorities governing its activities. But some work needs to be done to improve that and all ministers are prepared to work towards that.

I'm going to ask the deputy minister in terms of some of the challenges you wrote . . . you addressed with people going to one place as opposed to 20 other, 20 different places.

Mr. McKenzie: — And I think I'd respond by saying that the challenges around communication in the North are significant challenges and it is a role that Northern Affairs assumes as part

of its mandate. And through our communications program and through our staff — most of whom are northerners and a number of whom are either Cree or Dene speakers — we anticipate and encourage those kinds of questions from northerners to come to our Northern Affairs organization. And we try to play that brokering and communication role in government.

We have a variety of instruments, processes that we use, going from radio to community consultations where we try to spell out the role of Northern Affairs so that people know that we do have a planning, coordination, communication role. And we try to develop the profile of our department so that people will use us in that capacity. And in many cases if they don't know who to go to in government, they come to us. And if we can't resolve the issue through a referral, we'll establish the tables with government.

An example might be in Uranium City, or another one in Green Lake where we have particular community issues. Northern Affairs would take the lead to establish a multi-agency kind of approach where we can go up and meet people in the communities. So in Uranium City, a community that's reduced in size after the hospital has closed there, we've made a number of interdepartmental trips into that community to talk with people and try to reassure them about the respective role as a group of the various government departments that operate there.

Mr. Allchurch: — Thank you, Mr. Deputy Minister, and Mr. Minister. Another line of questioning in this year's budget, the government indicated that some positions would be eliminated from a number of departments. Do you know how many offices will be closed and how many jobs will be lost in the North as a result of these cuts? Do you have those numbers available?

Hon. Mr. Belanger: — Okay, I'm going defer the question over to, is it Cheryl? Cheryl Stecyk.

Ms. Stecyk: — The office of Northern Affairs lost four positions overall in the Department of Northern Affairs. As for the other cuts within other government departments . . .

The Chair: — Excuse me, excuse me. Would you come forward please. The mikes can't pick up your comments. Thank you.

Ms. Stecyk: — Cheryl Stecyk. The Department of Northern Affairs lost . . . We eliminated three positions in the overall budget. The other cuts in the other departments, we were not involved with the other cuts. But in Northern Affairs there was three positions that were eliminated. And they were vacant positions . . . (inaudible interjection) . . . Vacant positions.

Mr. Allchurch: — Well thank you. So did the major cuts in the North basically were from SERM (Saskatchewan Environment and Resource Management) department then, rather than from Northern Affairs?

Hon. Mr. Belanger: — These positions were vacant positions. And I would point out that the whole notion of the challenge and the role of Northern Affairs is that it really . . . I'm quite proud of the fact that there has been a lot of work being done by Northern Affairs on many, many files.

And while we lost three positions, the performance of the staff was excellent. And the extra effort showed by the staff was also something that I think the people of Saskatchewan should know about as well. Not only do we continue moving forward on many fronts — whether it's the economic development fund or working with some of the producers throughout the North, working on a forestry build-out process — but the staff have assumed other responsibility. Despite losing three vacant positions, they've moved on things, for example, the \$20 million Northern Development Agreement. We are now the lead agency on the Fort McMurray road which offers a tremendous amount of opportunity for the province.

We also work very closely with the mining activities. We made earlier mention of the northern mines monitoring secretariat. We're the lead on the abandoned mines cleanup, you know, which could, at the end of the day, result in a \$30 million agreement if we're successful in negotiating this project with the federal government. I look at some of the water and sewer agreements that has been developed in consultation and certainly with the guidance of Northern Affairs.

So yes, there was a bit of job loss through Northern Affairs. But in terms of the performance of the department itself, not only did we hold our own in terms of where we need to go, but we've given specific projects and other assignments that we've assumed within and have moved forward on. And that's really a credit to the department overall, and especially to the staff.

Mr. Allchurch: — Thank you, Mr. Minister. Well it's ironic, Mr. Minister, as your deputy said, that there's only three actual jobs lost in Northern Affairs. But to the people of the North, the cuts that came down after the budget came through — yes, they were to do with SERM and Environment — and a lot of CEOs (chief executive officer) lost their job.

I'm wondering, Mr. Minister, how you felt about the North and how the government that you represent, and as a minister, how you feel about the cuts that were made because it represent the North and represents your people. As you know finding jobs in the North is tough enough as it is. And to have this many cuts come out of that part of the budget basically from the North . . . must put a lot of pressure on you as a minister.

Hon. Mr. Belanger: — Well one of the things I think is very important is that, as we sit in the minister's chair, we look at the progress overall for northern Saskatchewan. And absolutely there's been a tremendous amount of gains and a tremendous amount of progress over the last 10 years . . . that I've been active in politics, that I've seen happen in northern Saskatchewan. Now whether it's a new school for Pinehouse or whether it's water and sewer for Stony Rapids or whether it's expanded cellphone coverage or a new hospital for La Loche or the Fort Mc road being something that's very important to us, there has been some tremendous progress.

And as minister it's important that we also look at the job creation activity that should be happening in the North and will be happening in the North. And if anything, our role as Minister of Northern Affairs is to minimize those job losses through the budgetary process.

And we try and we fight, and we certainly put forward many of

the compelling arguments that you've made, that a job in northern Saskatchewan is much more valuable than — say — a job in the middle of an oil field where there's a lot of opportunities. Those arguments and that logic and those words have certainly been heard. And I can say that we have always been . . . we've always viewed our role as to minimize those job losses. And I think in general, northerners and the rest of the people, the rest of the people of Saskatchewan would share the view that if jobs cuts were to come, then we'd all have to do our fair share of taking those job cuts.

And the North, just like any other region of this province, we appreciate the extra help. We will take our share, and it's all in the whole notion of trying to manage the province's finances so that better days that are coming down the road are able to be achieved, and the North is going to do their part, their fair part, in trying to meet the balanced budget that this government is trying to put forward.

Mr. Allchurch: — Thank you, Mr. Minister. Well in regards to that answer, Mr. Minister, in talking to the people from the North . . . and I was up at La Ronge just the other day and up at Green Lake also, and both of them have communities that have said that after the budget came down, the North really got kicked, that job losses that were taken away by your government after the budget came down really, really is going to hurt the North.

And maybe it's not your position because maybe it's an environmental question. But when it comes to jobs in the North — and there's not many of them — the amount of cuts that was made in the province, especially in the North, the people from the North really feel that they got kicked.

Hon. Mr. Belanger: — Well I'll certainly look at some of the challenges of the jobs cuts throughout the entire province. No government wants to see any job cuts at all. No MLA wants to see job cuts at all. But you look at some of the examples from across the country . . . whether it's Newfoundland with over 1,000 jobs cut or some of the smaller Maritime province, I'm not sure which exact province this was, but they lost 750 jobs. Look at what Ontario's going to do with their job cuts, BC (British Columbia) with its job cuts.

Saskatchewan was able to, despite its population, was able to limit some of the job cuts as best they can. And again I go back and I reiterate my point . . . is that the North feels that if there's job cuts that come throughout the province, we don't mind doing our fair share. I wish I could stop every job cut that there is in northern Saskatchewan. But I think the fair position to take on behalf of northerners is that if there's cuts coming in other parts of the province, the North has to do their fair share as well. I think that's a fair position to take on behalf of northerners, and that has been a position that we have put forward.

And I'd also remind the member that when we had increases in our forest fire fighting program last year and the year before, that you voted against that budget. And we talked about increasing the forest fire fighting staff members in the North. And you voted against that budget. So I think to a certain extent I appreciate the comments you raised, but you mustn't cry crocodile tears over the North and the job cuts that you propose

to try and defend here.

Mr. Allchurch: — Well thank you, Mr. Minister. I understand your statement regarding the last couple years in regards to the budget. But then I look at this year, Mr. Minister, and look at all the job cuts that came out of the North and you're going to vote for this budget?

Hon. Mr. Belanger: — One of the most important thing, one of the most important thing that I mentioned in our previous discussion was, number one, is . . . the North has been well-served. Number two, I wish I could stop every job cut that I can that comes out of any department. But you can't stop them all, and northerners are saying, you know we'll do our fair share. And the third point is, when we had increases in staff and increases in budget throughout the North, you voted against that.

So to make a long story short, I am voting in favour of this budget because it is a fair, balanced budget approach, and the North will do their part, and we will indeed survive for better years that are coming down the road. It is not really where we are today; it's where we're going to be a year or two years from now. That's important.

Mr. Allchurch: — Well thank you, Mr. Minister. I also noted in your department Web site the northern hiring policy is designated to increase the number of northerners employed by provincial departments and Crown corporations in northern Saskatchewan.

Of those people who are going to be losing their jobs this year, how many of them would be considered northern people — who according to your department have lived at least 10 years of their life in northern administration district — and will they be recommended to these new jobs?

Hon. Mr. Belanger: — I'll defer the question to Ms. Jones here. She can give you specifics.

Ms. Jones: — Thank you. Actually the department in our strategic plan has committed to do a review of the northern hiring policy for the past five years and make it a requirement to review it on an annual basis. We don't have specific answers to your question as to how many of those jobs were actually staffed by northerners at this present time. But it is something that we are working on this year, and we'll be in a better position to answer that question sometime later in the year.

Mr. Allchurch: — Further to that, Mr. Deputy Minister, I understand that your department was developing some in-service and institutional training programs to assist more northerners to achieve their qualifications required for various government jobs. What good will these programs do for the people of the North if you are cutting positions?

Hon. Mr. Belanger: — One of the most important things that we always stress — and I've said it just no more than two minutes ago — it is not where we are today, that we have to think that this doom and gloom's going to go on forever. We had a very tough budget year. There's no question. The North felt it. The South, East, West — we all felt it. The ag sector, every sector felt it. It's not where we are today that we need to

look at. It's where we're going to be.

So now we begin the planning process to identify what the specific challenges are that we as a province have to address to make sure that we incorporate as many of our peoples and as many of our sectors into an overall action plan that this province can embrace and eventually finance to bring forward some of the issues and some of the programs that you raised.

Again this year has not been an excellent year in terms of the toughness that the budget had provided us as a province. But we are now planning to bring in as many northerners, as many Aboriginal people, rural people, the people that are underserved, to begin to develop a greater and grander Saskatchewan.

But again, the point that I'm trying to raise is that this is not the year we obviously are starting. We're planning and moving forward and making sure that northerners are well positioned. That takes time. It takes planning. It takes patience, and it takes money. And I can almost guarantee you, almost guarantee you, that within the next year and a half to two years you're going to see a lot of activity in reference to those programs that you mentioned.

So perhaps Ms. Jones wants to add to that.

Ms. Jones: — Well I just may supplement the minister's answer . . . is that this also is part of the review of the northern hire policy to see how effective government has been at hiring and what initiatives we have used, both in job training as well as establishing relationships with educational institutions and other type of northern employers.

Again we can provide a better answer later in the year as we look at assessing the effectiveness of existing programs and look to make recommendations to cabinet about further enhancements.

Mr. Allchurch: — Okay, thank you.

Mr. Minister, could you provide us with some background on the Northern Development Fund? For example, how much funding is currently available? How is it designated, and what criteria must be in place for securing funding? Is it open to individuals, or is it for business and community use? Are you, Mr. Minister of Northern Affairs, responsible for the administration and the appropriation of this fund?

Hon. Mr. Belanger: — Thank you very much for the questions. For the specifics on those questions I'm going to ask my deputy minister to respond.

Mr. McKenzie: — Yes, the Northern Development Fund supports business development in northern Saskatchewan through a combination of loans and grant programs for northern entrepreneurs and primary producers. There was \$271,000 provided for 30 grants for 28 organizations last year to deliver business development, marketing research, organization and management skill development, and youth entrepreneurship.

Also there was \$304,000 provided to five regional development corporations that came into existence last year, replacing the

former CREDO (community regional economic development organization) program.

As well there were 133 loans from the loan portion of the Northern Development Fund, and those totalled \$1.59 million. And we calculate that the support of the creation or maintenance of 180 jobs in the North. In '04-05, loan activity is expected to be in the one and a half to \$2 million range.

Mr. Allchurch: — Thank you, Mr. Deputy Minister. On your Web site under northern programs, there are a number of links to other topic areas. On three of those topic areas, education, environment, and justice, when you click onto these links you get the following message:

During 2000 this section of the Saskatchewan Northern Affairs website will be under construction. It will provide brief descriptions of provincial government programs available in the North and contact names should (you) further information about particular programs be desired.

Considering that this has been four years since this was posted, could you give us an update on these three programs and how they apply to Northern Affairs? And could you also give your assurance that someone will be updating this section of the department's Web site in the near future?

Mr. McKenzie: — Before we answer that question, I want to go back to the last question and I believe correct myself on one of the figures that I gave you. I meant to, and the minister pointed this out to me. We had 133 loan commitments last year totalling 1.159 million, \$1,159,000, just so that the record gets the right fact there. And our executive director of policy and planning will speak to the Web site.

Ms. Jones: — First of all there's no excuses for the Web site not being updated for the last number of years or having the inappropriate response or reference.

But we can assure you at the present time we are currently revamping our Web site, and that will be . . . the changes, I expect, will be made within the next month. We are, as far in . . . and there are 2003 . . . or pardon me, 2004-2005 performance plan are even going to go a step further to try to provide better quality information on the northern strategy and government planning under the North that supports the northern initiatives.

This is some of the references to the other departmental initiatives in the North. And that too will be carried out in this fiscal year. So we expect to make substantial gains in the next 9 months.

Mr. Allchurch: — Thank you, Mr. Deputy Speaker . . . or Mr. Minister. I just want to thank you for that answer. This is some of the things that northern people feel that they're not getting looked at because those are the things that they depend on the most. And when nothing is changed, that's why they get the feeling that they're kind of left out.

Also I have no more further questions for the minister and his department today, but I do want to thank the members for their answers. I do want to end by saying that when this budget came

down this last year, I really do believe that the people from the North really feel that they're really taking it on the chin this year.

Now I hope that the minister is right by saying that there will be better things to come for them because it's tough enough for the North to acquire jobs and a sense of living up there without the government coming down as hard as they did in this last budget.

So with that I'd like to thank the minister and his officials.

The Chair: — Thank you. The committee will now consider the estimates for the Department of Northern Affairs, vote 75, administration (NA01) in the amount of 1,082,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (NA01) agreed to.

The Chair: — Accommodation and central services (NA02), 228,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (NA02) agreed to.

The Chair: — Resource and economic development (NA04) in the amount of 3,341,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (NA04) agreed to.

The Chair: — Northern strategy (NA03) in the amount of 574,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (NA03) agreed to.

The Chair: — Amortization of capital assets is not a voting . . . it is a statutory amount. It is not a voting purposes, for \$7,000. Is that agreed?

Some Hon. Members: — Agreed.

**General Revenue Fund
Lending and Investing Activities
Northern Affairs
Vote 163**

Subvote (NA01)

The Chair: — So in page 146, also a non-voting vote, Northern Affairs in the amount of . . . (inaudible interjection) . . . Oh it is to be voted. I'm sorry. It is to be voted for 2,010,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (NA01) agreed to.

**General Revenue Fund
Northern Affairs
Vote 75**

The Chair: — Moved by Mr. Trew, that the committee . . .

That be resolved that there be granted to Her Majesty for the 12 months ending March 31, 2005, the following sums, for Northern Affairs, 5,225,000. Is that agreed?

Some Hon. Members: — Agreed.

Vote 75 agreed to.

**General Revenue Fund
Lending and Investing Activities
Northern Affairs
Vote 163**

The Chair: — And for Northern Affairs, 2,010,000. Is that agreed?

Some Hon. Members: — Agreed.

Vote 163 agreed to.

The Chair: — That concludes the estimates for the Department of Northern Affairs. Thank you very much, Mr. Minister.

Hon. Mr. Belanger: — Yes, I'd just like to perhaps, Mr. Chair, thank the hon. member for his questions, and to thank the staff for the opportunity to . . . or for their work and the opportunity to represent them at this forum, and thank you for your time.

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

Subvote (HI01)

The Chair: — I'll call the committee together now. The next business before the committee is the consideration of estimates for the Department of Highways and Transportation. That will be vote 16. I will invite the minister to introduce his officials.

Hon. Mr. Sonntag: — Thank you very much, Mr. Chair. I'm glad to be back.

First of all, immediately to my right is Harvey Brooks, the deputy minister. To his right is Terry Schmidt, the assistant deputy minister of operations. Don Wincherauk, assistant deputy minister of corporate services is seated immediately to my left. Fred Antunes, the director of corporate support branch is sitting behind Don. And Mike Makowsky, director of transportation, trade and logistics is sitting right behind the deputy minister, Harvey. And on the far right side, Terry Blomme, the executive director of southern region, is seated.

And lastly I'd like to introduce, Cathy Lynn Borbely, who is sitting directly behind me, and I would like to just to note for the committee the reason I've introduced her last. She's not sitting right behind me; she's sitting over there, okay, but you'll know who Cathy is I think.

She was just recently elected president of the Canadian Society for Civil Engineering. Her selection reflects a significant contribution to the department of Saskatchewan transportation system. And it's noteworthy that she is the first female president in the 117 — one, one, seven — 117-year history of the CSCE (Canadian Society for Civil Engineering). And I think it is fortunate that we have engineers of this calibre in the department, and it would be great if we could acknowledge and thank her for that. So thank you very much Cathy.

Some Hon. Members: Hear, hear!

The Chair: — Thank you, Mr. Minister. Since this is the minister's third appearance before the committee, I'm sure the minister doesn't have any opening remarks. Thank you. Questions? Mr. Bjornerud.

Mr. Bjornerud: — Thank you, Mr. Chair. Welcome, Mr. Minister, yourself and your officials.

I have just one question today, and it's on behalf of the MLA for Indian Head-Milestone who, I believe, is in another committee at this time and had a question to ask. But he had a concern brought to him, and I'm somewhat familiar with it because I go by this every day when I go back and forth home from Regina.

But it's the acceleration lanes coming out of Balgonie. And I know we talked about the White City, the highway there the other day. And the concern — I'm not sure who it was from but someone from Balgonie — where Main Street comes on to No. 1 Highway, whether you're turning west where you would swing right out onto No. 1 or where you would cross the one lane and then head east the other way.

And I think their concern was the acceleration lanes. And I'd have to look tomorrow when I go home or the next day; I can't remember if there is lanes there or not. But according to this, there's no acceleration lanes at that point. I know when you're turning off the highway, there are lanes where you can pull off and get out of the traffic and go. But the concern has been brought that it's a very dangerous corner so . . .

Hon. Mr. Sonntag: — I think it doesn't appear that we have the answer here. We'll endeavour to get the answer and provide it in writing to the member if that's okay.

Mr. Bjornerud: — Yes, if you could get that answer to the MLA for Indian Head-Milestone.

The only thing I would add maybe, Mr. Minister, is that also I believe there's a high school there that's not far off Main Street, and I know the number of cars that are there. I can only imagine about a quarter to 9, 20 to 9 in the morning or 3:30, 3:40 in the afternoon. It must be a tremendous amount of traffic between school buses and cars that come out there.

So it sounds to me like it could be a very genuine problem they have there, and if you would check it out and get back to the member I would appreciate that, and I'm sure he would. So thank you for your answer.

The Chair: — Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Minister, welcome to your officials here today. This is the first time I've had to answer questions regarding highways. I don't have a lot but I have a few, and they are questions that my constituents have raised with me many times so I thought I'll bring them up today.

The first question is regarding the highway between Blaine Lake and Saskatoon and where you come down the hill at the Petrofka bridge hill. If you're coming from the north and you come down the hill, there is a sharp turn before you cross the bridge. Now last year alone there was a couple accidents. One was a fatal accident. The problem with that area is that there's no steel girder on the south side of the highway, so that if a person does happen to miss that curve they're going to hit the steel girder and they won't go over the edge. And that was a result of the accident last year where it turned fatally.

Is there any plans at your department that would look at situations like this where it is a safety issue and they would look at installing a steel guardrail along that edge of the road?

Mr. Schmidt: — Sure, I can answer that question for you . . . is that we do have warrants, and we have criteria and standards that look at where we will place a guardrail and the type of guardrail we will place there. And it has to do with . . . the warrants look at such things as the height of the fill on the roadway, the geometry of the road, whether there's horizontal curves there as you mentioned. It looks at the width of the road, if there's shoulders there or if there's not shoulders there. It looks at the side slopes of the road, the existing slope of the side slopes on the road and the side slopes of the back slope. It looks at things as if there's standing water there as well. That's part of the criteria we look at.

So that's just some of the factors that we look at, and we take those into consideration. And then we determine if the correct number of warrant points and criteria is met. And once that is done, then we will prioritize all those provincially, and we will put them on the safety improvement program list. And then as funding becomes available, we will start delivering on those projects.

Mr. Allchurch: — Thank you, Mr. Deputy Minister. Just to give you an update on the conditions of that certain portion of the road, it's coming onto the bridge, across the North Saskatchewan River. And so right at the immediate start of the curve, there is no water. But as you get up further, then you're going into the Saskatchewan River.

The height of that landfill is . . . it's deep. So when you go off the edge there, there's a long way down, and I'm sure that's what caused the fatal accident last year in regards to that. The conditions are somewhat okay if the weather is decent. But if you're getting into areas in the wintertime when there's a snowstorm or snow or whatever, there is no reflectors or no nothing there, so you can't see the edge where that road is. And then you're making not a 90-degree turn but a fairly sharp turn to get onto the bridge.

This accident that did happen last year was a result of foggy conditions. And in the fog, you can't see nothing. And that's why certain people from that area have asked me to look into

this to see what has to be done to get a guardrail up there, and it's strictly for a safety precaution situation.

Hon. Mr. Sonntag: — We'll give you our assurance that we'll look into it and investigate that circumstance.

Can I just say just separately as well, unrelated to the question you asked, we wouldn't formally table these, but we do have written responses for I think Ms. Harpauer and also for Mr. Trew. So we'll just hand them to him directly and to Ms. Harpauer.

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Minister, my second question in this regard to ferries crossing rivers, and there's one down by Lucky Lake. There's also one up in my neck of the woods. And according to the officials that are hauling dangerous goods across these waterways on ferries, if you're driving a dangerous goods truck — in other words a fuel truck or a fertilizer truck or an anhydrous truck — you can only cross those ferries with just a truck alone on the ferry. You cannot be on there the same time as any other passenger vehicle. Is this true? And if it is, why did that come about?

Mr. Brooks: — This is a fairly recent requirement from Transport Canada, and I believe it's under the Transportation of Dangerous Goods Act. And we became aware of it this year and are acting in compliance with the regulations that have been presented to us, interpreted for us.

Mr. Allchurch: — So, Deputy Minister, then it did come into effect this year. And do you know offhand why they brought that into play?

Mr. Brooks: — I would be speculating that if it . . . it has gained prominence because of security issues and issues regarding key infrastructure components. And while it may have— let's say — heightened relevance at Canada-US (United States) border crossings and ferries and things of that nature, it has specific relevance with regards to security issues in particular, but also from a safety perspective.

Mr. Allchurch: — Well thank you, Mr. Deputy Minister. As you know, it causes quite a concern to businesses that operate, whether it be Esso, Texaco, or any fuel company, when they come down the hill to cross on the ferry, if they're hauling a load of fuel like diesel fuel, they may sit there for hours to get onto the bridge. If there's lots of traffic, they won't get on. And vice versa, if they do get on the bridge, then it's going to hold up the traffic from moving back and forth. So it's causing quite a concern to the businesses and also to the public. And I'm really not sure why this is happening.

Mr. Brooks: — Just to respond again that this was a regulation that we became aware of as a federal regulation. And it's one that we've been asked to be in compliance with. And we certainly appreciate that this does present a significant change in our transport protocols on the ferries. And it is one that, for those businesses, will cause some significant disruption. And we are, even at this, as we are complying with it, we are trying to find if there is a middle ground for this. But at this point in time, we are in keeping with the regulation.

Mr. Allchurch: — Well thank you, Mr. Chair. Is there any

information that I could pass on to my clients that have phoned me regarding this that would help them in their situation? It's not only causing disruption in the workforce for them, but it's also costing them many, many extra dollars out of their pocket just to provide services across the other side of the river, and have to go through this situation. Is there any information out there right now that I could send on to them?

Mr. Brooks: — We could certainly provide the specifics of the regulation and legislation that specifies the protocol. As well, if they would like to get in contact with some of our staff to see if there are alternate routes that are perhaps more convenient given the current regulations, this is something else we could look into. But it is . . . It certainly does represent a change in protocol that will create some differences for them when those crossings are there and they have to use them.

Mr. Allchurch: — Thank you. Could you supply me with any information that you do have right now from that, and then I can pass it on to my clients myself then?

Mr. Brooks: — Yes, we can. We can provide that in writing to you.

Mr. Allchurch: — Okay, thank you. The last line of question I've got is for a highway going west of Spiritwood, in my hometown. And that is out to Turtleford area; that's Highway No. 3. And a couple years ago, there was upgrades done to bridges on that highway. Now they're building, I believe it is, 13 kilometres west of Glaslyn to Livelong and then further on. That road definitely needs work done to it, and I'm glad to see some of that work is being done.

I noticed that the highway that is being done is widened quite a bit which is definitely going to help the traffic flow. Is it your department's idea then to changing the primary weights on Highway No. 3 or changing the weights on Highway No. 3 to primary weights?

Mr. Brooks: — As the upgrades take place increasingly to raise Highway 3 to a higher standard and become a good east-west corridor for commercial transport, it is something that certainly is brought up by our area transportation planning committees during the weight consultations that we have been conducting. And it is one that is of increasing interest to people, and certainly are investigating and exploring all the priorities that are identified as good candidates for that process.

We haven't arrived at an outcome for the weight consultations yet, and this is one that will certainly be in the mix. And it will be sort of determined in consultation with the stakeholders, but also you know with respect the transportation needs for the area. We have allowed a certain increase in the winter weight season, and that is of importance to a lot of individuals hauling in the area and also to not just the . . . extending the season but also to winter weights for B-trains. And that provides some increased measure of capacity but doesn't address the summertime secondary weight issue there.

Mr. Allchurch: — The reason for the questioning is the fact that I've had many truckers who truck grain from that area and also other kind of freight that . . . Highway 3 from Prince Albert almost to Spiritwood is already primary weights. Then there's a

lull from Spiritwood through to Glaslyn. I can understand that the highway upgrade that you're doing from Glaslyn to Turtleford and I'm hoping that it will be primary weights after it's completely finished. But even the highway from Spiritwood to Glaslyn, what more has to be done to bring that portion of the highway up to primary weights so that truckers could at least truck from Spiritwood through to Glaslyn and then down to North Battleford on primary weights?

Mr. Brooks: — My understanding on that section of highway is that the decision would not be so much as to whether or not we could increase the standard even in the short term. It's one of the amount of consumption that we would . . . consumption of the roadway that would occur as we allow the higher weights.

And we're just sort of in that process of understanding the trade-offs and the cost benefit of moving in that direction. So it's not a section that we would have to upgrade before we went to primary weights on it. It's a matter of just understanding the rapidity or the rate at which the road would be consumed with the increased weights put on it.

Mr. Allchurch: — Well thank you, Mr. Deputy Minister. I take it from that then there is no more changes that would have to be made from Spiritwood to Glaslyn to bring it to primary weights. And I can understand the frustration from truckers that if they were knowing this they would probably put more pressure on the government to allow that to happen because it's detrimental to their business not being able to haul primary weights all the way through when actually the highway as it sits right now is ready for primary weights.

Mr. Brooks: — The only additional comment I would make is that we have many highways in the province that . . . where it's not that additional weights would cause precipitous failure of the highway itself. It's just that it would increase the rate at which the road is consumed and bring forward the date at which the highway would need major preservation and maintenance activity and reduce the life cycle.

So it's a matter of understanding that and being able to fund that in the long term so that's so we have as a sustainable system. And that is again that struggle of trying to encourage the economic development while at the same time maintaining the sustainability of the highway system that we have to maintain.

Mr. Allchurch: — Well thank you, Mr. Deputy Minister, and thank you, Mr. Minister, for your answers for my questions. I have no more further questions.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chairman, and good afternoon. We've not visited, I think, for a couple of months and I've got a few more questions to ask as a matter of course because of the time since we last had an opportunity. I want to start with the concerns that have been raised in my constituency office most recently about the condition of Highway 32, the highway that runs from Swift Current to Leader.

The highway has been a sore spot among the motoring public

for some time, and it's become exceptionally so because of all of the heavy truck traffic that is happening in the area between, well in that vicinity of Abbey and Cabri in particular. As the minister will know, that is the site of Saskatchewan's newest and largest natural gas find. And as a result of the wealth of natural gas in the area, the activity, the volume, and the size of trucks in that area has added considerably to the deterioration of the road surface there. I think somebody recently described driving there as something akin to a trip on the lunar surface, because it is terribly bad.

And I know that there has been some effort in the intervening months and previous years, actually, to try to hold it. There's been large stretches of gravel incorporated into the pavement there, but with the ever-increasing truck traffic there is no way of holding it. And it just becomes almost impassable for a sedan, a car of a smaller size.

So I'm wondering, to the minister and his officials, whether they can tell me with some certainty what the plans are for repair of Highway 32, and what the scheduling of that might be.

Mr. Brooks: — It certainly is a very important issue, and it is true that the road has deteriorated and the surface condition has been reverted to gravels over several kilometres. And approximately the 11-kilometre section from Miry Creek to 8 kilometres north of Shackleton is in very poor condition. It is a TMS (thin membrane surface) highway and it's sustained a lot of heavy truck loading, particularly related to the gas exploration in the area.

And in May 2003 the local crews went out there and attempted to rotomix the surface, to get the granular material into a more acceptable fashion, and added more granular material to increase the ride acceptability. And we also are carrying out routine maintenance for that area.

It is a difficult issue in some areas where the economic development that is occurring takes a toll on the roads in the immediate area, and is a particularly difficult issue because a lot of the economic activity that is coming out of there right now is related to gas exploration and energy work.

Most of the programs that we're able to access that have some federal funding attached to them that increases our capacity to look at the maintenance of the system are associated either with our national highway system or with border crossings or with the Prairie Grain Roads Program. And the one that we are looking at to see if there's any possibility of taking advantage of the program to address the situation would be the Prairie Grain Roads Program, and we are still at the point of trying to assess whether or not it can rank highly enough in the committee to access those funds.

So at this point in time we haven't got anything on our schedule for this year to upgrade that section of the roadway, and our '05-06 we're still investigating whether there's an opportunity there.

Mr. Elhard: — So might I ask, if the opportunity for funding from the Prairie Grain Roads Program proves impossible or unlikely, what will be the plan of the department — to just allow the road to fall into further disrepair and add more

kilometres of gravel?

Mr. Brooks: — The department will do its best to defend the surface that is there. And for that surface that cannot be defended in a safe position, it is the department's practice to try and make it into a more acceptable surface by either gravel blading or to rotomix the surface. And it does result in quite a significant change in the service level of the road to the travelling public because of the change in the surface.

But the strategy is to defend the oil-free . . . or the dust-free, mud-free surface to the extent that we can, and if it can't be maintained in a safe condition, to put it into a surface that at least is safe.

And then we are working to try and identify whether or not we can interest the federal government in other programs, not directly Prairie Grain Road related, where they may have an interest as well due to the economic development aspects of it.

Mr. Elhard: — I think the local viewpoint on the current situation there is that having long stretches of gravel has not really made the road safer. Because of the much increased traffic there, having a gravel surface has really made it less safe. And there's, you know, the normal types of conditions that develop as a result of spring breakup — there's lots of soft spots; there's very rough areas. Of course pavement has broken up on the sides of some of the sides of the existing TMS and that's always a threat to motorists as they're passing other vehicles on the road.

But I think they're also of the opinion, at least the rumour going around the immediate area there is that it is the department's intention to let the whole surface return to gravel, whether it's done in stages or by conscious decision — that that is the intention of the department. Can the department assure the residents of that area categorically that that is not the case?

Mr. Wincherauk: — We've recognized that there is a considerable length of a TMS roadway there and that it may be difficult to bring the capital resources to do the structural upgrade. Over the last two to three years we've had the opportunity and taken that opportunity to do some extensive sealing. And part of that viewpoint is to maintain, to the best we can, that existing structure.

We will continue to do that as we also have to do on the structural pavement that falls to the south as we approach Highway 1. So although it seems to be in better shape to the motoring public driving at highway speeds, it also has the need for some sealing just to ensure that its sustainability continues. And our plans are to do some sealing on that to ensure we can maintain that dust-free surface or the sustainability of the pavement investment.

At the same time we are looking at plans and we are hopeful that we will be able to bring some strengthening granular base on the couple of kilometres of the currently reverted gravel sections to strengthen those that show signs of firming up and return those to dust-free.

The extent that we can do will follow our commitment to ensure to the best of our ability that we maintain the existing TMS as

dust-free. So the reversion or the conversion to gravel will be a last resort or part of a strategy or pre-planned strategy.

Mr. Elhard: — If I remember correctly, it's just a couple of seasons ago, construction seasons ago, that there was a lift put in place on part of that road. I assume it's south of Cabri if I remember correct. That was a project that brought a considerably better surface to the highway for a number of kilometres there.

And in view of the resources being taken out of the area from the development of the natural gas field there and in view of the hugely increased economic activity that that has generated for the communities along that line and in view of the safety issues and even just preserving what roadbed you've got there now, would it not be an appropriate time to look at constructing or solidifying or reinforcing the base that sits there with a lift type of construction? Even if you have to seal coat it for the time being, is there, is there good rationale for not doing that in view of all the economic activity that's been generated from that area?

Mr. Brooks: — Certainly there's a good case to be made on this and the department does its best to match up its investment in the road infrastructure with the benefits of economic development for the province. And I would say that for the activity that we are undertaking we are doing our best to stretch out the dollars to do that as much as possible. And part of that is finding partnered money to work with for those good candidates such as that.

Mr. Elhard: — The local transportation planning committees play a role in determining priorities in the region, as I understand it. Has this particular road been something that has been flagged by the southwest transportation planning committee? Has it initiated some action in that regard? Have they indicated that that is now on their priority list?

Mr. Wincherauk: — Thirty-two, if I recall from their earlier transportation plan, they would have identified Highway 32 as one of the TMSs critical to the area and part of their long-term plan for upgrading.

Mr. Elhard: — Do they not prioritize their wish list in some respect? And if so is No. 32 getting close to the top of that wish list?

Mr. Brooks: — We can follow up where it ranks in the, with the plan. But I would say that, as well, that most of the ATPCs (area transportation planning committee) turn in a prioritization that currently exhausts our ability to do that in a quick fashion — to work through even the high priority suggestions and recommendations of the ATPC.

So it does take time to work through the priorities in a staged fashion to where we get around to addressing even the most high priority issues.

The Chair: — Thank you. I see it now being near 5 o'clock, the committee will stand recessed until 7 o'clock.

The committee recessed for a period of time.

The Chair: — The Committee of Intergovernmental Affairs and Infrastructure, and Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chair. I thank the minister and his officials for coming back this evening to continue our discussion on relevant and important highways and other transportation issues this evening. We have a number of issues that we'd like to bring to the discussion, and we appreciate the extended hours that this particular discussion affords us.

I guess the reality of the situation is, with the competition that we're experiencing tonight — i.e., a football game and the leaders' debate as a result of the federal election — the viewership of this scintillating procedure is probably going to be down to a handful or maybe six. And we're going to do our best to keep those folks entertained this evening and hope that the discussion is riveting.

Prior to our supper break this evening, we were talking about Highway 32 and the deterioration of that particular stretch of road. And I know the deputy minister talked about the difficulty of maintaining roads of that nature, TMS roads in particular and maybe roads in that particular vicinity of the province, because of the shortage of resources to attend to every problem. And I can appreciate that.

I guess the question I have to ask on behalf of my constituents — it's the question that I am faced with on a consistent basis — is when money in huge amounts is taken out of an area, when resource development is so prevalent in certain areas of the province, when the government benefits directly from the development of the resources that are there, when economic activity as a result of that resource development happens, why is it so difficult for the people of a given area to expect a minimal return from that investment? Why should they put up with the consequences of, you know, ever escalating traffic numbers, heavier trucks, more road activity and not see a return to their communities, to their highway system as a result of the money that's generated in that particular region?

It's not just a question that has been posed to me by the people in the communities of Lancer or Abbey or Cabri or Leader. It's a question that's been posed to me repeatedly from constituents throughout the area of Cypress Hills. We are the source of tremendous resource revenue for the province, and we don't get the return on that in an appropriate proportion.

Hon. Mr. Sonntag: — Thank you. It's a good question, and it's obviously one that the department and I, as the minister responsible, get asked many times.

I think it is fair to say that from the province's perspective — and hopefully that runs consistent with what the department thinks as well, and I'm sure it does — that where there is economic development in any region of the province, that will move up on the priority list, the infrastructure in that area in this particular case that I think you're talking about. I know you've generalized, but you've also been a bit specific.

The area transportation planning committees do the same thing. Where there's economic development and where there are heavy trucks moving back and forth, they would move that particular stretch of road up in the priority list in most cases.

For the area transportation planning committees, it would largely be around a need to provide the infrastructure. From the province's perspective, I think it's fair to say that we would want to facilitate in any way that we are able to within the financial constraints. And I guess we always have to caveat with that statement; we will want to facilitate as best we can continued economic growth and development. And to the best of our abilities, that's what we try to do.

And I think to put that sort of all into context, we also as a government recognize that if the decision was simply that you would build the roads where there was economic development, I don't think that runs very consistent with the notion of what our government or any government's about. That is to provide, to provide infrastructure for everybody in the province whether you come from a wealthy region or whether you come from a poorer region.

And it's all about balancing those. It's all about balancing those priorities off. And that's ... so I've answered it from a government perspective. I don't know if the department has sort of any specific examples if they want to add to that.

Mr. Elhard: — Well I understand, Mr. Minister, the need to balance off the priorities. And of course we're going to want to spend money on road infrastructure specifically where the traffic requirements and the population levels demand greater infrastructure and potentially more investment.

But the ... I think the real issue here is, if poor infrastructure will support reasonably good economic development, even better infrastructure might support greater development. I think there's a direct connection between the ability of economic expansion or development to happen and the most basic elements of infrastructure that would help accommodate that.

So in view of what I perceive to be an opportunity to make the economic growth of that area more significant and have a more positive impact on the whole of the province, it might be required of the department and of the government to look at shifting its priorities. Maybe there's some rebalancing or some rejigging that needs to be done in order to funnel money into that area where not only the need is obvious, but where the opportunities for additional return on investment are probably more quickly realized.

Hon. Mr. Sonntag: — Thank you. Just a ... I mean this might be of a surprise to you as well and maybe to people in the area, but just to back the point up that I made. In areas where there is development, we actually do prioritize. Just in the southwest is an example in the Cypress Hills constituency. Our four-year average was something ... The four-year total, I should say, was something over \$65 million with an average of over \$16 million invested. The four-year total is the highest amount in any constituency in the province.

That doesn't mean that it's enough. I mean it probably means ... probably there should be more investment. But at the same time, I think it is a testament to the statement I made earlier which is that the department and the government prioritizes where the economic development is. And I think that's ... well as I say, I mean I think that's testament to what I just said a few minutes ago.

Mr. Elhard: — I wouldn't for a moment dispute your figures, Mr. Minister. I think you're accurate, and I think your investment in the Cypress Hills constituency has been greatly appreciated especially by the local residents, but it's almost all been concentrated, in fairness, to one project, and that was the twinning of the No. 1 Highway. We did experience a considerable amount of investment. We as a result of an opportunity — you personally and I — had to move that agenda forward. We saw the twinning accelerated. It went from an eight-year timeframe to a four-year timeframe.

And I think if the department had some opportunity to measure it, I think we would see that that money was well invested. Not in terms of just lives saved or accidents prevented, but in terms of economic activity that has come from that twinning. I think we will continue to see increased economic activity as a result of that project. So I think that particular expenditure makes my argument for me. We don't have maybe all the figures in yet, but money invested in infrastructure pays dividends and pays it reasonably quickly.

And I guess we're talking about an area that is now home to Saskatchewan's largest natural gas pool, and we could probably see even more development — more industry, move into that area, more growth in that sector, more taxes returned, more royalties returned to the provincial coffers — if the road in that area was adequate to the challenges that are posed to the companies working in that area now.

I don't want to belabour that point because . . . unless you have a response. But I think I want to make the case that we're not just asking for a nice road for ease of and comfort of travel. I think we're asking for an investment in infrastructure where there's an obvious need and a clear potential payback in a shorter term than might be otherwise experienced.

Hon. Mr. Sonntag: — I don't think we disagree at all. The department and other sectors of government I think are acutely aware, as is obvious . . . I should say, our Crown, SaskEnergy, where all of this development is taking place. And there have been significant dollars invested from other sectors of government as well, and I mean, we just continue to monitor and invest as best we can.

And as I say again, I mean, just as a general statement, it's all about balancing priorities, and we try to do the best we can.

Mr. Elhard: — One of the most convincing and telling arguments for me personally happened just in a phone call this afternoon, where an individual who lives in that area and uses that particular highway on a regular basis said to me that she simply can't, for safety's sake or even comfort's sake, use that road any longer.

And she has made the decision to travel to Medicine Hat from that area to do virtually all of her shopping now, whereas she used to make a consistent habit of moving into the Swift Current market for her commercial purchases and her household transactions. So that's maybe a very minor point, but that attitude expressed a thousand times over by residents of that area will have an impact as well.

So it's not just the larger commercial aspect that we need to

consider. It's also the very personal and individual stories that we're hearing about people who just don't feel safe on the road and just will not spend time making that trip into Swift Current.

Mr. Minister, I'd like to move on to my favourite subject — or one of my favourite subjects — and that is the ongoing construction project in the Frenchman River valley. The last time we talked, which I think was April 29, if I recall correctly, I asked at that time for the original cost estimates for that project. They were promised to me; I haven't received them yet. But I'm also aware that whatever estimates the department had for the cost of that project have long gone out the window in view of the fact that the weather created a bit of a problem, and there has been design problems and location problems, and now this spring further construction has been significantly delayed by again weather-related problems.

But I want to ask, Mr. Minister, in view of the fact that you had a budget at one time and the budget's been blown due to all of these factors beyond your control, do you have a cost-plus arrangement with the existing contractor?

Mr. Blomme: — The contract with the contractor, in this case the grading contractor or Panteluk Construction, is a unit-price-based contract. So the items, as an example, as we are increasing the earth volumes associated with dealing with slope stability will increase the quantities of earthwork that we move, and that will have a direct bearing on the final cost. But the contract covers it in terms of that it's a unit price for individual bid items of work that is being addressed.

Mr. Elhard: — As a result of a public meeting that the department hosted in the community of Climax a few weeks back, there was an indication that the department anticipates spending 300,000 additional dollars on the relocation of the road, having moved because of slope issues and stability issues, having chosen a different design and moving the road to the east. Is that a reasonable estimate of the cost, or now are we looking at more money again?

Mr. Blomme: — No. That is, in our view, a reasonable estimate. That estimate would have been based on the findings of the engineering consultant's review, a redesign of the road with respect to the new location, and estimates of the quantities of earthwork that would be involved with that relocation.

So those estimates are based on our current contract and the engineering estimates of quantities of earthwork that will be involved with the additional work.

Mr. Elhard: — Will the new route allow for pretty clear and direct access to the river valley and the bridge at the bottom, or will there be a couple of different turns in the road?

Mr. Blomme: — That is one of the challenges and one of the issues that we were able to address in a very satisfactory manner. As we deal on one hand with the issue of geotechnical, we still have the overriding safety issue and the geometric layouts of that road. So we balanced those two components and my understanding is successfully were able to do that with respect to this. So we maintain the design elements of the roadway as per the original design criteria and still address the issue of slope and stability.

Mr. Elhard: — Can you explain for us in layman's language what those design criteria were?

Mr. Blomme: — In a very broad and general sense we would be controlled by a design speed, an operating design speed for vehicles both in terms of curvature — horizontal and vertical curvature — and the layout of the roadway configuration. Those are the design aspects that we are ensured we retained in the redesign.

Mr. Elhard: — Would that design take into consideration a normal speed of 100 kilometres an hour or 110 for a car, a similar speed for a large truck?

Mr. Blomme: — Yes, the design speed for that type of road, as with the whole corridor, would be based on 110 designed speed. Those become much more challenging going through Frenchman valley relative to the plains to the north or the south. But that design parameter through the Frenchman would've been the same design criteria that was governing the design.

Mr. Elhard: — There was some concern by locals with the placement of the bridge. There is a bit of an angle on the new bridge structure there that appeared to accommodate the original design. Is that an appropriate position for the bridge now that the road is being redesigned?

Mr. Blomme: — Yes, with the redesign, as you look on the redesign, two of the controlling factors, one would be the bridge location and maximization of salvage of the existing roadway. My understanding is that the realignment does not affect down at the bridge location. So the connection of the new location to the bridge is not a element that was controlling, so the bridge does tie in with all the design criteria for the realigned road.

One of the more challenging, and what we were able to maintain, is the vertical grades. As you did the relocation and you have to modify the grade lines, it was not so much in my view a challenge of horizontal location, but to ensure that we maintain the vertical grades consistent with the original design. And it's those vertical grades that have major impact on the trucking fleet.

Mr. Elhard: — One of the local expressions of concern is when you drive across the old bridge and look to the new bridge, if you're just eyeballing it, it looks like the surface of the new bridge is considerably lower than the existing bridge. Is that in fact an intended part of the design? Or is that . . .

Mr. Blomme: — No. That's my understanding. I had the opportunity to visit with my mother the other day and she's the interest in the Southwest. Drove down and looked at it and she said, Terry, the bridge looks a little narrow. And at a different elevation I assured her that the bridge is designed in keeping with good hydraulics for the Frenchman River and that the width of the bridge is in keeping with that standard of roadway.

Mr. Elhard: — I'm glad you mentioned the width because there was so much interest in that subject at the coffee shop a couple of days ago, one of my constituents actually drove over there with a measuring tape and checked it out. And they verified that the width is appropriate.

One of the questions I would like to ask is: I understand from previous conversations that the department is designing that road to eventually be a primary weight route. I think the construction that's taken place at this point accommodates a primary weight. Will the bridge in fact accommodate a primary weight?

Mr. Blomme: — That's my understanding. The bridge is designed in keeping with design criteria for primary weight. The roadway issue, as we've discussed on other topics, is a matter of consumption. But the roadway would accommodate if that was the direction of public policy — primary weights. It's a factor of consumption. And the bridge, if the road was to go to primary weights, would accommodate primary weights across the bridge for the design vehicles.

Mr. Elhard: — One of the comments that you made, Mr. Blomme, in our earlier conversation, begs me to ask the question. You said that at one point it was the desire of the department to use as much of the existing road as possible to try to save costs, I'm sure, because there's, you know, roadbed and material in place and so forth. You're losing a lot of that I believe now with the reconstruction. Would it have been possible . . . I said reconstruction; I guess I meant redesign.

Would it have been possible to possibly make better use of the existing roadbed if there had been an effort by the department to undertake a pretty thorough technical assessment of the available technologies that might have allowed for the greater use of the existing roadbed?

I guess what I'm referring to is we're aware of the new technologies that are available, both privately and in other jurisdictions around the world, that are looking at making better use of materials in situ, on site — existing roadbed materials. And could this project not have been done maybe less expensively or maybe in a more timely fashion if we had used some of those new technologies in the very early stages of this road construction project?

Mr. Brooks: — Could we get a little more clarification on the type of technology you're referencing. Is it construction technology or testing technology?

Mr. Elhard: — Construction technology.

Mr. Wright: — As we go through the design process, and one of those areas that we are able to bring new technology and where we're seeing application throughout the province is the PSI (Pavement Scientific International) technology, cement kiln dust technology.

Those type of applications are often reviewed and come to the forefront in the design process. As we step through the design process and look at the upcoming tender for the Frenchman valley and in that vicinity, we do anticipate that we will be applying that technology. And that's bearing out in the economics when you determine ultimately where your aggregate sources are, the costs of securing and bringing those aggregate sources to bear, and what the alternate technologies may be.

That has led us to the finding that we believe to the north of the

Frenchman valley we can apply PSI technology and provide a more economical alternative. As we build through the valley, we are able to encounter locations of granular material that allow the subgrade and part of the surfacing structure to be built at the same time. In that case a more conventional surfacing structure proves out to be the more economical alternative.

So we do endeavour to look at these opportunities, these applications of new technology, and I anticipate that in the surfacing contract we will see a utilization of both, the conventional and the new.

Mr. Elhard: — In my experience early on as Highways critic, I tried to familiarize myself with the varieties of new technologies in both highway construction, road construction, the reuse of existing materials in new materials for paving, and so forth. And if I recall correct, it was estimated that if using, for instance, PSI technology which we're both more familiar with probably than some of the others, road construction costs could have been estimated at about \$150,000 a kilometre. How would that cost compare with what it's ultimately going to cost the department to construct that 7-kilometre stretch through the valley?

Mr. Brooks: — One of the aspects of using new technology and the aspects of our agreement with PSI is that it is still a research partnership and that we are trying to actually identify those particular circumstances when a technology can have a beneficial outcome in terms of the road product itself and also contribute in terms of providing a lower cost alternative to a conventional treatment.

And some of it does have to do with whether or not there are very convenient aggregate sources nearby. It has to do with the type of soil, the length of haul of the product that would have to be brought in for the research project. And we are trying to maximize our learning through this to find those areas where the greatest benefits might come about.

But it is the case that not all instances are we actually going forward with the research type of product at this time. And some of it does have to do with the just the relative costs and risk in certain different types of terrain.

Mr. Elhard: — But if I understand correctly, there is going to be some implementation or some use of that technology on this project. So could you be specific as to where? Maybe I didn't understand clearly the indication from Mr. Blomme earlier.

Mr. Brooks: — What we had indicated was that the principal candidate for the new technology now is on the plains to the north of the valley itself and not through the valley.

Mr. Elhard: — You do not believe there is any application of that technology appropriate to the valley ... in-valley construction project?

Mr. Schmidt: — The design and the materials that were found in the construction of the subgrades to the desirable layouts, we were fortunate enough to find granular materials that enabled the placement of that granular material right within the normal subgrade. What that allows is very economical surfacing structure then to be placed.

So given the availability of the materials as they fell within the valley, the more economical design turned out to be the granular structure.

Mr. Elhard: — Are you still — as our question a couple of months ago at which time you were reasonably optimistic that you could proceed with the balance of that project and maybe get it constructed and paved by the end of 2004 — is that ... given the weather that we've had this year, given the obstacles to timely completion of that project, are you still relatively confident that can be accomplished?

Mr. Blomme: — One never wants to ...

The Chair: — Order, order, order. Order, order. Order. Could we please have each one of you identify yourselves as you answer the questions. Thank you.

Mr. Blomme: — Terry Blomme, regional executive director, southern region.

The Chair: — Thank you.

Mr. Blomme: — The last few weeks and the amount of rainfall that we've had in the Southwest shows you the unexpected impact that weather can have. But having said that, our discussion and the progress that we're making with the contractor on the earthwork side supports going forward with the surfacing contract. We will need a full summer season to complete that construction. It's not abnormal to be able to be doing construction well late into October, even into early December in the Southwest.

Last year with the blizzards on October 28 and the curtailment of construction, that could have an effect on our ability to complete it. But at this time it remains our plan to let the tender and proceed in a timely fashion with the surfacing.

Mr. Elhard: — Thank you, Mr. Blomme. I think that's pretty much exhausted my questions on that particular project because it is of such widespread interest in the area that I wanted to get these answers on the record. I think the misinformation and concerns maybe that are still circulating in the area deserve this particular time given to the subject.

I'd like to move into the area of short-line rails. And I have a particular interest in this subject as well. As the minister will know, I have one of Saskatchewan's most successful short-line rail operations running through my constituency, and actually starts over in the Wood River constituency and runs quite a length. And it's a unique situation as far as I know in that it has been privately owned for the last several years. It was a track that was deemed redundant by CP (Canadian Pacific) Rail and a group bought it out of British Columbia and operated it as a successful short-line rail. And it's met some very difficult challenges.

But because of the interest in the local people to have an operating short-line rail to move literally thousands of cars of grain out of that region, the interest is in making sure that the rail is operated as a working railway, and that any effort by the existing ownership to maybe salvage the tracks, tear up the tracks for high-priced steel salvage, not become a reality.

And so as a result we've had a local group of farmers and interested individuals in the area work very diligently to buy the short-line rail from the existing British Columbia ownership. That group is known as 101SL and I can't give you the specifics as to the reason for that particular number. But that's the company number that is made up of the proponents for this purchase. Now as the minister will recall, he and I and several members of the Department of Highways and Transportation met in his office. I don't remember the exact date. It was late March or maybe early April.

And we talked about some of the obstacles that that particular group of farmers, primarily, and some local businessmen, some of the obstacles they were encountering in seeing the purchase through to completion. And I left that meeting, and I'm sure the minister left that meeting, with a fairly optimistic feeling about how things were unfolding and what direction might transpire. And I'm just wondering if the minister could bring us up to date on his views of where we're at in that particular effort right now. Because I'm not hearing anything too positive about how things are moving forward and I'd like to know what the minister's view is on that particular situation.

Hon. Mr. Sonntag: — The meeting date was actually late March. If you'll remember, the deadline was for the end of March so we actually met in late March. Well what's my view on it is . . . I'll have, first of all have the department give you a specific update. But I mean obviously we as a government are very supportive of the short-lines. That's why we have some of the programs in place that we do. It clearly, we believe, facilitates the removal of a lot of heavy traffic off of some of the roads that you've identified in the region down there. And to someone who's believed in the railway system all my life, it just makes eminent sense that where we can support the transportation of goods and services on the rail, we should attempt to do that whenever we can.

With respect to specifics on the most recent update, I'll get the deputy minister to update you on that.

Mr. Brooks: — Deputy Minister Harvey Brooks. Our department has been working with the local investor group, 101052644 Sask Ltd. and has been working with as well a management consultant that they have commissioned. And we actually have, through the funding arrangement, provided some funding for the business plan development.

And actually with the short-line rail program management committee, which consists of people from the Department of Highways and Transportation, from the Saskatchewan Association of Rural Municipalities, and the Saskatchewan Urban Municipalities Association, have been working with them to look at financing through the short-line loan or the railway line loan program, and have been going through due diligence process. And in fact they were meeting with the group today.

And our understanding is that things seem to still be on track and that while there is some detail that has to be determined, that everybody still remains optimistic that all things are moving ahead.

Mr. Elhard: — Thank you, Mr. Brooks. Mr. Minister, we were

pretty optimistic that this was going to move ahead quite a bit quicker at our meeting of late March. I think you and I certainly felt that most everything was in place. We had a business plan that had been completed by April 22. It had been in various stages of development up until that point. There didn't ever seem to be any problems with the business plan.

What is the delay? Because, as you are no doubt aware, there is an agreement in place between the buyers and the sellers of this railway that is going to cost the local farm group and their business allies a penalty for every delay that is encumbering this process past 30 days, past 60 days, past 90 days.

And I mean, we've got an interest. We've got . . . as a province we've got a real interest in seeing this project go forward quickly. It could take anywhere from 2,500 to 8,500 rail cars of product off the highways. It will salvage the future — or secure, I should say — the future of the ethanol project in the Shaunavon area, if it goes ahead. There's all types of economic development opportunities that are hinging on this particular project, and yet nothing's happening.

To be honest with you, Mr. Minister, I was very startled. I learned of the meeting today between two department officials and the president of this private company. And the demand was that the president of the company come to Swift Current to meet with these two departmental officials by himself. He was asked not to bring anybody else with him. And I think that is completely unusual, to say the least. What is the obstacle to the success of this . . . or the consummation of this proposal?

Mr. Brooks: — Certainly at the meeting today I wouldn't say that that was any demand that the department put on the contact for the investor group, but that they wanted some time together with him. There certainly isn't from our perspective any delay in moving this forward. There is a tremendous amount of detail and due diligence that has to be conducted and the department is proceeding with that as quickly as possible. And we've put quite a bit of resources into making sure that there's no holdup on our side and that everything proceeds; that all the information that's necessary and that all parties want to have available is presented in a clear and complete fashion. And that our understanding is that people are appreciative of that and continue to see it as very optimistic.

Mr. Elhard: — Mr. Brooks, if you don't mind me saying so, many of the people that are principals of this company are my constituents, and, more than that, they're my friends. And that's not the message I'm getting from them. They are saying to me that the department has basically been obstructionist in this process.

I've got a copy of the 10 questions the department asked the president of the company to answer today. And if you don't mind me saying so, these questions are well beyond the need to secure due diligence on behalf of the department. There's questions here that are completely out of line. Questions like, why would anyone want to invest in this railway, I don't think is really a question suitable to the Department of Highways and Transportation.

And I guess I'm really troubled by these kinds of questions because it seems to me that given the urgency . . . At the time of

my meeting with the minister, at the time of the meeting in his office with several departmental officials, it seemed pretty clear that this proponent group had met most of the requirements to secure funding from a fund that's been established for just this purpose — to make sure short-line railways can see a realistic opportunity and pursue it and survive. We know that this project is of benefit, direct economic benefit to the province. We know that, by the department's own figures, there is a potential of savings to highway repairs of \$5.7 million a year. What is the holdup?

Mr. Brooks: — The meeting today and the questions you reference, while I don't want to get into any detail because of the commercial propriety of them, I will say that the department, because we don't have specific business and particularly business investment and small-business management expertise resident within the department, we undertook on behalf of the process to have an expert in that review the business plan and raise those areas that could be more complete, and such that it would be acceptable to all sorts of business investors.

And I think the types of questions you see there are simply referencing those areas that should be more evident or more highlighted throughout the document. And that was provided as a service to the group and as a necessary component to the due diligence. And understand that we did not put the list together; it was simply provided as advice to us by an investment counsellor, investment expert.

Mr. Elhard: — Well to their credit, the people involved in the purchase of this particular railway or the attempted purchase of this short-line railway have shared with me a copy of their responses. And they've obliged the department by providing responses and I think that's to their credit. If I was in their shoes, to be honest, I don't think that I would have subjected myself to this kind of questioning or scrutiny.

The reality is that the department has to have a clearly delineated and defined process for these types of applications, and if the proponents of this project or any other project like it have met the requirements of that process, then they ought to know that they can move from step A to step B clearly. But there doesn't seem to be that kind of delineated process. It's answer these questions now, and when you've done that we'll see if there's other questions we might want to ask you, and once you've done that we'll see what else we can encumber you with.

This is a commercial transaction. There are obligations, contractual obligations. The people of that area have generated \$550,000 of their own money. They raised it virtually overnight when they were under pressure to do so. They have met, as I understand, the criteria for the government's funding program that will put up a certain amount of money to help expedite the purchase, and yet they can't move this process forward.

And I think that not only is the delay at the department level inappropriate in terms of the questions they are asking; it's costly to the people involved in this process. Somebody's got to pay some opportunity costs, somebody's got to pay for lost time and interest, and that's not coming out of the department's pocket. It's coming right out of the pockets of the people who

are involved in backing this particular proposal.

And I guess one of the things I have found frustrating is that the committee that is supposed to meet and deal with the issue of whether or not this group categorically has met the requirements for funding, is made up of representatives of SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) and two other officials from the Department of Highways and Transportation, and there doesn't seem to be any political motivation or any political pressure coming to bear to just move this process forward.

Is there no accountability in the department on how this particular application is being handled?

Hon. Mr. Sonntag: — Well I think, I think while it is . . . I appreciate your frustration. I think the answer really is due diligence. You know, if there is failure in this investment then there is criticism, legitimate criticism by the taxpayers about whether or not all of the appropriate questions were asked.

And as the deputy has indicated, we don't have that expertise within the department and that was contracted the . . . a business consultant, as I understand it, was contracted to ask those types of questions where that expertise does not exist within the department.

Some of the questions that have been asked are some of the ones that you, I guess, identify as being inappropriate questions. And I'm not versed well enough to know whether those questions are appropriate or not. I think the person that's been hired though is probably expert in his field.

Having said that, I think this is all about due diligence. And nobody wants to overlook any questions, and make sure that we have all of the answers on behalf of the taxpayers of the province.

Having said that, I will say on the record here again, that this government and this department are absolutely committed to this. I mean we stretch our resources every year to try to maintain the highway infrastructure and there's nothing that we would want more than to keep this heavy traffic off of the roads so we can build the roads as are needed. So this is all about due diligence.

Mr. Elhard: — Mr. Minister, I don't think anybody would object to due diligence. What they do object to is moving goalposts. And if the due diligence is necessary, I think people will understand that.

But I think the process has to include very clearly a defined set of questions and issues that need to be clear enough and direct enough that they could be answered, and if they weren't answered, they could be identified as missing information. But that's not what we get here.

We get a continually moving set of goalposts. You bring the proponents to this point and when they've met that then the goalposts are moved, and we've got more issues and more questions and then again the goalposts are moved.

I've got in front of me the offering memorandum for this particular company. I mean they, they're going to go public with an effort to raise monies over and above the down payment. In order for them to do this, they have certain requirements that have to be met by the Securities Commission. If anybody should be concerned about the viability of this operation, I would think it would be the securities people. And this company is hoping to start raising this money within days.

They were thinking, given the criteria they were presented with, that they would have an answer as to where they were with the department and with their application for the \$1.7 million no later than the middle of April. And here we are in the middle of June, and this is going nowhere.

I think if, you know, I think they have reason to doubt whether or not there is the will on the department's part, or on the government's part, to see this project move forward. They've waited 60 additional days. They're going to be paying penalties very soon because of the delays. And I think the questions that they're posing now are not just to the government. They're wondering whether this is worth it. And I hope they don't give up, because it's an absolutely essential piece of the puzzle to our economic success in the Southwest, and to the benefit of the province again.

But if this is the way we are going to do business in Saskatchewan, we're going to see fewer and fewer people take up the challenge. And given what these guys have gone through, I can't see too many other short-line operators coming in here wanting to undergo this kind of — not just scrutiny; that's fair enough — but this kind of gamesmanship.

Hon. Mr. Sonntag: — Well I don't . . . I think it's fair to say that within the department they wouldn't characterize it that way. They have spent considerable time with the individuals in the area, both the individual investors and the proposed operator of that short-line as well. The department has, I am advised, worked as best they can within the time frames that are being presented to them. We have many resources in the department focused specifically on this project.

Again while I can appreciate the frustrations, this is . . . I'm advised there's nothing unusual in terms of the amount of time spent in doing all of the proper due diligence. And again, I say for the record that the government and the department are absolutely committed to this because we all think that this is of significant benefit to not just that region, but to the province.

Mr. Elhard: — Thank you, Mr. Minister. I would ask that you, as the political officer overseeing the activities of the department, that you would determine for these proponents, this particular group, for other individuals who may want to pursue these kinds of opportunities to the benefit of the province, that there be a much more clearly defined process, a very specific process associated with this type of endeavour — and that you, Mr. Minister, commit to moving your officials to expedite this transaction and similar transactions in the future. Because this kind of uncertainty undermines business confidence in this province, and Lord knows we can't afford to do that.

And I appreciate your candour tonight and thank you for the opportunity to raise this issue.

The Chair: — Mr. Trew.

Mr. Trew: — Thank you, Mr. Chairman, Minister, and officials. I want to start by thanking you for getting the information that I asked for the last time we were here around women in non-traditional roles, women in management, people with disabilities. I found that useful. I'm not asking a question on it.

I just want to make this comment. That's useful information that you put together. I'm encouraged by it and of course I'm urging that the number of women in non-traditional jobs — women in management in particular — escalate, and people with disabilities, as well as the . . . there was an Aboriginal component. But I'd like to see it become representative, closer to representative. Some of the numbers are getting there but others are not. Or maybe I used bad terminology when I say others are not getting there. They're probably advancing or getting closer to there but there's a long way to go, is my comment. But thank you for that information.

What I wanted to ask about today was winter maintenance of roads. And I'm curious: how do you determine when to sand, when to salt, when to plow? Is there a criteria or is it the local people that decide that?

Mr. Blomme: — For winter snow and ice, the department would have service standards on providing levels of service of different functions or classes of roadway. It's largely reflective of the traffic volumes on it.

As the section crews make the call, it's very weather dependent and the nature of the weather, so they have to take into account the type of precipitations occurring, the temperature, the type of materials that could come to bear on it. In some cases, you will commence treatments immediately; in other cases you will reflect on the velocities of the wind, the amount of snow drifting, and the results of what those treatments would do.

Sometime what can be perceived as a delay in action is actually trying to prevent the increase or buildup of icing, and so you're looking at the safety of the public both in the short term, but also returning the highway to a safe long-term operating condition.

Mr. Trew: — So there is some local consideration, the people on the ground paying attention to what the weather is doing or what it's expected to do and what they see it doing?

Mr. Blomme: — Yes, and that's essential to have the most effective treatment: what's the environmental conditions that are occurring and what is the best application of the agents at your disposal to deal with those conditions? So there is clearly a science in it, but there is the judgment of when to bring that science to bear.

Mr. Trew: — Okay. And I can appreciate, or at least in my mind what I'm picturing is situations like we had on No. 1 East this past winter where there is some question whether there was salting done too early or too late. But I mean we've had a few times I think where the highway was closed temporarily. I'm not commenting whether that was a result of actions taken or not taken. I think it was just really unfortunate weather at that

particular stage.

What you say makes sense there to me. I have . . . I'm trying to apply that on a tertiary highway. What's sort of the standard there? When do you get to that? And I guess what I'm asking is, in a storm, do you have a criteria for when the highway would be safely passable?

Mr. Blomme: — Yes. The department, within its maintenance practice and procedures manual, has outlined the various classes of roadway and what the target service levels are for those. And with any other road authority, be it the city or a rural municipality or the Department of Highways, as you bring your resources to bear, you bring those in relationship to the priority of that road.

So if I could just give a broad example. If we were dealing with Highway 1, that is one of our higher priority roads and we would clearly bring resources to bear on it first. If we were dealing with a access road off of Highway 1, it is likely in all . . . and you would have to look at it, but a lower priority. So as you finished your higher priority roads then you will move the men and equipment to the lower priority roads — the same way in which an urban municipality may start with Albert Street and eventually move to our residential streets in a priority basis.

Mr. Trew: — Do you set a time target for when a highway might be . . . how long it might be closed until it, you know, was plowed and opened in a blizzard situation?

Mr. Blomme: — Yes. I don't have those with me, but they will vary in the 24 hours to make sure roadways are open within 24 hours. Major arterial roadways may be as low as four hours. And that's under severe weather conditions where we can get blockage, and you will experience that in our rural environment.

Mr. Trew: — Thank you. So a tertiary highway would be within 24 hours, from what I'm hearing you saying, and four hours for a major artery would be the relatively fixed target?

Mr. Blomme: — Yes. If we get down to the lower volume tertiary highways, the standard may be as high as 48 hours to remove snow and ice on all elements of that roadway.

Mr. Trew: — Okay, thank you. I actually mentioned earlier that, well I think it was No. 1 Highway was closed for a while, and I know that it wouldn't be the only highway last winter closed. Who closes the highway? Is it the RCMP (Royal Canadian Mounted Police) or is it Department of Highways or what's . . . how is that call made?

Mr. Blomme: — Yes, the actual closure of the highways is done by the Department of Highways management staff. We are in ongoing consultation with the RCMP with that issue. We have a 24-hour contact point as well as information exchange with the RCMP authorities. The decision is one of joint discussions between the emergency response people and the department. The legislative authority for closure of the highway rests with the Department of Highways.

Mr. Trew: — So you would need a recommendation, a discussion, but likely you have an RCMP on the scene sort of thing, saying yes, you really should be doing this?

Mr. Blomme: — That is one scenario. Highways can be closed in discussions and at the request of the RCMP. Other times it meets the criteria and it's a matter of a call by department staff that the elements of visibility, snow and ice buildup or blockage make it prudent to close the highway; and the call would be made by the department. Other times it may be in consultation with RCMP and in reflection of traffic safety that's occurring out in the environment.

Mr. Trew: — Thank you. I want to move to repairs on winter roads. You must have situations where the pavement breaks down so badly in a pocket that it needs to be, you know . . . I'll describe it as a major pothole needs to be dealt with out of season, so to speak. That is, not in the summer repair season but rather in the winter season. What criteria is used to decide when to do out-of-season or winter maintenance, like I described?

Mr. Blomme: — It is not the norm for extensive surface failures to occur in the winter and, as you can appreciate, the challenges if they do occur are quite considerable to get the appropriate equipment and material out there to respond.

It's not an ongoing problem that we would have surface failures. That's one of the benefits of our cold winter. As the roadways freeze, they have the capacity to take the loads in the frozen state. So it's not the norm to be having to respond for surface repairs in the winter.

And at the same time, as you can appreciate, the asphalt plants and those type of facilities are closed down so it would take a securing of some of the resources that we would have stockpiled for normal maintenance and going through an operation to bring them to bear in that winter climate. But it is for the most part thankfully an unusual circumstance.

Mr. Trew: — Thank you. This next area is not so much winter as I want to deal a bit with general . . . major repairs, I'll describe it, to highways, or construction or reconstruction. How is that determined? What gets patched, what gets a major renovation, and what gets completely new construction or reconstruction? How do you determine . . . Do you have a criteria for that?

Mr. Blomme: — You need to look at it in terms of the preservation treatment. Each fall the department will undertake condition rating on the road network. We will gather information on the criteria that bears to its performance and its condition state. The department has a modern asset management system to model the deterioration and the current condition state and, from that, make investments decision that minimize the investments we need to achieve the level of service targets that we're trying to achieve.

At the same time, that type of initiative will drive the major preservation treatments, the resurfacing, the major seals, and those type of operations. Then working with our maintenance staff we will develop the annual plan for the routine maintenance on the roadway, which was reflective of the condition and the traffic that would come to bear to it.

Mr. Trew: — Thank you. So if I understood your answer, longer term economic maintenance of a road has a huge role . . . I don't know if . . . I don't want to put words in your mouth.

Where does traffic load come in? That must come to play, you know, if you've got a highway with 1,000 vehicles a day, and another highway with half of that or a quarter of that. Does that come into play? Or is it straight up — you do an assessment of all of the pavement and figure out how to extend that pavement life as long as possible?

Mr. Blomme: — The original pavement and the design and the construction of those have taken into account the traffic loadings and the overall traffic that's on that. So the design of both the initial pavement at time of the first construction and the resurfacing will take in those traffic loadings that come to bear on it. The time of the resurfacing or the major preservation treatment on those individual pavements is more reflective then of the condition state as that pavement deteriorates through its life cycle. And the appropriate application of treatments at the right time can ensure an economic extension of a life cycle of that pavement. So prudent applications of those preservation treatments can ensure we're getting a low cost and a long life cycle.

Mr. Trew: — Yes, and I realize I have been using the term pavement and I know that there's all sorts of grades of pavement, and never mind the TMS roads. And I think in your answer, if I heard you right, you're reflecting that a preservation treatment on a TMS road would be lower cost than a preservation treatment on No. 1 or No. 11 or No. 6, you know, or No. 9, you know, a highway that's certainly great pavement standard. Am I reading that part of your answer right?

Mr. Blomme: — Yes. As we've discussed before, as you make the investments in the pavement, although your day-to-day maintenance costs are significantly lower than say on a TMS, when you look at in terms of the life cycle over that pavement and the reinvestment that you're going to need over the 15, 30 years of that pavement, you will find that your annualized cost is significantly higher on your pavement. So as you do the investment to meet the economic and the social needs of the province, with that goes the need for a higher, longer term investment to sustain that capital structure that you have put in place.

Mr. Trew: — Okay, thank you. That's helps me understand why the TMS roads, you know, continue to exist, why we don't just replace them with pavement. I mean if pavement is just . . . I mean it's more money and you've only got so much money to do.

That, Mr. Chairman, concludes my questions for now. I may come back a little later in the evening but thank you for the answers.

The Acting Chair (Mr. Borgerson): — Thank you. Ms. Harpauer.

Ms. Harpauer: — Thank you, Mr. Chair. I want to thank the officials for answers that they gave to me tonight to questions that I asked on June 3. But the one answer led me to want to ask a couple of supplementary questions. That is the answer that the RM (rural municipality) of Blucher and the RM of Corman Park and the village of Clavet have received the consultant's report on the twinning of Highway 16 through their community.

The question that I have is, is that report suggesting a route along the existing corridor which travels through the village, or is it a suggestion of a route going north of the village of Clavet?

Mr. Brooks: — Unfortunately Terry Schmidt, who's our assistant deputy minister of operations and who was formerly our regional executive director of the central region, who was very familiar with the Clavet planning study, is out at Balcarres tonight at an ATPC meeting. So we haven't got the specifics with us at hand to comment on that, but we will provide those to you in writing.

Ms. Harpauer: — Okay. Would it be possible that that answer could be provided to the minister to give to me in the House tomorrow?

Mr. Brooks: — Yes, I believe so.

Ms. Harpauer: — Thank you.

The Chair: — Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Good evening to the minister and his officials. I have a number of questions, but from what I . . . the response I heard to the last question, perhaps the individual that I'm looking for is at a meeting in Balcarres where perhaps I should be also. But we'll explore that and see how we make out on some of these questions.

I've got some questions around three, I guess three or four of my . . . three highways in my constituency. And we'll start with the easy one first and move on to the more difficult situation last.

I've been contacted by a number of residents who live along Highway 99. And for your information, Highway 99 is a pretty short highway. I believe that it goes from No. 6 Highway over to Craven. It's a gravel . . . most of it is gravel. It's on the north side of the Qu'Appelle. It's in the Qu'Appelle Valley on the north side of the Qu'Appelle River, and it connects on 6 to Craven and No. 20.

And there are an increasing number of people living along that stretch of gravel highway that are acreage owners, and their concern is dust. It certainly it hasn't been their concern in the last few weeks here. But over the last number of, couple of years at least, traffic volumes I'm assuming have increased there, and it certainly is impacting on their quality of life. And in fact people who have pasture land — and a lot of it is pasture land along that highway — are telling me, the ranchers and farmers are saying that the amount of dust that's created on a dry summer and dry summer days is, it's got to the point where even the cattle won't utilize the grass.

And they were wondering if there's some economical method or that . . . you know they're not asking for pavement. What they are asking for is dust suppression. Is there anything that the department has in its bag of tricks that they could apply to that section of highway that would improve the quality of life for those people along that section of gravel highway?

Mr. Blomme: — As the member notes, Highway 99 is a gravel road, one of the few gravel highways that we have in this area

around the Regina. But as is the case with many of our rural highways, be they grids or primary grids, it is a reality of the dust that the member speaks, associated with that road.

It proves to be a very economical, sustainable road in terms of their overall provincial network in meeting the traffic demands, the agriculture demands, but does cause the dust problems. Our focus within our maintenance program is on the surface, the blading of it and the re-gravelling of it, and we do not have a specific program or initiative to do dust control on that roadway.

But having said that, there are substances out there — lignosulphate being one — for dust treatment, and we have in the other areas of the province, where acreages or farm sites wish to apply that on the roadway, to work with them and give them the permission to apply it and deal with the dust problems that may occur within front of their acreages. But overall we operate and maintain that roadway as a gravel roadway.

Mr. Hart: — So if individual property owners wanted to participate in a dust suppression method, what would be the mechanism for getting that sort of process in action? Would they contact area department personnel? Would they contact the deputy minister's office or the minister's office? What would be an appropriate way of initiating action in that area?

Mr. Blomme: — The residents could follow up with area manager for the Regina area, and he will step through with them the process on which they could bring to bear their initiative to do dust treatment at their acreages. He would provide them with the necessary steps, so it's done in a safe and prudent manner with respect to traffic, safety and traffic operations. But we are more than willing to work through with the local residents on that initiative if they should so elect to do.

Mr. Hart: — So from your comments I'm interpreting that it would be the residents themselves that would be applying this treatment to the highway, or would Department of Highways apply it, and then would it then be costed back to the residents? What are some of the details of that?

Mr. Blomme: — There's a number of different options that could be pursued. It's dependent somewhat on the length, and there are contractors that will do this type of dust treatment throughout the province. That's one option. Some areas of the province, individual farmers have the mechanisms and the tools and they elect to do it. Others, we can look at it. I can't say at this point if we have the capacity, but we could look at doing it perhaps on a custom work basis for the residents. The key is, is that they elect for this increased level of service and recognize that it would be at their cost.

Mr. Hart: — And you mention the area manager. Is that Mr. Miller. That would be the individual that they should be in touch with.

Mr. Blomme: — Yes, in this case, that is the individual.

Mr. Hart: — Thank you very much. Well I'll certainly pass that information on to those individuals who have raised the issue, and we'll leave it in their hands then.

I have some comments frankly that are probably a bit of a follow up to some of the questions that Mr. Trew raised around the sanding and salting of our secondary and tertiary highways. And particularly there was . . . I was contacted by constituents along Highway 22 in the Abernethy, Lemberg, Neudorf area, and it probably was the same . . . as a result of some of the same conditions that Mr. Trew identified with the rain and ice storms that we had earlier this winter.

There was a period of time, in fact I'm not sure if it ever got done, or perhaps it was maybe as a result of some . . . after some consultation was done between my office and area personnel or whatever. But there was a period of time where there wasn't any salting or sanding done, and I heard the explanation that it could take up to 48 hours.

I believe it was at least that long if not longer, and then constituents called my office. And we contacted the department's area personnel and were told that part of the reason that no salting or sanding took place is because their stockpile, they felt their stockpile was not sufficient to last them through the winter months, and they weren't able to sand and salt the highway at that particular time.

I found that a bit concerning that we were allowing some pretty unsafe conditions to exist because we didn't have the stockpile in place. I wonder if someone could comment on that? What are the guidelines that area personnel have as far as stockpiling sand and salt mixtures for their highways that they are responsible for?

Mr. Blomme: — We will have a number of section offices and supplemented by additional sites for salt and sand throughout the province. It would be our normal practice to ensure that the salt and sand mixtures are available. Having said that, as we come near clearly what is the end of a normal winter season, staff will look to start to draw those samples down just because of some of the issues associated with long-term storage over the summer months.

But having said that, it's clearly the balance to ensure that the material is available for the unexpected storms, and the mechanism is in place as the blizzards are coming and as salt usage is used, to restore those facilities. So it would be unusual for a section not to have material available. And the second recourse is as an individual section or a site gets pressure, the contact is made with neighbouring sections who may not be experiencing the same conditions to try to bring the material available.

Safety remains the paramount criteria, and it's not our intent not to be caught without salt for the highways in the spring conditions.

Mr. Hart: — So from your comments, there is the ability for an area, if they are particularly hard hit by a series of ice and rain in the wintertime and they find that they have to draw down their stocks much more quickly than they had anticipated, that there is a capacity for them to get stock from elsewhere and to replenish their stockpile. Is that what I heard?

Mr. Blomme: — In the first initiative is to have — and we do have — the supply contract set up so on short notice that we can

bring resupply of salt to bear. Highway 22 would have demand, but if I look in that area, we would be dealing with higher volumes in a higher-class highway in Highway 10. And so the same mechanisms would apply there.

There is times in the spring, given the type of weather conditions and the changing patterns, that a section crew may elect to do plowing and not the application of sand or salt. But that's an individual decision and should be based on environmental conditions and not on an ability to have access to material.

Mr. Hart: — Thank you. I will now turn my comments to another section of Highway 22, and that's an area between the towns of Cupar and Dysart. That section, there was a section of, well I guess 10 kilometres or something; it was the last section to be redone. And it used . . . the technology of PSI was used on that section.

I'm not sure that . . . there seems to me . . . because I'm very familiar with it — I travel it very frequently — that whole section of highway from Cupar to Lipton, there was three different sections that were done at three different times. One by the department, I believe, the test site, as far as the granular lift and granular pavement. And then there was a section done starting west of Lipton to near Dysart that was done by Warner Construction. And then the last section was done by Morsky Construction that used the rotoator and the deep packing and the binding and all that.

It seems to me that there may on that very . . . and my comments pertain to that last section that was done by Morsky. It seemed to me, and I've heard comments from a number of constituents who travel that highway . . . well it doesn't seem . . . it is a fact that the surface was much rougher on that particular section of highway. And now we're seeing . . . I was just over it again here just on the weekend. We're seeing that that surface on that section of highway is starting to break up much more rapidly than . . . I mean, it's not serious, but you're noticing more deterioration than you do on any other sections that were done.

And I mean I certainly am not an engineer but I, you know, travelled highways and that sort of thing and observed highway methods and so on. And I think that perhaps the surface that was applied to that section of highway, I think we maybe have a problem with it. I know I talked to Mr. Berthelot recently, and his company's going to come down and have a look at that and so on, and probably in conjunction with the department and so on. But I would just like some comments with regards to the comments that I'd made.

Mr. Blomme: — Yes, I believe we have knowledge of the sections and the different contractors. But that's my recollection too. The stuff to the east was done with the conventional granular, some done by the construction crews and private contractor, some done by our department forces. The stuff last contract incorporated the PSI technology. I believe we did look at a number of different design applications in there, including sections where we had minimal or nil base over the PSI seal right on it.

I think my understanding is, for the most part it is performing

adequate. But having said that, as you referenced, we've had one or a number of local failures. And clearly with the interest in this product we're investigating that with both Mr. Berthelot and with our own geotechnical people to see if it is related to the performance or is it a matter of quality or distribution, a change in the parent materials, that caused a different reaction with the design PSI. So my understanding is it's limited, and at the same time we're looking at it with interest to see what the root cause of it is. And at this point there's no final conclusion on that.

Mr. Hart: — I guess, I don't want to leave the impression that I'm doubting the technology because I'm actually, you know, I think it has great potential and so on. I guess perhaps where I may have some concerns is in the size of aggregate used when the seal coats were applied, that maybe it was too large. I mean, because right from the get-go it was a much coarser surface. The quality of ride across that section of highway was certainly a lot less than the other sections.

And I'm not sure when that section was done, whether the specs were changed as far as the size of aggregate or was that left to the contractor? Did the contractor have some discretion?

I'm not sure where the problem lies, but there was a noticeable difference and, you know, I think it's worthwhile investigating. I would certainly like to see the results of an investigation and determination of why we're seeing some failures that we didn't expect.

And my bias would be that perhaps it has to do with the size of aggregate and the type of seal coating that was done. But I have no scientific basis to base that comment on. It's just an observation and a speculation.

Mr. Blomme: — I don't have the knowledge or the information available with me with respect if there was a change on the aggregate side. There would have been the specification and the contractor would have followed that for the seal. I would not anticipate that there was a change in that material size.

Part of the project that we did do was try to apply the seal directly to the surface and deal with the issue of gaining the smoothness and the necessary ride on the finished surface. Now it may have some relationship to that, and that's one of the aspects that we will be looking at.

But I would not expect that the local failures that we are seeing would relate to the seal. It will probably be an issue, just a very local failure issue, and probably more to do with the surfacing or the preparation of that material during construction.

Mr. Hart: — I would appreciate, if the department does some investigation, if they could perhaps provide a brief . . . provide me with a brief, you know, summary of their findings. I certainly have an interest, not just because it happens to be right next door to my home community, but as I indicated, I certainly think that this new technology, that it's something that we need to look at very seriously.

And I think . . . I have faith in it and I'd just like to know, you know, some of the reasons that you may find for some of the localized failures that we're seeing.

I'd like to now turn my . . . we'll stay with Highway 22. There's a number of sections to Highway 22 and it goes through the whole, almost the whole length of my constituency. And the area that I'd like to discuss now is the length, the highway west of Junction 6 to Junction 20. The community of Earl Grey is located along that section of highway.

The economic development association had a meeting with Highways officials last month and there was . . . I guess extensive discussions took place about the future of the highway, particularly west of the Pioneer terminal to Junction 20; I guess, a couple of issues with that section of highway, and I've raised it with department and previous ministers of Highways.

We have the Pioneer terminal located . . . well it's about less than three miles west of Junction 6 and Junction 22. And that particular plant has really no proper access to primary highways. Even that short section, I must say that the department staff did a pretty admirable job of keeping that section of thin membrane highway up over the last couple of years.

But it's a real concern, not only to the people that operate the terminal in the parent company, but also to the people of the area and particularly the customers and the farm people, that at least there be one outlet from the one side of primary weights and that sort of thing.

And so again I guess I'll ask the question I've asked in the last couple of years. Has the department got any plans to upgrade that section, those two and a half miles or whatever it is — you can do the calculations in terms of kilometres — in the near future to provide primary access to that grain handling facility?

Mr. Blomme: — Under the current weight regime within the province, Highway 6 is designated as a primary weight corridor. The Pioneer elevator located within 3 kilometres of Highway 6 gets the benefit of accessing from 6 to their elevator facility at primary weights, other than during the period when vans have to come on. This being a TMS road, we are faced with, as through most in the province, placing a ban on it.

We've had discussions with Pioneer on a couple of occasions. We did present to them, there's benefits from both us in terms of maintaining and operating that roadway, and perhaps there is benefit opportunities from them in terms of business and being able to access 12 months a year at the primary weights and not having the restrictions during the ban period.

To date, there has been no partnership agreement and we are proceeding with maintaining it with our best efforts as a TMS, but still with the requirements to place the ban on during the spring period.

At the same time we recognize that that 3 kilometres forms part of the corridor between Highway 20 and Highway 6, and any solution has to look at all the components and it should not just be done in isolation. But what we do there probably also has to be in concert with what we do from the Pioneer into Earl Grey and from Earl Grey on to Highway 20. So it's more desirable if we do have an overall strategy for the full corridor.

But at the same time there are opportunities with Pioneer to go forward just on that 3 kilometre section if they so wish.

Mr. Hart: — You mentioned the partnership program. And my understanding of the partnership program is that the — in this case it would be Pioneer; it would apply to Pioneer — the loads coming out of the plant, or perhaps maybe it even applies to the loads that Pioneer itself is bringing into the plant in terms of fertilizer or if they should for some reason be transferring grain from one of their elevators to this particular plant.

But how would it apply to their customers, their farm customers that are shipping, you know hauling their grains and oilseeds to that particular plant? How would that partnership program apply to those farm customers?

Mr. Blomme: — We currently are faced with a thin membrane surface roadway and in keeping with the maintenance strategy on this section and other sections through the province, we have to place a ban on that. As with Highway 20 to the east, if we were to jointly upgrade it to a granular structure, then we would seriously look at a partnership arrangement where we would not place the spring bans on that roadway. With the spring bans were not placed, and the reason being because now it's been moved up to a granular pavement that can take the loadings, then they would have access 12 months a year without that restriction.

Mr. Hart: — I understand, you know if it was upgraded to the granular pavement and that sort of thing. I guess my confusion is around the partnership program.

Now are you talking partnership whereby Pioneer would agree to put a certain amount of dollars into the reconstruction? Because what I was thinking of partnership is, you know, some of the agreements that the department has reached with individual shippers who . . . say there's a processing plant in the area that I believe had a partnership agreement for a while which would allow them to ship primary weights out of the plant down Highway 22, east of that junction, and they paid so much per kilometre until that load reached its destination.

So there's a different aspect to this partnership program, is that what I'm hearing?

Mr. Brooks: — The one you're referring to would be trucking partnership program and the other types of partnerships that we have on for truck management would be the strategic rural roads program. And under that program, we would have numerous different types of negotiated arrangements that would all be aimed at getting a sustainable higher level of service for the stakeholders in the area.

Mr. Hart: — So what type of commitment is the department looking for from Pioneer to put a granular pavement in place for that 4 kilometres or whatever that short distance is? Has the department provided that figure, in as far as we want so many thousands of dollars from you folks and we'll build you a highway? Or how does this whole thing work?

Mr. Brooks: — At this point the discussions have been in the concept in that there is an opportunity. There's benefit to both players, to the department as the road authority and Pioneer as

the business entity on it. We both would have some gains. To date the discussions have been only in the concept and we haven't gone into any detailed discussions of the costs or what it would take to move it forward.

But we know that we are currently providing a service. We recognize, and over the longer term, we will have to do some investment on that roadway. What they're looking for here is an accelerated time frame of when that investment could come, and I'm not sure of the extent . . . (inaudible) . . . But it would take a meaningful partnership on their part but something that I think they would also have to look at from a business point of view, given that they're down for that six-week period.

Is it an investment opportunity for them too that also has merit? And we can step through that process to see if it is something that would be favourable to them.

Mr. Hart: — What type of cost is the department looking at to do the granular pavement reconstruction of that 4 kilometres? Just, I mean, certainly, use some average cost figures that you have experienced throughout the province. I mean, you have the history of Highway 22 just to the east of that, and I'm just . . . you know, if you could just . . . approximates of cost figures.

Mr. Blomme: — It's something we can discuss and jointly agree on how we're going to manage the risk, but I would expect it would be somewhere in the neighbourhood of 100 to \$150,000 a kilometre to put a structure on there that would have a reasonable life and take the truckloadings that are associated with it.

We would want to sit down with Pioneer and look in detail at their projections for tonnages coming in there and ensure that we've managed the risk well, but I think there is opportunities to put a surfacing structure on that road without doing expensive regrading.

Mr. Hart: — So I agree. I think, you know, just from driving over that chunk of that highway several . . . numerous times, I think you probably could do that and compare, you know, based on the experience that we've had further east on that highway.

So what you're saying is that between 400 and \$600,000 is the cost of putting in a highway that would serve that facility very well.

I guess that's a policy question that perhaps should be directed to the minister in that when we're looking at a situation where we're . . . it's 3 kilometres or three and a half kilometres or whatever it is, we're looking at between 400,000 and \$600,000. When you look at your total budget, we're not talking of a large percentage of the budget by any means. It's probably a couple of decimal points of the budget or whatever it is. You know, I'm not doing the math here.

But it just seems to me that it's . . . we're not sending a very good signal to businesses that have invested in our province when we're looking at, you know, a small, a small investment that would improve the performance of their facility that they've invested 10 or 12 or \$15 million in.

It just seems like it's a small thing that they're really asking for.

They just want a chunk of highway that they can haul some primary loads on year-round, in at least one direction. It seems to me that this should be something that's pretty simple to say, well, let's; why don't we just do that in this situation.

Hon. Mr. Sonntag: — You'd be amazed how many requests we get for just that small amount of money, and it all adds up obviously.

It does provide for me, though, an opportunity just to . . . I don't know if I've sort of said this in this venue before or not, but since the last time I was minister responsible for Highways and Transportation, there is — and I've noted this several times — some significant difference even though there's . . . and one of them is, obviously, is significantly more money within the department. But the lack of flexibility within the department to do the number of projects like you've just described has changed in this regard.

Even though there's a bit more federal funding now, that funding is all . . . is based on 50/50 cost sharing. So if you want to access that money, you've got to put it into the roads that the federal government designates, which is almost primarily divided, for the divided highways, which is for a very good purpose but that also redirects significant chunks of our budget.

In addition to that, the other areas would be like the prairie grain roads and that as well is by agreement with people mostly from — I shouldn't say mostly — but within the federal government as well. So the lack of flexibility to do lots of these projects, where it used to be the exclusive domain of the province, has changed what the department can do significantly from the last time I was there.

But having said that, I mean it is really all about the money as well, because I mean obviously you could always make the decision to do a small chunk of road. But the number of requests for those small chunks of road is, you can appreciate with the amount of roads that we have in the province, is significant.

Mr. Hart: — Well I guess people that are just out there doing, going about their business and so on, look at some of these situations like the one we've been talking about and they're just saying, well just common sense would say, you know, why don't . . . why doesn't the department just build that short chunk of highway. The grain terminal would then have access to primary highways. It would just make . . . just seems to make a lot of common sense.

Those are the comments that I hear throughout the area. You know, they're not asking for 15 or 20 kilometres of highway and that sort of thing. And people are just wondering, why doesn't the department just look after these short areas, short distance areas — whether it be in the Southey area or elsewhere — and that sort of thing, and just allocate so many dollars per year to look after these common sense situations and that sort of thing.

And I guess one other comment I'd make is part of the reason of the inflexibility is last year when the federal government put in some additional dollars to speed up the twinning, your government, saw fit to withdraw some of its own dollars from

the department, and thereby would certainly address some of the situations as far as the inflexibility. I just, I forget the exact numbers, but there was some new federal dollars went into the twinning program, and we saw at least a portion of those provincial dollars leave the department. So in other words, the budget didn't change from one year to the next even though there was, you know, some significant federal dollars came to the province for twinning. And so therefore the problem of inflexibility — you're right — certainly has grown. And that's what I'm saying . . . is that's part of the reason because there's fewer provincial dollars there.

But we'll leave that section because I don't think we're going to solve that problem tonight, and we'll move on. The hour's getting late, and I think some of us would like to perhaps get home at a reasonable hour. My colleague from Cypress Hills thought that there was six people watching; we may be down to four.

The community of Earl Grey is quite concerned about the future of the rest of that section of Highway 22. And they had a meeting with the Highway personnel, and there was people from neighbouring RMs in the area transportation committee and that sort of thing. And I guess basically what they heard, the bottom line was that it looks like that section of highway's going to be . . . in the Earl Grey area will eventually, as the highway's membrane surface deteriorates, it'll become a gravel highway. Is that what the department's plans are for that section of Highway 22?

Mr. Blomme: — Yes, the Highway 22, although it is a TMS and for the most part it remain a dust free — although there are sections to the west of Earl Grey that we've had to put into a gravel state — it remains our wish to continue to meet the local desires for it to continue as a dust-free road and to explore all the available options that we would have to keep it in a dust-free state.

So the need to operate it in a gravel state will be more reflective of how it performs, the environmental conditions as they come to bear, and the tonnage on it. We've been . . . some of the area, the low crops haven't been what they've been historically. This year now we see more rainfall coming, and maybe with more rainfall, increased tonnage. So both of those things, though very positive from the agricultural community, may bring pressure on the road. How that pressure comes to bear and how the road responds will dictate those sections that we will have to look at operating in a gravel state.

At the same time we look at ensuring that we're exploring with the local municipalities and the town of Earl Grey all options which may be available to retain as much in a dust-free state as we can.

Mr. Hart: — I'd like to just ask a few questions surrounding Highway 310 between Balcarres and Ituna. There is a lot of concern about the future of that highway.

I understand again department staff have been in some preliminary discussions with the RMs and towns along that highway. And I'm told that there are some . . . there's a proposal out that — I'm not sure if it's a formal proposal or an informal proposal — that each of the RMs and towns along

there, namely the three or two RMs . . . or three RMs I guess would be involved there and the towns of Balcarres and Ituna, that they have been asked to contribute some funds towards the upgrading of that highway.

I believe one of the proposals on the table is a 1 mill per year per municipality and town for over a period of five years. Can you perhaps comment on . . . is that where the department is going? Is that another one of these partnership arrangements? Could you perhaps give me an update as to what's happening in regards to 310?

Mr. Blomme: — Yes, with respect to 310 and it being a TMS roadway between Balcarres and Ituna, and we've had a number of discussions with local municipalities on options for preserving that dust-free surface. One of the initial options explored fairly extensively was the opportunity for truck route management.

The municipalities had been successful in securing CAIP (Canada/Saskatchewan Agri-Infrastructure Program), Prairie Grain Roads funding, and had upgraded a number of lengths of the municipal roads which parallel Highway 310 and provide access to the high-throughput terminal out there. So we wanted to fully explore if there was opportunities for truck route management, to move the heavy trucks onto those routes and thereby give us a better chance of maintaining the TMS.

The results of those discussions have been that, as I understand them, the municipalities favour an alternate option where Highway 310 would remain non-weight restricted. And rather than partnering by moving traffic over to the municipal system, they are exploring giving thought to working with us to accelerate the upgrade on Highway 310.

And one of the options they are looking at is, as the member mentioned, they're also looking at working with the First Nations and securing aggregate sources and whatever ways we could make that upgrading more economical. And so we'll continue to try to explore those options with the municipalities. And at the same time look for Prairie Grain Road future programs and see what opportunities may be under there.

We do recognize though that we have a difficult challenge. When there are limited funds and we've invested in parallel roads, it makes it somewhat more difficult to go back and secure funds for nearby parallel roads when other parts of the province are still trying to make the investment in the first . . .

Mr. Hart: — Well I met with all the councils involved over the winter months, and that 310 was certainly one of the topics we discussed. And certainly I agree that the RMs aren't interested in an alternate truck route for a number of reasons.

There is a couple of major terminals in the area, terminal 22 being one of the larger inland terminals that we have in the area. Sask Pool has an inland terminal in the Ituna area, so you've got terminals on either end of that chunk of highway. You've got a number of hog operations, larger hog operations, hog barns in the area that also add traffic to the highway, both trucking feed stocks in and animals out and those sorts of things. There is four First Nations communities that use that highway extensively.

And so I think the people, I know the people of the area feel that there is enough activity and enough economic activity, and they obviously feel a good highway, a good secondary granular pavement highway would certainly . . . is what's needed in the area.

I have just in the last couple of days talked to representatives from the various councils, and the funding proposal is causing some problems just because of the nature of the number of miles that we'll say the RM of Tullymet has within its boundaries compared to the number of miles that the RM of Abernethy have. And I anticipate that there's going to be some problems with that funding proposal. I'm not sure how it's going to work out. I understand there are more meetings being planned to be held with municipal and town officials.

I think the people of the area want to impress upon the department and the minister that they feel that this Highway 310 is critical to their economic well-being of that area and would urge this government to look at that highway very closely and see if some solutions can be found to upgrading that highway within the near future, or within the next . . . Well I guess they would like it as soon as possible. We all know that can't happen overnight. But they're not going to be content to sit back and wait for five, six years to see something happen on that highway.

I guess having said all of that is there . . . what are the plans for consultation with the municipalities and towns? Has there been a schedule set down? I understand there's been some meetings scheduled, but due to the wet spring some of these meetings haven't taken place. When is the next meeting scheduled for?

Mr. Blomme: — I can't speak on the firm date, but the regional staff are in ongoing discussions with the municipalities. And when it's prudent to reconvene a meeting, we will do so and ensure our efforts to attend that when they're ready to reconvene discussions on the matter.

Mr. Hart: — I guess just a couple of quick follow-up questions. If the councils of the area, RM and town councils, can arrive . . . As I'd indicate I understand there are some problems with this idea. But I also understand that most of the councils are still willing to have another look at it. In fact a lot of them haven't had any real formal discussions. Some of them were just personal reactions.

But if they could arrive at some sort of a funding decision, what type of an effect would that have on the planning process as far as moving 310 up in the queue of the department's plans?

Mr. Brooks: — Certainly the level of commitment shown by the RMs would have an impact. And it would certainly allow the department to do more road quicker in terms of bringing it to a sustainable set. Having said that, still there's a limited capacity of the department to partner up on an aggressive basis at this time simply because we have a lot of partnering agreements right now with the federal government and RMs through the strategic rural road program. So it's really a . . . shows the willingness of the RM. We would look seriously at doing it, and we'll do our best to advance it quickly. And with that type of commitment . . . certainly would make us work hard on it. But having said that, there is a limit to these that we can

take on.

Mr. Hart: — Well just perhaps one more question. Are there other areas of the province where this type of arrangement is in place, that RMs and towns help financially to rebuild a chunk of highway? Is there precedents for this type of arrangement that's being contemplated in that Ituna-Balcarres area?

Mr. Blomme: — If we look at another location in the province, Highway 48 in the southeast, and there we see both type of arrangements where a portion of it . . . recognizing that all the roads cannot be built in a very short period and would be an extended period, we've put in place with the municipalities a truck route management where we've removed the heavy trucks off of Highway 48 and placed them on the adjoining municipal system. And that covers a fairly lengthy area between Kipling and Highway 9.

When we looked at Highway 48 from Manitoba border to the junction of 9, the municipalities explored their options for a truck route and were of the opinion that that wasn't the best solution for their area given the local network and given the traffic patterns. And they elected to partner with us by bringing resources, materials in kind, and contract administration on Highway 48. And in doing so they did elect to place a special mill rate and bring those resources to the existing highway.

Mr. Hart: — What type of financial . . . or, you know, in terms of dollars, how many dollars did the municipalities contribute? I guess we'd have to, to make a fair comparison, we'd have to look at the number of miles involved or kilometres involved. I think perhaps information like that would be useful if that type of information was supplied to those councils in that 310 area.

Mr. Blomme: — When the staff meet with the councils, they will provide them the information of similar relationships that we may have in other parts of the province and then enable the municipal administrator or their staff to follow up and have their own discussions where we are partnering elsewhere in the province. So that's clearly something that we're willing and will provide to the municipalities. And then they can also follow up at their own time with others and have a fairly frank discussions on how it's working and what issues are surrounding it.

Mr. Hart: — Thank you. If your department could provide as much information, you know, as soon as possible, I'm sure that would just help expedite a lot of the discussions. I certainly, I mean, we have this whole issue of the need for this type of funding, but we'll debate that with the minister at another date. I don't think tonight's forum is the forum that we should be doing that, and so therefore, Mr. Chair, I have no further questions.

The Chair: — Seeing no further questions, the committee will now consider the estimates for the Department of Highways and Transportation administration (HI01) in the amount of 4,964,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI01) agreed to.

The Chair: — Administration and central services (HI02) in the amount of 8,900,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI02) agreed to.

The Chair: — Operations of transportation systems (HI10) in the amount of 62,351,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI10) agreed to.

The Chair: — Preservation of transportation system (HI04) in the amount of 79,919,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI04) agreed to.

The Chair: — Transportation policy (HI06) in the amount of 1,885,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI06) agreed to.

The Chair: — Custom work activity, which is a statutory vote, zero. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Interdepartmental services (HI12) in the amount of 4,413,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI12) agreed to.

The Chair: — Machinery and equipment (HI13) in the amount of 6,750,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI13) agreed to.

The Chair: — Amortization of capital costs, which is a non-voting, non-cash expense, and is only presented for the information purposes in the amount of 89,953,000. Is that agreed?

Some Hon. Members: — Agreed.

**General Revenue Fund
Highways and Transportation Capital
Vote 17**

The Chair: — And we'll do Highways and Transportation Capital, Vote 17. Infrastructure and rehabilitation (HC01), in the amount of 43,093,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HC01) agreed to.

The Chair: — Infrastructure enhancement (HC02) in the amount of 82,472,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HC02) agreed to.

**General Revenue Fund
Lending and Investing Activities
Highways and Transportation
Vote 145**

The Chair: — Okay. Lending and leasing activities, Highways and Transportation, Vote 145, loan for short-line railroads (HI01) in the amount of 1,050,000. Is that agreed?

Some Hon. Members: — Agreed.

Subvote (HI01) agreed to.

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

The Chair: — Mr. Trew moves:

Be it resolved that there be granted to Her Majesty for the 12 months beginning March 31, 2005 the following sums for Highways and Transportation, 169,182,000.

Is that agreed?

Some Hon. Members: — Agreed.

Vote 16 agreed to.

**General Revenue Fund
Lending and Investing Activities
Highways and Transportation
Vote 145**

The Chair: — And for Highways and Transportation, \$1,050,000. Is that agreed?

Vote 145 agreed to.

**General Revenue Fund
Highways and Transportation
Vote 17**

The Chair: —

Resolved that there be granted Her Majesty for the 12 months ending March 31, 2005, the following sums which to the extent that they remain unexpended for the fiscal year are also granted for the fiscal year ending March 31, 2006, for Highways and Transportation capital, 125,565,000.

Is that agreed?

Some Hon. Members: — Agreed.

Mr. Trew: — I move this committee adjourn.

Vote 17 agreed to.

The Chair: — The committee now stands adjourned.

The Chair: — Okay, committee members, we're distributing the copy of the first report of the Standing Committee of Intergovernmental Affairs and Infrastructure. I need a committee member to move a motion to approve the report.

The committee adjourned at 21:05.

Ms. Draude: — I so move.

The Chair: — Ms. Draude.

Mr. Trew: — Mr. Chairman, are you looking for an opposition member or . . .

The Chair: — A member.

Mr. Trew: — A member. Mr. Chair, I move that the committee pass this report as circulated.

The Chair: — Thank you, Mr. Trew. Ms. Draude was ahead of you though. Thank you very much.

Mr. Trew: — Well, I second it.

The Chair: — Now, Mr. Trew, I would entertain a movement of adjournment.

Hon. Mr. Sonntag: — No, excuse me.

The Chair: — Mr. Minister, yes?

Hon. Mr. Sonntag: — Thank you very much, Mr. Chair. I want to just take the opportunity to thank all the committee members and others for the very good questions they asked. And I especially want to thank the department officials for all of the effort that they've put in here, not just this evening, but through the estimates in the number of times we've been here and all of the work that goes into preparing the answers.

And I want to again say I enjoy being back in the department. It's great to work with so many of the same people and a number of new ones. So thank you very much to the officials.

The Chair: — Thank you, Mr. Minister. Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Mr. Chair, I'd like to concur with the minister in his remarks and thank the officials for all their work. And we certainly kept them, I think, tonight a little longer than we expected to be, but I thank them for their answers. I know the people in the communities that we represent are looking for answers, and the answers that they provided, I'm sure . . . they may not agree, but they at least will be pleased that answers have been provided to questions.

And I too, I was the critic for Highways in the last session, and I certainly enjoyed our time here tonight and thank you for all the work that you do for the people of the province throughout the year. Thank you very much.

The Chair: — Thank you, Mr. Hart. Now, Mr. Trew, I'll entertain a motion of adjournment.

