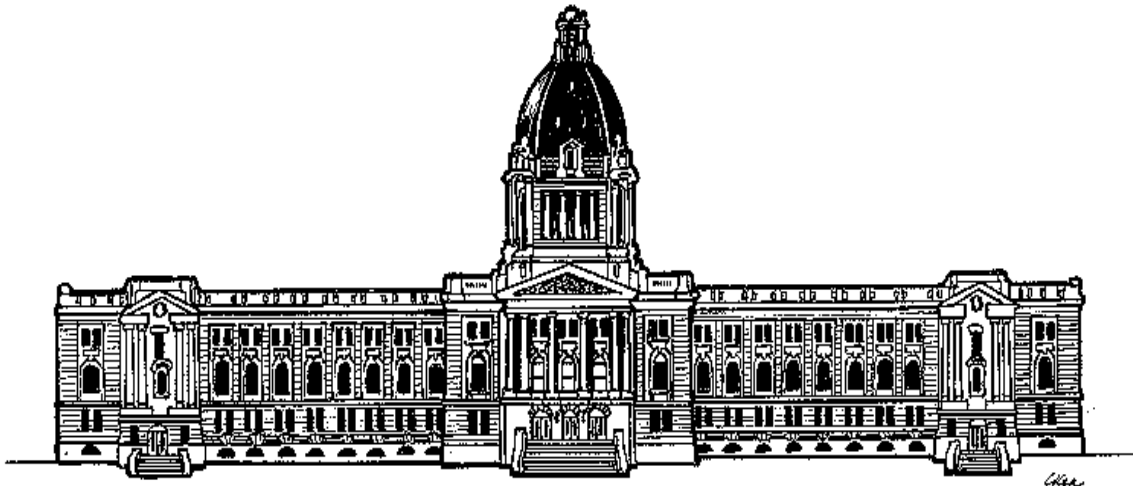




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2005**

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Meadow Lake

Mr. Kim Trew
Regina Coronation Park

[The committee met at 15:00.]

The Chair: — I'll call to order now the Standing Committee on Intergovernmental Affairs and Infrastructure. The business before the committee this afternoon is to receive the reports from the Action Committee on the Rural Economy, ACRE committee. And we'll be receiving the phase II final report. With that I'll recognize the Chair of the committee, Ms. Audrey Horkoff, and ask her to introduce the officials that are with her.

Action Committee on the Rural Economy Presentation

Ms. Horkoff: — Thank you. First of all I'd like to begin with Linda Pipke. Would you please stand, Linda, so that everyone knows who you are. Linda's from Davidson and she's the Vice-Chair of the business development subcommittee and executive director of Saskatchewan Council for Community Development. Everett Bear, past chief of the Muskoday First Nations at Birch Hills; Joan Corneil, director of economic development, City of North Battleford; Gene Kessler, chairman of the Family Farm Foundation of Canada. Les Lindberg, Chair of Canadian Bankers Association here in Regina; Wanda Wolf, Saskatchewan Herb and Spice Association; Red Williams Co-Chair of Crown land subcommittee, president of Saskatchewan Agrivision Corporation, Saskatoon; Neal Hardy, president of SARM [Saskatchewan Association of Rural Municipalities], Hudson Bay.

Phil Reeves, executive director of Saskatchewan Mining Association here in Regina; Dick DeRyk Chair of the infrastructure subcommittee; Guy Lonechild, second vice-chief, FSIN [Federation of Saskatchewan Indian Nations] in Saskatoon; David Sloan, past Chair, Saskatchewan area transportation planning committee; Loren Katzenberger, Co-Chair of the employment subcommittee and past Chair of PIMA [Prairie Implement Manufacturers Association]; Danae Armstrong Knittig, Saskatoon Regional Economic Development Authority, Saskatoon; Dr. Ernie Barber, dean of the College of Agriculture at the U of S [University of Saskatchewan] in Saskatoon; Clay Dowling, past president of Saskatchewan Chamber of Commerce, Saskatoon; Deb Ehmann, Canadian agriculture safety program officer, Dundurn; Fay Myers, CEO [chief executive officer] Parkland Regional College, Melville; and Hugh Wagner, Grain Services Union, Regina.

Those are our members in attendance today.

The Chair: — Thank you. If you have an opening statement now, we will receive your statement.

Ms. Horkoff: — Good afternoon, Chair Harper, and Deputy Chair Draude, and members of the Standing Committee on Intergovernmental Affairs and Infrastructure. Thank you for giving us this opportunity to speak to you today. As a non-partisan committee made up of members of all political views, ACRE appreciates this opportunity to speak to the members of the Legislative Assembly. This opportunity indicates that you believe the work we have done is important and that rural Saskatchewan is a priority for everyone in Saskatchewan.

ACRE members first met in the fall of 2000. At our first meeting we discussed our mandate — to work at the grassroots level to identify solutions for the economic future of rural Saskatchewan. Much work has gone into the last four years, and ACRE members now feel we are able to measure the progress we have made.

In ACRE's first phase we developed draft recommendations in all sectors and then held consultations with rural residents to verify that we were moving in the right direction. Once we finalized our recommendations, we were pleased to have an opportunity to make a presentation here in the legislature to present our final report to the province.

During our first phase of work, ACRE provided the province with a total of 185 recommendations. Many of these have been implemented, and we are beginning to see some very positive change in rural Saskatchewan. While there have been some areas where the province has not been as quick to respond to our recommendations as we would have liked, overall we believe you have listened to us and we believe our work is helping to create a competitive business environment in rural Saskatchewan.

In our first phase, ACRE determined that change must come not only from the province but from within rural communities as well. We believe this change has begun and that all Saskatchewan residents are reflecting a more positive attitude. Other groups such as Agrivision, the Saskatchewan Chamber of Commerce, and Rotary clubs have done a commendable job in promoting Saskatchewan's successes. Individual communities are taking it upon themselves to find opportunities to improve their local economies and to make their towns a better place to live for current and prospective residents.

ACRE began its second phase in the summer of 2003. Monitoring the implementation of our phase I recommendations was part of our second phase, and we were also asked to examine the additional areas of the rural economy. We chose to focus our attention in four main areas: business development, Crown lands, infrastructure, and rural employment.

We formed subcommittees and spent many hours studying these areas. After research and consultations with stakeholders, we formed draft recommendations. In December 2004 and January 2005, we took our draft reports out to rural residents by holding public consultation meetings throughout Saskatchewan.

Since these consultations we have taken time to reflect on what we heard, and we have made some changes to our recommendations. Now we are pleased to be able to present our final reports to the province of Saskatchewan. This afternoon chairpersons from each of our phase II subcommittees will present their findings. Once all four presenters are complete, we will have time for questions and discussion.

Before I can turn the presentation over to the first subcommittee chairperson, I will tell you that while the areas we dealt with in phase I were important, they were also relatively straightforward. In phase II we addressed issues that are more complex. During our public consultations, we received extensive media coverage and public involvement. We were

very pleased by that. It was our goal to bring these issues to the forefront and have an open discussion with rural stakeholders. We believe we have accomplished that.

Now I will turn the presentation over to Linda Pipke, who will represent the business development subcommittee. She is the executive director of the Saskatchewan Council for Community Development. Linda is a home economist, an adult educator, and lives north of Davidson where she and her husband operate a mixed farm. Linda.

Ms. Pipke: — Thank you, Audrey. Good afternoon, Chairman Harper and Deputy Chair Draude, and members of the Standing Committee on the Intergovernmental Affairs and Infrastructure.

The business development subcommittee was created to focus on the tools, strategies, and skills that are required by business to be successful in rural Saskatchewan. Some of the things we examined are the access to expertise, government programs, business planning tools, availability of equity capital, infrastructure for rural development, education and training, and attitudes toward success.

We began by looking at the programs that are available to rural entrepreneurs wishing to start or expand a business. We were really astonished to discover there are over 1,200 programs and services that are offered by different departments, branches, and non-profit organizations that are funded by the three levels of government — federal, provincial, and municipal. Because there are so many programs, there may be many that are not sufficiently funded to be useful. And the sheer number of options makes it difficult for entrepreneurs to choose the most suitable program or even be aware of all the programs that exist.

These efforts to build the economy have become an ineffective use of scarce resources that are vital to the encouragement of economic development. So ACRE believes that there is a need to streamline and coordinate the economic development programming delivered by all levels of government.

We also examined the funding for new businesses. A report which was prepared for ACRE by Doug Elliott and Ken Perlich in 2001 identified that over the next 20 years an incremental \$40 billion will be needed to build a vibrant rural Saskatchewan. And because this amount of funding is simply not available now, ACRE recommends that the province work with the federal government to develop a tax deferral program to encourage more investment in rural economic development.

To further capture financial resources for entrepreneurs, we recommend that the province work to develop a network of angel investors, that is, those investors who provide funding to the business start-ups and expansion.

As well as funding, rural entrepreneurs need a wide variety of skills. Too often, rural businesses fail because of the lack of these skills. Effective education and mentorship programs are needed. We recommend that the province build on existing groups such as the chamber of commerce and the Saskatchewan Council for Community Development to create a network of leaders and mentors.

Local investment is another factor in entrepreneurial success. When it comes to local fundraising, there's a lack of liquid assets. Investors are often unable to withdraw the money from a specific project. The financial securities committee has worked to ease the process by which these investments can be turned into shares which can be exchanged for cash. However much more needs to be done to make people aware of that option, and an over-the-counter method or market to trade these shares still needs to be established.

Our committee found that the tax changes would be beneficial to rural entrepreneurs who are looking for capital investment in manufacturing and processing sector. We need a competitive tax regime. We recommend changes to the tax structure that would change the PST [provincial sales tax] from a tax rebate to a direct exemption. This would eliminate corporate capital tax and reduce corporate income tax. It is our hope that the province will bear our recommendations in mind when reviewing the results of the Saskatchewan business tax review committee.

Regulations can also be a burden to entrepreneurs. Many entrepreneurs report that receiving approval for new business projects in rural Saskatchewan is uncoordinated, time-consuming, and unpredictable. While concerns about the regulatory approval process have been raised many times in the past, ACRE continues to hear about the real problems that are encountered by project proponents. We recommend that the province develop a one-window approach for business development approval.

Another issue that our subcommittee heard repeatedly from potential entrepreneurs was the high cost of insurance for non-traditional businesses, particularly on-farm agri-tourism or ecotourism. Exorbitant rates can be a burden to economic development. Rather than continuing to submit to the rules imposed by multinational insurance corporations, we recommend that the Government of Saskatchewan take a made-in-Saskatchewan approach to this program and mandate the Saskatchewan Government Insurance to develop policies and packages that will meet the needs of our rural businesses.

Our subcommittee's final recommendation is related to funding. Many potential rural and agricultural developments are excellent investment opportunities but don't just fit in the existing funding mechanisms. Most venture capital funds would only invest in businesses with an estimated rate of return between 25 and 35 per cent, and with a return of funds within five years. Most rural and agricultural businesses need patient capital and will generate returns between the 8 and 12 per cent.

The Saskatchewan Agrivision Corporation and the Saskatchewan Federation of Labour are proposing to implement the Saskatchewan works fund to fund economic development in the province. This would help ensure that good ideas that are generated in rural Saskatchewan can find funds when they're needed. And we recommend that the province work with these groups by facilitating implementation and providing seed money to this fund. That draws to a close our last recommendation, so I'll turn the floor back to you, Audrey.

Ms. Horkoff: — Thanks. Our next speaker will be Dr. Red Williams. Red is a well-known professor at the U of S and the

Chair of Agrivision. He is highly respected throughout the province for his work in the livestock industry. Although Brad Wildeman was the original Chair of the Crown land use subcommittee, Red graciously took on the role of Co-Chair when Brad became extremely busy handling BSE [bovine spongiform encephalopathy] issues. Red.

Mr. Williams: — Thanks, Audrey. Good afternoon, Chairman Harper, and Deputy Chair Draude. Good to see you, June.

The subcommittee mandate was to look at how to maximize the economic potential of Saskatchewan Crown lands. And I'd remind everybody that, particularly here, that the Crown land in fact was almost the only business of government in the beginning. And it's still a very vital and important issue.

Now there are many issues associated with Crown lands. They range from economic development to treaties for First Nations to proper use of range land. And the question we kept asking ourselves as we went forward was, is Crown land managed effectively? After talking with government staff who are responsible for this area and with stakeholders about these issues and talking about Crown lands in our public consultations, which we held extensively with written submissions and then with actual face-to-face consultation, we've made eight recommendations.

Now in our research we found there are several different government departments responsible for managing Crown land, stretching all the way from lands branch itself through to the Crowns. Not all of these agencies are doing it in the same way or for the same reasons. And we think it's important that the province develop an overall goal for Crown lands. Developing this goal will not be an easy task. It will be important to balance economic, environmental, and the new boy on the block — social considerations.

As part of an overall plan, the province will need to clarify the criteria used to decide whether it should hold or sell or, as a matter of fact, buy Crown land. The Crown may be holding some land types that are no longer needs to be protected. If the Crown is going to dispose of land, of course it will be important that it do it in a way so that land markets aren't distorted in an area. It's quite easy to drop a substantial amount of land in an area and change the local climate and price.

We believe that the land that the Crown holds on to would be better managed by one government agency. Some parties have identified non-traditional economic uses for Crown land and this was the new, really new part that we had to deal with. Many of these enterprises could be done on that same land that is already under lease. The obvious example, running an ecotourism business on pasture land leased by a rancher or, the obvious one, oil exploration.

ACRE recommends that these new uses be promoted, but also that existing leaseholders are compensated for the impact to their operations. We also recognize the importance of ensuring that Crown land is preserved for future generations — particularly our native grasslands. Crown land leaseholders have shown themselves to be excellent stewards of the land in the past, but it's still important that the Crown agency . . . to have the power to deal with problems as they arise because

problems do arise from time to time.

Now due to the sheer number of potential users of Crown land, there's bound to be conflicts. We need to be able to balance good planning with very timely decisions. And one way to do this is the new approach to land management which is integrated resource management. We recommend an integrated approach and also a planning process that is proponent friendly.

There may be some misunderstandings with the planning as well. Current leaseholders can become concerned that they may lose some of the rights they have. And of course as many of you will know, that involves ranchers particularly who have into the . . . some of them into the third and fourth generation where they've held their particular leases. We recommend that the province make sure that landowners have a clear understanding of their rights because many times these rights have been lost in antiquity.

This also applies to settling the treaties. Much of the conflict in this area with the ranchers comes with the misunderstandings of how the rules work. It's important to settle the treaties with the First Nations of course, and it's also very important to make sure everyone — the First Nations people as well as the non-First Nations community — understands the province's commitments and obligations for these Crown lands.

And to make sure these recommendations can actually be implemented, we've recommended that the province update The Provincial Lands Act. If we're going to make these changes work, we must have the right legislation in place. The full list of changes we recommend to the Act is shown in our eighth and final recommendation. I would remind you that the Act has not been updated for a long time — 1960 — and that was when Crown lands were virtually all forests and grazing lands. And now of course we have all these new activities that have come into the area of legislation.

But this recommendation is not without controversy. Many existing leaseholders are worried that if we open the Act, they may lose some of the rights they have now. And again I specifically note the ranchers, who have the longest association with this particular Act. ACRE specifically recommends that the province work with the leaseholders to make sure these changes . . . to ensure that the damage doesn't happen.

And thank you very much. I've enjoyed working with ACRE. I came in in the breach when Brad was taken away with BSE to work on that, and the learning curve was really pretty tremendous. It was a great opportunity to speak to you today. Thanks very much.

Ms. Horkoff: — Thank you, Red. Dick DeRyk is the Co-Chair for the rural infrastructure subcommittee and he will be making our next presentation.

The infrastructure subcommittee was established to develop recommendations on how to direct infrastructure resources efficiently and effectively to encourage and support economic development. As many of you know, it was ACRE's infrastructure subcommittee that received the most attention during our public consultations. It was an interesting process and we are all pleased that we had the opportunity to enable

people to discuss this important issue.

Dick is a business owner and web developer from Yorkton. He is the former Chair of Tourism Saskatchewan and is currently the Chair of the Good Spirit REDA [regional economic development authority], a very good example of what local co-operation between communities and municipalities can do. Dick.

Mr. DeRyk: — Thank you, Audrey. Thank you, Chair Harper, Deputy Chair Draude, for the opportunity to be here.

Members of the standing committee, when our subcommittee first met, our first task was to look at the definition of infrastructure. And we chose to use a definition that includes both hard infrastructure — such as roads, landfills, water systems, telecommunications — and soft infrastructure, such as the facilities needed for education and health care.

Rural Saskatchewan is a large geographic area with a relatively low population. Consequently there is not always a financial case to be made for providing infrastructure to all rural residents. Consequently in a sense providing infrastructure in rural Saskatchewan has had as much to do with social policy as with economic feasibility. Saskatchewan has traditionally taken an equity approach to infrastructure, making sure that all residents or as many residents as possible have more or less equal access to basic services.

We suggest an alternative approach. We believe that the province must develop a coordinated strategy to use infrastructure resources to support economic development. While our opinion in this regard has not changed, we did change our final recommendations as a result of the input we received during the public consultation process.

As many of you will be aware, in our draft recommendations we suggested that the government guarantee a certain level of infrastructure in a defined number of regional centres. There was, I dare say, a lot of concern, disagreement, and outright hostility expressed over our original recommendation. There was also a very high level of misunderstanding.

Contrary to popular belief fostered by those who chose to misrepresent our report for their own purposes, we did not recommend that existing infrastructure be removed from small communities. We did not have a list of communities that should get infrastructure, with the implications that others would get none. We did not rule out the emergence of new industries in areas where there is potential for things like irrigation development, First Nations businesses, tourism, or arts and cultural endeavours. And we did not set out with a goal of closing down small towns in rural Saskatchewan.

This is not about picking winners and losers. It is about urging government to ensure that there are winners, and ensuring we don't continue a trend where we could all in rural Saskatchewan end up being losers.

What we did is recognize that investors need certainty. Investors want to know whether or not the community they are considering investing in will have a school in 10 years, will have a water system, will have the other amenities that people

require. By guaranteeing a level of infrastructure in a number of communities — and we say a number of communities because we recognize it is fiscally impossible to guarantee it for all communities — the province could in effect provide the certainty in rural Saskatchewan. And it's not just the investors who want certainty. The same assurance is sought by families looking to establish in rural Saskatchewan and by older folk looking for a community in which to retire.

The regional centre approach is not a new idea. We have for some years already been moving towards this. As a result of deregulation, Crown corporations are moving to user-pay models which result in businesses tending to locate near larger centres to access services where the cost tends to be lower. Fiscal limitations in the learning and health care sectors have resulted in moving some of these services to larger centres. And quite frankly many of us in our private lives and our private dealings often already bypass local communities to shop in larger centres. We vote with our feet.

Our subcommittee continues to believe that a regional approach is positive for rural development because it provides a necessary level of certainty, addresses our declining population, and ensures the development of strong regional centres with a multitude of services. Without this certainty, investment dollars, people looking for jobs, and people looking for places to raise families, retirees seeking health services will continue to flow to a handful of larger Saskatchewan cities, as has happened over the last 50 years.

During our consultations, arguments were made in favour of self-defined regions. Using self-defined boundaries, local residents would establish voluntary municipal partnerships to plan, build, and operate local infrastructure. And the boundaries of these regions would vary according to local needs and the types of infrastructure that was being discussed at the time.

This type of approach would allow local residents to make decisions and, perhaps more likely, make them more quickly. However in looking at this concept, our committee had some concerns with the concept of voluntary partnerships. Controversial decisions could create division within a region. And regions would have to determine among themselves how to deal with a rogue municipality that doesn't want to co-operate with their neighbours and with others in the same region and who may be critical to the success of a regional infrastructure program.

Spreading services among several communities in a region could also result in a situation where residents in the area bypass all the communities in the region to travel to a larger centre where all of the services they need are available in one place. And there is some history behind this where this is happening.

We feel that both the regional centre approach we originally proposed and the concept of self-defined regions needs to be discussed and considered further by those living in rural Saskatchewan. There is no doubt that that recommendation in the preliminary draft report was, to put it mildly, contentious. It generated a great deal of attention and debate.

Our subcommittee is not prepared in the face of that to make

that recommendation. We did open the door and we hope that it will stay open so that we in rural Saskatchewan can have a thoughtful and considered discussion — not about picking winners and losers, but about how we provide certainty of the existence of infrastructure in rural Saskatchewan without providing it in every single community, which is clearly unrealistic and impossible. It's a discussion that's necessary and long overdue, and we need to encourage and participate in it rather than discourage it and treat it as a topic that can't be approached.

In discussing regional concepts during our consultations, we did find a high level of agreement with respect to our original second recommendation which is now our first recommendation. There are many infrastructure projects — such as water distribution systems, landfills, heavy-haul roads, and others — that have the potential to benefit several communities and could be built regionally. We recommend that the province promote and support a regional approach to infrastructure development where this is logical and feasible.

We feel that this can be done by designing future funding mechanisms to reward projects that are regional in nature. We found that, at the time of our work, the province did not have an economic development strategy in place and that there was no coordinated or central strategy for providing infrastructure in rural Saskatchewan. Government departments and Crown corporations have independent strategies and plans, and they do not always mesh. We believe the interdepartmental co-operation in the development of the forestry industry, for example, is a model of how government entities and the private sector can work together.

Our second recommendation deals with this issue. We recommend that the province work with the private sector to develop a provincial economic development strategy and a rural infrastructure strategy that supports it. This will require a high level of coordination and co-operation among government departments and Crown corporations.

That's our report. Thank you.

Ms. Horkoff: — Thank you, Dick. Our final speaker this afternoon is Loren Katzenberger on behalf of the rural employment subcommittee. This subcommittee was created to provide recommendations to enhance employers' abilities to create employment opportunities in rural Saskatchewan.

There's no end to the employment-related issues that could be discussed in the context of rural Saskatchewan. This subcommittee focused on a few key issues and has a number of recommendations for the province.

Loren and Danae Armstrong Knittig chaired this subcommittee. Danae joined ACRE as the economic development officer for the Saskatoon region REDA. Loren is the CEO of Precision Metal Fabricating and the past Chair of PIMA ag manufacturing of Canada. Loren.

Mr. Katzenberger: — Thank you, Audrey. Good afternoon, Chair Harper, Deputy Chair Draude, and members of the committee.

When it comes to rural development, employment is key. Without jobs, people can't move to the rural areas of Saskatchewan and we have a hard time keeping our young people there. When we began to look at this, we found that between 1996 and 2003 Saskatchewan had the lowest employment growth of all provinces. Total Canadian employment grew by 17 per cent; in Saskatchewan employment grew by only six and a half per cent.

Rural Saskatchewan has many challenges when it comes to employment. We have an aging workforce, a growing Aboriginal population that isn't yet incorporated into the rural economy, a lack of skilled tradespeople, and the perception of a chilly labour-business climate. We hope that our recommendations will help the province meet these challenges.

We believe that the government must strengthen opportunities for rural employment by taking action in three areas: enhancing the labour-business environment, providing more attention to trades training, and enhancing immigration programming.

Our first focus is on the labour-business climate. We have only one recommendation in this area, but we think it is very important. We believe a harmonious labour relations climate is absolutely necessary to support economic development. To improve the labour-business climate, we recommend that the Government of Saskatchewan establish a labour-business council that can focus on private sector issues. And we wanted to restrict it to the private sector so as not to have the public sector labour issues overwhelm the conversation.

We recommend that the council be made up of members from the chamber of commerce and the Federation of Labour. This group could begin its work with big-picture discussions to build trust and respect between the two factions and ultimately the capacity to discuss more of the controversial issues. We developed more details about this in the final report.

Our second group of recommendations relates to education and skills training. One way to ensure that we have enough tradespeople to meet our future labour market demands is to train people through the Saskatchewan Apprenticeship and Trade Certification program. This is a great program, and we have made some additional recommendations to improve it.

These include letting students begin their apprenticeship in high school; also pressing the federal government to provide employment insurance benefits to apprentices more quickly so they don't nearly starve to death while they're away at school; also establishing an apprenticeship training tax credit and expanding the efforts to involve First Nations in the program; creating a job bank to match apprentices with employers because some of these apprenticeship programs, you have to have a job before you can get in the program so they need to match them up; and also to increase the flexibility and training ratios because that's an issue in some of the trades with the 1:1 apprenticeship to journeyman ratio.

After investigating other areas of trades training, we recommend that the province place a renewed emphasis on training for the trades and enhanced funding for SIAST [Saskatchewan Institute of Applied Science and Technology] and the regional colleges. Many rural people are unable to

travel for training. To make sure that those who wish to train for a trade are able to do so, we recommend that an in-community delivery be expanded and improved.

Today young people are making their career decisions earlier and earlier. We recommend that schools begin career counselling in grade school to ensure that youth are aware of the opportunities in the trades rather than thinking that only university is . . . that that's the only place to go.

We see a definite need for more engagement with the Aboriginal community. We will need to build strong relationships and make sure we respond to the specific training needs of Aboriginal people.

Our final recommendation respecting trades training concerns the basic education program. We have noted a need for increased funding for basic education program to help rural residents upgrade and for increased funding for the provincial training allowance to give more students the financial ability to enrol in training to improve their education.

The final area that we examined was immigration. While training Saskatchewan people will meet some of the needs of the labour market, if Saskatchewan is going to reach its full potential, we will also need immigrants to fill and create jobs. We recommend that the province expand the existing immigration programs to meet labour shortages, continue to identify rural labour needs, and enhance cultural and other support mechanisms for immigrants, and also to aggressively examine the barriers faced by immigrants moving to rural Saskatchewan.

As Audrey mentioned in her introduction, there are countless other issues that this subcommittee could examine. However we believe that addressing the issues related to the labour relations climate, the training, and immigration will be an excellent start to enhancing employment in rural Saskatchewan. Thank you for the opportunity to be part of the plan to develop rural Saskatchewan.

Ms. Horkoff: — Thank you, Loren. That was our final report.

Within our *Phase II: Final Report*, we have provided you with 35 recommendations. We realize that some of these recommendations will require time to develop. However they are all relevant as we expand the rural economy, and we look forward to their implementation and the impact they will have on the future of our province.

I know I speak for all ACRE members when I say how much we appreciate having had the opportunity to work together throughout the process. The potential for rural economic growth is greater now than it has been at any time in our history. However it will take the effort of all Saskatchewan residents to allow this growth to happen.

And just finally, when we went out to our public consultations, we asked anyone in attendance to fill out feedback forms. And as you go through the final report, you'll notice there's a number of quotes. And if I could just wrap up with one, and it came from our consultation in Carlyle:

In Saskatchewan, we often want to divide the pie, and divvy up the resources, instead of baking more pie. We need to promote processing. We have everything here. We need to focus on that and literally "bake more pie."

Thank you.

The Chair: — Thank you for a very comprehensive report. Ms. Draude.

Ms. Draude: — Thank you, Mr. Chair. And I just wanted to start by making a statement to the members of the committee by thanking you. I know that there's a diversity of knowledge and history between each one of you. And I know all of you have a commitment to the province. And just listening to the report I know that you must . . . you were thinking outside the box and maybe asking the question when you don't know the answer, which is something we always say you're not supposed to do when we're in this building. But that's the only way we can make anything different.

So I wanted to congratulate you for all the work that I know that you've done and the commitment to the province. And I think as legislators if we can deal with your issues in the same way you've brought them forward, everyone will benefit in this province. So I just wanted to start by thanking you. And I'm sure my members have questions.

The Chair: — Mr. Trew.

Mr. Trew: — Thank you, Mr. Chairman. And thank you to the five Chairs — the Co-Chair and the other Chairs, if I can say it that way — for your thoughtfulness and the work that you've done. And thanks to the other members of ACRE, the panellists that are gathered here today and others that I note were unable to share the day with us.

I read the report this morning and was very taken by the thoughtfulness of it and by the fact that you'd obviously put huge thought into it but consulted widely right across Saskatchewan. And I think that it's one of those wonderful times when we get the right people in the right place, the community leaders making recommendations. I don't want to get your heads too full. That's not, after all, our purpose today. But I do want to say thank you for the work that you've done. It's important to all of us.

Because whether . . . Like in my case Regina is home now, but Beechy was home. And I noted that Mr. Katzenberger said that jobs are important in rural Saskatchewan. Well I can share unequivocally, the reason that I left Beechy was there wasn't a suitable job for me. It's a wonderful town — great place to be from; a great place to call the place of my origin and roots. And I'm going back for the homecoming this summer.

But there's . . . All of us have similar stories. We're all either directly or one step removed from some place in rural Saskatchewan, and most of us have got relatives and friends all across the province. So we need a win, win, win situation. And I know that the ACRE group is really focused on that, and I appreciated the terminologies that you used.

I've a quick question. I think this would be for you, Audrey,

and have you thought how many hours the group collectively have volunteered? Have you any idea what that is? And then I'll get into a more substantive question, although that's substantive enough.

Ms. Horkoff: — Unfortunately I have no estimation. I can tell you myself, the kind of hours that goes in over and above meetings and I think this is . . . I can say that for all of the members, a lot of this work is done away from meeting rooms on their own time taken away from family and business. And I really appreciate the effort they've made because there isn't one of them that even this afternoon probably could justify being here. But they're here anyway because they believe in what they're doing, and I can never believe just how committed the whole group is to this whole effort.

Mr. Trew: — Thank you. That of course doesn't speak to the thousands and thousands and thousands literally of hours, but I know that what you say is accurate. Again, thank you.

More substantively, what are some of the strengths that you've been speaking of and what would be the thing that would most excite people throughout rural Saskatchewan in terms of potential for economic growth, job growth? Is there one or two areas or themes that are overreaching everything else?

Ms. Horkoff: — All I can say is I think it's going to have to be an accumulation of a lot of things because I think we have so much expertise in a variety of areas and different parts of our province have different opportunities.

And I think one area that we continually miss the mark on is tourism. I don't think there's one single part of our province that doesn't have a tourism opportunity that hasn't been tapped to its maximum. And this is something we often hear over and over.

But again, going back, I think it's just a multitude of everything. We have so much value-added opportunity in this province, and every community has something to offer. It's a matter of organizing, raising the dollars, and getting started. And then they seem to just take off and fly.

But oftentimes under the business development as you heard from Linda, they just need a little help to get things going. And then it just seems to work so well. And once they get through that first project, the second, third, and fourth project always seems to come pretty easy.

Mr. Trew: — Thanks, Ms. Horkoff. I'll make the observation and then pass the torch, so to speak. I know there's others that would like to speak.

In at least three of the presentations, I noted that what you were looking for was simplicity of access, simplicity of delivery, and, if I can describe it, almost the old general store that I grew up enjoying in my small town — a general store, one-stop shopping. It didn't matter whether we needed corn flakes or rubber boots; we knew that the co-op had it. So that's important.

But I also noted some speakers spoke of the need for local involvement. And it fits my bias that if anything is going to

happen, you have to make it happen yourself. You have to spearhead it. And certainly I wanted to say that I want to be part of helping make things happen, but we really have to look for the leadership to be coming from the specific proposals, if I can describe it that way.

I'll just conclude by again saying thank you for the work that you've done. It's terrific.

The Chair: — Mr. Brkich.

Mr. Brkich: — Welcome to the committee here, or to this committee. I guess my question is dedicated to Loren there. You'd talked about this province doesn't have a reputation for very business friendly. In fact right now in a committee downstairs, they're debating Bill 87 that the business is fighting right now. It basically deals with . . . It gives the Labour Relations Board already more power than a Queen's Bench judge.

Did you do any interviews outside the province with businesses that maybe were thinking of investing here in Saskatchewan, but because of the labour climate were maybe reluctant to come into Saskatchewan?

Mr. Katzenberger: — We didn't do any interviews like that exactly, but Danae, being Co-Chair and working with Saskatoon economic development, experienced a lot of negative feedback from companies that passed over Saskatchewan and went to Alberta to look at investing there because of the labour climate, how they see it here.

And of course Alberta plays to that very well. I mean, they say, well why would you stop there; come on over here, we're a lot more friendly. We've got to get over that image.

Ms. Horkoff: — If I could just interject, Red Williams has a comment on that because they did some of that work in the first phase of ACRE. And he can give you some information.

Mr. Williams: — Brad Wildeman was in charge of the value-added committee in our first go-round. And he did go to Alberta and BC [British Columbia] and approach companies that he thought conceivably would have branches or would move to Saskatchewan. And if I can summarize what he said at the end of that was, that we're too small. And I guess that surprised him. Because what happens when a major firm wants to move into an area with their enterprise, whatever it might be, they don't like to move into a community where there's only one source of whatever. Let me take ammonia gas. That is, if they need refrigeration, they don't want one supplier of ammonia gas. They want two suppliers. That is, competition is absolutely essential to relocating of a company.

I just throw that in because it was somewhat of a surprise to us when they came back with that report.

Mr. Brkich: — Thank you, Mr. Chairman. Definitely agree to it, that's probably been the downfall of Saskatchewan . . . is there isn't enough competition here. And your main competitor is the government when it's around. And they have an unlevel playing field and a lot of it on the Crowns, and that makes it very tough to invest.

I can bring you example of IRON Solutions, a magazine in Outlook that . . . an ag magazine. All of a sudden you got SaskTel buys the same one in Ontario, keeps the 20 jobs there and are competing with the person in Outlook. And he says, you know, he says, I'm here paying taxes here and trying to keep 25, 30 people employed. And my main competitor is the province of Saskatchewan which it shouldn't be in an ag magazine. I mean SaskTel should be delivering core services, not possibly in an agriculture magazine.

So I can see where the businesses are a little nervous of coming here because one of the things you suggested was, competition is . . . the main competition is government in my view on a lot of businesses unfortunately. Have you found that, even here in Saskatchewan talking to businesses, that that has been a big complaint of them?

Mr. Williams: — If you're asking me, I don't think we directed it quite that way. But Katzenberger and some of his items there, there were areas where improvements were sought. And he was talking about the taxation levels and so forth and so on. These are all issues that were raised by businesses.

Mr. Brkich: — Thank you, Mr. Chairman. Dealing with rural employment — your recommendation there — the council is a, you know, a very good idea; six representatives from each because everything should be balanced. Right now I think there's an unfair indication that maybe the labour board relations is stacked against business a little bit here. How would . . . Would you like to get a little more of what the role would be to the government? Would it be to make legislation or just to review existing legislation and make recommendations on it?

Mr. Katzenberger: — This was a tough issue. We brought up some labour issues at the first ACRE go-round, and there was going to be a round table forum, but there was difficulty in forming who would be at the round table. And so then when it came around this time, I mean, we still may have some trouble getting the right parties to the table. But I mean, we felt that we had to make this recommendation, that we have to start talking because what we're doing is not giving us a good reputation, and so it's time that we start talking and see how it goes.

I mean, it's kind of surprising. I mean, you know, if people talk, I mean, they find some common ground and . . . Because it's about creating jobs. I mean, it doesn't do any good to have 100 per cent. You know, the union side could say they want 100 per cent union jobs — well, not if there's only 10 jobs. What if there were 1,000 jobs, you know, in place of 10 jobs? If it made a difference but maybe it doesn't, you know. If we get to some common ground, maybe we're a lot better off.

Mr. Brkich: — Thank you, Mr. Chairman. Have you approached the Business Council and the Federation of Labour to see if they would both be interested in doing representatives? Have you talked to them to see what their feeling was on . . .

Mr. Katzenberger: — Well not directly, I don't think. I mean, but there are people on the committee — I mean Clay from the chamber of commerce and Hugh from the labour side. And so there'll probably be some issues in getting this formed. And the idea is that they would make recommendations to government about where to go with some of the things like you're talking

about, the legislation that's present or the available hours and things like that.

Mr. Brkich: — Somebody over there? Okay they can go if you want or not.

The Chair: — Mr. Sonntag.

Hon. Mr. Sonntag: — Thank you. As well, I extend my personal congratulations to the ACRE committee and all of the good folks that did so much work.

I won't get into sort of the politics of this, but being the minister responsible for the telephone company that was just referenced in the last question, it does raise an important point I think because I would be . . . I don't know who would respond to this, but it's a difficult balance for government and I think for communities as well, particularly in rural Saskatchewan. I get, as a cabinet minister, lobbied on a daily basis for direct investment in rural Saskatchewan, whether it's through the telephone company or other portfolios that I've represented. And I think truthfully — while we might all hold our own sort of partisan positions — I think truthfully it must be a right kind of balance to make rural Saskatchewan survive into the future.

I guess I'm curious. I mean, I don't know how any one of you answer this question directly, and I think it probably strikes to the very roots of the committee's work, but if somebody can comment on that theme along with the role of communities and individuals. I think, Linda, you're the one that — I may be wrong on this — but I think you talked about individuals and communities' responsibility to invest or to participate as well to make economic development happen in the community. So I wouldn't mind if somebody would just talk a little bit about the role of government, the private sector, and individuals in communities, a little bit.

Mr. DeRyk: — Because the question I was asked over here and what you're saying, it seems to me in a lot of these issues what we have is a situation where there's a lack of communication and a considerable amount of turf protection so that I don't want the Crowns to be competing with me, but if I need them to provide services to me at a subsidy, I'm okay with that. And that's a difficult, you know, it's a difficult bit of a dichotomy that is really difficult to justify.

If you are going to demand services at less than cost from a Crown corporation, then you need to also be prepared to let that Crown corporation generate revenue in some areas where invariably they may be competing with somebody else. But we have this bit of turf protection going on, whether it's in the case of, you know, my subcommittee looking at a situation that says, yes we need, you know, we need to do something about infrastructure, but you know, I don't want to be hurt by this, or whether it's ranchers saying, yes we need to do something about Crown lands but don't touch my lease.

You know there's a lot of that happening, and quite frankly we're a very small community. We're 1 million people, and I don't think that we can afford to get into this kind of turf protection because we're not big enough for everybody to do their own thing and survive. And I'm not sure . . . You know it's in part what he was saying and part what you were saying,

but to me that's a real problem in Saskatchewan and in other smaller communities where we want to be able to do our own thing. We want the support of government or of Crowns and of others, but we somehow want to, you know, make sure that they don't affect us in any other way. And I'm not sure whether that's really possible.

You know if that's what you were getting at, I agree that that's a problem. And it requires some rethinking on the part of Saskatchewan as to whether we are a collection of a whole number of communities each with our own self-interests that are more important, or whether we as Saskatchewan are a community and we need to do some co-operation and some communication to get around some of this stuff.

Hon. Mr. Sonntag: — Well you identified the issue I think very well. I guess I'd be curious now just, the next step . . . Maybe Linda was going to go there. I'd be curious now about the role of communities and individuals as well and what government can do to facilitate things happening there or what in fact is the role on their own of individuals and communities. So it looks like you're willing to answer that question too.

Ms. Pipke: — If I could just add some comments related to it, I think a lot of times communities, as was mentioned before, have to have the driver and the will and the understanding of what they want and they need to make it happen. And you were really talking about the need for leaders to drive the projects. And that's absolutely essential in communities where development is happening. We must have those.

Part of what we are also hearing was there needs to be certain business climate in place so that it enables people to do it, to try and remove any barriers that are there to prevent growth and development. And that's part of where we were going and what we were hearing from different people, to know what programs exist and how they can help. So if there's one place you can go and that's looked after, that's very helpful.

The whole question about the recommendation on the equity investment and the tax deferral program, it was really about how to get more money available, so people could access that so that they could enable big projects to happen in their regions. And then the whole piece related to the tax incentives and tax credits, or related to the corporate capital tax and that kind of thing. It was really about creating that climate, being competitive, enabling, helping move forward.

And so there is a role for government certainly in making those policies — enable things to move forward and reducing the amount of tax and that sort of thing, or the percentage perhaps of tax or where it's applied. Those kinds of things can be very, very helpful, but the ideas typically have to be driven by the people in the communities. I think that's getting at sort of what you were after.

The Chair: — Thank you. Ms. Draude.

Ms. Draude: — Thank you very much, and thank you to the committee members again. I've been told I can ask three questions, and then they're going to take it away from me. So I'm going to jump around the board and start by discussing the infrastructure issue.

And I guess when your first report came out and you said that some of your recommendations caused some controversy, maybe was the word, I guess it's because I believe most of you do come from rural Saskatchewan or have been from rural Saskatchewan. And you understand where people are coming from; they're very possessive of their communities.

And my original home was the Watson-Annaheim area. And I guess when I see that, when I think of that area that has so many businesses, manufacturing jobs per capita — probably more than the rest of the province — and nobody, if they'd be putting a pin in the middle of the map would have decided that that area was the one that would have those jobs. And you wonder why. One of the things always is the type of people that are there, and we can't pick them out of a hat. It's often just . . . And then, businesses expand on businesses as well.

But at the same time, in the last while people are telling me that we're not going to build our business there if there isn't a hospital, if there isn't a school, and if there isn't natural gas, and if we can't be guaranteed that there's going to be water and sewer in the next ten years. So when we talked . . . when we say that the government or government policies as such don't really impact it, well of course they do because if there's a discussion to close a hospital, then that has meant that there's a number of people aren't going to move into that area.

So I guess . . . And even when it comes to the Crown corporations, we have to supply a service to them if there isn't a monopoly at cost. But then if the cost has been increased because there is a policy to make sure that the Crowns are going to give a dividend to the General Revenue Fund, then it isn't at cost. So it's a philosophy in the province and in the country.

So I think we can't just say this isn't political because lots of the things that we're working with when we talk about rural depopulation is political. It's the way things have been done in the last 10 years that is the basis of who I am and the basis of why colleagues on the other side of the House who they are. So I guess I just had to get that off my chest because I believe there are decisions that are being made that affect us, even though that most people don't really care that 58 of us are sitting in the House at this time of the year.

But my question is going to go to Mr. Williams, and we'd talked about Crown land use. And if you're going to open up the lands Act, my first concern is that there would be people . . . Or have you discussed who would be on the committee that would be dealing with an updated Act, or consultation to make sure that people who have had leases at this time have a seat on the Act, on the committee?

And my thought is the Supreme Court ruling in November that dealt with the decision to consult and accommodate First Nations claims could mean that even if it's outside of TLE [treaty land entitlement] and specific land claims, it could mean there would be an effect on Crown lands. So has there been a discussion within your committee on those two issues?

Mr. Williams: — Yes we have. Now as I understand the process . . . and you can advise me much better that I can claim this. But the process would follow is that Saskatchewan Agriculture, presumably since that's the home of the Act, would

draft up some general principles for the new Act. And that would go to all the players within government to comment and so forth. And then there would be a consultation with the public on that issue, very much as we went through but with some specifics that they could deal with. So that part is, I think is quite clear, and I'm comfortable with if I'm correct in my assumption.

When you deal with the TLE lands, that one has been a concern. It was a concern for the committee, and it's certainly been a concern for the government. And of course we're all very well aware of the Sand Hills confrontation that occurred. But that has been resolved reasonably amicably as I understand it, when it finally boiled down that all sides felt that they had gained and got some satisfaction from it.

So yes, the TLE lands are a problem because they just are a different system working at the same time, and they sort of get imposed on it. And where the main damage comes . . . If a piece of land, let's say a half section comes up for Crown — the lease is up — then it may be in the middle of a ranch, and its removal would destroy the economic viability of that ranch. That's the big difficulty, it seems to be. And so we have to get around that situation where that doesn't occur.

A couple of other instances that we ran into are where community pastures, Crown lands which have come up, they've evolved to the point where their lease is up. And then now they're just sitting there in limbo where they get an extension one year at a time, and that makes everybody angry.

So we need to resolve these problems and get some rules to make it work. And these are all issues that came up since the Act was created. That's our problem. And believe me, you've probably had the same experiences I had. But the excitement of some of these newer uses for lands, even though they're going to be difficult to accommodate — like the wildlife people, like the ecotourism people, and like the outfitters from the North who want to come south and block off a township or something — the opportunities are there if we can just make it work. Because understandably, that cowboy that's sitting out there now, he wants to be sure that he's protected from anybody moving in on that land. That is, he's not about to stop it, but he has to be compensated, or there has to be dates that nobody can move in on his land because he has to move his cows out at a certain . . .

I mean, these kinds of things are obvious, but at the moment they're still a bit up in the air. I think it can be resolved, but it's going to take a lot of patience and, I would guess, two or three years to work this Act through.

Ms. Draude: — One last question, Mr. Chair. I'm going to ask Linda about this. You talked about something that I thought was kind of interesting, the Angel Investment Network. And I'm wondering if that is something that you're looking at as tax credits, or how you're actually seeing this. And my other one is the insurance . . . and I know from having a business that was kind of non-traditional, I couldn't get insurance within Saskatchewan for my business, which I found very frustrating. So have you got recommendations for that?

Ms. Pipke: — Related to the angel investor one, it's become

apparent that there are angel investors who would like to invest in Saskatchewan, new and emerging businesses and whatnot, but we don't have a very good mechanism to do the match between them. And so we know Saskatoon and Regina REDA have been looking at how that match might be done, or how these might be brought together. So that's why we were really looking at some support, and our recommendation was to have support from the government to the economic development associations to look at potential in angel investor network so that they could be matched because the possibility is there.

We had been looking at other provinces to see how in fact they had done it in the past and what we might learn from that because typically they operate through a broker. And we haven't talked specifically about tax credits for them, but we have talked about other kinds of tax credits for emerging businesses per se. So that's kind of where we were on that one.

With regard to the insurance, we certainly have heard that loud and clear and appreciate your frustration and a lot of people's frustration in terms of you can't get insurance period, or it is very, very expensive. So how best might we address that because it's certainly affected agrotourism and ecotourism. They are the ones that came to mind for us in the discussions, but I'm sure there are others.

And that's why we were encouraging government to really mandate the Saskatchewan Government Insurance to actively seek ways that they could develop partnerships or policies that would bring that possibility into Saskatchewan so we do in fact have some insurance for these new and emerging areas. I mean they're good areas to bring forward; let's see how we can help them move forward.

The Chair: — Ms. Morin.

Ms. Morin: — Thank you, Mr. Chair. I'm not sure who to direct this question towards, but perhaps whoever would like to answer it, would be great.

So the message that we've been getting from you in the reports that I've been reading and also today is a very positive one and seems to contradict a lot of the negative stories and stereotypes that we hear about in Saskatchewan these days. And I'm wondering how it is that through your discussions and through your research and the involvement of your committee, how you came to this more optimistic vision for rural Saskatchewan than we seem to be hearing about.

Mr. Williams: — I'll take the first cut at it. The others may have a comment. This is more my personal opinion than perhaps just a broad consensus of the ACRE committee, but I think we make a terrible mistake if we think that everything is negative out in rural Saskatchewan. That is, this year is a bad year and individuals are in trouble — some of them in serious trouble — in cash flow and so forth, but I think we have to look at it broader.

I think there's been a change in rural Saskatchewan even in the five years we've been working in this committee. That is, when we started out, the negativity was tremendous. And that's reflected to some extent in our first recommendations which was, you know, for goodness' sake do something. And so we

did do something with our recommendations which was to patch and fix and so forth.

But going around with these more substantive-type issues that we dealt with here, I think we've found that people are gung-ho. They say, you know, I need this. I need some, like a little bit of extra cash; we need this, that, the other thing — but let's go. I mean, people are seeing opportunities now. They're willing to change. And I think, and we're talking here with two political parties, I think you'd make a terrible mistake if you stood behind the parade and you don't get out in front of it.

Ms. Morin: — I agree. Speaking of that, we talked about the potentials, the large potentials with respect to tourism and value-added opportunities and such. And those types of things make it sound like there's some amazingly great things happening in rural Saskatchewan and the potential for them. How do we, or how is it that we don't hear more about these types of positive messages and potentials?

Ms. Horkoff: — I think maybe you need to go out and talk to the people more, and that's just a personal opinion. But we really feel, as we go through this process, the more we go out to these public consultations, certainly there's some negativity because agriculture right now is in a tough situation as Red said. And we live in that.

But aside from that, there's a lot of good things happening, and there's so many great success stories. There's people that are anxious to tell you how well they've done in their own little business or whatever it is they've started or they have a friend that's done this.

And as Red said, when we started this process, our number one goal was to get the attitude in this province looking at what these opportunities are and not focusing on all the things that aren't happening. Let's talk about the good stuff and start thinking in that direction. And I think you become a lot more constructive if you can see the positive things. And I guess it's just a matter of who you talk to and where you go because we're obviously hitting a lot of good places because we're hearing awfully good stories.

Ms. Morin: — I have to say that's incredibly encouraging, and I'm very excited about it. And I'm excited just from the comments I've heard today and the reports I've read.

I have one more question and, Linda, this is something that you had mentioned. You talked about a SaskWorks Fund. Now I have to say that's the first I've heard of that. Can you maybe embellish on that a wee bit more?

Ms. Pipke: — It may be more the person on my left who could embellish more on it because it's something that Sask Agrivision and the Federation of Labour, I believe it is, have been working on to put together this particular fund. And it's really tailored for kinds of projects that don't normally be attracted to traditional venture capital types of funds. And they need additional capital funding to enable this to be an acceptable package for banks and for credit unions.

But if you'd like more details, I know Red certainly has those for you. Do you want to make a few comments or . . .

Mr. Williams: — Well there's great danger in wading into something as complex and large as this issue. But Linda has it right, we have some wonderful venture capital funds in Saskatchewan, some in the private sector and FCC [Farm Credit Canada] as well has a venture capital approach. All of them, and I . . . Some danger in lumping everybody together, but they have a requirement in their board requirements that they have to, when they do the business plan, there have to be returns somewhere in the order of 15 per cent or much higher. And that, if it doesn't make that level, it doesn't get considered.

Now you're hitting me very personally because I'm working on this right now. But I was in one venture capital firm last week working on this. And they said they had six good deals sitting on their table ready to go and the board wouldn't let them take it because the short-term returns were less than 15 per cent. And that's the way it is.

So you've got to . . . you cascade these things up and you start out with local money — communities usually or individuals have a little bit of capital, love money or heart money they call it. And then this is where this fund would come in, at the 6 to 8 per cent return on longer than five years, to get them up to a certain level where other venture capital funds or other type of debt capital can move in. It's just an essential step.

And believe me we've talked with the venture capital firms and they say, that's good, we want to see that. That is, we're not against the venture capital funds, we're supportive of other venture capital funds. But you have to have that little bit of initial money at really reasonable rates and with a little . . . we call it patient capital rather than venture capital, which I think is a more apt description. But I'd love to talk all day about it, but I will shut up.

Ms. Pipke: — The only other piece Red didn't add was that it's usually in the 8 to 12 per cent interest range that that would address, that would enable. So you can have the money longer and not have to have as great a return, which means more access.

Ms. Morin: — Thank you. Those are all the questions I have, Mr. Chair.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chairman. Good afternoon. Ladies and gentlemen, I want to tell you that I appreciate the work and time and commitment that you put into this exercise.

The value of the first report I think was self-evident. I went through it very carefully. I liked very much of what I saw in that first report. The thing that troubles me the most is that it doesn't matter how good the report is, it really requires political will to move these recommendations forward. I don't believe the political will exists today in this province. And I guess I'm speaking from the perspective of six years as the elected representative for an area that in many ways represents the very best of determined enterprise and self-initiative. An area that generally would say, we don't want government help. We would be satisfied if government restrictions were removed and we were allowed to proceed.

We have, as a group, experienced some of the most dynamic and successful enterprises. I have a \$40 million company that is growing and thriving and you can't even access the company on a decent road. They don't have high-speed Internet. They don't have access to a lot of the services that we ordinarily take for granted. For that company to survive out there takes sheer willpower to survive over and against the odds.

So when I look at other projects that are proposed and other ideas that come up for discussion, often the challenge is why won't the government get out of our way, not how much help will the government give us to achieve our objectives. And that's the question I want to put to you as well today. Are you aware of how much red tape good projects have to go through before they even reach the level where they're being permitted to do environmental studies, permitted to drill deep wells to see how much water is in an area, permitted to undertake a full environmental impact study?

All of those things have to happen before the project is approved. And while there might be merit in that, it is a stifling experience for these entrepreneurs and business people to have to go through this before they even meet the challenge of financing, before they even meet the challenge of final approval. Is the committee aware of that and have you taken a firm stand on the need to expedite these projects as they are brought forward?

Ms. Pipke: — Certainly we are aware of that challenge and we've been told about it many times, earlier and currently, where there are those challenges to get through the permitting process for example and to move on to the next parts. And that's part of why our recommendation really about . . . there has to be a one-window approach so there's one place you can go that you can work through all of the systems that need to happen. And of course we would like them to happen in a more expedient manner so they can in fact move forward.

And I know there's good reasons for rules and regulations, as we all do on certain things, but it's, how do we enable that process and move it forward? And I know it would help a number of entrepreneurs if that was in fact possible.

And sometimes that one-window approach as well . . . One of the things I remember specifically from — actually not this consultation but the one prior — in speaking with a group of entrepreneurs who were starting a business, and they said it was absolutely key for them to know people in government or to know where to go when they hit a roadblock, to be able to work it through, work around it, know where to go. You know, who had to get the answer, how did they get the answer, what was the answer, and to get through and around those roadblocks. Otherwise they would have been stifled and the project would have died and it was an excellent community project.

So what we're looking at is that one-window approach. How do we help move that forward? How do we have a point of entry, and also of persons perhaps that can help entrepreneurs with that piece because it is a critical one to help move them forward? So yes we've heard that, and we really encourage change to make it more expedient.

Mr. Elhard: — Thank you. I recognize the concept of a

one-window approach. I think I've heard that someplace previously.

Nevertheless I want to move to the other topic that comes to mind as a result of your earlier presentation, and that is the issue of immigration. I think the standards for immigration established here were about 200 persons, as recently as a couple of years ago. The minister in the House just the other day indicated that the government had set a target of about 400, plus or minus a few people, for the immigrant sponsorship program.

And when I compare that to the success of the immigrant sponsorship program in other provinces, I'm wondering if your committee came up with a specific number that they would like to see the immigrant sponsorship program target because 400 people aren't going to go very far, even if they're bringing their wives and children and aunts and uncles. It's not going to go very far to achieve the kind of objectives we're talking about in rural Saskatchewan.

Mr. Katzenberger: — Yes that would have been my committee, and we didn't assign a specific number. I mean, we actually don't think that there should be a number. I don't think that there was any number that we came up with. I mean, what would a few thousand hurt? If they're skilled and can find work here, I mean we need them.

Mr. Elhard: — The Saskatchewan Institute of Public Policy recently hosted a presentation by Joe Garcea, whose name is well recognized as a professor at the U of S, and he was talking about immigration and some of the reasons that our success has been limited in the past.

I think it would encourage you to talk to him as part of your ongoing process of discussing immigration and what has limited our success. There are a substantial number of people who come here, but I think the losses to Saskatchewan of newly arrived immigrants amount to about 50 per cent of the people who actually come. They leave Saskatchewan in those numbers because there are certain supports absolutely missing, and we need to pay attention to the kinds of issues that immigrants want and need to help sustain them when they do arrive. So if I can ask you to do that, I think that would be time well spent.

My last question is concerning land lessees. Red, you addressed some of this — and I think while I was out of the room, June may have raised the issue — but my constituency once again is home to most of the Crown grazing lease as an individual area. So I'm particularly concerned about the implications of opening up the agriculture or land arrangements if the existing, long-tenured agreements and arrangements with leaseholders are not very carefully respected.

And we met with a group of leaseholders just last week who are saying they're not averse to the possibility of additional development on their land, but, you know, they're not even paid right now for the nuisance factor of oil and gas development on the leases that they have paid for, that they pay taxes on, that they depend on for their livelihood. There's no apparent understanding at the provincial government level that they are losing money every time a lease is developed on their Crown . . . an oil and gas lease is developed on their Crown lease.

So I would ask that ACRE as part of their recommendations would add a footnote and say that if this arrangement must be opened for further discussion, that the people who own or who possess current leases are guaranteed a spot at the table so they can make their concerns known as these issues develop.

Mr. Williams: — Yes the point you raise was raised regularly by stock growers particularly and by individuals at the meeting, particularly the one we had in Swift Current. And they are, and I hope not legitimately, but they are concerned that opening the Act will open them to changes in the rules which will threaten their situation. But the point that you make is one that's often repeated, is that they are not being compensated properly, particularly for the oil groups coming in on their land. And some of these get very . . . There was a man in Swift Current — I've really forgotten his name — but he had 50 wells that were going in on his land this year. The exploration on 50 wells on his land now. And what that means is that he has to go out there or his men have to go out because they're a very large operator. They have to go out, guide those people, suggest where access roads might go or might not go and so forth. This is time spent, I mean it's probably a day or a day and a half to really get all those things settled. That's money. And I understand that fully.

And so the change in the Act, I think or I'm badly misled, is not to injure those people or to restrict them but to make the situation so that they do get proper compensation and they are protected. And when ecotourism or something else comes in, that's there's some controls over it. Because after all, we need those natural grasslands. We don't want to destroy them, but we also want oil and gas.

So I'll be very disappointed if that isn't the objective, is to protect those people and to make it. Because we were told, and I can only assume the lawyers know what they're talking about, is that in fact the Act would not stand up in court today if somebody challenged it. That is, it's that badly out of date because of regulations that have been built on regulations and so forth.

So I think we have to get at it very quickly, but it's my understanding there is a commitment to actually do a proper evaluation with the stakeholders at the table. I can almost guarantee that because there is a stakeholders' committee now that sits, I think, twice a year. So the system is already there.

Mr. Elhard: — Thank you.

The Chair: — Thank you. Mr. Trew.

Mr. Trew: — Thank you. Thanks, Mr. Chairman. I don't wish to involve the ACRE committee in this, Mr. Chair, but I want to say that I don't subscribe to the comments opposite that government is somehow in the way and if you just get government out of the way that everything is fine. Just for the record, I want just to have that there and I know that when the dinosaur museum was built in Eastend, the good folks of Eastend weren't saying too much government. I apologize to committee members for that.

I'm wondering, my question is related directly to the ACRE report and it is, what is the biggest obstacle to economic growth, to job growth, that rural Saskatchewan faces today?

Ms. Pipke: — I'll just make a comment, and I think for a lot of people it's access to capital. If they have an idea and they want to run with it, their biggest challenge a lot of times is having access to the dollars to enable it to happen because it's so expensive if you're looking at an intensive livestock operation or new hog operations or some major kinds of things, whether it's agroforestry or whatever. And it's just that challenge of getting access to those dollars and then having the skills to implement that and the pieces in place so that in fact when communities invest their love money — as it may be called or the money from the heart — that there is a way to get that out in the future, to be able to trade it into shares which then can be real dollars.

So people would put more money in if they also knew they could get it out in a reasonable period of time and not have to literally die or whatever to get their money out. So there, that's a huge challenge I think that needs to be looked at.

Mr. Trew: — Yes. And if I may, I think having equity in any operation is a major problem whether it's rural or urban or out of Saskatchewan, you know, somewhere completely removed. I know that's always, always a concern. And I'm always encouraged when I see people banding together and working because to me that's the only way it can possibly make any sense. It's the only way you could ever have an intensive livestock operation and with some degree of certainty that you have some extra resources.

I know if you're going to depend on . . . Not to pick on me, but on my pockets alone, you know, they're very finite. When things start, when the livestock start losing money, I'm looking for an exit really, really quickly. Whereas if we had a dozen similar investors, I suspect that we could encourage one another to hang in a lot longer. So I'm interested in that.

I'm also interested in . . . you spoke of angel investors. I had to look here because I lost the word for a minute — angel investors. And I'm really curious about how much potential there is for angel investors. It's not something that . . . And I should share this. It's not something that immediately strikes me as a great option in that I can't imagine how many angels there are out there, but I'm clearly giving you an opportunity to tell me that there are some.

Ms. Pipke: — The one thing I can tell you is that clearly there are some. The numbers, I don't have. There are others in the room who would have more knowledge of that, who are on the committees and certainly shared with us on the business development committee that yes, in fact meetings have been had with angel investors who are looking for the companies. And I was a little surprised as well. I thought, wow and you mean we can't match them up? That's really unfortunate. And they have been more oriented, I believe, to more the oil and gas information technology and or manufacturing, but there are others who want to look at innovative ideas.

Well I think we've got lots of potential for innovative ideas in this province. Let's get a mechanism where we can match these because people have money, and we've got people who need that to move forward. Surely we can develop that mechanism to move it forward. It was really exciting to hear that they do exist, and there is some in this province. And there is, as I mentioned,

Saskatoon and Regina REDA have been looking at ways to bring those together to help do some match. So the potential is there.

Mr. Trew: — Certainly and I know that the motel in Luseland was a perfect example of an angel investor stepping up to the plate, someone giving back to his — Jimmy Pattison — giving back to his original community. And I know that the good people there are very grateful for that, and I think it's working reasonable well.

Saskatchewan is now a have province. Has that changed the psyche in any sense? I think it was . . . Red, I think you said that things have really improved in our view of the universe in the last three, four, even five years. I think I heard you saying that. I'm wondering if Saskatchewan being a have province now is going to make the work easier.

Mr. Williams: — Well yes and if the Riders would win, it would be even better. I mean, we do live a little bit inside our heads, a little bit, you know. Yes that's very true. And without being . . . I don't want to start a scrap here, but you know this legislature stops whining a little bit when you have to answer the questions in a different way, you know. It's one thing if you don't have it, and the other one is if you have it. And so that's important.

But I want to get back to your previous question because it was quite important. You were saying you liked groups come together, and we've seen some great evidence of this all over the province where people came together one way or another and put together an enterprise. But the one thing we have to remember very clearly on this — because I've been through a lot of these ones — that enterprise, whatever it is, it may be fine. It's off, successful growing cattle or whatever it's doing. But unless that thing goes back and increases the farm gate price for grain or feeder cattle or whatever it is, unless it goes back and increases that farm gate price, it hasn't achieved a thing because those guys are still getting the market. So there's some way you have to get more money into that farm gate to keep those farmers going ahead.

And that's where a lot of these plans don't really work, you know. And the farmers will say, gosh we went out there. We built a terminal, or we did this or that, and I'm still getting the same price for my wheat. And that's exactly what it is. That is, they haven't integrated into the system sufficiently so they're getting some of the upstream benefits back down to themselves. I think it's very important.

Mr. Trew: — Thank you, Mr. Chair.

The Chair: — Mr. Brkich.

Mr. Brkich: — Listening to the members opposite, you would think rural Saskatchewan is booming out there. And I think as members, you know that that's not true. There also seems to be a little bit of philosophy on their side there, if it's not government owned or a co-operative, they really don't want the investment here.

Getting into value-added, you talked about return to the farm gate which is definitely what we need. And there definitely has

to be I think more government less involved in that.

I can use an example of organic. I don't know if any of you organically farm or whatever, but it's been raised to me that with the wheat board, you have to . . . there's a buyback program. You buy it back from them. You pay the shipping costs, and then you buy it back. And then you can resell it. And then basically you've got to pay the shipping costs again on it. So you have to pay twice the shipping costs for that particular bushel of wheat. And they said until that changes, you're probably not going to see organic growth as much as it probably should be in that. And I've had that brought to my attention a few times on that.

And also on all value-added . . . I mean we've had very, very little value-added growth in this particular province. And I would just like your comments on how . . . if you feel the same way on the organic end. And also if you feel the same about all the other . . . whether it's a slaughter plant or whether it's a canola crushing plant or whether it's a seed cleaning plant or whatever. We definitely need more of that or I feel anyways on my behalf. I would like your comments on that.

Ms. Horkoff: — I can speak to the organic piece. We're organic producers at Kamsack. We farm about 4,500 acres, and we also have organic beef. The issue that you speak of is true. It hasn't been a big problem for us. We don't grow a lot of wheat. We are into the specialized grains and oilseeds, and we grow things like hemp and lentils and this type of thing — a whole variety of crops. When we have grown wheat, it hasn't really been a big hindrance. It may be to some; we haven't noticed that it has been. It's just one of those things. That's the way the system works, and so you work with the system.

We find that there's huge opportunities in the organic industry, but it takes an awful lot of extra . . . First of all you have your record keeping because you have to have the paper trail. And then you do literally all your own marketing. And that's a positive and a negative. You know, if you happen to have someone in your family circle that is good at marketing, then it isn't an issue.

I know we market grains right into the European countries as well as all over North America, but that takes a lot of certification. You have to work your way through the system. But it's like everything else, you earn your credibility, and you earn your respect, and you gain your markets that way. Organic production isn't for everybody, but it is an option just like so many other things are options out there.

The only issue that we've got on the table with the organic industry is the fact that the whole certification, Canadian standards has to be addressed. And that's something that has to be handled at the federal level. And we have worked very hard at the provincial level to push that process so that we don't lose our credibility in the organic market worldwide. So that's something that we've worked very hard at.

Ms. Pipke: — If I could just make a comment with regard to the value-added piece that you were raising, Greg. In the program that we administer from the federal government only under the CARDS [Canadian Adaptation and Rural Development in Saskatchewan] program, and particularly under

the CARDS program, the Canadian Adaptation and Rural Development program, we've had inquiries — and I know provincial government has certainly seen them as well — for about 27 to 30 different communities in regions who want to do something like cull cow processing plants, that type of thing.

Part of the challenge is helping people understand all the rules and regulations and all the process they need to go through to make that happen. And then part of the other, the other part of it is there's only so many plants that would be viable in Saskatchewan for example. And how do we work with communities to help them understand that and make their choices in regions so they know all the facts, they know who's in it, they know the regulations and the process to go through — if it has to be CFIA [Canadian Food Inspection Agency] approved for example, a federally inspected type of thing.

And to know where the markets are, and how they're going to add that value — there's a huge learning curve. And a lot of people are ... Sometimes I think out of crisis comes opportunity. You know, you see things a little differently, and so you're willing to take some of those risks to make it happen. But part of the challenge is trying to think through the whole process. It's kind of like the whole value chain in terms of knowing — you know, what does a consumer want? — back to well then, what does that mean when we process it, and into what products and into what markets.

And we've also been involved in a program. I'm not sure if you've heard about the whole value chain project that we've been initiating as a strategic piece to increase awareness and show and demonstrate some positive ways different groups can work together. And you'll see there's examples of that with prairie berries or Saskatoon berries, with bison, with fresh lamb, and those kinds of things where producers as well as processors and wholesalers have got together and worked to find win-wins in terms of new markets, new products and have developed more gate-to-plate and oven-ready or very fast, more of the faster food that you can use, like a meal replacement type of thing because that's what consumers want today.

So there are some movements in that direction to help us get to more value-added pieces, but it is a big learning curve.

Mr. Brkich: — Thank you, Mr. Chair. I guess my next question is for Dick. You'd made a comment, and it's also written in here that subcommittee cautions that there's uncertainty associated with voluntarily partnerships. I'm not quite sure what you mean by that. When it comes to voluntary, you mean RMs [rural municipality], that you would like to see more forced? Are we talking about school divisions? You're talking about RMs or are you just talking about business partnerships?

Because I have uncertainty when things are forced. I'm just the opposite. That makes me uncertain and nervous. I kind of like voluntary. It's probably one of the reasons I ran as an MLA [Member of the Legislative Assembly], to ensure that we would always have, would always be a degree of voluntary things going on. Could you just elaborate a little more on that?

Mr. DeRyk: — That was in response to the suggestions that were made, that infrastructure development should be done on a

voluntary municipal partnership basis. That came out at some of the public consultations. Initially it came out of the SUMA [Saskatchewan Urban Municipalities Association] board. And it came out at a meeting we had after the series of public consultations where we put together, invited a number of people who were at the public meetings and who had criticized the first recommendation — the draft report — and who had alternate thoughts. And we spent a day together and talked about how voluntary regional co-operation for the development of infrastructure would work.

And there's two, there's a couple of cautions in adopting that kind of program. And that's all we're identifying because we have also said that this is something that needs a considerable amount of further discussion and we wanted to see that kind of discussion carried forward to see if we can resolve some of these.

And among those, among the cautions that we note are things like, what do you do if a project makes sense on a regional basis but there are some municipalities within that region who aren't interested in participating for whatever reason? And that's been known to happen. And it's no different than what Red was saying about Crown land. If you have a number of leases and one piece in the middle of it is up and it doesn't, you know, it can't be renewed by the rancher who has that, you know you've got this one oddball piece in there. And the same thing happens with infrastructure development. So how do you get around that? And that's really ... we're just posing the question.

We are not in any way, and state that in the report, not in any way making any recommendations or comments on local government and how it should be organized. We in fact state that local government will make its own decisions as to how it should be organized. We're not foolish. We're not going to go there. That needs to be decided at a local level.

But if we're going to do things on a regional basis, then the region needs to come to some kind of an agreement of how do you handle that. How do you handle it if some want one thing and some want another? How do you handle it if some want a regional project and others don't want to participate? That's all we're saying, is that the concept of voluntary municipal partnerships has merit. It obviously has some strong support. If we're going to go and examine that further, these are some of the things we need to look at because those are potentially the things that will impede putting that kind of a system in place, so let's resolve them.

Mr. Huyghebaert: — It's my one last question.

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair, and thank you to the committee. I've got a little bit more of a specific question that I would like to ask and talk a little bit about. Because in my constituency in southwest, I'm asked on numerous occasions — in fact it's pretty well daily when I'm down there — is what can we do to revitalize our area?

And I very much agree with my colleague from Cypress Hills that we have to have the political will to make this happen. And I'll just give you the one instance that comes to light right

immediately is ethanol. And I think a lot of you are familiar with the ethanol project that was planned in Shaunavon that probably would have been up and running by now if it hadn't been for the government being involved in other aspects of the ethanol industry. But my more specific question is in the cattle industry. And I talk about this on a regular basis because it would have a huge impact in my area. We ship — and correct me if you have different figures — but we ship 750,000 head of cattle to Alberta every year to be fed. And one has to ask themselves, why? Why would we do that? We're an agrarian province and we ship our cattle to Alberta to be fed — three-quarters of a million cattle.

Now you ask the next question. Where do they get the feed, and how much feed do they actually take from Saskatchewan to feed Saskatchewan cows in Alberta? And then the follow-on question that's even sadder is, where do they get the young men and women to feed Saskatchewan grain to Saskatchewan cattle in Alberta? And it's from here. So when one asks themselves, how does this happen? Why couldn't those cattle be here to be fed? Look at the jobs that would create. Look at the options that it would give for farmers whether it's going back to growing alfalfa or even baling wheat. I had a neighbour that baled 30-bushels-an-acre wheat and at \$2 or even call it \$3 wheat, he'd get a hundred bucks an acre, rounded out. And he was getting about three hundred bucks by baling it. And just look at the options that it provides producers if you did that.

And the reason, in my view, the reason that we don't have those cattle here in Saskatchewan to feed . . . and I'm going to say look at the spinoff industries like packing plants, processing plants, slaughter plants, you name it. I mean that would revitalize one huge section of rural Saskatchewan. But the reason that we don't have that is because we do not have a level playing field.

And I'm sure your committee probably looked at whether we have a level playing field. A level playing field might be on the tax base, on the taxes that are charged. It could be on one-stop shopping like environmental issues, and that's where I believe that the political will . . . My colleague from Cypress Hills talked about the political will.

And I'm wondering if your committee actually looked at the whole cattle industry and was going to make or did make any recommendations at how we could stop this drain of three of our most precious resources, if you wish, outside of the province which we're prone to do that all the time, rather than have them all return and stay here where we can process and feed the cattle here in this province.

Mr. Williams: — Well it's a good question. And we did look at that much more intensely in our first go-round of ACRE because we had a committee on agriculture and another one on value-added or venture capital . . . value-added. But the answer to your question is a very complex one. I heard you allude to certain rules and regulations, and yes, there have been rules and regulations which have not been as convenient as they might have been.

But the real reason why that situation developed was because of irrigation. That is, a long time ago Alberta put a lot of money into irrigation. It wasn't a good investment — never get your

money back out of Crown investments in irrigation — but they put it there anyway. And so out of that has developed an industry based principally on the alfalfa that's part of the rotation.

And so once you get the thing started, that puts some feedlots in place. And I worked with those very early feedlots where . . . The feedlot industry is not very old, you know, and I worked with those early feedlots. And when we were talking about 1,000 head and 2,000 head . . . but that's where they started because they had a feed resource.

And then it got far enough along that when it came to building a packing plant, Cargill built a packing plant in High River and that sort of added the momentum. And then you had a lot of very smart Dutchmen that saw the opportunity of putting cattle and irrigation together, and they built that industry. If you go down there, you'd better be able to speak Dutch if you want to talk in that industry. So there's a momentum there.

Now in a sense that's what the question here was, has attitudes changed? And I think they have. That is, it was pretty hard to get a farmer — when barley prices were a little stronger in Alberta — pretty hard to get a farmer to say, gosh, you'd better hold that grain and maybe we build a little feedlot locally. It was a lot easier to back that old semi up and pile it in and shoot it to Alberta.

And now of course you know that Alberta doesn't have enough grain to feed their cattle. They are dependent on us. As we say, the shed's somewhere around Kindersley or something like that. And so we are looking now at building in Saskatchewan. And if the BSE thing hadn't hit us two years ago, I think we'd have gone along because there were a lot of feedlots on the build.

And quite clearly if you're just are looking at it the way you were, as just saying here's the province, quite clearly we should have more cattle in Saskatchewan and more feedlots to them in and more grain going into them than Alberta or Ontario. I mean it's quite clearly there. So we're behind. There's no question about it. I think there are logical reasons why, but boy we can move now if we choose to do it. I hope you're as enthusiastic as I am.

The Chair: — Mr. Wartman.

Hon. Mr. Wartman: — Thank you very much, Chair. I have to say that I think to some extent we get a microcosm in this room of the kind of attitudes that there are around the province. And one of the things that I have to say, having now been over a year in the Agriculture and Food portfolio, is that I am excited by what I see. I'm excited by the kind of building that is going on.

And I think, Red, you're bang on when you point to the fact that the industry in Alberta, with significant public money at the beginning of it, did grow. But we have been pushing for that growth. BSE held us back. But I can say very clearly that there are people who are ready to move and we will see that movement. And certainly the government is strongly in favour of it.

One of the things that I want to say that is . . . And I want to ask

you about this because certainly it comes up when we do our farm typologies, that for the smaller farms and a couple of the different typologies, we see how vitally important off-farm income is to keeping those smaller farms viable these days. And so I wondered if you did any work in terms of the employment side of things in rural Saskatchewan that looked at and correlated the kind of connection between on-farm and off-farm incomes and the kind of jobs that are vital to support for those farms.

Mr. Williams: — Well I'll start off and then somebody else maybe pick up while they're thinking. It's Linda's, I think it's her question. But that's a very interesting question. And this is something you might do, is agitate with the federal government — with Stats Canada — to separate farm income from off-farm income. I mean push them really hard, because they report it that way still and so it doesn't give a picture of what farming is about at any particular time.

Because you've got one person — well Linda's a case in point. She works off-farm. Now that really doesn't say how much they're making per acre or whether that farm is returning profit or not unless you segregate that out. So now I'll . . . Now she's had time to think about the answer.

Ms. Pipke: — Well you made me wonder. I think we did look at those stats but I don't remember what they are offhand, other than there is a very high proportion of off-farm employment for all farms — especially small — but also getting into those mid-size and larger farms as well. And it's absolutely critical to enable those farmers to stay on the land, to have those opportunities and those employment opportunities.

I can remember many discussions in the past actually with folks in Ottawa, about why does it seem to be a requirement that we have to have off-farm employment in order to enable farms to survive or thrive type of thing. And it was into that whole thing about big is better and that was the only way to go. And so you know, they were just really pushing that forward.

But it seems to be something that has to happen now to keep small farms viable, although the challenge is to find high-value crops to grow on those small farms to hopefully garner more income per acre and/or add the value to it. But I'm not sure I'm getting at what you're after.

Hon. Mr. Wartman: — I would like to see if we can just focus a little more on the type, because I know the work was done and we have separated out the off-farm, on-farm income piece. But it's the focus of the type of jobs that are the primary support for the off-farm jobs.

And I'll tell you where I'm leading with this because I'm really excited about the kind of developments that I see coming in terms of rural economic development. And I see where we've had, for example, lentil production — cleaning and splitting and so forth. There have been a lot of good jobs developed for some of my relatives and others who are, primary income is farm but this has given secondary income that's been vital.

So my question is, is there any . . . did you get any sense in your work, in your analysis, of the type of off-farm jobs that are supporting the farm income, keeping those smaller, mid-size

farms going?

Ms. Pipke: — We didn't look at it in that kind of a specific approach in any of the figures that I have seen. But certainly the jobs that are available for the value-added that are in the region like the processing for lentils, soups, all the rest of the things — the packaging, those kinds of things — there's been a wealth of those that have increased around the province kind of thing. Almost too many in some cases because there's been some challenges with that.

So if there are good, paying jobs within a close driving proximity, that's our best-case scenario. And if there are professional jobs, all the better for teachers, nurses to have that availability within an easy driving range. Because that's . . . in scenarios where, for a husband and wife, it depends which one has what skills and what jobs are available as to who might take that particular job. Or both might in the winter, depending what kind of production they're into type of thing.

But it is certainly essential. The pieces that I recall on that one were the proximity, how close are they, are they well-paying versus just the basic wage, the minimum wage kind of thing, and how can we help move that forward.

I don't have a more specific answer for you, I'm afraid, at this point, because we didn't really look at that kind of a correlation. I'm not sure if anyone else has a comment or not.

Hon. Mr. Wartman: — Well we'll keep looking at it. I'll pass it over to Clay.

Ms. Pipke: — Good, it's important.

Hon. Mr. Serby: — Thanks, Mr. Chair, and to the committee. Just to comment and then I'd ask you to respond to the comment.

I've had an opportunity to serve in my lifetime — as all of you in this room have today — on a variety of different committees, organizations, groups of men and women who range in number from a half a dozen to never 45 or 43. I shouldn't say that; I once sat in a caucus that had 56.

And when I looked at the recommendations that you provided for us to have to deal with — particularly me — and then recommend to my colleagues, there are some that I really, really like because they're easy to deal with and they suit my taste. And today you heard, as members discuss and ask you questions, you get a sense of what recommendations are high on people's priorities, easier to deal with, and ones that sort of fit your own personal bent.

As the minister responsible for this file, and government, our responsibility is to now find solutions to these recommendations which are so imperative to make a difference in a greater way to rural Saskatchewan. And I would expect that on your committee of ACRE you have a divergence of views — people who think differently, who push the . . . or challenge each other to find a solution, who have different, I expect, political persuasions, people who have ideologies that are not necessarily always complementary to each other. But you bring to the table 35 recommendations.

And I ask you, how it is that you reach consensus? Because I expect that when you provide this to me, that it — not expect; I know — that when you provide this to me it comes as a recommendation of your large body of ACRE. And I would be interested in learning from you how it is that you brought to this forum, to the legislature, 35 recommendations that are of consensus. Because as you've witnessed today in the discussions here over the last hour or a little bit better, that there is full consensus on both sides of the House here.

So I would be interested in learning from you how it is that you got to this spot and will end by thanking you again for the good work that you've done and for the exceptional package that I think rural Saskatchewan people will benefit from significantly as we reach consensus in this environment as well.

Ms. Horkoff: — I'd like to be able to respond by saying that it's because they have such an exceptional Co-Chair. Unfortunately I don't think that'll work.

Early on in this process we recognized those challenges just as you laid them out, and we made a determined effort to ensure that the discussion never went that direction. We realized that if we started hassling over personal preferences rather than focusing on the goals, that we would not reach any solutions and we would all become frustrated and that the whole concept would fall by the wayside. And many people predicted that it would. We had many naysayers tell us there's no way you can put 43 people from this variety of walks of life and organizations and experiences together and not have that kind of conflict. And believe me, we all have our opinions — and you may have guessed that by listening to us. And we're just a sampling of what the whole 43 sound like.

But the common goal that we all have is the love for this province and the need to do our part, or at least feel we've done our part in moving things ahead. And that's what motivates us to work together, put our personal preferences aside and just say, what would work best for the province?

And as I was sitting here I was just thinking, it's such a shame that we can't have all of our members responding to these questions because we have such depth of experience and ability on this committee. It's just amazing sometimes the depths of discussion that comes forward out of something relatively simple. Because they all have so much to offer. And as they sit back there it just seems a shame to me that they're not included in the discussion, because I would really actually invite people to attend our meetings to see how well they do conduct themselves at our meetings, outside of our meetings, within their committee, subcommittees. They're an exceptional group. I've never had an opportunity to work with as good a group as this, especially at this size.

I always thought Agribition was pretty exceptional because again we work with about 25 directors on that committee. And it was the same kind of thing — you had to put your personal preferences behind. All the livestock breeds had to work together. You couldn't have one breed getting more focus than another. But when you take this group you've doubled that; you've got double the expectations and double the interest. And they have just made such a wonderful attempt to make it work. I don't think I can say enough to commend them for their

wonderful work.

Some Hon. Members: — Hear, hear!

Mr. Williams: — I'd like to add — because she's put a pretty nice face on it and that's right — I think it was goals that did it. But I want to remind all of you, at ACRE, our first meeting there were 43 or whatever it was sitting around the table that day. They came from every organization and the first thing that went around, we had to give your name and your organization and what you think you're going to achieve.

Well I can tell you, they were going to do everything but go to the moon and so forth. I mean, the organizations and the ideologies and the spreads and so forth, well they're . . . And literally, I can tell you there were groups that said, if that doesn't happen, I'm leaving. And so the first go-round was pretty tense with certain groups that were there.

And now I think what happened was, that broke that, we went into committee and we had a little thing. Mine was agriculture, for instance. And so we started talking about agriculture. Well pretty soon, you could see that the extremes didn't work. We had to come to some compromise and I think that's what really . . . I'm just saying again what Audrey is saying. But it didn't start out with bells and whistles, I can tell you. That first meeting was very interesting.

Mr. DeRyk: — It did start out, I think, with a measure of mutual respect. And through the five years and all the meetings, I've never experienced members of the committee shouting at each other.

The Chair: — Ms. Horkoff.

Ms. Horkoff: — Are we about ready to wind up, do you think? Okay. Once again, I would like to thank everyone here for allowing us this opportunity again today. This is the second time we've presented to you and we truly appreciate it because it does give us the confidence that our work isn't going unheard. And we hope that we can continue to share it with you.

I would also like to say again that it's really unfortunate that you aren't able to talk to more of our members and get the input from them because it's a special group and we can only relay some of their thoughts through this group, but there's a lot of very good information out there.

And so with that, I look forward to the results of these recommendations. I look forward to the co-operation from both sides of the legislature on all these issues. I think it's things that we can work together to make work for all of us and it's only through that co-operation that that will happen. And so with that, I say thank you very much and I hope everyone has a great summer.

The Chair: — Thank you very much. We appreciate all the effort and the work that your committee has done. And there's no doubt in my mind and I'm sure the minds of all the committee members that your efforts will help shape a very positive future for the province of Saskatchewan and a future of hope, opportunity, and prosperity to the people of our province.

Thank you very much.

And with that the committee will now recess and reconvene at 7:15. Thank you.

[The committee recessed for a period of time.]

**Bill No. 104 — The Planning and Development
Amendment Act, 2005**

Clause 1

The Chair: — The item of business before the committee this evening is the consideration of Bill No. 104, The Planning and Development Amendment Act, 2005. I recognize the minister, and I ask the minister to introduce his officials.

Hon. Mr. Taylor: — Thank you very much, Mr. Chair. I appreciate the opportunity to be here in front of the committee tonight dealing with The Planning and Development Act amendments.

I have with me a number of officials. Sitting at the table with me to my right, John Edwards, who is the executive director of policy development. To my left is Ralph Leibel, who is executive director, community planning; and next to him is Len Kowalko, director of community planning. I have a number of other officials behind me who will be supporting later in the evening with regards to the other Acts in front of the committee, and I will introduce them when we come to the other Bills.

If I may have a few opening remarks, Mr. Chair.

The Chair: — Yes, Mr. Minister, if you have a short opening statement we would appreciate that now.

Hon. Mr. Taylor: — All right. Thanks very much. I thought in my opening statement I might be able to address a number of concerns that were raised in the Chamber during the second reading speeches that may be subject to questions tonight, and in doing so perhaps it might even expedite procedures a little bit.

We are dealing with The Planning and Development Amendment Act, 2005. The Bill responds to requests from municipalities to clarify provincial interests, provide legislation that is more permissive in nature, and give greater autonomy and authority for subdivision approving authority consistent with The Cities Act.

In summary the Bill provides approving authorities — that is really about 10 of the 13 cities — with greater flexibility, autonomy, and accountability for planning and zoning. The Bill streamlines planning and development, the review processes in general for all developments, providing clarity and flexibility, and improves enforcement for all municipalities with land use planning bylaws; permits the preparation of regulations defining statements of provincial interest which will provide a framework for land use planning in Saskatchewan that respects municipal authority for land use decision, and reduces provincial involvement in local community planning.

I won't go into the detail that I did in my second reading speech, but I will offer some comments on a couple of the aspects that were raised during second reading.

As I mentioned, the amendments will allow for the development of regulations to define statements of provincial interest. Statements of provincial interests itself will be developed in consultation with stakeholders at our next round of consultation. That statement of provincial interest are intended to clarify the province's policies used in the review of subdivision and municipal bylaws; provide a framework of guiding principles for land use planning; provide guidance to municipalities in the preparation of planning bylaws; establish greater local authority for land use decisions; and give municipalities, private interest developers, interest groups, and the general public a clearer understanding of provincial priorities.

Just a few more comments, Mr. Chair. Statements of provincial interest are proposed in order to strike a balance between provincial and municipal responsibilities for land use planning. The use of these statements will streamline and reduce the provincial involvement in municipal planning bylaws for approving authorities by limiting the detailed, provincial review of bylaws to the matters covered in these statements. For example, municipal planning bylaws and certain bylaw amendments currently require the approval of the minister. Following the establishment of provincial interests, authorized municipalities may simply refer the bylaw to the province as part of its consultation process.

Some sections of the Bill will not be proclaimed until statements of provincial interest have been developed. This approach provides flexibility to move forward with the majority of the amendments that have been requested by the municipalities. It further signals to all municipalities that the province is committed to defining statements of provincial interest that will lead to greater local autonomy.

The Bill also responds to the request of municipalities to broaden the types of lands that can be dedicated as environmental reserve. Environmental reserves are used by approving authorities to protect the natural environment and ensure that development is protected from hazards such as slumping and flooding.

Municipal associations, the private development sector, and government departments and agencies were consulted on the proposed amendments. The proposed amendments respond to these stakeholder requests for changes that make local planning processes more efficient and effective.

Mr. Chair, that would be my opening remarks. I welcome questions.

The Chair: — Thank you, Mr. Minister. Mr. Minister, I think I can say on behalf of all the committee we're pleased that you gave us your short opening remarks. Yogi, go ahead.

Mr. Huyghebaert: — Thank you. And welcome, Minister and officials. I was trying to copy quickly as you were giving your opening remarks because you did touch on some of the questions that I had, but I don't know if I got enough clarity in

your statement to answer the questions. So some of it might be a little bit repetitive.

But I think my very first question, Mr. Minister, would be that it's my view that all the Bills we're dealing with tonight are contingent upon Bill 106. And I guess if Bill 106 was not in front of us, we wouldn't require Bill 104 and 105. Would you agree to that?

Hon. Mr. Taylor: — Thank you very much for the question. The answer is no. The Planning and Development Act is developed separately and apart from The Municipalities Act. There are similar stakeholders in the consultation process, however the issues are quite different. The planning and development process has been moved forward by The Cities Act passing a couple of years ago, and so we're bringing a number of the concepts forward that were in The Cities Act. In a sense it's the development of The Cities Act that drove the development of The Municipalities Act too. So there are some similarities, but no, these Bills ... The Planning and Development Act certainly stands alone.

Mr. Huyghebaert: — I thank you for that. I'd like to go back to the term provincial interest. And I know you mentioned that provincial interest would be developed in consultation with stakeholders. That really doesn't clearly define the term provincial interest, and it just seems like there's a little bit of cloud over that word, or that phrase, provincial interest.

And I just wish you could clarify that a little bit what is meant, because once you put that phrase into a Bill, it appears it raises a flag to me initially that the onus is back on to the minister. I mean, you look at devolving authority, etc., to municipalities for planning, etc., which is great. But then by this catch-all provincial interest, it almost seems like you could have the heavy hand and say, no that's not in provincial interest. So the authority base rests right back at the ministerial level. And I'd like if you could clarify that for me a little bit.

Hon. Mr. Taylor: — Okay, I would be happy to. It is a question that has been raised in the House by yourself at the Legislative Assembly. It's also a question that I have been asked in other forums. And I do believe that it is important to answer that question as clearly as I can. And if I don't answer it clearly, I would ask that you continue to push me a little bit to try and get the clear answer.

Statements of provincial interest — first of all I should indicate — will ultimately provide greater flexibility and streamline the process for local municipalities because it fully identifies what in a sense can and cannot be done at that local level, which currently for all intents and purposes doesn't exist. It's a bit of a grey area.

The Act as it currently exists without the amendment provides the minister with the authority to establish provincial policy, which one can interpret to be interest. But it's a broad-based policy authority that's been granted. That current policy allows the minister to establish provincial policy to guide the preparation of municipal bylaws and land use decisions. The proposed amendment in front of us only clarifies the format for the policy development which will later be developed through regulation.

So what this Act does is it recognizes that provincial interest must be developed and that we will deliver that through a regulatory process. The actual provincial interest or the definition will now be developed through a set of consultations with stakeholders and the public.

So what is provincial interest? That's where we go next. We currently have the authority to develop policy on our own. This Act will define that whatever policy is developed will be done through regulations and that the next set of consultations, which will begin shortly, will actually define provincial interest.

Now let me take just another moment to indicate what will be involved. Statements of provincial interests express the province's position on matters related to land use planning that are of broad importance and are significant in the public eye. They have regard for the benefit or advantage for the province as a whole and for the public. Statements of provincial interest create a framework to guide community and land use planning. They are used during provincial review and approval of municipal planning bylaws and subdivision applications to identify public and provincial interest in land use planning.

Other provinces have developed provincial land use policies or provincial interest statements, and these address such issues as drinking water protection or source protection, development that might take place in flood risk areas, transportation and infrastructure issues, resource development such as oil and gas, and environmental considerations.

As I indicated, statements of provincial interest in Saskatchewan have not yet been developed. They will be developed during phase 2 of the review of the Act which we expect to occur before the end of this year and into 2006 and ultimately will be developed by regulation. Phase 2 we say will involve extensive consultation with stakeholders including municipalities, the development industry, government department, and agencies.

Mr. Huyghebaert: — Thank you, Mr. Minister. It seems just in your answer we talked about streamlining the planning process. It would strike me that this is probably going to slow down the planning process, going by what you've just stated. Would you explain how it's going to speed up the process, if it's going to streamline the process after the hoops you just explained that you go through?

And in addition to that, you had mentioned that the provincial interest clause will be developed by regulation, I believe I heard you say. If you could explain how it's going to streamline the process.

Hon. Mr. Taylor: — Okay. Again thank you for the question. And I agree it's an important question to be answered. Municipalities are certainly interested in improving the process as it currently exists. And as I said, this request for a statement of provincial interest was made by stakeholders, municipalities, and developmental interests. But statement of provincial interest, as I argued earlier, will simplify the minister's review of planning bylaws and certain bylaw amendments and obviously will shorten the review time. I'll explain that a little bit further.

Currently municipal planning bylaws and certain bylaw amendments require the approval of the minister. This process occurs after a bylaw has received of course three readings and been approved by a municipal council, which can take from 30 days to three months. Now that's for a bylaw amendment or for a new bylaw at the municipal level.

After statements of provincial interests have been adopted, approving authority refer the bylaw to the minister for a cursory review for provincial interest. The referral occurs before the bylaw has been approved by the municipal council, specifically before the bylaw has received second reading. If the bylaw is inconsistent with the statement of provincial interest, the minister must advise the municipality within 30 days and the municipality will make the necessary changes. After the municipal council has adopted the bylaw, the municipality must file a copy of the bylaw with the minister. No additional review period is required.

For municipalities that are not approving authority, that is outside of the 10 cities in Saskatchewan, ministerial approval will still be required for planning bylaws and certain bylaw amendments. However the review process will be, as I said, streamlined and more predictable because municipalities and developers will be able to take the statements of provincial interest into account when preparing their bylaws and bylaw amendments.

So the bottom line is it allows the provincial interest to be recognized earlier in the process. It actually speeds up the bylaw development and passage process at the municipal level.

Mr. Huyghebaert: — That just posed another couple of questions for me, Mr. Minister. One, I want to go back to the development of the provincial interest statement. If it's developed by regulation, that's out of the purview of the House so we won't even get a chance to debate the development or what the content of provincial interest is in the House. It can be hidden in regulation.

So that part of the Bill I'm not very pleased with, if in fact it's developed by regulation and it's non-debatable in the House. I would like your comments on that.

Hon. Mr. Taylor: — Thank you very much. I think first and foremost, as we've been noting in our review of other jurisdictions, provincial interest is almost always defined in regulation. The regulations are also gazetted, so it's a very public document. And I think as members here know, that the development of regulation in our historical context has always been done with a considerable amount of consultation with the stakeholders and the community. The regulatory process is not foreign to municipal processes, and the stakeholders have indicated that this is an acceptable forum for them.

The other thing is I think is that stakeholders believe and recognize that additions to regulations can be made more simply than legislative changes can, so there's actually a benefit to the municipal stakeholders in having matters in regulation because of the ability to influence, change, delete, or add to the processes.

I'm just looking at another matter here. The existing provisions

allow for the adoption of land use policies. The Lieutenant Governor in Council may on the recommendation of the minister adopt provincial land use policies. So the new plan or the new amendments call for . . . on the recommendation of the minister, the Lieutenant Governor in Council may by regulation adopt land use policies.

So we've got quite a substantial change here from the existing plan which simply says essentially that cabinet will make policy on a recommendation of the minister. Now it's done by the regulatory process. It's not just a cabinet decree.

Mr. Huyghebaert: — Minister, you mentioned with regulation, developing the statement of provincial interests through regulation is done with a great deal of consultation with stakeholders. That's a worry in itself because we know the current history of consultations in the last year or so with stakeholders and the lack thereof. That leaves a little bit to be desired.

However you did mention something I'd like some clarification on, when you mentioned something about outside of the 10 cities. And I didn't quite grasp what you were referring to. Outside of the 10 cities, it sounds like there's a two different tier here of the 10 cities and outside of the 10 cities. Could you explain?

Hon. Mr. Taylor: — That's actually at the heart of this Bill, and that's where part of what's coming out of The Cities Act is important and why the stakeholders are asking for the changes that are being asked for here.

First and foremost, there are two planning authorities in the province. One is devolved to those communities that have been given the approval to essentially do their own planning. They have to have a planner on staff. They have to have the capacity to do the planning process internally. What has evolved over the last couple of years is that 10 of the 13 cities have developed planning capacity, and we recognize those cities as what is known as approving authorities. So 10 of the 13 cities are approving authorities. This legislation is particularly designed to assist them in speeding up their process.

For the rest of the province who don't have the capacity to hire full-time planners or don't have the capacity to hire on occasion their own planners for subdivision approval and that . . . or subdivision development, the department continues to act as the planner, as the authority. So when the Act refers to approval or the approving authority for the . . . currently the 10 cities, that applies to them. And for the rest of the province, the planning authority is the community planning branch of Government Relations, which is essentially what currently exists.

Mr. Huyghebaert: — Mr. Minister, I think I heard you correctly when you stated that the government has retained the right of overview. In other words, bylaws must be referred, must be referred to the minister for review on provincial interest.

Hon. Mr. Taylor: — Yes.

Mr. Huyghebaert: — That's correct?

Hon. Mr. Taylor: — Yes that's correct. Currently everything must be submitted to community planning. If we have a defined provincial interest, the approving authorities will have an idea of what it is that we look at. The subdivision approvals and other matters that fall under the Act are submitted. At the end of the day, the minister only reviews the areas of provincial interest and not areas of local interest.

Mr. Huyghebaert: — Thank you, Mr. Minister. New section 192(1) allows the Watershed Authority or administration of The Environmental Management and Protection Act, 2002 to, and I quote:

... may require the owner of [the] land that is the subject of a proposed subdivision to provide part of that land as environmental reserve, in any amount and in any location that the approving authority considers necessary . . .

Can you explain the reason for that clause?

Hon. Mr. Taylor: — Yes I can. But I think I should outline a little bit about what we mean by environmental reserve, and again we talk about the permits that are allowed for approving authority.

First and foremost amendments are being made to enhance the protection of the environment. Section 192 of the Act presently allows a subdivision approving authority to require, as environmental reserve from land being subdivided, any area consisting of ravines, coulees, swamps, or drainage courses, slump-prone or flood-prone lands, and lands that abut a water body and are needed to prevent pollution or to preserve a shoreline. That's currently.

The amendments add a new clause which broaden the types of land that can be protected as environmental reserve, and this would include wildlife habitat, environmentally sensitive areas, historical features, or significant natural features. This approach makes the Act consistent with the Subdivision Regulations. These regulations require approving authorities for subdivisions to consider the protection of, and I quote from that, "critical fish and wildlife habitat" and "significant natural or historic features."

These have to be considered when reviewing a subdivision application. But the Act currently does not provide for such lands to be dedicated as ER [environmental reserve] even though the subdivision regulations currently require that it be done.

The remaining amendments to section 192 do not change any intent, but they add clarity. It should be noted that the dedication of environmental reserve is an integral part of the new subdivision review process, ensuring public safety, which we're talking about . . . slopes and flooding, protection of the environment, protection of development in private property from hazards. An environmental reserve can be used for parks or any use that may be specified in regulations or otherwise left in its natural state.

So what I wanted to get at by indicating what was already there and the change, in answer to your question, is that we have considerable environmental reserve matters in place right now.

We are extending it to fall under subdivision regulation, and it should be noted that the majority of environmental reserve, or the purpose behind it, is primarily for the protection of the people who are developing the land. In other words, you don't want to build a property on land that is subject to sloping or slumping. You don't want to build in areas that are flood plain prone, and you don't want to be building on sensitive land that could at some point in the future be challenged.

So these I think are the matters that relate to your question.

Mr. Huyghebaert: — Thank you, Mr. Minister. Is there a compensation system in place for owners who may be required to cede their land to the province?

Hon. Mr. Taylor: — I guess I should add one more thing before answering that question. It's the subdivision approving authority that makes the decision. In most cases this will be the cities, the planning commissions that exist within the cities that make this decision. And of course, any land that is under an ER becomes dedicated to the municipality under which it exists.

So the city makes a decision if it is an approving authority, and otherwise the decision is made by community planning within the department. Approving authorities always obtain input from Saskatchewan Environment, Saskatchewan Watershed Authority, etc., when reviewing any subdivision applications that involve environmentally sensitive lands.

Subdivision approving authorities already have a duty of care when reviewing and approving subdivisions. For example, approving authorities can be held liable in court if new development is put at risk because it's located on what's called hazard lands. And I think we recall in the mid-1980s the lawsuit against the province and municipalities reflecting flooding at Shell River Heights outside of Prince Albert. So these are matters that are important there.

You ask about compensation. It makes me wonder about what right does a property owner have regarding the dedication of environmental reserves. The need for an environmental reserve is identified to the property owner during the subdivision review process.

If a subdivision application is refused because the property owner will not dedicate ER, the property owner can appeal that decision to the Saskatchewan Municipal Board. The right of appeal ensures that the dedication of ER need not be determined solely by the subdivision approving authority but can be subject to review by a quasi-judicial board.

So while we're indicating that it's not a provincial matter of compensation, owners have to be aware of risks that are brought forward. Decisions are made by the local planning authorities, and it is subject to an appeal by the Saskatchewan Municipal Board.

Mr. Huyghebaert: — Mr. Minister, when we talk about the sensitivity of some of this land — and you described it a whole bunch of different areas — do you require approval from oceans and fisheries to dedicate this land as environmentally sensitive or habitat sensitive land?

Hon. Mr. Taylor: — We're very aware of jurisdiction and understanding that there are certain parts of the province where Fisheries and Oceans have a jurisdictional role to play, and that's primarily interprovincial waterways, yes pretty much interprovincial waterways. But the subdivision approving authority works with the appropriate government departments when reviewing subdivision applications that involve environmentally sensitive or hazard lands.

For example, if land proposed for subdivision involves fish habitat or wetlands, the subdivision application is referred to the department of Fisheries and Oceans for review and comments. This collaborative approach provides an effective and efficient means of subdivision review and ensures that environmental protection and sustainable development is taken into account.

The subdivision approving authority, not the federal government, not the federal department of Fisheries and Oceans, retains the control over what land is required to be dedicated as environmental reserve as a condition of subdivision approval.

So at the end of the day, it's the local approving authority that determines what ER land will be dedicated, and there's simply a consultation process to identify what those lands might be that involves the federal department.

Mr. Huyghebaert: — I have no more.

The Chair: — Not seeing any further questions on this Bill, then is the committee prepared to vote it off?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Then we'll vote off the Bill No. 104, the Act to amend The Planning and Development Act, 1983. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 51 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend The Planning and Development Act, 1983. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Can we have a member move to report the Bill without amendment? Mr. Trew.

Mr. Trew: — Mr. Chair, 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 that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 105 — The Local Government Election Amendment Act, 2005

Clause 1

The Chair: — The next item of business before the committee is Bill No. 105, the Act to amend The Local Government Election Act. I'll invite the minister to — as soon as the officials have made their change — to give us an opening statement.

Hon. Mr. Taylor: — All right. Mr. Chair, if I may, I will introduce my officials. I have again with me at the table John Edwards who is the executive director of policy development. I have to my immediate left, from the policy development branch, Keith Comstock and Allan Laird. Sitting behind us here we have Noela Bamford and Rod Nasewich who also may be called upon to put papers to me on occasion.

I want to thank the department for attending and preparing for today's review of The Local Government Election Amendment Act. If I may, Mr. Chair, I have a couple of opening remarks. I'll be as brief as I can.

The Local Government Election Act governs how urban municipalities and school boards conduct elections, which are an integral part of the local democratic process. The purpose of this Bill is essentially twofold. First, to amend the school election process in order to accommodate changes to the boundaries of school divisions in the past several years. The amendments to the school election process were developed in consultation with the Saskatchewan Association of City Clerks as well as with officials from Saskatchewan Learning and other municipal, school board election stakeholders. And secondly, Mr. Chair, to incorporate the rural municipal election provisions into The Local Government Election Act from The Rural Municipality Act of 1989. This is being done to accommodate the consolidation of legislation for rural and urban municipalities into the single Act which we will deal with later, The Municipalities Act.

In summary, the Bill removes the reference to population which currently establishes where a school division is considered wholly or substantially within a municipality. The Bill clarifies who will be responsible for determining the polling areas or places in the case where a school division is not considered wholly or substantially within one municipality. And the Bill requires that, where practical, a polling area or place is located in each municipality.

A couple of other things that the Bill will do requires that the secretary treasurer of a school division that is not wholly or substantially within a municipality, but does include a city within the school division boundaries, notifies the clerk of the city of the number of vacancies that need to be filled from the city to constitute full membership on the board; standardizes the number of nominators required to sign a nomination form for a candidate running in a school board election; clarifies the closing time for receiving second call for nominations for board members of a school division in a city is six days; and incorporates the RM election procedures from The Rural Municipality Act into The Local Government Election Act. This is a consequence of the government's plan to consolidate

our legislation.

In doing so this provides consistency between The Local Government Election Act and The Municipalities Act by removing the distinction of Burgess and Elector and replacing them with the common term, voter. And lastly, provides new authorities for rural municipalities to conduct curbside voting in situations where a designated polling place is inaccessible to disabled voters. This was requested at the March 2005 SARM convention, and we are very pleased to be able to incorporate it into the provisions of this Act.

So in answer to one of the questions asked previously by the member from Wood River, part of this Act is a stand-alone Act. The other part is being brought in in coordination with The Municipalities Act. Those are my opening remarks.

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

Mr. Huyghebaert: — Thank you, Mr. Chair. As we know, this Bill changes some wording to bring it in line with the new municipalities Act. But we know that the municipal Act, the new municipal Act was introduced last spring, debated in the fall, then pulled, and then reintroduced this spring which raises a bit of an issue and that is, will this be affected at all? Will this Bill be affected at all by the fact that the Bill was introduced, debated, pulled, and then reintroduced?

Hon. Mr. Taylor: — Mr. Chair, and to the member, the simple answer is no. What The Municipalities Act does not do is bring any of the provisions of the rural municipal elections into it. But The Rural Municipality Act has always had election provisions in it. So when we delete the rural municipalities Act, it was felt that the provisions for elections should be kept pretty much intact but it was better done in an elections Act as opposed to a governance Act. So by agreement, the provisions in The Rural Municipality Act regarding elections have been moved into this Bill and not into the new municipalities Act.

Mr. Huyghebaert: — As stated, there will be many school board elections approaching very quickly. When this Bill passes, is there going to be enough time for local municipalities to implement the Bill?

Hon. Mr. Taylor: — I believe that the Department of Learning has already made a decision to go on the old provisions, so this Act is not required to be passed in order to affect the current elections. Although I might add, there are a number of school divisions that probably would have liked the new provisions contained in these amendments as opposed to the old ones. But as I say, it won't have an impact on the current elections.

Mr. Huyghebaert: — Mr. Minister, you talked about the polls and municipalities and it's my understanding that there's not going to be a poll in every municipality for school division elections. Is that correct and, if so, why?

Hon. Mr. Taylor: — Okay. This actually . . . The answer to this question can be quite simple but what we want to do is try to ensure that, if possible, election polling stations will be held in each municipality. But there are some, for example, where there are no facilities available to hold an election. I'll just give you an example here — sort of the extreme example — the

village of Stornoway has a population of 10 and it does not have facilities to accommodate an election. So the Act cannot require that every municipality have a polling station because, as indicated, this is simply not feasible.

The Chair: — That's it? Seeing no further questions, is the committee ready to deal with the Bill?

Some Hon. Members: — Agreed.

The Chair: — Clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 27 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and the consent of the Legislative Assembly of Saskatchewan, enacts as follows: the Act to amend The Local Government Election Act. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Can I have a member move that the committee report the Bill without amendment?

Ms. Morin: — I will report that the committee moved the Bill without amendment.

The Chair: — Ms. Morin has moved that the committee report the Bill without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 106 — The Municipalities Act

The Chair: — The next item of business before the committee is the consideration of Bill No. 106, The Municipalities Act. I will invite the minister to introduce any new officials he may have.

Hon. Mr. Taylor: — Thank you very much, Mr. Chair. My front table remains pretty much the same as it did previously, with John Edwards and Keith Comstock next to me, but we have added Rod Nasewich to the table, who is with the policy development branch as well. If I might, I'll make a few brief introductory remarks and perhaps answer, I hope, a couple of questions that were raised previously during second reading.

We are dealing with The Municipalities Act. This Bill fundamentally changes and modernizes the relationship between the province and smaller urban and rural municipalities. The impetus for this legislation came primarily from the municipalities themselves, and the drafting of this Act has involved the full and direct participation of the municipal sector. It is crafted to enable municipalities to respond more quickly and efficiently to local issues as they arise and to encourage creativity and flexibility in how these local issues are addressed.

The Municipalities Act was introduced in the 2004 fall session. It did not pass at the fall session, much to my disappointment, but as a result I committed to undertake direct consultations with municipalities early in 2005 on the draft Bill. I want to thank members of the opposition, for although we knew that sufficient consultation had been done, these further consultations have served several purposes.

Number one, it allowed me to personally confirm the broad support of the municipal sector for the directions that were in the new Act. Although it seems that the opposition was not willing to accept the support of the representative municipal associations, SUMA and SARM, it was clear that the direction that they were providing to us is essentially what is in front of us today in the redrafted Act.

The consultation process also allowed us to identify some of the refinements that we knew would arise and that I would be bringing back in some future session of the legislature. I did indicate in my second reading speech back in the fall and then reiterated this in the spring session that municipal legislation has evolved over the years. It's evolving legislation. The Cities Act took several amendments to it over the couple of years after its introduction and we fully anticipated that The Municipalities Act would require some additional amendments as it became practically used throughout the province.

As a result of the extra time that we had, municipalities had indicated some of the amendments that would have been brought forward later and we've had the opportunity to incorporate them into this legislation.

I want to add to that that I've made a commitment to the municipal sector to continue to discuss interests that exist at the municipal level. And The Municipalities Act and its provisions will be discussed further in the future and will continue to be amended as matters arise that fit within the purview of The Municipalities Act in the future.

The consultation process also provided further opportunity to inform all of the stakeholders respecting the Bill, notwithstanding presentations that had been made previously at SUMA regional meetings, at the SARM convention, and the fact that copies of the Bill were posted on associations' and department's website. My department continues to work with the municipal sector on an ongoing basis to assist them to move smoothly towards the implementation of this legislation for January 2006.

And lastly, Mr. Chair, the consultation process in the development of the new Bill has allowed us the opportunity to add the consequential amendments to approximately 120 statutes within the Bill itself. We were previously contemplating a separate Bill to do the consequential amendments, but had the opportunity here to avoid that process and have included them in this legislation that's in front of us. So we have before us legislation that is primarily the same in intent and content as that brought forward in the fall session, and we have had the opportunity to incorporate the consequential amendments and some refining that were brought forward through that consultation process.

There are a number of other things that I could summarize

about the Bill, but I think I'll leave it at that, Mr. Chair, and would welcome questions from members.

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Well thank you, Mr. Chair. Well I just want to comment on the minister's comments there about the consultation with the Bill. As he knows full well, this Bill was introduced last spring and it was introduced on extremely short notice even to the legislature. It's a 200-plus page Bill I believe, and it was brought in without any time even for members of the legislature to have a look at it. And yet the government was so firm in wanting it passed in the spring legislature, and we said there was absolutely no way. What consultation has been done? And we see the consultation that takes place. A Bill is introduced and say we consulted but with no knowledge of where the consultations have been.

I know that SARM and SUMA have put a lot of work into this Bill, but there's a lot of people out there that it affects. So as history will tell us, it was reintroduced in the fall. It was reintroduced in the fall and debated, and it was debated because there was not ample consultation done. And we had stated ourselves that we will go out and do consultation. Then the minister decided well, he'd better take the bull by the horns and go out and do some consultation too.

And it's obvious — it's obvious to all of us here, at least on this side of the House — that the consultation process was not done adequately before. Because if it had've been done adequately, why would the Bill have had to be pulled? So that tells me, Mr. Chair, that the consultation process was not in fact done. Or if it was done, it was not done correctly because as we do know, the Bill had to be pulled, and the Bill was pulled and reintroduced.

So I'd like to have that on the record also because I don't believe the consultation process was done in advance of the fall sitting even, although there's a summer to do it. The consultation process was done after the fall session and as a result of that the Bill was in fact pulled and reintroduced with the amendments that we now see.

That being said, Mr. Chair, there are clauses in the Bill . . . And I know the minister sent me a copy of the changes, all the changes, but I wonder if he can highlight any of the substantial changes in the Bill that are in it now that were not in the old Bill that was introduced last spring and again last fall where it was debated.

Hon. Mr. Taylor: — Thank you very much, Mr. Chair. And again, thank you for the comment and the question. I do want to just say one more thing with regards to the consultation process, and I want the member who's the critic for Municipal Affairs not to take too lightly the representations that were made to him by SUMA and SARM in the fall. And I realize the member was not the Municipal Affairs critic at that time. I should add, representations from SUMA and SARM in the fall when the Bill was first introduced. SUMA and SARM made representations to the Municipal Affairs critic at that time that they felt consultations were adequate, that they wanted the Bill passed in the fall. They were very active in the development process of the legislation and in both cases felt that the

consultation process had been one of the most inclusive that they had ever participated in.

In fact the last time the rural municipalities Act was amended was 1989, and representatives from SARM will indicate that they got a copy of the completed Bill two days prior to it being introduced into the legislature. In this case, SARM was actually active in the writing of the Bill and had had the legislation on their website a full six months prior to our introducing it into the legislature.

The member should also be aware — and he can have this confirmed by his colleague to the right, the member from Rosthern-Shellbrook, who attended one of the consultation meetings that I held in January — at the consultation meetings, the intent of the Bill was never questioned. The content of the Bill was never questioned. What the stakeholders were most interested in were the implications of the Bill, and they wanted more information.

Several members at the table with me here today were part of the Government Relations team that held those consultations across the province and will verify that indeed the types of questions that we received were almost all related to the effect of the Bill at the municipal level, all of which we were going to roll out in any case in our training strategy, which of course we are still doing to this day and will continue to do prior to the implementation of the Act in 2006, January 1.

Now the member's question had to do with what are significant in the changes that are in front of us. And I would just add . . . I don't want to seem facetious, but, for example, one of the changes simply changes the word "and" to "or" in one of the subclauses, very . . . changes definitions. So some of these . . . many clause changes are very simple. We're just cleaning up the language in the Act.

Other changes between the original Bill and the one that's introduced to this session, is in front of us today, does the following: ensures that the authority to charge fees for service is explicit. And apparently it wasn't as explicit as municipalities wanted it to be, so we have put language in that makes it very specific. Ensuring that the general authority to regulate matters such as abandoned railway lines is provided subject to the equivalent of section 123 of The Urban Municipalities Act and The Uniform Building and Accessibility Standards Act. So again, we are simply making sure that what already exists is clarified very specifically in this Bill.

The Saskatchewan Municipal Board wanted to ensure that they were included for approval of water and sewage rates and discounts set by council. This is already a matter that exists and we wanted to make sure that it's a part of the legislation.

We wanted to ensure that public utility boards can borrow from sources other than banks, which some do at present such as leasing companies. The Act had indicated that the public utility boards can indeed borrow money, but it specified only banks and we wanted to ensure that it allows the utility boards to borrow from places where they are currently borrowing from.

There was wording in the urban municipalities Act and the rural municipalities Act relating to the inclusion of previous years

operating deficits in the budget of a current year. We restored that wording. We are retaining the requirement for municipalities to publish notice that assessment notices have been sent and the appeal period is open, publish this in the *Gazette*.

And there's one new clause that I'm very pleased to see in here. At one of the consultation meetings — actually, I believe it was in Weyburn — it was suggested by a municipal councillor that we add a new authority for a council to decline additional public meetings on a subject for up to one year if a public meeting on the same issue had been held already.

We're very pleased that the Act extends a lot more authority to municipal governments, but it also makes those governments more accountable. There are provisions in the Act which the municipalities agree to with regards to powers for the public to hold their governments accountable. But it was felt that sometimes people will petition, petition, petition. And to protect municipal councils, we have provided the authority to have one public meeting in a year in response to these petitions.

I think that pretty well clarifies the significance of the changes since the Act was brought in last fall.

Mr. Huyghebaert: — Well I just want to also comment on the minister's earlier comments, because I realize that SARM I don't believe had full view of the Bill prior to when SUMA wanted it passed. And I know I've talked to both organizations and my question to SARM was very, very simple: why do you want this Bill passed in the fall of 2004 when implementation day is January 1, 2006? What's your rush? Is there proper consultation? They said they had some consultation, but it wasn't that the province had consultation. So I still fail to see . . . The minister wanted to say that he wanted it pushed through in the fall, and other organizations wanted it pushed through in the fall of 2004 when implementation date is January 1, 2006. I still don't see what the rush was for at that time.

As a matter of fact it turned out to be positive not to have it pushed through because of we see it being pulled and reintroduced. In fact I've talked to members since then and actually thanking us for not having it rammed through the legislature in the fall of 2004 because we'd be sitting now trying to put multi, multi amendments through this, through the Bill.

So I think it's a win, win situation although it might appear to be a little bit of a loss for the department because it wasn't rammed through, and for just reasons why it wasn't rammed through. So I'd just like to put that in the record.

But I'd like . . . There's one clause and unfortunately, Mr. Minister, I can't find it quickly and I didn't have it earmarked, but there is a requirement someplace in the Bill — and correct me if I'm wrong — about councillors listing assets or a requirement to list assets. And is that still in the new Bill or was that taken out in the amendments?

Hon. Mr. Taylor: — Okay. I can answer that question pretty simply. I don't want the member to forget that in my opening remarks I did say — and it's written down so I can repeat it verbatim — I would like to thank the members of the

opposition, for although we knew that sufficient consultation had been done, further consultation did serve several purposes.

And so there's no doubt that even though the Bill that was introduced last fall could have been passed, there would have been virtually no change today, except that we'd be dealing with some amendments going forward. Nothing was pulled from the Bill. We could have passed it. Nothing would have changed. But we would have had another Bill coming forward now with these new amendments to clean it up. We appreciated the time. It's worked out to work in our favour.

The requirement for proclamation in January 2006 was actually a delay period so that we could bring forward a information package and meetings to the municipal levels. We did it with The Cities Act — a delayed proclamation — so that we could roll out the Act on a practical basis with municipal administrators for full understanding of the consequences of the Act.

And I might add that the department has continued to work with municipalities on the assumption that the Act will pass, and that the provisions that they want added will indeed be able to be implemented and in place for 2006. The implementation team that we had talked about in the fall has been active. It includes representation from the municipal sector and will ensure that municipalities across the province are fully ready for implementation on January 1, 2006.

In answer to the specific question, in answer to the specific question with regards to public disclosure, let me say that the urban municipal Act and the rural municipal Act had different provisions on public disclosure. The urban provisions continue to require municipal leaders to provide public disclosure. I mean I had to do this when I was a member of city council in North Battleford previously. But there was no similar provision in the rural municipal Act.

What we have brought forward in the new municipalities Act is a discretionary authority for rural municipalities. The Act does not require rural municipal politicians to do a mandatory filing of public disclosure. It does under the urban Act and will continue to do so for small villages and towns . . . [inaudible interjection] . . . No? Oh, pardon me. I'm just advised that it's actually the rural provisions have been in a sense moved to the urban side — it's all discretionary. Small urbans and villages and rural municipalities have discretionary authority for public disclosure. So it's up to the local governments to decide whether or not they will require public disclosure.

Mr. Huyghebaert: — Good, good. Mr. Minister, since the Bill has been reintroduced we've had a number of phone calls regarding changes to the Bill including how mill rates are set up. As a result of this Bill, are there going to be some areas of the province who'll have large increases in the mill rates or others that have decreases?

Hon. Mr. Taylor: — Mr. Chair, and to the member, I'm not aware of any provision in this Bill that would affect mill rates or taxing powers.

Mr. Huyghebaert: — We know a little bit of history here, not with the municipal Act but with the smoking ban and the

consultation process of that which has been debated in the House. But one of the things that's popped up on numerous occasions because of the smoking issue was the cost, and the cost that it has to businesses and even to government revenues. Now we're implementing quite a substantial Bill. What is the implementation cost of this Bill going to be for the municipalities? Has that been factored in or discussed?

Hon. Mr. Taylor: — Mr. Chair, I'm not aware of anything in the Bill that should substantially change the way that municipalities currently operate. I'm not aware of anything here that would increase the administrative costs of the cities . . . or not the cities, the municipalities affected by the Act. And if nothing else, it provides a little more authority to the local level and less back and forth with the provincial government. In fact I'm sure that some municipalities might argue that it even reduces some of their administrative costs. But I'm not aware of anything here that should substantially change the financial operations of a municipality.

Mr. Huyghebaert: — Well, Mr. Minister, it's my understanding that the actual implementation is going to be very expensive in some areas with a computer program, new programs and computers, and that was my understanding, actually more so in the larger centres than some of the rural municipalities.

And my question would be if that is the case, what I'm led to believe from some of the larger centres that it's going to be a substantial cost, and if the department is prepared to step forward and help out the municipalities with the implementation costs that they're going to be required to put into the setup for the implementation of the new Bill.

Hon. Mr. Taylor: — There are a lot of changes occurring within the municipal sector, and I believe that the member might be — from some of his consultations with administrators around the province — may be bringing forward a number of legislative changes that are occurring elsewhere into The Municipalities Act here.

The changes to an Act brought forward by Learning, the education property rebate or property tax rebate Act does have some software provisions included in it. Municipalities will be required to update the software with regards to providing that rebate. And in fact the Department of Learning and the government will in fact contribute financially — to the member, just to make sure if he hears my response — the government in that case will in fact provide some financial relief to the municipalities. There should be very little in The Municipalities Act that will require substantive software changes, or as I said earlier, administrative changes.

We do have a team in place that will be working with SUMA and SARM on an implementation strategy. There will be some bylaw changes that are required. Those bylaw changes will be brought forward early in the year. There'll be templates provided for the municipalities so the administrators don't have to create bylaws on their own. It should be a fairly smooth implementation process, and I don't anticipate any significant costs.

The Chair: — Okay. Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Speaker, welcome to your officials tonight. I have a few questions regarding some of the municipal rights of the North.

As I mentioned in my address in second readings to this, I don't want to go down the road of the forest fringe issue because you know my views on the forest fringe issue and the taxation regarding that. And I still say that's the most unfair tax ever presented. Yet I don't see anywhere in this municipalities, or new municipalities Act where they've made any significant changes in regards to that, other than the fact that it allows for an RM not to tax if they so desire. Well that's no change because the policy before under the rural municipalities Act, it was in there also. So there was no changes in that regards.

I also want to make comment, Mr. Minister, in regards to the meeting at Wilkie. I did attend as you mentioned. It was a really good meeting. I was surprised to see so many people out. The people out were all reeves or councillors from rural municipalities from that area. And it was great to see them come out and air the questions that they did.

And I think, Mr. Minister, you yourself took it under advisement that some of the questions needed to be dealt with and they were not dealt with in the Act previous. And I would hope that the amendments as such that went in to address those issues. I'm sure they did because if they didn't I'm sure the municipalities would have been questioning you again in regards to that.

In regards to the urban and the rural municipalities Act, it's been changed now to be called the new municipalities Act. I'm wondering, Mr. Minister, under this Act there is no provisions to incorporate the northern municipality Act. And to my understanding, previous to this there was the urban Act, The Rural Municipality Act, and a northern municipalities Act. Is there a difference . . . or the northern affairs . . . or The Northern Municipalities Act, a different structure than either the rural or the urban Act, and if so how?

Hon. Mr. Taylor: — Thank you for the question. I appreciate the additional information. The member actually made two comments and asked a question. I just want to address those two comments. Just for the record for those who are watching tonight, and by the way, Mr. Chair, I apologize to all those who have just tuned in to watch the Shopping Channel. I'm hoping that I am as entertaining as any of the presenters on the Shopping Channel tonight.

But for the sake of the viewers who are watching, the member from Rosthern-Shellbrook has been raising for some time with myself, the department, the officials, an issue of grazing permit holders in the forest fringe area of northern Saskatchewan. And a couple of weeks ago during estimates we had about 40 minutes of questions and answers and I would encourage anyone who's interested in my responses on that issue to get a hold of the *Hansard* from that day because I think I addressed those issues about as squarely as we've been able to do so for some time.

The Municipalities Act in front of us today continues to provide the authority to rural municipalities to cancel or pro-rate any tax that they levy. So again I say that The Municipalities Act in

front of us provides greater . . . or continues to provide local autonomy to municipalities to make decisions affecting the taxation of their residents.

Secondly on the consultation meetings, I appreciated the fact that at least six members of the opposition attended the four meetings that I was at. And I very much appreciated their interest in that consultation process and particularly the member from Rosthern-Shellbrook who travelled some distance to attend the meeting in Wilkie. But I think that one point that I want to make in this regard is the member will recognize that one of the strongest supporters or proponents of getting this Act quickly was the mayor of Wilkie, a former MLA — Sask Party MLA — who works with the SUMA towns and villages committee, had participated in the development of the Act, and was indicating to us at that meeting that he wanted that Act passed as quickly as possible. So I think he for one will be very grateful if we move this Act through as quickly as possible here in this session.

Lastly with regards to the northern Act, The Northern Municipalities Act, when we began this process of bringing forward the new concepts of areas of jurisdiction, natural person powers, that sort of thing that is the new template for municipal governance legislation, we originally were looking only at small urban centres. The Cities Act had been passed. SUMA wanted to apply the efforts that were made there — the positive steps that were taken there — to the small urbans and resort villages in the province.

When we sat down with the SUMA towns and villages legislative review committee, we also noticed there was an opportunity to bring the rural municipalities — and perhaps the northern municipalities — into a single consolidated Act. It was obvious from our initial consultations that the rural municipal sector was ready with a time, effort, and interest to come into the consultative process to develop a new consolidated Act. The representatives of New North were not at that same stage. It would have taken us longer to bring The Northern Municipalities Act into the consolidated Act. But that doesn't say that the New North or the representatives in the North aren't interested in this consolidation process.

So the consultation is continuing with New North. Some of the issues that have been raised in The Municipalities Act are of interest to northern communities. But because the municipal governance processes in the North are different than in other parts of the province, we're going to conduct these consultations separately and apart and work closely with them to see what we can do into the future.

So it's a long answer, but the simple answer is, New North is interested. There are some additional challenges. We will consult with, work with New North to try to bring some of the concepts forward. It might be simply amendments of The Northern Municipalities Act or it might be the inclusion in The Municipalities Act. However we have started the terms of reference discussion with them, and we will carry on from there.

Mr. Allchurch: — Thank you, Mr. Minister. In regards to your comments . . . And hopefully people watching tonight in regards to the questioning, I hope that there are members from

the forest fringe grazing association that are watching, if they're able to watch to hear the comments for the simple reason I mentioned in my previous question. The Act does not change the fact that this permitted land is being taxed. What it does is allow the RM to have the flexibility to not tax them if they so desire.

What you're doing is not trying to correct a wrong. The wrong is there. It should be corrected first before you can implement a system where they have the right to yes, tax or not. And I mentioned many, many times before, the people of the forest fringe grazing association believe that if you're going to tax, you must provide a service. RMs cannot provide a service. They do not have any jurisdiction over the land.

I don't know any other group that is taxed on a year basis and can only get service for a portion of that year. They're paying a full tax, and yet other users of the same property are not being taxed. And that's their issue. It's not that they don't mind paying their fair share of taxes. Everybody does. But in this case here, this is totally unfair.

In regards to the mayor from Wilkie, at that meeting Mr. Walter Lorenz, who was a member for the Saskatchewan Party here . . . I talked to him after the meeting, and as a representative from SUMA he was all in favour of having the Bill pushed through at an early date when you, the minister, wanted it. He was though surprised at the amount of people there and hearing some of the comments coming out of the reeves and councillors from SARM at that meeting. And I believe the comments made there were such the same comments made at all the other meetings that you had before.

So yes it is fair to say that the mayor did want this pushed through. But he'd also see that there was concerns in this Act, and that's why I really believe that he was glad to see it go back to the drawing board with the amendments put in as such because of the meeting that took place that he was there and witnessed.

In regards to the northern municipality Act, by the sound of your comments there is a different structure. It was not incorporated into this new municipality Act, and you've said some of the reasons why. You also made comments that there is a possibility that working with the New North and the northern municipality Act it could be at a later date. Can you give a timeline of when it could be put in? And would this be just an amendment to the Act, or would there have to be another Act brought out to incorporate The Northern Municipalities Act into it?

Hon. Mr. Taylor: — Thank you very much for the question. I won't put a time frame on it because we do believe in the representative nature of the various organizations that we deal with. We will move at a time frame that's acceptable to the northern communities. We find that amending The Northern Municipalities Act or consolidating it into The Municipalities Act are both acceptable provisions. We will take our time with them as we did with, actually with the development of The Municipalities Act. The SUMA Towns and Villages Legislative Review Committee worked for several years before it got to our table.

So we believe very strongly in and respect the nature of the organizations, and we'll move forward at timetables acceptable to them. Our timetable for The Municipalities Act was in fact driven heavily by the SUMA Towns and Villages Legislative Review Committee. And fortunately we had some very good people from SARM working with us that pretty much accommodated the time frame that was put forward by the Towns and Villages Legislative Review Committee.

So at the end of the day, we've now got the terms of reference for our discussion with New North in place. We've got the terms of reference being discussed. We will be getting together with New North as we do regularly, twice a year, to discuss matters of interest to them, and this will always be on our agenda. We will continue to work on updating the Act, and if there's an opportunity that they see as appropriate to them, we'll be moving forward with either specific amendments or bringing forward amendments to The Municipalities Act to include them.

Mr. Allchurch: — Well thank you, Mr. Minister. In regards to the North, in my conversation with many people from the North — be it mayors, councils, chiefs, or whatever — a lot of times when I asked how the system was working up there and they said, as far as the northern municipality Act, one of their biggest stumbling blocks is that the department of SERM [Saskatchewan Environment and Resource Management] has more power up there than what the northern municipality Act does. They feel that every time they have an issue, they are put off on SERM, so they feel a lot of time that the northern municipality Act is not working to the capacity that they feel they need in order to make the North prosper and grow.

In my earlier comment, I made reference that they were not incorporated, or the northern municipality Act was not incorporated yet, but I think it would be a great time to incorporate them into this Act. And I know dealing with the North and the people up there, they need to be consulted in order to do this. But right now they are under the influence that SERM controls all the doings up there, and that has to be changed.

Hon. Mr. Taylor: — Thank you very much for the question. I do note that we meet with northern leaders on a regular basis. We have a northern forum that brings government departments together with northern leaders. And sometimes we meet in Regina. Sometimes we meet in La Ronge.

The northern leaders generally have indicated that they see value in a separate statute for the North, in other words continuation of The Northern Municipalities Act. We've set terms of reference out for them to discuss for changes to the Act, and we will establish a working committee which will include representatives from the North and representatives of government relations to identify issues that are important to the future governance of the North, the northern communities. That working committee, I'm sure, will be presented with some of the challenges that you've just identified. And we will have to deal with those challenges as they are raised with us in that working group before we bring anything forward.

So I can commit to you — because that's what we're doing — a full consultation with northern leaders, northern municipal

leaders in any changes that might be coming forward with regards to governance legislation.

Mr. Allchurch: — Well thank you, Mr. Minister, I'm sure the northern leaders up there will be anxious to hear that because they are looking for change. As you know, in the North sometimes change too quickly is not the way they do things, but they definitely do need change up there. So that ends my questioning. Again I thank you, Mr. Minister, and your officials tonight.

The Chair: — Mr. Dearborn.

Mr. Dearborn: — Thank you, Mr. Chair. Good evening, Mr. Minister, and welcome to your officials.

I have been receiving a number of calls from towns in my constituency, primarily Kindersley, and worried that their ability to set subclasses for mill rates has been removed. I'd like some clarification around this.

In essence the town had set a promise not to raise tax rates . . . but the ability to have subclasses for condominiums, for possibly industrial, industrial properties as opposed to commercial properties . . . And then residential properties has been removed from them. Hence you're seeing fairly radical swings in what the actual tax paid by some primarily residential owners are paying relative to commercial owners. Could we have some commentary on that and also the rationale behind?

In my discussions with SUMA, they indicated to me that the removal of these subclasses was actually a decision of cabinet, and I would like to know the rationale behind it because they had told me that this was something that they wanted included, and why it's absent from the Bill and this power's removed from municipalities. Thank you, Mr. Minister.

Hon. Mr. Taylor: — Thank you very much for that question. I am aware of the concerns that Kindersley has raised. I appreciate the member raising them again tonight.

I will answer from some of my notes here because I want this to be as clear as possible. The condominium subclass authority was originally created for municipalities after the 1997 revaluation whereas an inequity existed between the percentages of value applied to residential properties at 75 per cent and multi-unit residential properties at 85 per cent which included condominium properties. Single family dwellings and condominiums are both residential property types and are similar, yet there was a 10 per cent difference in taxable assessed values. Therefore to allow municipalities to mitigate these differences, the condominium subclass authority was created. And I might add it was only condominium subclasses that we were talking about.

With the 2001 revaluation, one of the objectives was to ensure that there was consistency and equity within the residential sector with common percentages of values respectively. The provincial decision in terms of percentage of value was 70 per cent for all residential property classes instead of the three different percentages of value that had previously existed. Seasonal residential was at 70 per cent, residential at 75 per cent, and multi-unit residential was at 85 per cent. So the

provincial decision was to lower them all to 70 per cent.

The application of the residential condominium subclass by towns and villages has decreased significantly since the introduction in 1998 from a high of 41 municipalities to 11 municipalities in 2002 — with only five of them using varying tax tools. This decrease in the use of this tax tool was attributable to the 2001 revaluation decision, percentages of value.

Even where this authority is used now, the tax tools applied are very similar to those set in the general residential class. The tax shifts due to the removal of the infrequently used residential condominium subclass authority would be relatively small. The recommendation to remove this authority advances the objectives of achieving greater equity and consistency of tax treatment for all residential properties across the province and removing complexities and redundancies from the property tax system to simplify the process.

So this is an answer that takes us back to 1997, deals with percentages of value and the lack of use of the subclass provisions in the intervening year.

Mr. Dearborn: — Thank you, Mr. Minister. That is an answer. The question around why, with regards to making this simpler, why would it be needed to be mandated from the provincial level for a one-size-fits-all, rather than left to individual municipalities to determine?

Hon. Mr. Taylor: — I'll take a bit of a stab at that, and I'll look to my officials for a little bit of support on this. I think generally it goes back to the part of the answer that I talked about earlier with regards to all residential properties being treated in pretty much exactly the same way. Allowing a municipality to separate one residential class from another residential class for perhaps increasing the tax base could be problematic across the province.

Essentially by the changes that were made at the provincial level, reducing the percentage of value from 85 per cent to 70 per cent for condominium units essentially addressed a lot of the issues that condominium owners had been raising with the province for a number of years and today ensures that across the province all residential properties are treated equally.

Mr. Dearborn: — I'm a little . . . Thank you, Mr. Chair. I'm a little bewildered on how that could cause problems across the province. Each of these changes that would have to be implemented would have to be implemented by town boards of elected aldermen. And it would seem that they would act in the best interests of their constituents. The removal of this unfortunately causes a great deal of harm often to those most vulnerable — seniors on fixed incomes, single-parent families that are living in condominiums as opposed to detached or semi-detached dwellings.

And this has been an issue in both Unity and Kindersley, in my constituency, and I suspect that it exists right across the province. So to have the minister clarify please how — when it is an elected board and the aldermen setting up various rates — how this could prove problematic on the provincial level.

Hon. Mr. Taylor: — All right I'm happy to do that. I might do that by saying that by adding subclass authority we add complexity to the property tax system. In smaller communities, the subclass might include only one or two properties, whereas in cities obviously there is a greater diversity of property types and a greater number of properties within the subclasses.

This of course has the potential of creating inequities in smaller communities where targeting a small group of ratepayers could be possible, and they could pay higher rates than the majority of other properties.

In smaller communities . . . And this is very important in this discussion here in the question that the member is raising. In smaller communities if the intent is to lower property taxes for a small number of properties, municipal councils could implement partial property tax exemption bylaws for very specific properties to achieve similar results. In other words they have the ability to do that.

So if the exemption is considered for economic development purposes, the exemption can apply to both the municipal and the school portions of property tax. So at the end of the day, I guess what we're saying is we're trying to find consistency in policies across the province, but at the same time ensuring that local governments do have the ability to decrease tax on certain properties when they wish to do so.

Mr. Dearborn: — Mr. Minister, maybe you can clarify for me, I thought that the cities were under The Cities Act and that their subcategories still exist. And they're allowed to do as many as they would wish which causes a great inequity for a town of Kindersley who, you know, is likely at city status. But, you know, a similar population to Melville which has the status and Kindersley does not . . . and this is a tool removed from them further to that. So that part of the argument I don't think really holds water or makes sense to say that it could get complicated.

Now in very small communities it's baffling to me that such abuses would be taking place because all the municipality government elected officials I've met have seemed by and large to be very fair people and do good diligence with their constituents. Again I just don't understand why it wouldn't be left in the local officials' hands.

Having to go the other route through abatement process downloads those costs onto the municipality. Clerically there's a great deal of work surrounding that as well as having to go for approval through the school boards for that abatement. And in essence that will increase the load onto the municipality and the municipal clerical staff. And I just don't see the logic around eliminating the subclasses.

And this is more or less verbatim the arguments that have been put forth to me by the aldermen. And it's very troubling for them because the abatement process maybe will not be able to occur immediately, which will directly affect seniors on fixed incomes seeing dramatic shifts in their property tax rates which may not be able to be abated for some time, just due to the procedure of the complexities of obtaining abatement and permission by the various authorities. And these can have real consequences for individuals in that situation. So I just ask you to comment on that if you would.

Hon. Mr. Taylor: — Okay. I'd be happy to comment on that and a couple of other things that you indicated.

First and foremost I do want to congratulate the people of Kindersley for pretty much achieving city status. I think Kindersley is a tremendous community with a great deal of potential, and there's nothing I'd like better in my term as Minister of Government Relations to be able to declare another community in Saskatchewan as a city. I would like nothing better than for that to be Kindersley, and I will work with the civic leaders in Kindersley at a pace that they decide to try and find a way to make this happen. I think Saskatchewan would benefit from a city, and I can't think of a better community than Kindersley to achieve that status.

The other thing is, I want to repeat that the development of the language in the Act here is trying to ensure consistency in policy. But also we've got to remember that the Act covers the entire range of towns and villages across the province. I think that the point that you're making and has been made very well by Kindersley applies to probably three communities in the province — certainly Kindersley, certainly Unity as you've identified, and if not Meadow Lake, then the area outside of Saskatoon, the Corman Park area.

I think that we have a very strong team of municipal advisers within the department. I think we have some very intelligent folks within the department. And I think that we are more than willing to work with the administrators and civic leaders in those communities to find ways to achieve some of the things that they would like to achieve without creating some inconsistency in policy across the province.

So I simply commit that we will continue to work with Kindersley through our municipal advisers and other officials in Government Relations to see what we can do to assist the city in meeting the goals that it sets for itself.

Mr. Dearborn: — Well thank you, Mr. Minister. Those are indeed encouraging words, and I know that the incoming mayor is going to be very interested in these transcripts. And we'll look forward to being named a city under your ministry, right ahead of Meadow Lake I suppose. So thank you, and I think I've exhausted the avenue for my questions, Mr. Chair. I know that you as an individual, Mr. Chair, will be disappointed that I can't go on, but I will have to cede my time at this juncture.

The Chair: — I'm sure, Mr. Member, that the entire membership of the committee will be disappointed that you couldn't go on. They will all share in my disappointment. I'm sure of that. Seeing no further questions, I will ask the leave of the committee to allow the Chair to deal with this particular Bill by parts because there are 484 clauses and I would rather, to save time, deal with the Bill by parts. So does the Chair have that leave?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 484 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent

of the Legislative Assembly of Saskatchewan enacts as follows: An Act respecting Rural Municipalities, Towns, Villages and Resort Villages and making consequential amendments to other Acts. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I will invite the member to move that the committee report the Bill without amendment. Mr. Trew?

Mr. Trew: — I move that the . . .

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

Some Hon. Members: — Agreed.

The Chair: — Carried.

**Bill No. 107 — The Municipalities Consequential
Amendment Act, 2005/Loi de 2005 sur les modifications
corrélatives découlant de la loi intitulée
The Municipalities Act**

Clause 1

The Chair: — The next item of business before the committee is the consideration of Bill No. 107, The Municipalities Consequential Amendment Act, 2005. Mr. Taylor.

Hon. Mr. Taylor: — Thank you. I see no reason to introduce my officials further. We have done that with no changes at the table. I will make just a couple of very short remarks so that we know for sure what we're talking about.

The Bill in front of us, The Municipalities Consequential Amendment Act, 2005, presents changes that are being made to the following bilingual Acts of the legislature: The Alcohol and Gaming Regulation Act, 1997; The Education Act, 1995; The Interpretation Act, 1995; and The Traffic Safety Court of Saskatchewan Act, 1998. All changes are being made as a result of the introduction of The Municipalities Act.

The changes being made to these statutes, as in all other consequential amendments contained in The Municipalities Act, primarily do the following: replace references to the now gone or soon to be gone rural municipalities Act, 1989 and/or the urban municipalities Act, 1984, replace them with references to The Municipalities Act; repeal various definitions of municipality in favour of the new definition in The Interpretation Act, 1995 that identifies all of the specific types of municipalities and the different municipal statutes under which each type is governed; and ensure that where intended and appropriate, specific provisions only relate to a specific type or type of municipality such as rural municipality or municipalities other than rural municipalities; and lastly, remove or replace outdated language relating to certain municipal positions and entities such as secretary-treasurer or maintenance area corporations. Those are my opening remarks.

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

Mr. Huyghebaert: — Thank you, Mr. Chair. Well, Mr. Chair,

this Bill is pretty straightforward and basic and I don't find anything contentious of nature in this consequential Bill. And now that the other one has been done correctly, I have no questions for this and so willing to let it pass along with 106.

The Chair: — Well that's quite pleasant. The committee is now going to be voting on Bill 107. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 6 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: An Act to make consequential amendments to certain Acts resulting from the enactment of The Municipalities Act. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll invite a member to move that the . . .

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

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

Some Hon. Members: — Agreed.

The Chair: — Carried. The next item of business before the committee will be consideration of estimates and supplementary estimates for the Department of Highways and Transportation. We'll take a slight break here while the ministers change.

Some Hon. Members: — Agreed.

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair. I just want to thank the minister and the officials. I know we've probably dragged this on a little longer than was really necessary, but I'd really like to thank the officials for their support to the minister on a number of these questions. Thank you.

Hon. Mr. Taylor: — And, Mr. Chair, if I can, I want to add my thanks to the officials who have been here today and to all members of this committee, government and opposition members.

I believe strongly in this process of committee study of legislation and I think the questions that were asked today, tonight certainly help the public to better understand what's being brought forward. And I really appreciate the opportunity to be able to answer these questions, so thank you to everyone.

The Chair: — Thank you, Mr. Huyghebaert.

We'll reconvene the committee. The item of business before the committee is the consideration of estimates and supplementary

estimates for the Department of Highways and Transportation. I recognize the minister and ask the minister to introduce his officials

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

Subvote (HI01)

Hon. Mr. Sonntag: — Thank you, Mr. Chair. Good evening, committee members. Immediately to my right is Deputy Minister John Law. To my left is George Stamatinos, assistant deputy minister of policy and programs. To my far right is Terry Schmidt, assistant deputy minister of operations; and behind Terry is Cathy Lynn Borbely, the acting director, corporate services branch.

The Chair: — Thank you, Mr. Minister. I'd like to draw the attention of the committee to a substitution. We have Mr. Andy Iwanchuk for Mr. Maynard Sonntag. Mr. Minister, do you have an opening statement? Not seeing an opening statement, Mr. Stewart.

Mr. Stewart: — Mr. Chair, Mr. Minister, with regard to a specific highway in my constituency, that portion of Highway No. 19 between Highway 42 and the community of Elbow is the only access to the resort communities on that portion of Diefenbaker Lake from the south, Mr. Minister. And it's annually in terrible shape, and it is again. From this time of the year until mid-summer or sometimes into the fall, it's full of holes and with chunks of pavement strewn about the part of the surface that is left. People drive on the wrong side of the road routinely. There are hills and curves and deer and it's a very busy road in tourist season. And it's actually an impediment, the condition it's been has been an impediment to the resort communities of Elbow, Mistusinne, and Douglas Park.

I'm wondering what's planned for that highway for this particular summer, Mr. Minister.

Mr. Schmidt: — As the member mentioned, this is a, this is a thin membrane surface highway that runs from Elbow to the junction of Highway 42. We've had the opportunity to do a fair bit of work on Highway 19 from Elbow north to bring that up to a granular pavement. We continue to look for opportunities where we can make some improvements to this road, and at this time what we will be doing is we will be assessing the condition of all the provincial TMS [thin membrane surface] highways as the road beds continue to dry and as that gives us opportunity then to go in and do some more permanent repairs.

Until that time we'll be doing temporary repairs, emergency repairs. We'll be signing and flagging the hazard areas to allow motorists the . . . to identify those areas to motorists so that they can slow down. And then as the conditions dry out, we'll go in; we'll do some more permanent repairs with our crews. And we'll do what we can then through our routine maintenance efforts to bring that into a safe condition and smooth surface for the public to use.

Mr. Stewart: — Thank you, sir. By permanent repairs, does . . . would that mean rebuilding of portions of the highway entirely

or is that just new aggregate and pavement on top of the roadbed?

Mr. Schmidt: — These more permanent repairs would be through our maintenance effort so they would entail such things as temporary repairs when we have to actually revert short sections to gravel until such time as the roadbed dries out. Then we would come in and the permanent repairs would be restoring those areas to a dust-free surface, either with possibly some strategic strength in some of the weaker areas with some granular base material, gravel material, compacting it, and then putting a seal coat application on top of that as a dust-free surface again.

Mr. Stewart: — Thank you. This is a road that tourists use and it's the only access to those resort communities and really the major developments around Lake Diefenbaker. This is a potential tourist attraction that could be huge for southern Saskatchewan. I know the Alberta people would like access to it as well. And it's a beautiful lake and very much underdeveloped and this road is part of the reason that it's as underdeveloped as it is. I hope that any temporary gravel sections will be for a short duration only.

And I guess I'd just . . . my final question, I'd just like some assurances from the minister or yourself, sir, that this road is being considered for more permanent repairs and as quickly as possible because we're entering another tourist season now, and we don't want to mess it up.

Mr. Schmidt: — As mentioned earlier, we will be focusing on the permanent repairs as soon as possible. And part of that has to do with, as I mentioned earlier, we allow the roadbed to dry out with the TMS because it's just the thin membrane surface on there. When the subgrade does get wet with the spring moisture conditions and with the frost coming out of the ground now in the spring, we do not want to go out too early and do the permanent repairs because we want to wait till that roadbed does harden up to allow the repairs to last longer. So as that does dry out and as the frost does continue to come out of the ground, we will be out there with our crews doing our best to put those permanent repairs in place.

Mr. Stewart: — If I could just ask one more. I hadn't planned on it, but I take it from the answers I'm getting that there are no plans to rebuild that whole section of highway which seems quite weak.

Mr. Schmidt: — At this point in time, we have been focusing on some other highways in the area that . . . such as Highway 42 where we have been able to qualify them under the Prairie Grain Roads Program for assistance. At this point in time, we do not have any opportunities identified like that for Highway 19. So there are no plans in place right now to do an upgrading to that.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you very much to the minister and his officials. Highway No. 38 from Kelvington north to Greenwater Park has been an impediment to tourism for the park for a number of years. In fact three or four years ago, the Saskatchewan tourism guide indicated that in order to get to

Greenwater Park, people were encouraged to go to Melfort and then go back south again.

I had an opportunity to take my motorcycle to Greenwater last weekend. And around Perigord I counted 80 patches in about a 8-kilometre spot, and they only did about a third of them. This road is just totally unacceptable. It's something that the people in the area are just very frustrated about. You have to drive on the wrong side of the road a lot of the time.

Like the member from Thunder Creek just indicated, the road makes the tourism destination not near as busy and not near . . . and it's really lacking a potential that it should have. I am hoping that I'm going to hear the minister and his officials say it's something that's looked at this year. And I'm definitely hoping that I'm not hearing you say that it's going to be upgraded to gravel because it's something that definitely will not be accepted by the people in the area. So could you tell me where on the list of priorities No. 38 Highway is?

Mr. Schmidt: — Thank you. Highway 38, as you mentioned, from Kelvington to Greenwater park, the portion from Kelvington to Perigord is as well that thin membrane surface highway. From Perigord to the park is a structural pavement.

And what we are proposing to do there, the strategy for that section of road, is there's approximately 21 kilometres of thin membrane surface there. We have a strategy in place where, as you mentioned, last year we were able to use the Pavement Scientific International technology on about a 4- or 5-kilometre section there. We strengthened the subgrade using that technology, and then we put on top of that about 4 inches of granular base structure to make it a granular pavement structure with a seal coat. And we've got aggregate in place that we put over the winter again.

And as we assess the conditions of the provincial TMS system, we are hoping that we will have some opportunity to again do another 4 or 5 kilometres — which would then complete half of the 21-kilometre section — and continue with that strategy, that the intent would be that in about a additional two or three years we would hope to have that link all upgraded to a structural granular pavement right from Kelvington all the way to the park.

Ms. Draude: — Thank you. To the officials, I'm hopeful then that means that this year we will see some more improvements because it definitely is a mess. It definitely is a hazard.

I had a letter — I believe the minister got a copy of it — from a young person who's driving from Kelvington to Greenwater every day. And she's indicated that she thinks that her car will, if it doesn't disappear in a pothole this summer, that it will, that the vehicle itself will be wrecked.

And it's the kind of thing that definitely is a discouragement to the tourism industry. Greenwater has a lot of potential, but not if you can't get there. So I will be indicating to the people in that area that something will be worked on this year, and hopefully by next year at this time we'll say it's done.

The Chair: — Any further questions? Any further questions? Mr. Dan D'Autremont.

Mr. D'Autremont: — Thank you. Mr. Minister, officials, I have a question I would like to deal with on Highway No. 8. Highway No. 8 south of Redvers had work done on it last year. It had the sand seal placed on it I believe. Already this year though the shoulders are breaking down because the road itself is now . . . [inaudible] . . . ruts are on the surface now so what's happening is the traffic is moving out towards the edges, and the shoulders are breaking down. Has the Department of Highways looked at that, and what is the Department of Highways preparing to do about that circumstance?

Mr. Schmidt: — Thank you for the question. Highway 8, the section that you mentioned, was constructed last year. There was a section that was upgraded in 2004. And we've seen some very extreme weather events last fall during the construction season as well as some significant snowfalls over this winter that have contributed to moisture conditions in the area. And you'll notice that all the sloughs are full in the area, and the ditches are full, and that does present challenges for us in the spring.

What happened last year on that job is that due to the lateness of the season, the contractor was unable to apply the final seal coat on the project. We only got the one seal coat done. It was late in the year, and you need to have the appropriate time and the right weather conditions for that oil to properly cure. And so we have cut-off dates in the fall to ensure that we're getting quality product out there, and as I mentioned due to the lateness, that wasn't able to happen so we only had the one seal coat on.

And so what we're doing is we're working with our geotechnical and materials experts, and we're investigating the cause of these failures. We're doing some testing out there that's being carried out by department to see what type of remedial work is the best to do and where the responsibility lies for that work and that the intent is then that we'll be working with the contractor and we will be making repairs to that. And then we will be applying a second seal coat onto that as soon as those repairs are . . . remedial work is done and the weather conditions will allow us to do that.

Mr. D'Autremont: — Thank you. The ruts that are in the surface, the depressions where the main traffic travels, is that a result of the lack of a second seal coat, or is that in relationship to the amount of aggregate and the sub-base on the road?

Mr. Schmidt: — That's what we're investigating at this point in time. We're looking to see if that was a condition of moisture getting through the seal coat into the granular base material and then it loses its strength, or if maybe there was some issues in the construction season, that it was so wet and the subgrade maybe wasn't as dried out as much as it needed to be and the moisture was trapped underneath there.

So that's exactly the kind of forensics that we're doing out there right now, to determine that and then to see where the responsibility lies then for the remedial work.

Mr. D'Autremont: — Okay, thank you. When you're looking at constructing a highway like that, have you measured the amount of traffic and particularly the kind of traffic, the weight loads that that particular road is likely to bear because that road is on a route between two terminals, the one down at Carnduff

and the one up at Fairlight. It's also a route that gets a significant amount of heavy oil traffic, the large trucks.

So when you're building the road, the highway, is that taken into account so that you have a better base or a stronger base? And I guess also, do you take into account the need for shoulders which helps to spread that load out more because there is no shoulders really on that highway.

Mr. Schmidt: — Yes, we do do that when we take on a major upgrading such as Highway 8. We base that on a 15-year traffic projection. So we look at the current traffic, which includes a mixture of trucks and light vehicles. And when we look at the trucks, we actually look at the configurations as well — if they're single-axle trucks, if they're B-trains. And we apply equivalent axle loadings to take into account the different truck configurations there. And that's part of our pavement design process then.

So what we do is we determine, based on current traffic volumes and projected traffic volumes and growth rates, the truck traffic. And then we determine what we call an equivalent standard axle loading. We determine how many of those will be in that 15-year projection. And then that helps us to determine the amount of . . . and then based on the subgrade material strength as well, we are then able to determine the thickness of granular material that is required and base our design on that.

As far as the width of the road, that too we have standards that is based on traffic volumes. So when the traffic volume is over a certain threshold value, then we look at a one metre shoulder. When it goes over a threshold value of that, we look at a two and a half or a three metre shoulder. So those things are all taken into configuration as part of the design process.

Mr. D'Autremont: — Thank you. Fifteen years ago neither one of those terminals were in place. As well there was very little heavy oil traffic on that road 15 years ago, at least on that portion basically from Redvers to Storthoaks, for the south there was.

But the oil patch has been growing in that area, particularly the Redvers and north area and east of that, and that traffic is now coming down that highway. So when you take a 15-year average, do you weight it at all if say the latter five years the traffic patterns have changed versus the initial five years? I mean if there was heavy traffic at the beginning, I would assume that you would take a serious look at that if that traffic was no longer there in the latter five years and adjust your highway accordingly. Would you do the same thing in reverse, if there was lighter traffic in the initial five years but heavier traffic in the latter five years of the 15 years?

Mr. Schmidt: — As you mentioned, it is difficult predicting 15 years. Now the original highway was a thin membrane surface highway, so it really didn't even have a structural design on it. It was intended, you know, for the dust-free and mud-free travel. We do, do our best to predict that type of thing, and we believe that the more information we are gathering now . . . We have permanent traffic counters located on different classes of highways, oil and gas, or highways that service primarily the oil and gas industry, highways that are more of an inter-regional or international nature. So we try to characterize the highways in

that way and come up with some historical trends.

And then we also of course always put the reality test to it as best as we can to say, based on the information we have from other industry sectors and talking with stakeholders, is that a realistic number that we are using? And then we do base it on that, and the traffic is accounted over the 15-year design period in one way or the other. If it's going to be heavier in the first five years than the last maybe 15, what happens is you maybe see a little more deterioration in the first five years than you anticipated but less in the last 10 years. So in some way it's accounted for. It may be not necessarily varied throughout, but it is accounted for throughout the 15-year or whatever year analysis time period we choose for that road.

Mr. D'Autremont: — In your 15 years I'm hoping you're not projecting 15 years on what's happening but rather you're taking the historical record. That was my concern, that if you had light traffic in the first five years of your 15-historical-year period and then you had heavy traffic in the last five years, would you weigh the new construction for that highway based on the latter five years of that 15-year historical record?

Mr. Schmidt: — Yes. I'm sorry. I misunderstood your question. Absolutely. We would look at those things. We would look at the most recent trends of traffic, what they are doing. And that's what we would then base the analysis on.

Mr. D'Autremont: — Okay. Thank you. I thought perhaps that's what was happening there. Further south on Highway No. 8 south of Carievale to the US [United States] border, what is happening on that particular stretch of road? The last time I was over it, it was not a highway you really wanted to drive on. And fact is it goes to an international port at Sherwood, North Dakota. That highway that comes up to Sherwood is the heaviest paved road in western North Dakota that crosses the border, and yet when it hits No. 8 it becomes virtually impassable. The traffic that know the area come up two miles from the border crossing point and then swing west on the grid road and go up into Carnduff that way.

What is the department's projection for that particular piece of road? The bridge about 5, 6 miles south of Carievale was upgraded I think about three years ago — three, four years ago — but the rest of the road has not yet been done to the best of my knowledge. So what's the department's projection for that road?

Mr. Schmidt: — The section of highway that you mentioned from the US border to . . . it would be 11 kilometres north, that's the TMS section remaining. We have that planned for upgrading work this year as part of our program.

Mr. D'Autremont: — Will that be upgraded to just TMS, or will that be the sand seal with the better . . . because that one also gets a lot of heavy oil traffic on it. They generally try to avoid it right now, but it would get, if it was in better condition.

Mr. Schmidt: — That road is being upgraded through the Prairie Grain Roads Program, so it will be built to a standard to accommodate the weights.

Mr. D'Autremont: — Okay, thank you. I'd like to now go on

to the highway that is my pet peeve. This is the one that goes past my place, Highway 361. It has a designation of a highway, but that would be the only identifying mark that it's actually a highway because it's a gravel road.

We asked questions in question period of the minister related to the village of Alida and the concerns for dust and the obscuring of children that may be playing along the highway or riding their bikes to school or whatever. So what is the department's projections for that particular stretch of highway from basically No. 9 Highway to the Manitoba border which is approximately 40, 45, 50 miles?

Mr. Schmidt: — I just had to familiarize myself again with the highways. So as you mentioned, Highway 361 is a gravel highway, and it has been for as long as I am aware. It's been operated as a gravel highway since it came into our system. Again this year as I mentioned with some of the wet conditions we experienced, especially I believe down in the southeast corner there last summer as well as the significant snow, the moisture conditions are causing us challenges in that area with some of the roads. And I'm sure the rural municipalities are seeing some of the same challenges on their gravel roads especially those that do see some significant, you know, oil haul in the area there.

So our crews are working on that gravel section as the conditions dry up. We are hauling in significant amounts of pit-run aggregate, the large aggregate, to strengthen the area and mixing that in with the sub-grade and repairing those weaker spots as the weather conditions allow and as the frost leaves the ground and as things dry out. So we are going to continue to do that ongoing maintenance to improve the gravel surface.

And as well you expressed some concerns through the village of Alida. In the past we were able to maintain a dust-free thin membrane surface on about a 900-metre section through the village. With the increasing truck traffic and the increasing moisture conditions, it's not been possible for us to continue to keep that TMS in a safe condition. And as such we did look at trying to do some repairs in there, some base material in '99, and it's just been a real challenge for us. So we did have to revert it to a gravel section for safety reasons because it was just very difficult to keep that in a safe condition as a thin membrane surface.

So we have had discussions since 2002 with the village of Alida as well as the RM of Reciprocity to see if we could come to some type of partnership arrangement where we can re-establish some dust-free surface through there with some granular strength to it. So we continue to do that. We've been somewhat successful in that. We've still got a few details to work through.

In the meantime, we are looking at ways to provide dust treatment through there. Typically we use lignosulphate which is a tree-sap compound to do that in the South. Calcium chloride works a little better in some of the other areas where there is a higher humidity. So we look at the lignosulphate in the South.

Now there has been some concern brought forward with environmental concerns from the village of Alida. So we are trying to work through those to see if there is some type of solution out there that we can bring this to a resolution that will

be satisfactory to the village of Alida as well as the RM of Reciprocity that we can maybe in the interim put some dust suppressant down, and in the longer term work towards a partnership to re-establish a dust-free surface through the village of Alida.

Mr. D'Autremont: — Well this year we've got lots of humidity as it's been raining fairly often. But just west of Alida, there is a town water well that they have a concern with about the chemical being put down to create a dust-free surface, so they were interested in having something else done other than the calcium chloride. So that was one of the issues that they were concerned with.

On the highway itself, on 361, there are a large number of frost boils in certain stretches that make it very difficult to have passage down that road. And certainly something needs to be done about it. I haven't noticed any vehicle stuck in there this year, but I have in the past on that stretch of road.

What kind of a maintenance agreement to you have in place for the maintenance of that highway, the regular operational maintenance grading of it? Do you have an agreement with the RMs to do that? Is it your own department that's doing it? If so, how often do they grade, or how many hours are allocated for the grading of that highway?

Mr. Schmidt: — I'm sorry; I just don't have that information with me today. But if you would like, I can undertake and get that back to you.

Mr. D'Autremont: — If you would please.

Highway 47 north of Stoughton is also a highway with a great deal of concerns. In the past some of it has been fixed up. From Stoughton to the Red Pheasant Reserve has certainly been upgraded. The last time I was through there, the stretch from the Red Pheasant Reserve up to Corning was not in that good of shape, and north of Corning I know needed a lot of work even though that's in the neighbouring constituency.

What is happening on Highway 47 — I believe it's 47 that goes north from Stoughton — through to No. 1 Highway?

Mr. Schmidt: — Maybe what's best if I kind of break this down into sections from Stoughton right to Highway 1.

As you mentioned, the section from Stoughton to the First Nations there is a granular pavement that has been upgraded and is in good condition. The strategy we have embarked on on from that section there from around the Handsworth access to the junction of 48 is, that was a thin membrane surface highway that had seen some fairly major distress, and over the years it had been transitioned to a gravel surface. And then over the last two or three years through the Prairie Grain Roads Program, we've actually upgraded a majority of that section of road to a gravel standard road.

And what we are seeing now is, because it's a fairly new road and as I mentioned before with the wet conditions this spring, it does often take two or three years for us to incorporate enough gravel into the surface to give it a bit of a more firm surface to run on. And with the new construction, it's not untypical to see

a little bit more rutting and a little bit more loss of gravel over the first few years until we can harden that surface up and incorporate some more gravel. So we'll continue to do that through our regular operations.

The section of Highway 47 from the junction of 48 to Highway 1, actually we are in discussions at this point in time with several rural municipalities there to what is the best way to overall manage that section of highway — not only that highway but some of the municipal roads in the area as well and some of the north-south connectors seeing if there's opportunities maybe through the Prairie Grain Roads Program to access some dollars to identify a corridor and to target those dollars to a specific heavy-haul corridor; and then seeing if there's opportunities for the light traffic to establish or re-establish a dust-free surface for the light traffic. So that's the strategy we've employed on and we embarked on for 47.

Mr. D'Autremont: — Will you be looking at going to a dust-free surface or a better highway than that from — it's the Pheasant Rump reserve, not Red Pheasant — but from the Pheasant Rump reserve north to No. 48?

Mr. Schmidt: — At this point in time, the plan is to continue to operate it as a gravel standard highway. This will allow it to carry the weights along there. A significant investment would be required to bring it up to a structural highway to carry the weights and be dust free. We no longer do construct the TMS roads because they don't carry the weights.

So what we've embarked on doing at this point in time with available funding is to ensure that it is there for the carrying the weights and the heavy-haul, and then seeing if we can work on some other options on the Highway 47 between 48 and 1.

Mr. D'Autremont: — The Prairie Grain Road Program, initially I believe it had a limit of roughly 5 miles, 5 kilometres, 6 kilometres around a terminal. Has that been expanded now to the Department of Highways . . . can designate certain routes as being a grain-haul road?

Mr. Law: — We're not aware that there has been changes to the criteria specifically. Our understanding is that the program continues to operate on the basis of the identification of corridors as a priority, but we will certainly undertake to check on the information in terms of whether there have been any changes in the criteria.

Mr. D'Autremont: — Okay thank you. I might have been thinking of the money that was allocated by the federal government based on the elimination of the Crow rate. There was some road money in there within a certain distance around the new terminals that was in place, but okay.

Highway 47 runs from the Manitoba border up through Kipling and on into Regina. That is a partner . . . Excuse me, Highway 48. That's a partnership in part. Has those partnerships been completed, and what's the status of the road, that highway between No. 9 and Kipling?

Mr. Schmidt: — Okay. I may have to get back to you on some information. I'll speak first to the portion of Highway 48 from the junction of Highway 9 to Kipling. We are operating that in

partnership with the rural municipality as a truck-haul management, a truck-route management whereby I believe Highway 48 is restricted to light loads. And in partnership with the RM, grid 709 I believe has been designated as the heavy-haul route. So we will continue operating that portion of highway under that manner. I believe it has allowed for Highway 48 to remain as a good, dust-free surface road, and working in partnership with the RM there.

We also are continuing to work on upgrading the corridor of Highway 48 from the Manitoba border to the junction of 9. And through the Prairie Grain Roads Program, this year we'll be working on a project from west of Fairlight to east of Wawota for 14.9 kilometres. So that is the project that is designated there.

And I will have to check for you on the status of the partnership work because I believe we've done some partnership work around the Maryfield, but I just don't have those details. So if that's all right, I'll undertake that and get back to you on that.

Mr. D'Autremont: — Okay thank you. I believe you had a partnership with the RM of Maryfield and the RM of Walpole on those sides, but I was just wondering just what the status was.

And with the partnership, was there monies provided for the grid road system that may have taken some of the load, or was the municipalities putting money in to support the upgrading of 48 Highway? Was that the terms of the agreement?

Mr. Schmidt: — I don't know the specific terms of the agreement. But in this partnership, I do know that it was a construction upgrading partnership of the existing Highway 48, not a route management agreement on that portion.

Mr. D'Autremont: — Yes. I wouldn't mind getting some information as well as to the time frame for the partnership. And did the RMs have to put the money up front? Are they paying for it over a period of time, and how did the Department of Highways work their share as well on that?

Mr. Schmidt: — We will undertake that and get that back to you.

Mr. D'Autremont: — Okay. Thank you very much.

The Chair: — Mr. Allchurch.

Mr. Allchurch: — Thank you Mr. Chair. Mr. Minister, welcome to your officials tonight.

In the last meeting we had in estimates, I asked a question regarding the 57 kilometres that was going to be undertaken this year in the budget, and that was with Weyerhaeuser's TRA. At that point in time, I did the addition of the kilometres that I see on the questions asked by the member from Biggar. And to my knowledge, the addition adds up to 26 to 28 kilometres where as the number that the government has put down is 57 kilometres. There's a shortage of 30 kilometres. I'm wondering, is my addition right, or did my calculator fail me?

Mr. Law: — We do have that information for you. In fact it

should be on its way back in written form shortly. But the details are as follows. Highway 913, the junction of Highway No. 120 to 11 kilometres north is the first 11 kilometres of that work. Highway No. 917, the junction of Highway 916 to 5 kilometres north of East Bay, there's 26 kilometres of work that's being done there. Highway 924, the junction of Highway No. 55 to 8 kilometres north, a further 8 kilometres. And Highway 969, the junction of Highway No. 2 to 4 kilometres north of Timber Bay, there is 12 kilometres of work. And that is the total of 57 kilometres of work that we've identified.

Mr. Allchurch: — Okay. Thank you for that. So by doing the addition shortly it would probably add up to the 57 kilometres which you specify. On Highway 924, junction of Highway 55, 8 kilometres north, did you say it was just the 8 kilometres that you were doing?

Mr. Law: — That's correct.

Mr. Allchurch: — It's just the 8 kilometres that you're doing. Okay. In regards to other questions my colleague asked, the department has what they call a road transportation agreement, a TRA. There is only one agreement. Is there only one agreement in the province in regards to the TRA?

Mr. Stamatinos: — Actually we have a second agreement, road and transportation agreement, with Mistik Management out of Meadow Lake. The road requirements for that agreement have already been fulfilled. But there are terms in that agreement relating to weights that can be hauled on the roads that serve the mills in the Meadow Lake area.

Mr. Allchurch: — Okay. In a question asked by my colleague . . . How often are these road transportation agreements under forestry commitments negotiated? And the answer from the department was the department has one road and transportation agreement. This agreement has no provision for renegotiation. So I take it from this that there is only one transportation agreement. There is two actually?

Mr. Stamatinos: — Again the Weyerhaeuser agreement references ongoing construction maintenance for the roads served under that particular agreement. The Mistik agreement, all the road obligations have already been fulfilled. So there's really . . . we've honoured the weights and dimensions requirements for the vehicles that are hauling under the agreement, so they're a little different in nature, so . . .

Mr. Allchurch: — Thank you for that answer. Is the road and transportation agreement public knowledge?

Mr. Stamatinos: — Referencing that exists with the agreements? The actual agreement itself? It would be a confidential agreement between the parties.

Mr. Allchurch: — Okay. So it is not public knowledge then?

Mr. Stamatinos: — No. It's between the Department of Highways and Mystic Management, the Department of Highways and Weyerhaeuser.

Mr. Allchurch: — Okay. If it is not public knowledge, then under the road transportation agreement, is there money from

the government that goes into the RTA [road transportation agreement] agreement?

Mr. Stamatinos: — Could you repeat that?

Mr. Allchurch: — Okay. Under the road transportation agreement — and because it's not public knowledge — is there any money that goes in from the provincial government into a RTA agreement?

Mr. Stamatinos: — There is a requirement under the agreement with Weyerhaeuser Canada . . . Weyerhaeuser Saskatchewan, I'm sorry, for the construction of 32 kilometres. And I believe that's fairly public knowledge.

Mr. Allchurch: — If that is public knowledge, could a copy be obtained for that?

Mr. Stamatinos: — No. We can't provide a copy because of some of the issues arising from their competitors in the area. They would want to keep that information confidential.

Mr. Allchurch: — Okay. In regards to the Mystic RTA, is that public knowledge?

Mr. Stamatinos: — We could certainly provide the weights that they haul under the agreement. That certainly can be provided because certainly people in the area are aware of them under the permits that they're issued.

Mr. Allchurch: — Okay. My line of questioning, sir, regards if there is government money going into an RTA and yet it's not public knowledge, is there not something wrong with that? Any time government money goes into something, should it not be public knowledge?

Hon. Mr. Sonntag: — First of all, I'll just make this observation. You're probably aware the agreement was signed in 1986 prior to this administration being here.

But secondly I don't think that the issue you identify is unique. There would be . . . On issues where there's an issue of propriety, there would be other contracts I'm sure where the detail couldn't be released publicly because of issues of competitiveness.

Mr. Allchurch: — Thank you, Mr. Minister. I understand where you're coming from. But I believe back in 1986 when this agreement was signed, that was in regards to the sale of the forestry company. Should that not be public information on that part of it? If there's additions applied to it after that would cause for problems and competitiveness, I can understand that. But the original TRA agreement signed, should that not be public knowledge if in fact the government puts money into the agreement? And you've already stated that money from the government goes into that agreement.

Hon. Mr. Sonntag: — Our understanding here is that it was all part of one agreement. And unless I'm misunderstanding your question, it was all one agreement at that time.

Mr. Allchurch: — So I still haven't heard an answer as to why it cannot be public knowledge because of the money put in by

the government into the arrangement. Any other arrangement, it would be public knowledge.

Hon. Mr. Sonntag: — I understand your line of questioning, but I don't think there is anything unusual about this at all. I was trying to think of a comparable example and my deputy just draws to my attention one very good one. As an example, space that the government leases for any department or agency, the details of that, there's public dollars go into the lease but because of the competitive nature of it, the details aren't released publicly. You get the overall cost but not the details of it. And I think that's a fair analogy to make with the example you're providing here this evening.

Mr. Allchurch: — Okay. Thank you, Mr. Minister. I can understand what you're answering. You've already stated that the government puts money into the RTA which is Weyerhaeuser's road transportation agreement. How much money yearly from the government goes into the RTA?

Mr. Stamatinos: — The Weyerhaeuser agreement requires the government to build up to 32 kilometres a year. We're not . . . we in recent years we have not built the full 32 kilometres, only because their needs did not require it.

Mr. Allchurch: — Okay. If that's the case, then it's 32 kilometres. What is the dollar value of the 32 kilometres? Is it approximately, say, 3 million, 4 million, 5?

Mr. Stamatinos: — A good number would be about three to three and a half million a year.

Mr. Allchurch: — Okay. Thank you for that. This comes back to the question I asked about the Weyerhaeuser TRA agreement and the money. If 32 kilometres or the equivalent of three and a half million of government money goes into that agreement, which the government money is public money I believe, should or should not this be public, open for the public?

Hon. Mr. Sonntag: — Gee, I don't know how to answer that question any differently than I have in the past. I mean, it's an agreement. It's a legal agreement that's been signed into, and there would be nothing unusual about this compared to any other agreement where there's issues of competitive nature in the agreement.

Mr. Allchurch: — Okay, here's a question. Does the RTA, Weyerhaeuser RTA agreements, do they contravene any trade agreements with NAFTA [North American Free Trade Agreement] or WTO [World Trade Organization]?

Mr. Law: — Thank you for the question. In fact that particular component of the agreement was cited in an appeal that was heard. So this in fact does have some implications as far as the two components that you've referenced in your question.

Mr. Allchurch: — Thank you for that. Does the Department of Highways have any concerns regarding the problem that I see you're in?

Mr. Law: — I think it's fair to say that we are concerned with any potential challenges that might come forward in the case historically. These roads are designated also for other uses and

so that is also part of the argument that we make when we deal with these sorts of instances. These are not single-purpose roads. They're dual-purpose in terms of our use of the highway system and typically we designate them as such. So that is one of the factors that we do have to consider when we're dealing with this question.

Mr. Allchurch: — Okay. In regards to your answer and I thank you for that and I don't want to put you on a spot, but regarding the World Trade Organization and the softwood lumber issue regarding United States and Canada, does the TRA cause problems in this regard?

Mr. Law: — It has been the subject of a previous inquiry, yes.

Mr. Allchurch: — Can you elaborate on the problems that you see as a government in regards to this?

Mr. Law: — The nature of the previous challenge that was received that came from southern competitors to Weyerhaeuser, and included the provincial government, is such that we are I think very cognizant of what we do disclose in terms of the details of the agreement. And I think at this juncture we don't have those details with us but I think we would be careful to respect the terms of the legal commitments that have been given.

And of course we would not want to do anything that would threaten the competitiveness of the industry in our province relative to the challenges that have been received under the softwood lumber agreement, for example.

Mr. Allchurch: — Thank you for the answer. In regards to the Dore Lake road issue, the road that was going up into the north end of Dore Lake was a road that the TRA agreement was going to pay for.

And I know in your previous comment you said that in regarding a TRA, if there's other uses for this road then there's not a concern in regards to the WTO recommendations. In regards to the road along the Dore Lake area, could you explain why there is a need for a four-seasons road in that area and where this road goes to? And the concern is why the TRA agreement is looking at this.

Mr. Law: — My understanding is that Weyerhaeuser has withdrawn the request to have that particular section of road considered under the RTA.

Mr. Allchurch: — Okay. When did they do that?

Mr. Law: — We can get the specific date for you but the timing of that I believe corresponded to the redirection to the Dore Lake investment.

Mr. Allchurch: — Okay. Thank you, Mr. Minister. In regards to the TRA there's about 32 kilometres or three to three and a half million dollars for that. Is there any other monies put aside for maintenance of the roads under the TRA?

Mr. Law: — The answer to your question is yes, there is additional funding that is provided for purposes of maintenance beyond what was committed to Dore Lake. We don't have the

exact numbers but we can retrieve those and make them available to you.

Mr. Allchurch: — Okay. Can you give an approximate area or value right now? Or do you want to put it in your response?

Mr. Law: — I think we'd be more accurate if we gave you the number in the written response.

Mr. Allchurch: — Okay. Thank you for that. At the same time, would it accompany the information that I asked in the first question regarding the number of kilometres under the Weyerhaeuser TRA which adds up to 57 kilometres? Would it accompany that?

Mr. Law: — If it isn't already included in that information, we will make sure that it is added.

Mr. Allchurch: — All right. Thank you, Mr. Minister, for the questions . . . and for the answers, I mean, to my questions. I didn't mean to put you on the spot.

The Chair: — Mr. Weekes.

Mr. Weekes: — Welcome, Mr. Minister, and your officials. I would like to begin with the question that the member from Swift Current, now the Leader of the Official Opposition, brought to the department's attention in 2000 and again 2002. And it's, well it's a safety issue, first and foremost.

It's concerning the climbing lanes at Saskatchewan Landing. And could the minister provide an update on the request for a consideration of hill-climbing lanes at Saskatchewan Landing, and any status . . . and the status of any evaluation the department may have done on this project since 2002.

Mr. Law: — The discussion about the opportunity to build in as part of the resurfacing a climbing lane on Highway No. 4 — to the question that was raised some years ago — has in fact been included as part of our asset management program consideration. And the department has determined that it would most prudent for us to do that work at the same time as we would be doing the surfacing work. At this juncture that is not in our annual plan for the current year but is part of our longer term plan and we would be doing it at such time as we did the resurfacing.

Mr. Weekes: — Thank you. Could you give us an idea of how long in the future before it would be in the department's plans?

Mr. Law: — We would have to make that determination each year when we sit down to review the priorities for our capital construction work. There are changes according to the differences in road conditions so that is something that we will have to consider on an annual basis. I can't give you an answer off the top of my head right now, but we may be able to give you a better idea once we've had a chance to look at current conditions.

Mr. Weekes: — Thank you. The second question the Leader of the Official Opposition asked was concerning turning lanes at the intersection of Highway 4 and Skyline Road. Could you provide and update on the request for turning lanes, or at the

least expanded shoulders at the intersection of Highway 4 and Skyline Road north of Swift Current?

Mr. Law: — We do have the project identified on our current inventory of projects. What I don't have in front of me is how many of those we will be getting to in the course of our current year or subsequent years. What we can do is have a look at that inventory and perhaps provide that by way of a follow-up response to give you some idea of what the time frame would be.

Mr. Weekes: — Thank you. In 2002 the member asked in Committee of Finance, April 18, 2002, and the reply was that the project . . . currently this safety improvement project ranks 20th on the list of potential intersection candidates. Could you . . . will you be able to give me what ranking it is at this time?

Mr. Law: — My best information in terms of the materials that I have with me is that particular point in terms of the reference of it being 20th at that time, we will have to get more current information in order to give you a more current estimate.

Mr. Weekes: — Thank you. Also at that time it was anticipated three to four years it would be completed. If you could supply that information to me at a later date, I'd appreciate it.

Turning to another subject concerning bridge crews. I understand the department has two bridge crews. Is that correct?

Mr. Schmidt: — I believe that's correct, yes.

Mr. Weekes: — I've had some information given to me from some RMs and they have said that the crews are at least a year behind in fixing bridges. Could you give me an idea of how that process is taking place and when will the bridges that are affected be completed?

Mr. Schmidt: — I'm not sure on the actual status of delivery of projects, if they're a year behind or if we're on schedule now. I can check into that more but there are other factors that go into just the delivery as well. We have to make sure that we have the environmental approvals in place. Sometimes we can wait some time to get the environmental approvals, whether it's a fish-bearing stream or whether it's a navigable waterway. Those can take time to get those federal approvals through the channels. So I'm not sure if some of the delays that you've been referenced from some of the RMs is due to that or due to actual availability. As well we do prioritize things with available funding as well.

And so I mean I can check a little more into the schedule of the crews. If there was some specific ones you would want me to check, I can follow up on that as well.

Mr. Weekes: — Thank you. Yes I was told that that's an issue as well, is approval from oceans and fisheries is a concern.

Could you explain the classification system of bridge . . . building of bridges and repair? I understand at a certain level of classification there's no government funding for bridges, that the RMs have to pick up the full cost?

Mr. Law: — The program that the member references is in fact

a program that we administer on behalf of the Department of Government Relations. And we will have to get a little bit more information. We don't have that with us at the present time regarding the specific criteria associated with the classification system. But we can certainly endeavour to get that for you and make it available at a later date.

Mr. Weekes: — Thank you. I appreciate that. What I was told that bridges that are classified at seven or higher, the RMs have to pay for all the repairs and so if you could supply that information.

Also has the department considered outsourcing bridge repair projects to the private sector?

Mr. Law: — My understanding is that we currently assess whether or not we have the capacity within our own crews, as well as the private sector. And so there is a combination of both private sector sourcing for some of the work and our own bridge crews, that we currently use a combination of both.

Mr. Weekes: — How much money a year is allocated towards bridge repair?

Mr. Law: — There are two components to the expenditures that we make for bridge repairs. The annual amount of funding that we make available for rehabilitation and preservation is in the range of five and a half to seven million dollars a year. And that is our base program that we use for ongoing maintenance and preservation work.

In addition to that there are also capital investments that would be made. For example, in working on a twinning project with the federal government, for example should there be a requirement for us as part of that agreement to do major capital work on top of the base amount that we have for maintenance for bridge work, we would also include that amongst our capital prioritization on an annual basis. So the special work that might be required to do capital upgrades would be funded separately depending on the relative priority of that particular project on a year-to-year basis.

Mr. Weekes: — Thank you. On another area, this issue's been brought forward to me from an implement dealer. It's two areas near the Battlefords and Regina, I'll talk about the Regina situation. The concern is that this implement dealer can't go through the main arteries, through Regina, with equipment because of the overpasses being too low. And it's only slightly too low.

Could you just explain — I mean, I assume it's partly a federal and municipal issue as well when it goes to funding — but could you explain about how the height of these overpasses are determined? And are issues like moving buildings and equipment taken into account when these overpasses are built?

Mr. Schmidt: — Sorry for taking so long to respond. But what we do is, when we design the bridge structures, there are national standards for minimum height requirements. And in fact in most cases we do exceed those standards when we build our new structures. We do look at configuration of vehicles to ensure that we can accommodate at least the most common heights through there. There are going to be instances with

unique ones such as buildings where it just is not even practical to try to accommodate them. The cost would be prohibitive to do that on a system-wide basis throughout the province.

So what we do do, is we try to work with industry in these cases. Whether it's implement dealers or tank movers or grain bin movers or house builders, we try to work with them on a local basis. They require permits through SGI [Saskatchewan Government Insurance] to move those type of buildings, so we work with SGI as well to try to designate alternate routes that are available in those unique circumstances for moving structures that are over-dimensional or over-height and accommodate them in that manner.

Mr. Weekes: — Thank you. A similar question for the overpass adjoining the new bridge in The Battlefords. Travelling on Highway 4 past Battleford leading up to the overpass, there's the old highway that goes off to the east, and the implement dealer says, why. What he would like if he could have his way is have that highway joined up so he could bypass the overpass and not have to go through the underpass and have . . . He's still, I understand, still able to get his equipment through, but it's very tight.

And that's the question. What's the future of that piece of highway there that is blocked off now? And is that an option of allowing equipment dealers and movers using that portion of the highway for that purpose to go around the overpass?

Mr. Schmidt: — My understanding is that is why that piece of highway was left in place to accommodate the over-width loads as the barricades could be removed. As they require permits, that would be identified as an alternate route available. They could then arrange for traffic accommodation, and if needed, they could contact their local area office in North Battleford to arrange that.

We are currently working with stakeholders in the area there. We have a traffic accommodation plan in place now during construction because there are some width restrictions on the new bridge as well. And we've actually looked at putting an improved, permanent accommodation plan in place there where they can have their traffic accommodation services provided. And if needed, they can contact our local area office during this construction period time, and we'll help coordinate and arrange for those over-dimensional vehicles to be accommodated through that area at this time.

Mr. Weekes: — Thank you. I greatly appreciate that, but I don't believe that piece of highway is attached to the new highway. I think there still has to be some construction done to actually join it at the east of the overpass.

Mr. Schmidt: — That may very well be, and I will have to get a little more details on that and get back to you.

Mr. Weekes: — I appreciate that.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chairman. Good evening, Mr. Minister, and to your officials. We only have an hour or two yet to go tonight, so thanks for your patience.

I want to address a couple of issues that have come to my attention. One, the first one, is through an email that was sent to my colleague, the critic for Highways, and it comes from my constituent. So I'm going to present it to you today because I think that it's important that this individual have a response. And if I may, I'd like to read directly from the email without disclosing the name of the individual who wrote it. I'll quote from it:

... about 2 weeks ago I sent a message through the Governments web site to the highway department regarding some concerns I have regarding the construction that was completed on highway 37 between Shaunavon and Climax. The project was completed late October of 2004 at a cost of \$2.2 million according to the signs. My co-workers and I travel that road on average 4-5 times a week and were glad that something was being done to repair the pot holes that had developed over the years. About a month and a half ago the highway started to develop some more pot holes. They have now grown to a point at which some of the sections of road are in worse condition now than when the construction began. At that point it had been less than 6 months since the project was completed.

The email continues:

As I said previously, I sent my concerns to the government and according to there web site, someone would send a response to my concerns in 2 to 3 business days. It has been 2 weeks and I haven't heard anything. Therefore I thought I would pose the same questions to you and hopefully you can answer my questions. I realize that there is limited money available for repairing roads but it seems to me that spending over \$2 million dollars is somewhat of a waste if the road isn't going to last more than 6 months. I was also wondering what kind of quality control the government places on these projects if after only 6 months the road is falling apart? Also, is there any kind of guarantee when these projects are done? Is the company that did the work responsible to make repairs if there work falls apart after less than a year?

I took some digital pictures of the road and can send them to you if requested. I appreciate any information you can give me regarding this matter. Thank you for your time.

Mr. Minister, I wanted to read the whole email into the record tonight because I think the questions posed here deserve answers and specific and direct answers. But also what this email does is epitomizes the sort of frustration that is experienced by individuals who drive tremendously poor roads and then see the government, you know, get the construction project under way only to have failure after a short period of time. And they see this expenditure of tax money as being a waste because the quality of the project obviously isn't there, and the condition of the road becomes as bad as it was — in some cases, worse.

So, Mr. Minister, I would ask you personally to respond to this email, if you would and give my constituent assurances that you take these problems seriously.

Mr. Law: — Thank you for the question. Couple of general points I'd like to make and then I'll have my colleague, who is more familiar with the detail of the operation, provide you with a little bit more detail.

First of all it's important to note that this project has not been completed yet. It is something that we are continuing to work on. There is ... And I'll have Terry speak in a little bit more detail to some of the work that has yet to be completed.

With respect to the concern that perhaps the project has failed, there is a difference between some of the spring conditions that result in some of the potholes that were described here. And in some instances we do have some challenges as a result of the spring conditions; that is not unusual even when we have work-in-progress as is the case here.

With respect to quality control and the guarantees, we do have in fact, as part of our contracting, specific provisions built in that try and specify exactly where the responsibilities lie when work like this is in progress. My colleague earlier made reference to some work on No. 8, where we've actually invested a fair amount of effort in terms of some forensics to try and understand exactly where the problems existed in that particular stretch of road. I'll let Terry speak to the circumstances here.

But I can assure you that with respect to how our work with the contractors are laid out is there are specific provisions that are included to deal with issues where we have concerns about quality control. Beyond that perhaps I'll have Terry just speak to some of the specific issues that you raised. And we can certainly provide further details with respect to the status of the project for you in writing for the person that's made this inquiry for you.

Mr. Schmidt: — I can speak to some of the details of the project or specifics of the project. It's similar to the question we received earlier on Highway 8.

This project was started last year. Last year was a challenging construction year for us with all the rain we received and so the project was not completed. It had a first seal coat applied on to it. The second seal coat, it was too late in the year to apply it. We want to do that early enough in the year that the weather will allow for the seal to cure well before we put the second seal on.

So we will be undertaking to determine through some forensic testing, working with our geotechnical materials experts, as well we'll be working with PSI [Pavement Scientific International] engineers because it is a PSI project under a research and development agreement. We'll be doing some testing on there to investigate what is the cause of some of these areas that are showing distress or failure, doing some forensic on that.

And once we've done that, we're going to also then determine where the responsibility falls for this remedial work. Once we've done that and we've repaired the road into a better condition, we'll then look at — once the weather warms up again — putting the second seal coat on and then completing the project in that way.

Mr. Elhard: — Do you as a course of your contracts with the various road builders, do you have provision in your contract for them to take responsibility for failure?

Mr. Schmidt: — Yes we do. Until the project has been accepted, and in this case this project has not been accepted because it's not complete with the second seal . . . I mean, there's very specific contract language to what is the responsibility of the road builder and what is not the responsibility. And that's why we're doing this forensic work, to determine why these problem areas occurred. Was it due to issues with sub-grade construction? Was it due to issues with the placement of the granular material? Was it due to just the single seal and moisture getting in? So those are things we want to first determine as to what's the cause and then we can go back to the contract to determine responsibility and assign that in the appropriate manner.

Mr. Elhard: — Given what you know about the repairs you've done to the road already and the fact that it only had one seal coat instead of two, how will you repair those large potholes? What do you anticipate doing there?

Because as I understand it, this project probably resulted or was repaired with the use of a lift and hauling in sand and compacting sand and then putting the seal coat on. So if you've got a large pothole developing, the sand has probably blown out. How do you repair that and stabilize that kind of a spot?

Mr. Schmidt: — That will all come down to determining why the failure occurred. We have to look at if it was something in the sub-grade construction, if the sub-grade is wet and was not properly dried out or moisture got in through the surface somehow. Then we have to look at getting that sub-grade dried out and restored to a good, hard, dry condition.

If we determine that the failure is just due to the wet gravel, that 4 inches of layer of gravel on top, then we will just look at either drying that gravel out or removing it and replacing it with aggregate, as well looking at the gradation or the specifications of the aggregate and ensuring that it meets specifications. And if it does and it's a matter of just drying it out and putting it back and recompacting it or if it was out of specification then we need to replace it. And then once you've done that you've looked after, you know the sub-grade, you've looked after the granular, then you can look at putting your first seal back on, allowing it that 15 to 20 days to cure and then putting the second seal back on. So hopefully when we've got all those forensics determined then you undertake the appropriate repair to that.

Mr. Elhard: — Do you have some kind of an estimated time in which the repairs will be completed and the second seal coat put in place?

Mr. Law: — The first factor that will affect our ability to get this done in a timely fashion will be the spring conditions. And so there will be a requirement for us to wait until such time as we get the right circumstances from mother nature before we can start that work. Subsequent to that we have some work to do with the contractor in respect of the commitments for this job vis-à-vis other work that the contractor will have. So there will be some negotiation depending on the outcome of the

forensics that Terry was describing, will have some bearing on this. But we'll obviously be looking to do this with — you know as expeditiously as time will permit.

Mr. Elhard: — I guess I was wondering if there was a possibility or probably this work would be done prior to the middle of June or certainly the July 1. Is that not a likely target?

Mr. Law: — We will undertake to check with the local project manager regarding both the projected weather conditions and the negotiations with the contractor and we will give you our best estimate as to what the timeline would be.

Mr. Elhard: — Mr. Minister, do you know if a response has ever been sent out to this individual? He contacted the department through the government website.

Hon. Mr. Sonntag: — I'm not aware of it but I'll make sure that we get a response with my signature on it.

Mr. Elhard: — Off the record I will share the individual's name and that way you will be able to track it.

I would be remiss if I didn't bring up a couple other points quickly. One day last week a constituent of mine happened to be travelling east on Highway 13 from the junction 6 miles north of Shaunavon toward the community of . . . well I guess he was probably heading over to Cadillac, but he was very concerned about the state of the road between the junction at Highway 37 and 13 and the community of Simmie — no not Simmie — Admiral. And he said, he phoned my office and said, this road is so bad it should be closed. There should not be traffic allowed on here.

Now at one time that was the route for which heavy-haul traffic was directed from Swift Current down to Shaunavon. Anything that exceeded the weight limitations of the construction on Highway 37 was directed down Highway 4 to Cadillac, across No. 13 and then south into Shaunavon. But if it's in that bad a shape, as this individual seemed to indicate, it's a safety hazard to drive on it for small vehicles, let alone large vehicles. Can we have a comment from your officials about the situation on that road?

Mr. Schmidt: — The portion of Highway 13 between the junction of 4 and 37 that you mentioned is a thin membrane surface highway. And as I have mentioned previously we have seen some challenges this spring with the conditions, the moisture conditions we received last year, the snowfall this year. And the frost is still coming out of the ground. The moisture conditions are maybe a little higher than typical years.

And we have focused our efforts on Highway 13, upgrading the corridor right now from the junction of 4 to the east, and we continue to do that and through that through the Prairie Grain Roads Program.

I'm not sure that we would designate that portion of Highway 13 as a haul route. We have Highway 4 and Highway 37 now as granular pavements that are built for the weights. So Highway 13 will continue to . . . Our strategy on that is in the spring until the roads dry out in maybe early June — in the Southwest it's usually a couple of weeks ahead of the rest of the province —

until that time we, because the roads are soft and the repairs don't last very long, we look at doing emergency repairs. We look at signing the hazardous areas to alert motorists to slow down to bring it to their attention.

And then as the road dries out, our crews then have the opportunity to go in and to fix them into a more permanent nature, to restore them to a dust-free surface if we can and where we can. And that's the strategy we've employed for sections like Highway 13 and that location.

Mr. Elhard: — I've got one final topic to raise with the minister and his officials. I would be remiss if I didn't state again the deplorable condition of Highway 32. I've presented petitions every day in this legislature concerning the condition of Highway 32. I phoned the administrators of each community along Highway 32 last week. One of them was so annoyed with my call she said, you guys in Regina know the condition of this highway and you still won't do anything about it. And I, you know, I understand the anger and the frustration. Highway 32 is determined by the local people to be unsafe for travel. They avoid using the road. The school bus that runs on there is a danger and a travesty waiting to happen with a load of schoolchildren. And I just, I can't say any more urgently how necessary it is for that road to be attended to.

From the community of Sceptre through to Abbey is an absolute disaster. And the crews in that area have not been able to get there. They're either under-resourced, undermanned or are basically charged with not, are basically charged with not looking after that road. It just is an absolute embarrassment and I can't state my case more strongly than that. And I want to be on the record as having made this plea on behalf of my constituents in that area. Thank you.

The Chair: — Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. We heard about Highway 32. Well I have Highway 22 in my constituency, Minister, and the section between Junction 6 and Junction 20 is very much in a similar situation as to what my colleague from Cypress Hills describes as far as section, Highway 32.

I'd like to just quote quickly, very quickly because the hour is late, from two emails which I received just very recently. One is dated April 27 and one is dated May 4.

The first email is from a mother who was travelling down that section of the highway, and there was a vehicle, it was oncoming, there was a large pothole, and she could not avoid it. She hit the pothole, bent the rim, and damaged the tire. And I'd just like to quote from her email. As I said, she hit this pothole, and I quote now.

As a result, I bent one of the rims on my car and put a bulge in the side wall of the tire.

And this I believe is the important part, and I continue the quote.

My deepest concern is what . . . (would) have happened considering my two children, ages five and three, were in the car with me.

She's very concerned about that section of highway.

The other email that I received is from another resident of the same community of Earl Grey, again dealing with the highway. The email is from an alderperson on village council. And I quote, I'll quote a paragraph from her, from that person's email. And I quote:

A number of meetings have been held with representatives of the Dept of Highways — but no action has been forthcoming. At the last meeting, it was fairly bluntly stated that the RM and/or the Village of Earl Grey . . . [need] to step up to the plate with an offer to "partner", otherwise this portion of highway 22 will be turned back to a gravel surface. That is quite an ultimatum — put up or shut up!

Minister, I'd like to ask you: what are your department's plans for that section of highway in the immediate future?

Mr. Law: — Our plans in the current year are to maintain as best we can the sustainable sections of the highway surface as a dust-free surface by using our routine maintenance program for the year. And we've identified approximately eight kilometres of spot gravel reversions that will be undertaken in the spring on that particular section of the road.

Your constituent is correct that we are looking to establish partnerships if this is possible. We've had good success as you're aware on Highway 15 where we were able to get a partnership agreement with the two RMs and the village of Semans. And we're hopeful that we might be able to accelerate the work on this road on the basis of establishing a similar partnership for this roadway. In the meantime we will be trying to give it our best attention as part of our routine maintenance program.

Mr. Hart: — So basically what you're saying is that unless the local area . . .

The Chair: — Order, order. Order, order. Order. Why is the member on her feet?

Ms. Morin: — 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

Ms. Morin: — Thank you, Mr. Chair. I'd like to introduce to you, through you, and to all members of the Assembly three guests that are seated in the Speaker's gallery this evening. With us this evening we have Sean Gehon and Alyssa Fullerton and André Proulx. The three of them are friends of one of our Pages here this evening by the name of Arielle Zerr. And I would also like to extend personal greetings to André Proulx because I've known him for many years, and it's very nice to see him this evening and have him join us in the Assembly. So

I'd like everyone to welcome our guests this evening.

Hon. Members: — Hear, hear!

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

Subvote (HI01)

The Chair: — Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. What type of partnership agreement or arrangement are you looking for? Could you briefly describe what the partnership arrangement is in the Semans area with Highway 15?

Mr. Schmidt: — We view every partnership opportunity as something unique. And when we sit down with the partners, we go through our mutual interests and our mutual priorities. And we look at what opportunities there are that everybody, each partner, could bring to the table.

We have partnerships where we have the partners who have looked at bringing materials or supplies to the contract as part of their contribution. Some have brought cash contributions. Some have brought services in kind such as administering the contract or different opportunities like that. So we're willing to look at any type of partnership opportunity because each partner is unique. Each partner has different resources that they can bear, different levels of resources that they can bear.

So that is something where we don't come to the table with specific conditions for a partnership. But we want to sit down with those who are interested — whether it's local governments, whether it's industry — and seeing what can be brought to the table to build the best business case or the best partnership case that we can bring forward.

Mr. Hart: — So do you have . . . So what you're saying is each partnership is different. There's no sort of set of guidelines or standards. So then basically is it a situation of the more you bring to the table — the more money or resources you put on the table — the more quickly your highway will be fixed. Is that what you're saying?

Mr. Law: — The challenge that we have and the reason that we pursue partnerships is because the volume of activity is challenging for us on an annual basis and certainly exceeds available resources in any one year.

So in order to help us prioritize the work, we look for opportunities for partnership as a means of advancing the priority. And wherever we're able to achieve one of these partnerships that helps us do that, it makes the projects themselves more viable in the context of the asset management system that we use to evaluate the work. And it also establishes a basis that we can use for purposes of working out different constructive arrangements over time with different partners.

So for both of those reasons, we think it's a useful and constructive way of helping us deal with a system where we currently don't have the level of resources to be able to deal

with each and every opportunity for work across the province. We simply don't have enough resources to go around.

Mr. Hart: — Would you have a dollar figure for the value, estimated value of the partnership program in the last fiscal year? In other words, what was the value of the either money or resources that were provided by the various parties that entered into a partnership agreement with your department in the last fiscal year?

Mr. Law: — We'll have to do a little bit of work to be able to generate a number for you. The reason for that, we don't keep a database on it. But we would have to assess not only the direct cash contributions and financial participation, we'd also have to do an estimation of some of the contributions and kind that are made to some of the projects. But we could undertake to do that for you.

Mr. Hart: — By when could you provide that information? How quickly could you provide me with that information?

Mr. Law: — The information that I can share with you this evening is that as of the current fiscal year, we have approximately 30 different initiatives of this nature with approximately 52 different partners. That covers about 600 kilometres of low-volume roads. We would have to do some work to put some dollars figures to each of those. And it would be difficult for me to give you a precise time frame but we'd certainly do our best to try and turn that around as quickly as possible.

Mr. Hart: — One final, quick questions, Mr. Chair. Late last summer and last fall your department worked on the bridge repairs on No. 35 Highway at Fort Qu'Appelle. When will that work be completed, and what was the reason for the long delay in activities?

Mr. Schmidt: — I will have to get back to you on the specifics of if the bridge was complete. I thought it was; the work all was completed. But there maybe isn't, so I'll have to get back to you on the specifics of that. As speaking to the length of time it took to complete that, we ran into some delays with receiving Nav Water approval to undertake that work.

The Chair: — Thank you, members of the committee. It now being well past 10:30, the committee now stands adjourned. Thank you.

[The committee adjourned at 22:38.]