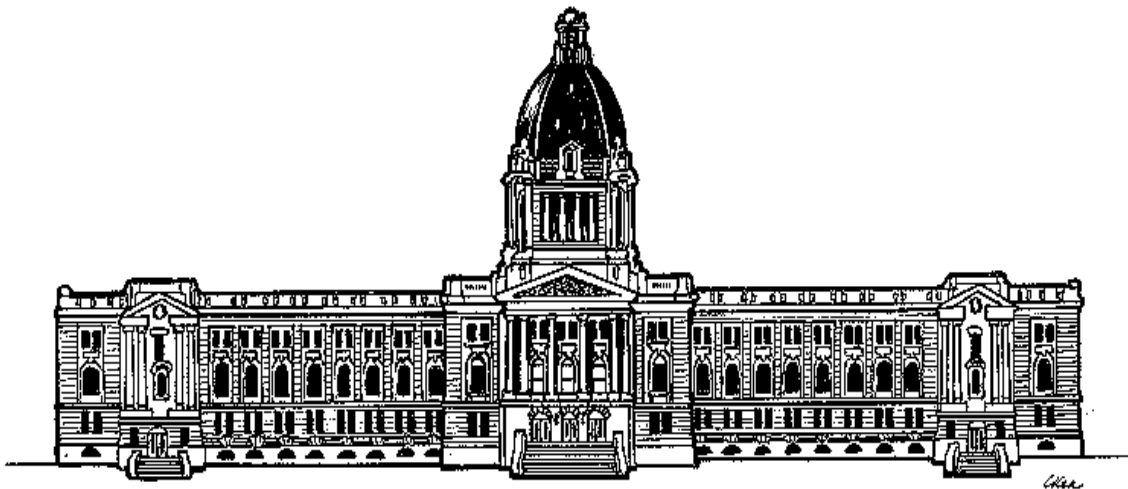




# **STANDING COMMITTEE ON THE ECONOMY**

**Hansard Verbatim Report**

**No. 16 – March 31, 2009**



**Legislative Assembly of Saskatchewan**

**Twenty-sixth Legislature**

## **STANDING COMMITTEE ON THE ECONOMY**

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

Mr. Ron Harper, Deputy Chair  
Regina Northeast

Mr. Darcy Furber  
Prince Albert Northcote

Mr. Jeremy Harrison  
Meadow Lake

Mr. Warren Michelson  
Moose Jaw North

Ms. Laura Ross  
Regina Qu'Appelle Valley

Ms. Nadine Wilson  
Saskatchewan Rivers

[The committee met at 15:00.]

**The Chair:** — Good afternoon. I'd like to call the Economy Committee to order. We have two substitutions. We have Ms. Atkinson substituting for Mr. Furber, and we have Mr. Ottenbreit substituting for Ms. Ross.

**General Revenue Fund  
Agriculture  
Vote 1**

**Subvote (AG01)**

**The Chair:** — This afternoon we're here for consideration of the estimates on vote 1, Agriculture: central management and services (AG01), policy and planning (AG05), research and technology (AG06), regional services (AG07), land management (AG04), industry assistance (AG03), irrigation and water infrastructure (AG11), financial programs (AG09), and business risk management (AG10). I would like to now ask the minister if he would introduce his officials, and if he has some opening remarks.

**Hon. Mr. Bjornerud:** — Thank you, Mr. Chair, and good afternoon, everyone. To my left is Alanna Koch, the deputy minister for the Ministry of Agriculture. On my right is Laurier Donais. Laurier is director of corporate services branch.

Sitting behind me is Nithi Govindasamy, associate deputy minister; Rick Burton, assistant deputy minister; Cam Swan, on the left side at the back, general manager of Crop Insurance; Al Syhlonyk, director of policy branch, at the back; Tom Schwartz, right here, director of financial programs branch; and Tim Highmoor, my chief of staff.

Pleased to have the opportunity today, Mr. Chair, to talk about agriculture before the committee and discuss the 2009-10 estimates for Agriculture. This year's provincial budget was designed to keep Saskatchewan's economy strong and steady in the face of current global economic crisis. Largest property tax in Saskatchewan's history, and I think this was with education tax. And even though that doesn't fall under the purview of the Ministry of Agriculture, I think it's very important to producers right across this province. I think it's one of the costs that have been unfair to the producers out there. And I think that's why it's so important this year — \$103 million reduction in 2009-10 and another \$53 million in '10-11 — I think that'll help them out.

Now as most of us know, the province will be setting the mill rates on agriculture land, and in 2009, that mill rate will be set at 7.08. And from where a lot of producers have been in the past years — 21, 22, 20 — you know, you can do the math very quickly and figure out that's down to about a third of where we were before.

Next year more improvements actually. The mill rate will be set at 3.91 in 2010. And that's with a \$241 million increase to school boards. So I think that's a positive for agriculture.

One billion dollars in capital infrastructure funding. And I know, again, this doesn't fall under Agriculture, but I think it's

important to our rural economy out there because our rural people, our farmers and ranchers out there pay municipal tax for these roads and schools and health facilities and things like that where their taxes go in. And anytime we can lower that, I think it's very important.

Quite a number of dollars going into transportation. And I know all the producers out there are interested in that because they rely on these roads — municipal roads and highways.

New revenue-sharing deal, again I think will translate good into producers right across the province because I think, when the smoke clears, probably that will help them where their taxes either won't go up or in some cases may even be lower on the municipal side.

The '09-10 Ag budget, \$483.4 million, Mr. Chair. And I think as we all know, this is a record budget for the ministry. The first, as we announce a budget on budget day, that's the record number of dollars that's ever been announced on that day. That's an increase of 177.5 million, about 58 per cent, over the 2008-09 budget; 87 per cent of that is an increase for AgriStability which is up 102 million over 2008; AgriInvest which is up about 6 million over 2008; and crop insurance which is up 25 million over 2008.

AgriStability administration coming to the province. We budgeted \$9 million for '08-09, and we only spent actually \$3 million in '08-09. Twenty-two million budgeted for '09-10. Of course that 22 million is cost shared with our federal counterparts — 8.8 million for the province of Saskatchewan and 13.2 million of that is federal dollars.

The administration, as we all know, is coming home to Saskatchewan where there's 110 jobs in Melville. And 30 will be across the province to try and help producers with a number of areas within the AgriStability program, but mainly helping them with their forms and information to fill them out and things like that.

So we're hoping that makes it a more reliable and responsive and bankable program for producers. One thing that, and why this reason that I think this is so important to bring back to Saskatchewan, last week we had at that point 108 applications from 2006 that were still weren't processed. And I don't think anybody in this room would disagree that that's not satisfactory.

Fully funding of the AgriStability and AgriInvest programs, I think, it provides certainty and security for producers by the province coming up with the dollars right away and making that commitment. And that was one of our campaign commitments also.

Crop insurance improvements — this is a record budget by the way for crop insurance — \$155 million. Coverage is up a wee bit, but premiums are down, but very slightly on average. Now we'll have cases out there, of course, where producers will actually be paying more, but then on the other hand, their coverage will be somewhat higher. And of course we'll have those that probably their premiums are somewhat lower.

An extra 20 million to implement the review that we did across

the province last year with Meyers Norris Penny. We've incorporated 12, as many know, 12 of the 16 recommendations, some of those being yield trending, yield cushioning pilot, 100 per cent wildlife damage compensation, and remembering of course, the additional 20 per cent is fully funded by the province. That's not a cost-shared improvement to the program.

There's some improved pricing options, such as variable-price option and in-season option; increased establishment benefits where canola, for an example, has gone from \$25 an acre to \$45 an acre. Large kabuli chickpeas is another example, quite a dramatic change. It's gone from \$30 an acre to \$70 an acre, and of course this is what producers had asked to have incorporated into the program.

Spot loss hail, I think as we all know, is one of the main concerns that producers had out there. But I think, as I've explained in supplementary estimates and in the past, that the provincial cost, if we'd incorporated the program as it was in 2002 when it was cancelled, the cost for the province would've been \$70 million. Because of course we couldn't get full cost sharing on that to make that program go back to how it originally was when it was cut in 2002, but also we would've seen producers' premiums go up dramatically — and I'm sure that wasn't what producers were asking for.

So \$5 million for the Growing Forward federal-provincial agreement which we've just signed on to. The details of this program will be coming out very shortly, very early into April here. And part of that will be a province-wide water program, and the details of that will be coming out very shortly.

Agriculture Crown land sale program, \$20.2 million for the discount that we've included with that incentive. There's been a high level of interest in the Crown land sale program, and really what it boils down to is we're giving control of the land back to the producers. As we all know, producers are the best stewards of the land in this province, and probably for that matter all across Canada.

Pest control program. Gopher control rebate program is \$2.93 million. Field worker program, another 600,000 for that where it includes pest control officers, an increase of 60,000 — rats and weed control and things like that. So those extra dollars are going into that.

A livestock predation program, where we're having a lot of trouble with coyotes and wild boars right now — I think SARM [Saskatchewan Association of Rural Municipalities] was a good example of the wild boar problem that we have in the province — \$350,000 there which is an increase of \$50,000. Black fly program, \$125,000.

Research. We continue to fund research to the tune of \$14.2 million this year. That's the same level as '08-09. In '08 of course though we had to increase that budget by about \$1.6 million or 12 per cent, and this year we are at the same level we were last year.

We've improved extension services. We're in the process of doing that with a new office in Watrous, in Kindersley, and expanding the office in Moose Jaw. So we'll have 10 offices in total across the province. We took the map and tried to pick

spots in the province where we could put offices and make it as accommodating to producers as we possibly could with that number of offices. Each office will be fully staffed, as you've heard me say in the past, with crop specialists, livestock specialists, forage specialists, and farm business management specialists. Staff out there are going to be available for one-on-one meetings.

We will work with the private sector in this area, but we certainly aren't out to compete with them. They're providing a good service now, but we still feel there's areas that we can backfill where there's maybe a lack of information getting to the producers. And that's why we're doing this.

So in conclusion, Mr. Chair, 2009-10 budget, I think, puts agriculture back on the map. Agriculture we know is going to continue to be a priority in this province and play a big part in our economy, and I think we really have to focus on the needs of farmers and ranchers. So, Mr. Chair, with that I think that pretty well my opening comments. And we would certainly try and answer any questions that come forward.

**The Chair:** — Well thank you. Ms. Atkinson.

**Ms. Atkinson:** — Thank you very much, Mr. Chair. And welcome to the minister and to his officials. I'm looking forward to the next couple of hours of discussion. But the first thing I want to say is, I think you might have misspoken yourself, Minister, when you said SARM is an example of the wild boar problem. That could be used, and I think . . . so you might want to clarify your words.

**Hon. Mr. Bjornerud:** — I certainly would. That wasn't my intention, so if it comes up in question period tomorrow I'll deny even saying it. What I meant was the problem come up at SARM and we've had talks with SARM already about that problem.

**Ms. Atkinson:** — This might be one of those things that the legislative journalists might use at the end of the session, but anyway, what I want . . .

**Hon. Mr. Bjornerud:** — If they got that information.

**Ms. Atkinson:** — What I want to do this afternoon is to look, because we have several hours of discussion, I want to look at the ministry's plan for 2009-10 which was presented along with the budget documents. And in particular, I want to clarify a number of issues.

So it's obvious from my reading of the ministry's plan that the ministry has indicated that as the number one goal of the province, the government's goal, is to sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth, and positioning Saskatchewan to meet the challenges of economic and population growth and development. So that is, if I understand it, it's the government's number one goal and this is the context of which you developed your strategy and your actions. Do I understand that correctly?

**Hon. Mr. Bjornerud:** — Yes. That's exactly where we hope to go and assist producers. Yes.

**Ms. Atkinson:** — Okay. And the second item as I understand it, in your letter you indicate, or under your letter you indicate the mission statement for the department, or the ministry, which is to enable a prosperous, market-driven, agricultural industry through a supportive legislative framework, policies, program, and services.

And then of course you have your mandate letter with three clear priorities. And those three clear priorities are, one:

Ensure our government meets its commitment to fully fund the . . . [province's] share of . . . (CAIS) and new provincial-federal programs to replace CAIS, while pressing the federal government to increase its share of funding for farm income stabilization and disaster relief . . .

And two: "Conduct an immediate review of the crop insurance . . . to determine how to increase coverage and reduce premiums for producers."

And then three: "Explore the development of partnerships with other western provinces to improve crop insurance protection for Saskatchewan's agricultural producers."

So my sense is the government has . . . there are three goals actually, but the number one goal from your ministry's point of view is to sustain economic growth. You have your mission statement which is "to enable a prosperous market-driven agricultural industry" and then you have your mandate letter. So I have a number of questions around this.

First of all, your mission statement talks about a market-driven agricultural industry, but if I look at your document and where the government has put its money in terms of agriculture, it appears as though the significant portion of agricultural spending increase is around risk management. Do I understand that correctly?

**Hon. Mr. Bjornerud:** — Oh, by far. A large percentage of the increase is AgriStability, AgriInvest, and of course crop insurance, yes.

**Ms. Atkinson:** — So it's not about a market-driven . . . This isn't about driving the market. This is about trying to minimize risk for agricultural producers, if you look at how you've spent your budget.

**Hon. Mr. Bjornerud:** — A large part of the increase is that, remembering that the budget for a number of years was under \$300 million or around the 300 mark. Last year we ended up with, I believe, the 460 mark and now we're up to 483. So it's been a long time since that kind of dollars has been spent on agriculture in this province, even though a large part of that goes for AgriStability, AgriInvest, and of course the improvements that we incorporated into crop insurance which costs money. And I think we all know that if you make improvements to the programming, it's going to cost money.

**Ms. Atkinson:** — But if I look at your mission statement, it's about enabling a prosperous, market-driven agricultural industry through legislative frameworks, policies, programs, and services. And then I guess my question would be in terms

of the allocation of your budget, where in your budget would you suggest that there is an allocation for your primary mission statement?

[15:15]

**Hon. Mr. Bjornerud:** — Well I think part of it is making the programs reliable and bankable. I think if we can do that part and provide that for our producers, that's been one of the complaints they've had for a number of years — that the programming that we have in place in this province and with the federal government, of course, is not bankable. They can't go to the bank.

If we can get a program in place and by increasing the funding here, that may help somewhat. But I think we have to work on the programs, as I've said in the past. That way if we can make them bankable and reliable, we are helping promote the agriculture industry in this province because they can go for, for an example, an operating loan to the bank. And the banks themselves have told us if they could have some reliability that these programs are going to be there when producers needed them and be in a position if, you know, there's a drop in income and actually paying out dollars, I think the bankers even would be more open to giving operating loans and that out.

And I think in the past number of years that hasn't really happened. In fact the bankers themselves — if you talk to them — are saying that. Research is a big part, I think of where we're going with this province. It's been important in the past, probably never been more important than it is right now of what they're coming out with some tremendously good stuff you know, coming out across through the research end of it and stuff like that.

You know, market driven, you've talked about that and I've talked about that in here. I mean, I don't think it's government's place to be involved in interfering with what the markets are doing out there. But I think where governments are, you know — and I don't know if you agree with me on this — but I think where maybe our job is, is to support industries out there when they're going through bad times and get them to carry through those bad times when they're in need and let them back and the market . . .

The answer to the cattle industry, I think, we all know right now. The real answer is when the prices improve. And we're seeing a little bit of increase in prices right now, and that's good news, but it certainly hasn't gone far enough to this point. But, you know, so I don't think it's my intention or our government's intention to get involved in the way where we partner with the industry out there into ventures to try and keep the industry going. I think we still like to see the industry run themselves and do that part of it, but of course having said that, there's certainly a place for government.

**Ms. Atkinson:** — I'm just trying to understand. You have a mission for your ministry. The mission is to enable a prosperous, market-driven, agricultural industry through a supportive legislative framework, policies, program, and services. And when I look at your budget, the vast majority of the spending increase is about risk management.

And so I guess my question is, in terms of this performance document, why would you not have put metrics in place to monitor the program for efficiencies, particularly, you know, AgriStability, AgriInvest, crop insurance. So these are where we see a very significant increase in taxpayer spending. And yet if I look at your document, I don't see any performance measures to measure — you know, whether or not this is working relative to your statement, mission statement and your government's goals.

**Hon. Mr. Bjornerud:** — Well I think you'd be the first to know that we inherited these programs. I didn't design these programs in the last 16 months; they were there before. I believe it was some of your former Agriculture ministers that were at the table helping design these programs. So, you know, I'm not just sure where you're going with this.

The federal government has projections of what AgriStability, for example, is going to cost us. And we have to say up front if we're going to fund our share, our 40 per cent of that. And one of the things this government is on the record of saying, yes, we will fund that share. Do we think the programs could be improved? We certainly think they could be improved, and we're going to work to do that, remembering that it takes 7 out of 10 provinces to make those changes. And that's a problem, but it's the one we have to deal with. And we're certainly going to be following up on that.

You know, I feel where we need to be is where we put help to keep farmers in a position where they can make decisions that's good for their business, but at the same time, not interfering with their operation out there and interfering with decisions they might make, to the degree that they're relying on some support program out there to make them make decisions that they normally wouldn't make. And I don't think that's why we should be here. But we are, I think, through the programming, trying to help them get through tough times.

**Ms. Atkinson:** — So, Minister, AgriStability has increased over \$100 million in terms of what taxpayers in Saskatchewan are investing into this program. This obviously is a business risk program. This number of 160 million, that number and our decision to put that number into the budget book, that's a number that we got from Ottawa. Am I correct?

**Hon. Mr. Bjornerud:** — For the AgriStability? Yes, that number is projected by the federal department. Whether they're dead on with that, we won't know until the program has gone through that year, and then we see what the uptake is. I believe part of the reasoning for that is probably increased grain prices, which is a great problem to have. I wish they'd have stayed where they were and hadn't kind of backed off a little bit. I think all farmers think that. But of course, as the prices go up, it was no different than crop insurance last summer. When the prices go up, the risk goes up. And of course our share and the farmer's share goes up along with the federal share.

**Ms. Atkinson:** — So the number here is based upon federal information regarding AgriStability for 2009-10.

**Hon. Mr. Bjornerud:** — I'm sorry; I apologize.

**Ms. Atkinson:** — \$160 million, \$160.6 million for

AgriStability is based upon their numbers that they are projecting in '09-10, but it must be based upon '08-09 information. Am I not correct?

**Hon. Mr. Bjornerud:** — Yes. I'm sure that's the way it works. They do it every year. They project where we go. And I believe even, you know, when you were in power, that was how you got your numbers of where we have to go when we do our budgets.

**Ms. Atkinson:** — Right. And so really, this \$160.6 million, on the one hand, I mean we're funding the business risk management program for the province. But this is really . . . This means negative margins for farmers. Do I understand that correctly?

**Hon. Mr. Bjornerud:** — Well I think I don't know how they do their evaluations exactly. But I would, from the information . . . I've talked to the federal minister on this, and it's when grain prices have gone up.

So then if they come back down, of course, when the margins drop, the chances of having a payout are greater than they would have been before. But also, the value of that commodity in the middle has gone up, so it's raised the bar. And then the costs for that program would be more.

**Ms. Atkinson:** — So do we have information from the federal government based on . . . Because this is the program . . . The numbers are contained in this year's budget, but it's based upon last year's experience. Do we have any projections of how many producers will be accessing this program?

**Ms. Koch:** — I guess what I would say is, I don't know that they know so much about numbers of producers. But certainly that's essentially what they do, is they look at all of those who are in the AgriStability program. They try to generalize, average, forecast. I mean, a lot of it is based on prices, things like that. And so they do their best to forecast what they think the uptake is going to be on the program.

And what I'll say is is that the AgriStability costs are expected to increase in 2009 due to lower grains and oilseeds prices and decreased valuations of inventories over 2009. And this year's program margin decline is comparing to previous reference margins that will force higher payout levels.

So it's just based on their best forecast, based on producers that are in the program. And I don't think what we could do is find out exactly how many, you know, and how much would be paid out per producer. I mean, the federal forecast is not that precise. That's a challenge that we certainly have, and every province has, is that we're dependent on federal forecasts. So it's based on what they think is generally going to be the uptake in the program.

**Ms. Atkinson:** — So, Minister, when you have a lower number in terms of AgriStability, that to me signals better news for producers. And when you have a higher number, that signals to me that there are producers that are experiencing some difficulty.

**Hon. Mr. Bjornerud:** — Well definitely if grain prices would

have gone to last fall's level and stayed at that level for a while, which we had all hoped — I know the producers more than I do, but even myself included; it would have made my job a lot easier — we would all be better off if they'd have stayed at the higher rate. But I think that's why we have programming for when they . . . or supposedly have programming. And I'm not saying that they're maybe responsive as I'd like to see them, but that's really where the kick-in would be, as they always have been with programs.

**Ms. Atkinson:** — Your performance plan has seven strategies and several key actions. And if I look at them, most are existing programs, and once again there are no metrics to measure them by. Can you explain why you've decided not to measure your actions to see whether or not you're delivering on these actions?

**Ms Koch:** — Well the challenge always is, in performance measures, is to in fact find that science, as you said, as to truly measure each one of your strategies. And you know, I think any organization — and I'm sure, you know, probably most ministries — will attest that it's very difficult to find metrics sometimes that actually measure results. And so what we tried to do was measure where we could.

And so, you know, for example what we've done is in the measure for our farm and ranch water infrastructure program, of course that's a very specific metric. And so you can find the numbers of applicants and the numbers of dollars that went out the door.

You had mentioned, you know, crop insurance. I'll just pick up on that one. We do have a metric in there, and what our performance measure is based on is number of acres that are enrolled in the program. And so we view that as a measure to determine whether or not the changes have been viewed as positive, as are we seeing an uptake in increasing the acres that are enrolled in the program.

The challenge with AgriStability and AgriInvest is it was difficult for us to find a metric, a measure, that would actually demonstrate the effectiveness of the program because it's based on prices, it's based on where margins are going to end up based on what happens in the market. And I mean our crystal ball isn't probably clearer than anyone else's in that there is no way for any of us to really be able to put a performance measure in there that would show the effectiveness of the program.

So instead what we hope to do is, when we administer the program, which we currently aren't responsible for, but when we do administer it we think in fact we will be able to have some performance measures in there. The minister mentioned how many outstanding applications there still are from 2006, for example. We don't view that as good performance. So when we're responsible for administering the program, what we hope to do is be able to put some measures in as to how long it takes to get applications through the system, how quickly we can respond, how helpful can we be to producers in filling out their forms, maybe a measure based on survey results as to satisfaction from producers, things like that.

So it will become much easier once we administer AgriStability, for example, to actually put in a performance

measure that we can truly think is a measure of the success of the program. So I mean that's what we've tried to do in our performance measures, is get the best sense. We've got the client satisfaction survey here, for example, and that's really there to be able to demonstrate that in fact we are meeting farmers' and ranchers' needs out in a regional service kind of way and an extension focus, and so that's measured right now through the agriculture knowledge centre, but eventually will also be measured through our regional offices by way of the number of clients that we have served, their satisfaction with our services, the kind of information we are able to provide them.

And so that, as you kind of work your way through our performance measures, that's what we've tried to do, is find the measure that works for each one of our strategies. But I have to say it wasn't an easy task, and I don't think it ever is for any organization, whether it's government or the private sector. Performance measures are always very, very difficult to set out where you truly can measure, you know, whether your programs are on target. But that's our intention is to eventually be able to hopefully have that in as many places as possible.

**Ms. Atkinson:** — Thank you. So you've indicated that it's difficult to measure AgriStability. When you bring the program home you hope to have some measurability. Now one of the measures I would assume that you might be able to measure is providing diagnostic services in the areas of plant health, insects, weed control, herbicide resistance screening at the crop protection laboratory. Is that not something that you could put a performance measure on so that we understand what we're getting in terms of, you know, value for taxpayers' money?

[15:30]

**Ms. Koch:** — Yes. When you speak to our crop protection lab, I suppose that that could be one that we can consider. I guess it perhaps was not considered maybe as major as a part of our strategy and so may have seemed a bit too detailed and, you know, not as maybe broad with respect to the strategies that we outlined in the budget plan.

But that isn't to say that we don't actually assess things like the crop lab on an annual basis to determine whether or not we're getting enough samples through, how quickly we get the results turned around, how responsive we are to industry needs, that kind of thing. So we do reflect on that, on an annual basis, internal in the crops branch. But it probably wasn't reflected in this budget plan simply because we didn't think it was maybe as broad of enough measure.

**Ms. Atkinson:** — Okay. So then I can move on. There's one measure that was contained in the previous performance measures plan and that had to do with BSE [bovine spongiform encephalopathy] testing. Now I see that one of your key actions is to deal with food safety, biosecurity, and traceability. That is no longer testing for BSE and measuring it. It's no longer contained in terms of your measures. And I'm wondering why you decided to remove that.

**Ms. Koch:** — What I will say is, you spoke about biosecurity and traceability and some of our future programming and that's going to be part of our Growing Forward delivery, our program

delivery through the Growing Forward federal-provincial policy framework. And so as we develop our programs, one of the things that is required actually under Growing Forward is to actually measure the performance and the outcome of the Growing Forward initiatives.

And so while it's not in our document now, because of course we're just going to be rolling out Growing Forward programming come here in April and in the coming months, we don't have those measures developed yet. But in coming years, we're certainly going to be measuring what we think the outcomes are of each one of those particular initiatives through the Growing Forward package.

**Ms. Atkinson:** — So the reason why the BSE statistics are gone?

**Ms. Koch:** — Sorry. I mean none of us seem to recall exactly which measure you're referring to, so we can certainly have a look at that. But what I'll say is, is that BSE testing is actually the responsibility . . . That's a national responsibility, so the federal government is responsible in that area. And so that's actually probably something that's more in the realm of the Canadian Food Inspection Agency. That's a CFIA responsibility. And so that's why we wouldn't have reflected that particular, you know, test — and numbers of tests and results of tests and things like that — in our budget plan in our performance measures.

**Ms. Atkinson:** — I understand that this is a national surveillance program, but it is broken down by province. And after BSE came to light in this province, the ministry in '07-08 indicated how many tests had been performed with their latest information.

And it seems to me that the ministry has a mission of a market-driven agricultural industry, and one of the things that the market is interested in — and it seems to be becoming more interested in — is food safety. And that is because of some of the observations and experiences that people have had around food safety.

And so I guess I'm wondering, given that Saskatchewan has value-added programs and there are people involved in agricultural production that are involved in value-add, I'm interested in knowing what the department or the ministry is going to do to ensure that Saskatchewan people — people who want to buy our food — can be assured that our food is safe.

**Hon. Mr. Bjornerud:** — I think the deputy minister touched on this a minute ago. But part of the Growing Forward will be, part of that will be food safety will be included in that. And of course the details aren't in that. We just actually have signed on to that program, so more details will be coming out with that in the, you know, the next week or two.

**Ms. Atkinson:** — Then given that food safety is an action under your action plan and given that there are some people in your ministry that have lost their employment, that were involved in food safety, how do you assure the public — given that this is one of your actions — that food safety is paramount for your ministry?

**Ms. Koch:** — Actually no one in our ministry was removed from the area of food safety. That wasn't something that happened within the ministry. We didn't remove anyone out of a food safety area.

**Ms. Atkinson:** — I understood that there were three people in Saskatoon that I think today is their last day, and they worked in your ministry.

**Ms. Koch:** — Okay. Well I mean, that is in the area of . . . The food centre? Yes. And the food centre, those staff were certainly involved in providing a broad range of services to the food sector in the province. And you know, what we think is is that a lot of those services were also provided specifically through the food centre themselves. Our three staff were located at the food centre, but in many cases provided a duplication of services that was already being provided by the food centre themselves. And so their entire role wouldn't have necessarily been only focused on food safety.

I understand, you know, I understand now the context of your question. But we don't believe that that's going to have an impact on the ability of the ministry to ensure that we've done what we can to provide adequate services to the food sector in Saskatchewan because we believe that those services will continue to be provided through the food centre.

**Ms. Atkinson:** — So as part of your action for this budget year, the ministry indicates that it's going to develop and implement Growing Forward programming in the areas of food safety, biosecurity, and traceability. Can you elaborate on that? And how are you going to measure whether in fact this is an action that you met, at the end of this fiscal year?

**Hon. Mr. Bjornerud:** — Actually I can't comment on that yet because it's just come out. Actually the federal minister signed on as of this afternoon. So in the next week or two, we'll have announcements putting out releases and information on this, so you and everyone else will understand what's involved in the new Growing Forward program.

**Ms. Atkinson:** — Okay. Then, Minister, do you have the same view in terms of farm and value-added business development? That also is an area in terms of Growing Forward. Do you have the same answer? That you won't be able to respond to this until after you hear from the feds.

**Hon. Mr. Bjornerud:** — Actually I do have that same answer because until we can . . . until today, really, we couldn't roll out what was in the program. And even a lot of the details that we're just, you know, we're just getting access to right now in the program that my officials have worked for actually months probably on with the federal government. But as of today, we can finally roll the program out and start . . . I talked about the water program being part of that — you know, additional dollars in there — a number of areas. Food safety of course is one of them, traceability and all these things. And Growing Forward in itself has performance measurements. We'll be involved with that.

So a lot of the areas you're asking on today will be part of the Growing Forward. It's just that we haven't got to the point of releasing the details, but we will be doing that very quickly —



some as early as probably within the next week we'll be starting to release some of the information of what's in Growing Forward.

**Ms. Atkinson:** — And what about the environmental farm planning? Now this is work that has been done in your ministry in the past. Workshops have been delivered. Your department has supported environmental farm planning by producers. In the past, there was some form of a measure contained in previous performance plans by the ministry. This is no longer in . . . It's in your action, but it's not something that you're measuring. Can you tell me how many workshops will be available to producers in the next fiscal year?

**Hon. Mr. Bjornerud:** — The environmental farm plan is also part of the Growing Forward. As you know, before, it was a pretty positive program really around the province. But that will be also part of the Growing Forward information that we'll be releasing very quickly — details of what is involved in it, what's covered by the environmental farm plan, and things like that. Whether there's changes from where it was before to where we will be going into the new year, into this year, and things like that, we'll be announcing very quickly.

**Ms. Atkinson:** — Are there any specific program additions in your ministry or add-ons or changes that are not related to risk management or income support or relief programs for producers?

**Ms. Koch:** — I'm sorry. I didn't quite catch the context.

**Ms. Atkinson:** — So in terms of your initiatives, we know that it appears as though your performance plan has seven strategies and key actions. Most are existing programs. And I would argue that there aren't enough metrics there to measure this. But are there any new programs? I mean this is a significant increase in taxpayers' spending and I'm wondering if there are any new programs that you're introducing or changing besides risk management.

We see a significant increase. Most of that money is attached to risk management. Is there anything in this budget that would be new or additional, outside of risk management?

**Hon. Mr. Bjornerud:** — Well I think there's a number. The water program would be one. There would be the gopher rebate program. There's a number of areas like that where we've increased funding.

I think producers themselves have told that this was a good program. The gopher rebate program only was \$3 million last year that we came out with to rebate 50 per cent of bait costs. But I guess, if you're looking for a performance measurement on that, all you'd have to do is ask any of the producers that spent thousands of dollars on bait out there and got half of it back. Will be a pretty good measurement stick right away when they tell you this was a very positive program.

Water program in the Southwest was a pretty positive program.

So the additional dollars, and I understand you're talking about taxpayers' money and I don't think you're saying that we're maybe squandering taxpayers' money by putting it into

agriculture. I'm sure that's not what you meant. I wouldn't want to put words in your mouth, but you know . . .

**Ms. Atkinson:** — I actually think you might want to.

**Hon. Mr. Bjornerud:** — Well . . .

**Ms. Atkinson:** — I'm not saying that at all. I'm just asking questions.

**Hon. Mr. Bjornerud:** — Well that's good, that's good. But that wasn't quite the message I got there.

**Ms. Atkinson:** — Oh.

**Hon. Mr. Bjornerud:** — Yes. There's some other areas that there's additional dollars, and I think this ties back to the question you'd asked. Additional 600,000 in funding provided to organizations such as PDS [Prairie Diagnostic Services], 342,000 to a total of 2.385 million; food centre, \$300,000, total that's jumped to 700,000; Agri-ARM [agriculture-applied research management], 350,000; Agribition, 35,000 which is to promote agriculture through Agribition, which I think does a very good job, and that total's gone to 50,000; and the Farm Animal Council to 35,000. So that's just some of the areas that we've increased funding to help actually promote agriculture in the province.

**Ms. Atkinson:** — I also . . .

**Hon. Mr. Bjornerud:** — Maybe I could just add to that too, and this is a pretty big expense in our budget, is the 20.2 million actually set up under the Crown land sale program. And it was the incentive program that we had put in place, the 10 per cent reduction of fair market value and forgoing the payment schedule and interest for the guaranteed cost of \$20.2 million.

[15:45]

And 100 per cent wildlife compensation, that's another area. There's probably areas that I'm forgetting here, and I apologize for that, but there's . . . Not all of them are big increases but when you add them all together they put a number of dollars in there.

**Ms. Atkinson:** — Okay. As part of your action, the government wants to, and I quote, "Work with industry to . . . develop a supportive regulatory framework that reflects current practices and fosters growth and prosperity in the industry." What is an example of a regulation that would be an impediment? What are you looking at in terms of fostering growth and prosperity in agriculture?

**Hon. Mr. Bjornerud:** — Well I think we all realize that technology is changing dramatically, more probably in agriculture than in any other business in this province. So I think in any way, shape, or form that we can promote, whether it's through research or through efficiencies, anything that a producer does in the province right now . . . You know, the cattle industry is an example, I think, where input costs have gone up, you know — and the dollar's dropped now which helps a bit — but the input costs have gone up to a degree that anywhere, whether it's through forage or pasture, new types of

grass out there, anything like that that we can improve on I think helps the producers' bottom line. And I'm only using livestock because they're probably the one that are most stressed right now.

But even on the grain side, any improvements that we can help producers out there with, whether we do it or the private sector does it or we can assist anybody with any of those improvements which bring efficiencies to their operation, I think in turn puts more dollars in their pockets at the end of the year, or reduces their input costs which is, you know, whether it's lowering taxes or whatever it is, leaves them more dollars in their pocket. I think when you put that all together it makes them more profitable, you know, at the end of the year.

**Ms. Atkinson:** — Do you know how many regulations would apply, would be administered by your ministry?

**Ms. Koch:** — While Laurier is looking up the number of regulations, I would just add with respect to the kinds of regulations that we're looking to update to ensure they continue to meet the needs of the industry. For example, the Agri-Food Council is the overseeing council of all of the check-off organizations in Saskatchewan, and so it's things like a flax check-off, canola check-off, pulse check-off, pork check-off — all of those. And in many cases, those regulations were five years, minimum five years, some of them longer, out of date because they hadn't been kept up to date.

And so what we've done is we've consulted with each one of those organizations and have worked to ensure that their regulations are up to date so that it meets the needs of the industry and meets the needs of the commission.

And so we've actually put some extra resources. As an example of where we've targeted some new resources is, the Agri-Food Council was essentially understaffed and there was vacancies there. And in our restructure we actually have put more effort in that area to ensure that we can meet the needs of industry.

And in fact what we're doing is trying to find other areas in the ministry where we feel that there hasn't perhaps been as much focus on ensuring . . . Because regulations sometimes tend to kind of not maybe be top of mind, but long term they're things that often can stand in the way and can be barriers to growth or can cause complications in how industries operate their businesses. So we're trying to hopefully get a step ahead, not in fact just react but hopefully get a step ahead and be working side by side with industry to ensure that our regulatory systems and frameworks are meeting the needs of industry. So that is actually where we've put a few extra resources is in that whole regulatory area.

**Hon. Mr. Bjornerud:** — I might add to that too that the federal government and our neighbouring provinces — I know Manitoba's talked about this, doing exactly what we're doing — is reviewing the regulations and whether they're timely and things like that. Laurier maybe has a few comments on some of the regulations, maybe he just wants to touch on, that we'll be reviewing.

**Mr. Donais:** — Sure. I don't have an exact number of how many regulations we have, but the list that I've got here is 16

pages . . . or I guess just less than 16, 15 and a half pages or so. I mean under each piece of legislation that we administer, you know there's various numbers of Acts.

And so, you know, and I won't even proclaim to know what some of these are, but you know animal custom care regulations under *The Animal Identification Act* or beef railgrade regulations, you know, some of the dairy milk industry regulations. So I mean there's a whole wide list here of regulations that I think what's identified in our plan is to review those regulations over a five-year period and see, you know, which ones might need to be updated; which ones, you know, maybe are no longer relevant and can be removed; and which ones, you know, need to be retained.

**Ms. Atkinson:** — So would we have 200 regulations?

**Mr. Donais:** — That's probably a fair guess, yes.

**Ms. Atkinson:** — And so over a five-year period you'd look to review maybe 40 a year? I guess what I'm trying to get at, at the end of this budget year . . . So you've set a goal or an action; you're going to initiate this five-year review. How do we know when we meet next year that you've met your action, that you've started the process? How will the public know that you've reviewed 40 — here's where there's been action; we've decided not to move on these regulations but we're moving on these regulations? I'm just trying to understand, what is the accountability here?

**Hon. Mr. Bjornerud:** — I think it's a process as fast as we can go through our regulations. This is something that maybe should have been done for years on an ongoing basis. And I'm not pointing the finger at anybody, but I'm saying, probably as Laurier has talked about here, some of these regulations maybe just need to be updated. Maybe some are fine. But there's probably some that are totally, you know, out of date. And I think going through this maybe, and I know with the dairy groups and that, they're looking at things like some of the regulations, they want to update them. Other areas that they're doing the same thing.

And if they're a barrier to their business that they have going out there, I think it would be to all our benefits to go through them, review them, and see what it is to say, okay, by next year we're going to have 140 of these regulations changed. I don't think it's a possibility. Because it's a process and it's a lot of work, I think, as the member might appreciate.

**Ms. Atkinson:** — I do. I was the Chair of the regulations committee of cabinet when we reviewed all the regulations in the 1990s. It is a lot of work. But we had some goals and objectives in terms of what we wanted to see. And that's why I was curious to know. Okay, I understand that. Obviously you'll consult with stakeholders. You'll consult with all stakeholders on a regulation change or just . . .

**Hon. Mr. Bjornerud:** — Wherever that regulation or whatever industry, or part of the industry, that affects out there, we certainly will. And they may have some suggestions, you know. They may be fully aware of a regulation in here that's probably bothersome to their operation out there or something. So that's part of where we would go with this. But as we look at each

regulation, they'll certainly be part of updating them and any changes that are made.

**Ms. Atkinson:** — Thank you, Minister. The other area that I'd like to highlight has to do with your pork and beef strategy as a ministry. Now I know that you have made the decision that there will be an expert in each of your regional centres, you know. Fair enough. But could you tell me what is your strategy. You want to facilitate the growth of Saskatchewan's livestock industry, including cattle, bison, and sheep. Surely your only strategy can't be the livestock loan guarantee program; there must be more to it than that.

**Hon. Mr. Bjornerud:** — Not at all. I think we've been in the process. Nithi in fact, for example, has been with our cattle industry over to Alberta and they're comparing where we can go into the future, how we can make improvements, all of these things. So the strategy is being formed actually as we speak. Can I give it to you directly today? No, I can't.

But we're working with — I'm thinking on the cattle side — right now we're working with stock growers and the new cattle association and all aspects of the cattle industry right now and working with our neighbouring provinces to say, where do we want to be in five years, how do we improve our industry, and things like that. And I think for us as government to come out with a strategy and say, oh this is where we have to go, without the industry being part of that I think is probably foolhardy. I mean we need to go where they also want to go with this, and I mean it's to the benefit of their bottom line hopefully 5, 10, 15, 20 years down the road.

But I think it's a process that's going to take some time right now. And, Nithi, if you'd want to comment on that, that would be great.

**Mr. Govindasamy:** — Yes, I'm pleased to. We've been working for the last few months developing jointly with industry a strategy to address the needs of the livestock industry as we go forward. The fundamental basis of the strategy is primarily in identifying the competitiveness factors and the environment in which the livestock industry's currently operating and will be operating in the future.

So elements of the strategy could well include substantial portions relating to the kinds of research needs and the kind of programs that would benefit the industry down the road, the competitiveness position with respect to market access to our key markets around the world including the United States, an ability to be able to work on key trade issues including potential trade-restrictive measures by the United States and other countries, including country-of-origin labelling. So these measures and these elements of these strategies will be contained in this overall livestock strategy.

And the strategy's not confined to a discussion and actions pertaining to the cattle and hog industries alone but would include an extension to the cervid industry, etc. And that process is well under way. It's being informed by some very rigorous analytical work that we have commissioned and it will be a joint strategy that'll be industry led and government supported.

**Ms. Atkinson:** — And when do you expect this strategy to be released?

**Mr. Govindasamy:** — I've indicated that we've been working with the industry for several months now. There's been a very intensive and extensive consultation with industry. We hope to be able to start rolling some things out with industry over the next few months, testing the waters so to speak. I can't be definitive about a date by which this will be done, but we're getting close.

**Ms. Atkinson:** — So when we come back or when this legislature adjourns by the long weekend in May, we won't have a strategy. Is that fair?

**Mr. Govindasamy:** — I think it would be fair to say that we would have quite a bit of the work, with respect to the analytic work that is required for this kind of thing, completed by then. However there's quite a bit more consultation and discussion that needs to occur with industry on a much broader scale, and we would still be engaged in that process at that time.

**Ms. Atkinson:** — Minister, does your analytic work also contain the consolidation of the meat-packing industry and the auction houses in the West? Or what would your analytic work be measuring?

**Mr. Govindasamy:** — The analytic work actually will address a number of competitiveness factors, including production-related competitiveness factors, marketing-related competitiveness factors, regulations and legislations that are either enabling or impeding access. And certainly I see those analytical factors including the processing capacity in Western Canada, Canada as a whole; the competition with respect to procurement of cattle, etc. So those elements will be a part of the assessment and analysis of the basis on which the cattle and hog industries are going to be operating, are operating, which I would label as competitiveness factors.

**Ms. Atkinson:** — So one of the difficulties that producers face, and they've faced this for some time, is that we have packing houses that are involved in the ownership of cattle so they can move their own cattle in and out of their packing plants. Is your analysis looking at that problem? Because it's really not a free market. It's the people who own and control the packing houses can manipulate the market. So I'm wondering is your analysis looking at that issue and the difficulty of that issue in terms of what that issue does to the bottom line of livestock producers.

**Mr. Govindasamy:** — Well perhaps I should preface my response to that question with my understanding of the level of competition that exists in the North American basis. Canadian cattle producers and Canadian cattle procurers are not necessarily limiting or limited to procuring the animals from a limited area. In fact it's a North American integrated marketplace, so there's a lot more competition in the marketplace than meets the eye, so to speak.

So I would have to preface my response to that question by suggesting that all the studies and all the examinations that I am aware of, with respect to competition in the cattle industry, suggests very strongly that there's a healthy dose of competition occurring in the marketplace.

[16:00]

Obviously the Competition Bureau, which has overall broad Canadian oversight over the level of concentration in any particular industry, was concerned, sufficiently concerned to examine the recent purchase of Tyson by Excel, and of course has okayed that particular procurement and has also suggested that they'll be closely monitoring the level of competition when it comes to procuring cattle.

I don't want to comment on any studies that may have been done with respect to packer ownership of cattle. It's an issue in the United States. But from what I know, there hasn't been a major intensive assessment of the packer ownership issue in Canada. I know when I was in Alberta, we did some of that analysis. And our conclusion was the level of packer ownership, with respect to cattle, did not impede the proper workings of an open marketplace in the cattle industry.

**Ms. Atkinson:** — Minister, obviously there's a consultant that has been hired. Can you indicate who the consultant is and how much they're being paid for that work?

**Mr. Govindasamy:** — We have some internal assistance, as well as some external assistance, with respect to helping us to put together the best picture possible. And I am not aware of the dollars that are associated with some of this assistance in terms of contracts, etc. We will have to get back to you on that one.

**Ms. Atkinson:** — So you don't know who . . . Minister, your officials don't know who is doing the analytical work?

**Mr. Govindasamy:** — We do know who is doing the analytical work. I'm just not aware of the amount of monies involved with respect to the analytical work.

**Ms. Atkinson:** — Can you indicate to the committee who is doing the analytical work, and then get back to me with the contract and whether it was tendered?

**Mr. Govindasamy:** — I can certainly indicate who is actually doing the analytical work. It's a company out of the United States called . . . It's a North American international company called Informa Economics. Informa Economics, that is doing the analytical work.

**Ms. Atkinson:** — And can you indicate where they're located?

**Mr. Govindasamy:** — They're located out of Memphis, Tennessee. That's their headquarters.

**Ms. Atkinson:** — And do they have subcontractors that are doing the work in Canada? Have they hired some consultants in Canada to do the work, or are all the principals that are doing the analytical work Americans?

**Mr. Govindasamy:** — They have offices in Canada. Informa Economics is an international company that has an office, also located in Winnipeg, which has its people working on this particular project.

**Ms. Atkinson:** — So they're Winnipeg consultants that are doing this work.

**Mr. Govindasamy:** — They would be doing it along with other consultants from the US [United States].

**Ms. Atkinson:** — Are there any principals doing this work? Are there principal researchers or consultants?

**Mr. Govindasamy:** — There are a number of them that are associated with Informa Economics who are doing this work.

**Ms. Atkinson:** — So can you indicate how many people you believe are doing the analytical work? Is it ten or five or eight?

**Mr. Govindasamy:** — I would have to say that it's probably between three to five people who might be associated with doing the analytical work.

**Ms. Atkinson:** — Is there anybody that is located in Saskatchewan assisting with this analytical work?

**Mr. Govindasamy:** — The company itself has been in touch with us. Obviously the ministry, some of our expertise, livestock specialists, etc., are involved in the actual assessment. It's a joint assessment. They've also been in close touch with industry groups in Saskatchewan with respect to gathering information and assessing that information. So there's been a lot of that as part of this analysis.

**Ms. Atkinson:** — So of the three to five people that have been doing this work on behalf of Informa Economics, all of these people are located outside of the province. They're not using anybody in the private sector in the province.

**Mr. Govindasamy:** — I'm not aware whether they are or not. I can certainly check on that.

**Ms. Atkinson:** — Thank you very much. Thank you. The other area where you have an action is inviting qualified farm owners and other agricultural experts to consider immigrating to the province. I guess I'm interested in knowing what your ministry is doing to promote agricultural immigration, and if you can indicate how long it takes for an immigrant farmer to get approval through the farm category under the immigrant nominee program.

**Hon. Mr. Bjornerud:** — I think actually this would fall under Minister Norris's department under the Saskatchewan immigrant nominee program.

**Ms. Atkinson:** — It's an action under your ministry, and it's under promoting the agricultural sector and its benefits. And it says, inviting qualified farm owners and other experts to consider immigrating to Saskatchewan under the nominee program. I'm paraphrasing that. So is that left entirely up to Advanced Education, or is your ministry going to be involved in any of that work?

**Ms. Koch:** — I'll just say that it's part, we've linked to it as part of our budget plan. So we are saying that we'll work with Advanced Education, Employment and Labour if in fact they feel that people require, you know, production assistance or people require information about how they go about setting up an operation in the province. If they're looking to begin an operation, or if they are wanting to perhaps look for

employment opportunities, look for employment in fact with the Ministry of Agriculture, things like that.

So it's an action, but it's in partnership with another ministry. And as for the measures, we won't be measuring that within our ministry, that that would probably be something that AEEL [Advanced Education, Employment and Labour] would be looking at, as far as an overall success of the nominee program. But we certainly would provide support to that initiative, just broadly, that's being put forward by government, specific to agriculture. And so that will be the role that we would play.

**Ms. Atkinson:** — I do know that in the past there has been encouragement by the ministry out at Agribition, other farm shows. When we have international visitors, they would set up, you know, a booth or whatever, along with the SINP [Saskatchewan immigrant nominee program] to give people information. I do know that there are farmers that have immigrated to the province under the SINP and all of those statistics are there. To me, it's something that we could measure. We could indicate to the public in the form of, you know, performance measures, how we're doing in terms of attracting immigrant farmers to the province. So I'll leave that with you, but I do think it's something that is measurable. It's an easy thing to measure because that information is available.

The other thing that I wanted to ask you is, have you thought, has your ministry thought about implementing a special program that's similar to the young farmer immigrant program in Manitoba? It's not unlike our business category under the nominee program where, in Manitoba, with \$150,000, three years experience, under the age of 40, they can work off-farm. They can go to Manitoba and start farming. And they have attracted greenhouse producers, vegetable people. And I'm wondering if this is something that your ministry has thought about.

**Hon. Mr. Bjornerud:** — Really we haven't talked about it. Where we've gone with the young producers really, rather than an immigrant program right now, is we're working with our own young producers, trying to find ways how we can help them and the industry, how we can help them into the industry. And really that's where we are right now. We would certainly look at something like that down the road.

We've created a youth advisory committee right now where we have seven young people, actually seven young producers in the province that are starting. They've had, I believe, one meeting, maybe two already. But I'm going to use them in more of an advisory capacity of, how could we help these young people get into the agriculture industry. Because I think we all know there's such a shortage of young people in the industry right now. And there's a number of producers that would like to get out of the industry and have really no alternative. And it's, you know, not an easy exit right out there right now, and we need more young people.

So, you know, I guess our youth advisory committee would be a good one to work with this, and maybe expand on that into the young immigrant program.

**Ms. Atkinson:** — Thank you, Minister. I forgot a couple of questions, so I'm just going to go back to . . . At what price of

pork, at current grain markets or current grain prices, would the average 600-farrow operation begin to break even?

**Hon. Mr. Bjornerud:** — Are you talking on market hogs right now?

**Ms. Atkinson:** — Yes.

**Hon. Mr. Bjornerud:** — To the member, that's a hard one to put an exact number on, of where every operation's different. Every farm is actually different out there to where that bottom line is. So, you know, it would be hard to give you an exact dollar per pound or, you know, price per pound of where we would actually start to break even because I think it does fluctuate, of course, as input costs and, you know, some of their costs that they have go up and down of course.

**Ms. Atkinson:** — I'm just looking for an average. I think someone has it in the department. I'm sure they've got the data.

**Hon. Mr. Bjornerud:** — Well that would be really a tough one, to be on the record of saying, well \$1.50 is the magic number. I don't think if you ask 10 producers out there, you'd probably get close to 11 different prices of where that magic number is. It's like, probably no different than economists right now predicting where the markets are going to go.

**Ms. Atkinson:** — There is data. Maybe we could check on that for the next time we meet. I've seen it in your department, so maybe you could check that. And I guess the other question is, how many hog barns are presently profitable?

**Hon. Mr. Bjornerud:** — Well I'm not sure I can give that right off the top of my head, but I would doubt probably any.

**Ms. Atkinson:** — Okay.

**Hon. Mr. Bjornerud:** — The crisis that they've had right now — and I know the prices have come back, futures look a little bit brighter — but of course we're not there yet. But just being in contact with the hog producers out there right now, I don't think I've heard of any lately that have actually said they're actually making a clear profit, although we may be getting closer than we were, you know, three, four months ago.

**Ms. Atkinson:** — Okay, so if one of the primary actions of your department is to create an attractive business climate for ag, the agricultural industry, and establish the infrastructure that will support business development, and if one of your actions is to facilitate growth of Saskatchewan livestock industry which includes bison, cattle, and sheep, how are you going to measure that? Is it the number of people, the number that are involved in the business? Is it the number of hogs we produce? Is it the number of cattle we produce? How are you going to measure that?

**Hon. Mr. Bjornerud:** — I don't know where the easy answer is there. I guess one of the best measurement sticks, as I said before, is that the feedback we get from producers will give you a pretty good measuring stick whether programs are working or aren't working.

I think, you know, an example is the cattle and hog support

program that we've just had. It's an example of, you know, how do we measure whether that's done the trick out there? I think I would've been the first to say it's not a large amount for each head. We would've liked to see of course the federal government pay their share of that.

I guess the best measuring stick to see if that was supported by the industry is all you have to do is listen to the industry players and their feedback on that. And that's probably to me, as Minister of Agriculture, one of the best measuring sticks I can see out there. If there's a negative response, we usually know that probably — whether it's a program out there, whether it's crop insurance, or whatever it is — if you get a lot of negative feedback, I think that's the best measuring stick you can get.

[16:15]

**Ms. Atkinson:** — If you can't make a buck in the industry because of input costs, because of price, because of the market, and it tends to be an international market, tell me how you're going to create an attractive business climate. What can you do — strategy — what can you do to create an attractive business climate that means that we're going to continue to grow the number of hogs produced in this province, and we're going to continue to expand, not contract, our cattle herd. So this is your strategy; this is your action. How do you do that?

**Hon. Mr. Bjornerud:** — Well I think that goes back to, as Nithi had talked to you before, of working with industry and see where we go — what do we have to do, what do we put in place, what is the industry themselves have to do?

And I still think we realize that cattle numbers right now are dropping right across North America. I can't speak for Europe and places like that, but I know North America. I can't remember what the American side, the US is down right now. Actually Alberta, the cow numbers are actually dropped farther than even Saskatchewan numbers have, but ours have too. Manitoba has, and I'm sure Ontario and the other provinces have too.

I think that we've seen in the past as farmers, with our history as being in the farming profession, everything's cyclical. We always know as they go down, hog industry is probably even more erratic by far than cattle. But as numbers go down, hog industry's a prime example right now.

Hog numbers are down. We've seen that how many times in the last, say 50 years. And then all of a sudden prices improve. And the hog industry, as we all know, the numbers increase a lot faster than they do in the cattle market. But I think that's where the indicators will show first. As the price comes up, producers will start to grow more hogs. And I don't know what government can actually do, other than the support that we're giving them now through programs right now.

But, you know, if we help put the things in place that government should put in place like programming and risk programs and things like that, but how far do we go — lower taxes, try and get their input costs down. Their costs everywhere have gone up. If we can do as much as we can afford to do within that industry — but having said that, not being part of the owners of that business out there — and you

know where I stand on that; I think that's our job that we have to play right now. I don't know if government alone is going to drive the numbers of hogs to return very quickly, I don't think so for a minute. Industry and prices are going to drive that, and I'm not sure that isn't the way it should be.

**Ms. Atkinson:** — Well at one stage we used to measure because we were into expanding the number of hogs produced in this province. We were into expanding the number of cattle produced in this province. At one stage, we used to measure it, and we had progress.

You know, I understand that there are several factors that government has no influence over. Government does not influence commodity prices, seed prices; government does not influence that. But I guess my question is, how do you measure that you're being successful as a ministry and as a minister?

**Hon. Mr. Bjornerud:** — Well, let's go back a bit here then. If you want to talk about the industry like that and how do we measure it, I'd use Big Sky for an example. The previous government, I believe to the tune of \$45 million, invested it into Big Sky. How did you measure that as being successful or not successful? Because Big Sky right now, it's my understanding, is in as much trouble as any other hog operation in the province. How did the previous government measure that: is it successful, did it do what you had intended to do?

I don't think so, because the hog market has dropped, the prices have dropped, and the success of that business has probably, maybe to some degree, helped some of the other businesses, stressed them a bit because of the numbers we have in this province.

So you know, you're pushing on what are your measuring sticks for this, this, and this. Well all I have to do is go back a few years, and I would ask that question back to the member opposite. How do you measure the success of what you did when you were there?

**Ms. Atkinson:** — Okay. You know, I'm not trying to be difficult, Minister.

**Hon. Mr. Bjornerud:** — I'm not either, but I'm trying to use reality here.

**Ms. Atkinson:** — Okay. Okay. I'm not trying to be . . .

**Hon. Mr. Bjornerud:** — You had 16 years to measure where you went. And all of a sudden you're saying to me, now how do you measure this, how do you measure that. We've been here 16 months.

**Ms. Atkinson:** — You have a '09-10 plan for the Ministry of Agriculture. Okay. And fair enough; it's basically a seven-page plan. It indicates what your statement is as the minister. It indicates your mission statement. It indicates that you want to secure a prosperous Saskatchewan. Fair enough. You have your economic goals. You have your strategy and your actions.

What I'm trying to understand is how does your strategy, how do you measure whether or not you're successful? That's all.

And by the way, Minister, I don't think you have any officials that knew me from before, but these are the kinds of questions I asked before when I was in government. How do you know you're being successful? And so I'm asking you these questions. How do you know? Because to me, to increase . . . I mean, fair enough.

You've increased taxpayers' spending. From my point of view, most of it is going towards risk management. But what I want to know is, you have a whole ministry. You have goals and you have strategies and actions. How will we know whether or not you're successful? That's all I'm trying to ask. And by the way, one of the goals of your government is to be accountable, I think, and transparent. Keeping government promises and fulfilling the commitments of the election, operating with integrity and transparency — accountable.

Okay. So from my point of view, this committee, the opposition's job is to ask questions and look for transparency and accountability. And I'm not trying to be difficult. I'm trying to understand: how are you going to measure that you've been successful? And how are you going to be accountable in terms of this taxpayers' money, that it does the job that you want it to do?

**Hon. Mr. Bjornerud:** — I think the success of every program that we do out there, it's hard to measure how successful it is until it's had time to work, even for a year, and see how far it goes. And many of the programs that we put additional money into, we've just done that. It was last year we increased some of the funding, but we've done a lot more of that this year. And I don't know how you would judge those programs when they haven't even really had time.

Let me use FRWIP [farm and ranch water infrastructure program], the water program in the Southwest. I think that program has been a tremendous success. If you ask producers right across the Southwest — everywhere I go down there — they all feel that that program was one that they really appreciated. And I would say from what feedback I get from them, that program was a success because those wells will be there — I would predict — for the next 20, 30, maybe some of those wells, 40 years. That to me is success.

Ventures where we may get into private business and cost share and be a partner as government, I guess there was no difference when that happened. How do we know if they're successful? Well by the number of them that went under or the number of them that lost money. I guess that would be the test of how efficient that was. So I'm not sure — I understand what you're saying — but I'm not sure we're able to give you that because we haven't had time to actually get into these programs far enough to be able to tell you whether we feel, or the producers feel, they've been a success or a failure.

**Ms. Atkinson:** — Well okay. Let's use the CAIS [Canadian agricultural income stabilization] program which is now AgriStability with a few changes. Okay. So that is a program that we have some experience with, as an example. Now does it do the trick? We have officials that have some experience with this program. Does it do the trick? Will putting an additional hundred-and-some-odd million dollars into the program, does it do the trick? Does it meet the needs of producers out there that

are experiencing negative margins?

**Hon. Mr. Bjornerud:** — Well my first response would be, is it a perfect program. No, it certainly isn't. I mean, we had AIDA [agricultural income disaster assistance], CFIP [Canadian farm income program], CAIS, and now we've got AgriStability. I wasn't at the table when we helped design these programs. I don't think they're designed for Western Canada. I think they're far more weighted to Ontario and Quebec, but of course I have a bias there.

Were they working before we came to government? I guess I would turn that question to the member and say, where was your measuring stick at that point? Because we had the same programs. All we've done is change the name. You know that's one of my complaints; every time we turn around we change the name. We forget to actually make some constructive changes to the programs. Every producer in this province agrees with me on that.

You know, you're asking me for measuring sticks all of a sudden, and we've been here 16 months. You were there 16 years. Tell me your track record and how you measured how well you did, and some of the successes with these exact same programs. Maybe they've tinkered a bit with them, but overall I don't believe they've been totally satisfactory for producers out there. So I guess what I'm asking you is then you tell us how we should put that measuring stick in place because evidently it hasn't been there for 16 years.

**Ms. Atkinson:** — No, I think that performance measurements was something that came out of the Department of Finance to see whether or not we were getting value for money. It was fashioned along the Alberta government in terms of accountability and performance measures. And I think it took the ministry some time to figure out, you know, goals, objectives, and how does it all fit into the overall goal of the government.

And so one of the goals as I remember from Agriculture, it was to increase livestock production and diversification, and to try and get more value from Saskatchewan crops in terms of an output per acre. And we tried to measure that. Maybe it wasn't perfect, but you could see that our hog industry was increasing; we could see that the size of our beef cow herd was increasing — there were some measures. And this was in the context of trying to increase livestock production and move to diversification.

And so I guess what I'm trying to understand, you have an action to support the livestock industry, to facilitate growth in the livestock industry, as an example. How are you going to measure that. Well it seems to me it's about counting cows and hogs. And if you are trying to expand, I would think, the value of Saskatchewan's crop production so that we have more output per acre because we know ourselves — if I recall this — relative to other jurisdictions, we don't quite have the value per acre. And so how do you do that?

And one of the things I thought that the Ministry of Agriculture was about was trying to increase the value of agriculture in the province so that primary producers and others could create wealth here for our benefit. And so I guess, Minister, this is

why I'm trying to have a discussion about this because you have your goals, you have your mission, and now you have your performance measures. And I'm trying to understand, on behalf of the opposition I guess, how are we going to measure that?

**Ms. Koch:** — Well I guess the challenge as I said, is that in some cases performance measures are difficult to establish. We have established some according to some of the initiatives that we've laid out in our action plan and in our budget plan. The challenge is is not . . . We don't have a measure that we've published, as far as each particular action.

But I think what we need to do is ensure that we understand the difference between a measure versus an industry indicator. And I think really in many ways, you know, the value of crops per acre or number of hogs that you've got in the province, number of livestock in many cases are industry indicators, as opposed to performance measures of ministry programming.

And there's no question that there's a relationship to some degree. But they're probably not true measures of success because it doesn't matter how good your programming is for livestock — if our livestock industry doesn't have access to world markets because of prohibitive trade policy of the United States or prohibitive international trade policy, or if feed costs because of world market situations are through the roof, or if currency rates aren't to our advantage as exporters — obviously it doesn't matter how good your programming is for livestock in Saskatchewan, the industry indicator will show otherwise. It will show a decreasing herd or it will show a smaller amount of output.

So I think I understand what you're saying, as far as you need to have a measure. And for certain, industry indicators are things that we're going to need to be considering as we try to determine what future needs are for programming for the industry, but we'll want to make sure that we specifically measure the actual things that we do. So that's why we think, for example, AgriStability where we've got a substantial amount of extra money going into it, it will be difficult for us to actually measure the effect of this, though we do know more money is going to be going out in AgriStability. It's going to be of assistance to those producers who get that funding; for certain we know it's going to assist them. But it's difficult for us to put that in as a measure per se.

[16:30]

What we think we can measure when we take over the administration is timeliness, how quick we can respond, how helpful we can be, how simple perhaps the application process is, how much assistance we can provide at the regional office level — things like that, that we actually believe we can measure. And so we do intend to measure that. Now it's not included in this budget plan because we don't currently administer AgriStability, but certainly in the future that will be something we look at.

In the area of crop insurance, we do see that as a role that we will be able to measure that. We see significant increase in funding going to crop insurance and yes, it's part of business risk management. And so, you know, maybe it's in that basket

of increase in our budget, but it's a very significant program for Saskatchewan.

And we do think that that's a particular program that we can quite effectively measure, based on the signup of acres. We think that the \$20 million extra that we've put into place as a result of the review will result in a good response from producers. We hope that, but of course other factors — market factors, prices, moisture levels, you know, market and business decisions that farmers make — also has an impact on the success of all of our programs and that.

So really our role in the ministry is to set the right climate, the right business climate, have the right programs in place, have the right kind of extension assistance in place. Where we can provide the right kind of infrastructure, we will. In the example of the water program, we can measure those particular programs, services, policies that we have.

Trade policy, that's another area where we're going to be putting lots of effort. How do we measure whether we've been successful in trade policy? Because our advocacy work, our minister's input at the federal-provincial table for example on international trade policy issues, on our bi-lateral trade policy issues — which he's been very active on, for example, on COOL [country of origin labelling] — how do we actually measure that? Because it's not determined solely by Saskatchewan; it's impacted by so many other things.

And so I think we have to understand that some things we can very specifically measure and some things we can't. We just have to determine whether we've set the right business climate, the right policy climate, the right regulatory climate. And if we've set it properly, business will invest here, business will set up. But of course all of it is very reliant on the market situation of the time.

**Ms. Atkinson:** — Okay. Then I will move on to there is one measurement that you refer to and that is the number of applications for the farm and ranch water infrastructure program. And it indicates that from March to December '08 there were 79 community wells and there were 3,304 on-farm projects. Now my assumption is that these 3,304 for on-farm projects and 79 community wells, these are all applications that were approved.

**Hon. Mr. Bjornerud:** — That's right. That approval . . . In fact there's a bunch more just approved in the last few days.

**Ms. Atkinson:** — Okay. Now do we know, I guess, do we know the total dollar value of these projects?

**Hon. Mr. Bjornerud:** — We're going through that approval process right now, and we're getting down to the end of that. But our projections right now — and of course they're projections because we're not sure; some of these projects may happen, may not, but we have to account that they probably will — but by the approval rating, we're right around the \$29 million, remembering that when we started that program, it was a \$6 million provincial program, and then our federal colleagues come to the table with 9. And of course the uptake was tremendous on this project for the Southwest, which is good. And of course the costs were higher than we anticipated,



so we had put additional money in for that.

**Ms. Atkinson:** — Do we, or does your ministry, or does someone measure the quality of the water?

**Hon. Mr. Bjornerud:** — This is non-potable water?

**Ms. Atkinson:** — This is all non-potable.

**Hon. Mr. Bjornerud:** — Yes.

**Ms. Atkinson:** — Okay. And do you measure the time to process applications?

**Hon. Mr. Bjornerud:** — As fast as we can. That's the measurement we have.

**Ms. Atkinson:** — No, I understand that. But does it, you know, once a farmer submits their application, is it three months? Two months? Ten months? Do we know that information? Have we been keeping track of that?

**Hon. Mr. Bjornerud:** — I think why we had a backup here is because of the tremendous response. And then the last week, I believe, Tom, was about the first week in December?

**Mr. Schwartz:** — Right.

**Hon. Mr. Bjornerud:** — And there was just a flood of applications came in at that time, which was great. It showed the uptake on the program was positive, but of course put Tom and his staff behind because he was working with his staff, and we weren't adding additional people there to deal with that at that point. So then we had to do these. They've been working feverishly to try and get these applications approved.

**Ms. Atkinson:** — Okay. So we don't have a measurement in terms how long it takes to approve applications.

**Hon. Mr. Bjornerud:** — Well I don't think we have an exact measurement of okay we're . . .

**Ms. Atkinson:** — You know from the time an application hits the ministry to the time that the person receives their cheque, is it . . .

**Hon. Mr. Bjornerud:** — Well up till the last week in December, I'm sure we could've probably said — what? — probably a month would be very close to what it would've taken to approve or, you know, deny that application. Everything went out the window because we got so many applications, far more than I had thought we were going to get, and to be fair to the officials, far more than they had expected to come in at that last point all at once.

**Ms. Atkinson:** — And all of the applications that have been indicated here — the 3,304 — all of those have been approved? Or are they . . .

**Mr. Schwartz:** — We're just on the tail end of them right now. They will all be done this week.

**Ms. Atkinson:** — So the approval rate, is it 95 per cent, 94 per

cent?

**Mr. Schwartz:** — I don't have a number.

**Ms. Atkinson:** — Could you get it?

**Mr. Schwartz:** — We can get that, yes.

**Ms. Atkinson:** — Okay. Do we know, of all of the wells and farm projects that have been constructed, do we know the amount of water that's being pumped out on a daily basis? Is there any measurement of that?

**Hon. Mr. Bjornerud:** — I don't have a clue what that is right now. I suppose that's something in the future we might know. But on-farm wells, community wells, digging of dugouts, piping that water, you know . . .

**Mr. Schwartz:** — There's water tests or pump tests done on community well projects. But the smaller projects, the on-farm projects, there's no requirement to do those pump tests.

**Ms. Atkinson:** — And the community well, that is potable water?

**Mr. Schwartz:** — They're all non-potable.

**Ms. Atkinson:** — It's all non-potable?

**Mr. Schwartz:** — Correct.

**Ms. Atkinson:** — Okay. Thank you. So do you have a breakdown, in terms of the 79 projects, what would that represent in terms of the \$29 million?

**Mr. Schwartz:** — If they all went ahead, it would be about, according to what they've estimated their costs to be at the application side, about \$5 million to 5.1.

**Ms. Atkinson:** — 5.1 So about \$24 million of approvals are going to individual producers. Have I got that correct?

**Mr. Schwartz:** — Correct.

**Ms. Atkinson:** — Okay.

**Mr. Schwartz:** — On-farm projects, I guess.

**Ms. Atkinson:** — On-farm projects, yes. Okay. And is there a cap in terms of how much you would be eligible for in terms of rebate from the program?

**Mr. Schwartz:** — There's caps as far as some of the costs that are eligible. In the case of power, \$30,000 is the cap. In the case of deep-buried pipelines, \$60,000 is the cap. But there's no project caps, I should say.

**Ms. Atkinson:** — Can you indicate the largest amount of money that would have gone to one producer in terms of a rebate?

**Mr. Schwartz:** — I don't have that information with me. I'm sorry. I can get that for you.

**Ms. Atkinson:** — Could you get that?

**Mr. Schwartz:** — Yes.

**Ms. Atkinson:** — I think what I'd be interested in . . .

**Mr. Schwartz:** — Actually, what I can get you is what it would be based on because we don't actually pay the claim until after the project is completed. So it would just be based on what the total, the highest estimated cost was.

**Ms. Atkinson:** — Perfect.

**Mr. Schwartz:** — Okay.

**Ms. Atkinson:** — So I guess if we could . . . Are there any projects that would be in excess of \$200,000?

**Mr. Schwartz:** — The total project cost? Yes.

**Ms. Atkinson:** — Yes. And that would be on-farm projects.

**Mr. Schwartz:** — Correct.

**Ms. Atkinson:** — So is it possible to have a breakdown in terms of number of applications that are within this range, number of applications within the various ranges? What would the smallest amount of money, smallest project be in terms of cost?

**Mr. Schwartz:** — Well probably wouldn't that, the project could be in the 5 to \$10,000 range.

**Ms. Atkinson:** — So is it possible to indicate the number of projects between, you know, zero and \$25,000; 25,000 and 50; 50,000 and 100; 100 to 200, and then over 200? That sort of a . . .

**Mr. Schwartz:** — That isn't information that we have readily available, but we would have to gather it, I guess. We should be able to.

**Ms. Atkinson:** — When you have it, I'd appreciate seeing that. And then how many people, or how many on-farm projects are within each of those categories. And then I think that would be helpful.

**Mr. Schwartz:** — What we call an on-farm project could be a corporate farm, it could be a communal organization, it could be . . . Like, they aren't necessarily just a single-family operation.

**Ms. Atkinson:** — Yes, I understand that.

**Mr. Schwartz:** — Okay.

**Ms. Atkinson:** — I understand that.

**Hon. Mr. Bjornerud:** — The numbers that you're looking for, I'm wondering, do you want those numbers after these projects are completed or on the projected numbers by . . .

**Ms. Atkinson:** — Projected, please.

**Hon. Mr. Bjornerud:** — Projected.

**Ms. Atkinson:** — Yes. Thanks. I guess I'm interested in knowing, what are you going to do in terms of follow-up to ensure that projects are completed? Are there going to be any on-farm visits? I guess I'm thinking of the Provincial Auditor.

**Mr. Schwartz:** — We'll be doing random audits of projects to ensure that they were completed.

**Ms. Atkinson:** — Pardon me?

**Mr. Schwartz:** — Well first of all, we don't pay until after the project is completed.

**Ms. Atkinson:** — Right.

**Mr. Schwartz:** — So we're getting paid invoices, knowing that the work has been done, but we will also be doing random audits of the projects to ensure that they've been completed as projected.

**Ms. Atkinson:** — I'm sure the Provincial Auditor will be happy. Now is there any measure to determine if the public is getting value here? And is there any kind of measure that your ministry is using to determine whether there's value, there's public value?

**Hon. Mr. Bjornerud:** — I'm not totally sure I understand the question. I toured the Southwest early last spring, and I would say there's definitely value. The dugouts were dry. Wells were going dry. There'd been no attention paid to this problem for a number of years, and they'd been through three or four years of drought. Yes, I think it's well received, and I think it's providing a service out there. That, as I said before, will last for many years.

**Ms. Atkinson:** — So if I was a producer and I had a \$100,000 project and that included, you know, power, pipe, and whatnot, how much could I be rebated in terms of that \$100,000 project?

**Mr. Schwartz:** — I'm sorry. Could you repeat that?

**Ms. Atkinson:** — So if I was a producer and I had a \$100,000 water project in my operation and that included power being run into the appropriate place and also pipeline, what could I be rebated in terms of this federal-provincial program?

**Mr. Schwartz:** — It could be as much as \$65,000.

**Ms. Atkinson:** — Okay. And so if I had a project that was half a million dollars, it could be as much as . . .

**Mr. Schwartz:** — Sixty-five per cent of that.

**Ms. Atkinson:** — So basically 65 per cent of any project. Okay.

**Mr. Schwartz:** — Provided that the, you know, the caps we talked about were for power and . . . [inaudible] . . . pipelines that were in effect.

**Ms. Atkinson:** — Okay. Okay. Is there any work being done to

examine the total effect on the watershed, or has there been any work done in the Southwest part of the province in the drought area?

**Mr. Schwartz:** — I'm not sure I follow.

[16:45]

**Ms. Atkinson:** — By anyone, by the Watershed Authority. Obviously when you have \$29 million worth of projects and, you know, several thousand projects, that has an impact upon . . . It's non-potable water or it's . . . yes, it's non-potable water. It has an impact I presume on the watershed, and I'm just wondering if there's been any impacts or any look by anyone in terms of the water draw from the aquifers and other ground sources.

**Mr. Schwartz:** — Sask Watershed Authority is responsible for providing permits and measuring those types of things to ensure that those are maintained and those, you know . . . then new projects aren't affecting old projects, those kinds of things, or existing projects, I should say.

**Ms. Atkinson:** — Thank you. The next area that I want to look at is crop insurance, and you have a performance measure for crop insurance. I guess I'm interested in knowing why the acreage insured under crop insurance as a percentage of total acreage devoted to perennial tame hay and native forage has been dropped.

**Mr. Swan:** — I'm not sure I understood your question. Your question is why we dropped that particular measure. Is that your question?

**Ms. Atkinson:** — Yes.

**Mr. Swan:** — Yes. I believe what we've tried to do is we've tried to look at the entire potential insured acres, so we've kind of taken a more holistic approach, if you will, taking sort of a whole approach.

**Ms. Atkinson:** — I'm sorry; I'm having a hard time hearing you.

**Mr. Swan:** — Sort of a whole approach. We tried to look at all of the acres that we possibly could insure including annual crops, including forage, and we've got one measure to measure the percentage of total acres that we insure.

**Ms. Atkinson:** — But total acreage has been measured in the past, and I'm just curious to know why the drop. Like why not delineate?

**Mr. Swan:** — Yes. I don't know if I can give you a real good answer on that. I'll have to see why that was, what the thinking was, why it was dropped at that time. All I'm saying is that what we try to do is measure the entire potential insured acres, and what are we actually insuring in our program, so through one number.

**Ms. Atkinson:** — Okay. I guess I'm interested in knowing why the previous values of crop insurance as a percentage of total seeded acres changed by plus 6 per cent as reported between

'07 and '08 and now. It's rather unusual.

**Mr. Swan:** — Between '07-08 and now, why the insured value . . .

**Ms. Atkinson:** — Why the previous values of crop insurance as a percentage of total seeded acres changed.

**Mr. Swan:** — The value.

**Hon. Mr. Bjornerud:** — I'm trying to understand the question. Are you asking on premiums or acres?

**Ms. Atkinson:** — Well if you look at the value . . . and now I'm going from the last time we had performance measures. I don't think you had them last year. So I'm going from the last time we had any kind of performance measures, which was in '07-08, and there was a reference to the value of seeded acres. And I'm just wondering why it changed.

**Mr. Swan:** — I think it speaks to the level of insured value and basically what the answer is, is that our insured values have increased overall because commodity prices have increased overall. And people are growing a little bit higher value crops as a general statement. So in the averaging you will see an increase in the overall value of the crop year to year.

**Ms. Atkinson:** — Okay. And with all of the changes in crop insurance — and there are a lot — why not more detailed markers that indicate program efficiencies? And there are a number of changes that have occurred — cost process a claim as an example, time to process a claim. Why aren't there some more markers other than, you know, the percentage of total seeded acres?

**Mr. Swan:** — Yes, basically I think part of it is that through the ministry annual report we provide some broad measures in there.

We also have our own Crop Insurance annual report that provides a little bit more information and a little bit more measures actually. It provides information on percentage of insured acres. It provides information around efficiency, like the cost per contract, cost per acre. It also provides a little bit more information on particular features of the program, how popular are they as measured through the number of acres enrolled in that. So that will provide more information in our Crop Insurance annual report because we have responsibility to table a separate report as a . . .

**Ms. Atkinson:** — So if you were . . . I mean there's a significant amount of taxpayers' money going into the program in order to expand the program and that's fair enough. But how are we as taxpayers going to know that we're getting value for our money?

**Mr. Swan:** — I think one of the major measures is how effective is the program as demonstrated through how many insured acres are there in the program. The insured acres in the program I think is a huge indicator on how producers view the effectiveness. If they don't view it as effective, they won't enrol in the program, or at least they won't enrol some of their crops. That's why that's a very, very key measure. And you have to

measure it from year to year. There's probably a whole bunch of other measures that can probably help to answer that or indicators that can help to answer that. But it's really our people enrolling in the program.

**Ms. Atkinson:** — Okay. So now you do note that one of the measures of the effectiveness of crop insurance as a risk management tool is producer participation. But you also acknowledge that participation varies and it fluctuates as a result of individual circumstances. So you can have expanded coverage. But if you can't afford it because of high input costs and because of your individual circumstances, and you can have great crop insurance coverage but you may not be able to participate. So is participation really the measure?

**Mr. Swan:** — We believe it is. I hear your point that there's other factors that will help determine whether a person decides to select insurance or not. One of the other things we found out through the review is a lot of people really didn't understand particular components of the program, and so we have to probably do a better job of explaining what's there. And by enrolling in the program, they don't have to necessarily insure at the maximum levels, but they just can, you know, insure at something that maybe they can more afford but provides some level of protection.

**Ms. Atkinson:** — So maybe that's a measure: producer knowledge of the program?

**Mr. Swan:** — Yes. I don't know how we would determine that per se, but I hear what you're saying. We need to think about how we measure people actually understanding what it is intended to do.

**Ms. Atkinson:** — Right, because I went to all the crop insurance hearings, or many of them, not all of them but several of them. And it was obvious that there were people there that did not understand how the program worked. And it was obvious that people were complaining about issues where, if they knew the program, they had access to coverage. And so, you know, sometimes the negativity around the program can become legendary, not based on fact.

**Hon. Mr. Bjornerud:** — That's possible but I think the member remembers back — go back to 2002 — when spot loss hail was cut, when spot loss hail was cut and we had that terrible drain on crop insurance, and there was a deficit sitting there. And premiums I know the one year went up 52 per cent, and coverage didn't go up. And then another year, I know, they went up 13 per cent, and coverage didn't go up.

And the numbers dropped somewhat because, I think, many farmers out there . . . not all of them. Some of them cannot afford not to have crop insurance. Probably everybody can't afford to not have crop insurance, but how many can afford to have it, I guess is the key. So I guess those same indicators, when we jack the premiums up and yet we don't put the coverage up with it, and we cut things like spot loss hail I think sets the program back. I think I was on the record of saying that at that time.

But having said that, now last year where we saw a little higher coverage because grain prices had gone up. And as I said

before, that's a great problem to have. But the risk factor goes up. I think we saw, did we not see 9 per cent more uptake on acres — I believe it was — last year? So I think it's just an indication farmers have asked in the past, and ask us now in the review — and you were at many of those meetings — they want more coverage, you know.

They'd naturally like their premiums to go down. But I think one of the asks that we've got was, we just want more coverage to more reflect, well, cost of inputs, I think is the way they put it. And I don't blame them for that. I've been there, done that. And we know that's not exactly how it's tied to the other. But they want a little better resemblance of what I put in the ground and what my risk is, to what I'm covered for. And of course the bankers, if they can, would want that to so.

**Ms. Atkinson:** — So, Minister, if you were faced with a 1.2 billion deficit at Crop Insurance which doesn't take much . . . I mean, it takes, you know, one bad crop province-wide to get there. What do you do? Do costs go up and coverage go down? And you've got to think back about to 2002. It's not 2008, when oil's at \$147 a barrel.

So let's surmise. You're the minister. Maybe let's say it's next fall and we've got a big problem. What do you do when it comes to next January-February in determining premiums and coverage?

**Hon. Mr. Bjornerud:** — Well I think probably it's the nature of the programs as we have them. And especially with agriculture, there's no prediction to know exactly what the weather's going to bring. Last year was a bad hail year again. So you know, I guess you were asking about how we have performance records there. How do we keep track of what, you know, where we're going with these programs?

And I guess my comment was that when we do things like that, I don't think we can expect, you know, the uptake on the program to drop. And when we start to improve the coverage again, I think uptake will come back. We'll see. This year it will be a good indicator, as Cam had talked about here, with some of the changes we made. Not one of those changes is as dramatic as spot loss hail which many were asking for and which was between, we know, was unaffordable for the province to do that. We'll see. I think a good indicator is will we have more uptake this year. Part of it though, I think, is — and Cam has talked about this in one of the requests they had — we've got to get out there and explain the program far better. Many of the producers, as you've said and we've talked about here, don't understand the program.

**Mr. Swan:** — I just have one point to add on what the minister had indicated. One thing I think we can do in trying to proactively deal with those years like 2002 — '88 was another one where there was a huge, huge loss — in all provinces west, Ontario west, with the exception of Saskatchewan has public-private reinsurance arrangements in their crop insurance fund. So we have actually hired a broker to work with us to look at other ways for us to be able to protect those types of situations and actually maybe look at ways to protect future significant fluctuations in premiums from year to year for producers through a reinsurance-type arrangement.

We haven't got anything in place right now, but we've been working with a broker around that very issue, to speak to what you actually mentioned, as it will come again in the future.

**Ms. Atkinson:** — Well I know it will also be problematic if you don't do it properly. There's a huge risk associated with that. Mr. Chair, I have completed my line of questioning on this section, so I would be prepared to give up the chair to you.

**The Chair:** — Okay. It's approaching 5 o'clock. I'd like to thank the minister and officials for their attendance and their answers. And this committee is now recessed until 7 o'clock, 19:00 tonight.

[The committee recessed for a period of time.]

[19:00]

**The Chair:** — Okay, I'd like to call the committee to order. Just some administrative before we start. We have Ms. Atkinson sitting in for Mr. Harper for the period of 7 to 8:30. We have Mr. Yates sitting in for Mr. Furber for 7 to 8:30 for the Environment. We have Mr. Allchurch sitting in for Ms. Wilson for the rest of the evening.

**General Revenue Fund  
Environment  
Vote 26**

**Subvote (EN01)**

**The Chair:** — I would now like to start by saying that we're here this evening for the consideration of estimates for Vote 26 on the Environment: the central management services (EN01); corporate policy and planning (EN14); environmental protection (EN11); forest services (EN09); fire management and forest protection (EN10); compliance and field services (EN08); land (EN15); fish, wildlife, and biodiversity (EN07).

I would ask the minister now if she would introduce her officials, and if she has any opening remarks that she would like to make, she may do them at this time.

**Hon. Ms. Heppner:** — Thank you, Mr. Chair, and thank you to the committee members for having us here this evening. Joining me today from the Ministry of Environment are: to my right, Liz Quarshie, deputy minister; to my left, Bob Wynes, acting assistant deputy minister of lands and forests; Kevin Callele, executive director of compliance and field services, and acting executive director of fish and wildlife. That's a pretty long title. Lin Gallagher, executive director of environmental protection; Donna Johnson, executive director of finance and administration; Steve Roberts, executive director of fire management and forest protection; and Kim Graybiel, director of corporate policy and planning.

Also joining me from the Saskatchewan Watershed Authority are Alan Parkinson, president; Wayne Dybvig, vice-president of operations; Bob Carles, vice-president of stewardship.

The 2009-2010 provincial budget is a balanced budget that will keep Saskatchewan's economy strong and steady. It represents a commitment to deliver significant property tax relief and to

deliver significant provincial infrastructure support. And it represents an investment of \$228 million to help Saskatchewan people, businesses, and communities go green; enable a number of important environmental initiatives; and deliver on the government's planning for securing the future.

The Ministry of Environment's overall expense budget increased to \$200.4 million from 186.2 million, an increase of 14.2 or 7.6 per cent. The appropriation for 2009-2010, including funds for capital, increases to 227.8 million from 209 — up \$18.8 million or 9 per cent.

The budget includes \$15.3 million for green initiatives. An additional \$2.2 million for green initiatives is within the Ministry of Energy and Resources' budget. Since taking office, our government has increased support for the Go Green Fund from \$7.5 million a year to \$17.5 million a year. This is a commitment of \$70 million over four years. The details of significant initiatives funded under the go green plan will be announced as they are finalized. The Go Green Fund support innovative activities and projects in the areas of climate change, adaptation and mitigation, water quality, and conservation.

In addition to funding projects to address challenges of climate change, we'll be introducing climate change legislation into the legislature later this spring. This legislation will be key to negotiating an equivalency agreement with the federal government. Such an equivalency agreement will allow us to retain compliance payments within the province for investments in low carbon technologies. These technologies will, in turn, be available to Saskatchewan industry to help them reduce the greenhouse gas emissions.

In 2009-2010 we'll begin the process of modernizing the ministry and moving Saskatchewan towards a results-based environmental regulation framework. We will move our regulatory approach away from prescriptive, paper-based, time-consuming processes that not only serve to delay development in business activity but do not necessarily provide enhanced environmental protection.

We have committed \$6.2 million this year to support efforts to amend legislation to improve our information technology and information management systems, to refocus the mandate and structure of the ministry, and to address our human resource needs as we build a new regulatory framework.

Part of that commitment is an investment to provide a modernized electronic information platform with a view to conducting 90 per cent of the ministry's business electronically by 2011. Projects include automating the hunting and angling licence system to replace the current paper-based system; working with other ministries to develop a plan for Crown land administration and management system to allow the electronic review of all applications for use of Crown, agriculture, and resource land; developing a database to track information regarding contaminated sites; and expanding and upgrading the environmental management system.

One million dollars is being provided for a second year to support the northwest Saskatchewan sustainable development plan for a total of \$2 million. The plan will provide recommendations for coordinated sustainable land use in

northwest Saskatchewan over the next two decades to position the province to meet the future challenge of balancing economic interests with environmental integrity.

Further evidence of our interest in mitigating the potential impacts of development in the North is the \$378,000 for development of an acid deposition management framework to address the potential risk of acidification in northwest Saskatchewan, and for air monitoring.

Funding to SARCAN to deliver the beverage container recycling program will be increased reflecting the growing success of this program as Saskatchewan residents return their beverage containers for recycling in ever-increasing numbers. The funding will allow SARCAN to maintain current service levels and address increased operating costs.

Part of securing the future is keeping people, communities, and businesses safe. Fire management and forest protection is receiving a total of \$30.7 million dollars in capital for projects such as the aerial fleet renewal, including the purchase and installation of CL-215 turbo-conversion kits, the construction of four to six new fire towers, upgrading fire bases, and replacement of equipment.

The Saskatchewan Watershed Authority's grant is \$7.533 million dollars. The Watershed Authority also has direct revenues and will spend a total of \$35 million to ensure safe and sustainable water supplies to support the continued growth of our province.

The Watershed Authority is making significant investments in new and enhanced programs to ensure water is available to meet the province's needs. The authority will invest \$1.8 million in the first year of a water availability study to help manage water to support growth and prosperity without compromising environmental benefits. This work will improve our knowledge of the availability of groundwater across the province through development of new aquifer maps. Information provided through the study will help to ensure the sustainability of ground and surface water supplies so that adequate amounts exist for irrigation, recreation, municipalities, and new industrial development.

The province has a very significant capital investment in dams and water supply channels essential to maintain our water supply. The Watershed Authority will increase its capital spending, to rehabilitate this infrastructure, to \$3.6 million. This accelerates our efforts to ensure the dams and supply channels are safe and can operate to meet water supply needs.

Seven source water protection plans have been completed through the work of local citizen committees led by the Watershed Authority. Four additional plans are being developed. Watershed committees have been established in each watershed to lead implementation of these plans. However the groups need provincial support.

The Watershed Authority will increase support to watershed associations to implement source water protection plans by \$500,000 dollars to a total of \$820,000. The Watershed Authority will provide \$400,000 in additional funding for a total of 1.237 million in its water control program to support

rural municipalities and conservation and development associations with costs of channel clearing and channel maintenance. This will meet the high demand to maintain channels and reduce flood risk.

This budget will be the first full year for the provincial toilet rebate program, a go green initiative. The Watershed Authority will spend \$3.3 million providing a provincial rebate of \$50 for all low-flow toilets that replace old models. This is a significant step to conserve water. I announced this program in January, and the response to it in the first two months has been excellent. More than 1,300 applications have been received, and 45 municipalities have agreed to partner with the Saskatchewan Watershed Authority to support our program.

Our work to ensure the communities at Fishing Lake are protected from flooding is continuing. The Watershed Authority is seeking approval from federal and provincial regulators to retain emergency berms at Fishing Lake as part of the long-term flood protection plan for those communities.

Overall the 2009-2010 budget positions the Ministry of Environment well as we continue our work delivering on our mandate to protect the environment and promote sustainable use of natural resources to enhance economic and social benefits.

Thank you, Mr. Chair, and we look forward to the committee's questions.

**The Chair:** — Thank you. And questions? Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. I'd like to start by asking about a couple of programs or grants that seem to no longer be available to citizens of the province. I'm first going to be referring to the sustainable communities grant. My understanding is that as of March 18, 2009, the grant is no longer available to communities. Is that the situation?

**Hon. Ms. Heppner:** — Yes and no. The program that was put in place under the NDP [New Democratic Party], there's a sustainable communities component. That program has been frozen until we can restructure the application process and the parameters in which we deliver that program.

We had an independent review done of the program that was set up under the previous administration to see if it was effective, if the money that was being spent was going to programs that offered real results. We were looking to spend our money on projects that had an end result, whether that was a certain amount of tonnes of material kept out of landfills or people could tell us the total tonnes of greenhouse gas emissions — CO<sub>2</sub> reductions — that were going to be realized from those projects.

The independent review that we received outlined some very big concerns for us — that the previous program lacked measurability. It had very weak objectives. It lacked any clear priorities . . . that there was a lack of a high impact on environmental projects.

So as part of our plan that we are going to be announcing in May when we introduce our legislation, we will also be

announcing new parameters for a new intake of applications under a fund to help people in the province go green.

**Mr. Yates:** — Thank you very much, Mr. Chair. To the minister: when the decision was made, what criteria was used in reviewing the plan and who undertook the independent review?

**Ms. Quarshie:** — Thank you, Mr. Chairman. The review was conducted by Colin Hindle — Hindle and Associates — from the University of Regina. The objective was as the minister stated. We wanted clear, measurable outcomes from all of the programs that we were funding. And with respect to the sustainable program, we didn't really have those clear outcomes in the beginning, so it was easy to put the funding to some of the other programs and redefine the outcomes for the sustainable communities grant.

**Mr. Yates:** — Thank you very much. Would you say a paper review or was this a review that involved community input and consultation with communities and individuals who would have used the program?

**Hon. Ms. Heppner:** — The review was based on concerns that we had as to the effectiveness of the fund. So as a government program it was . . . We felt it was imperative that if we're spending taxpayers' money, that we get the best value for that money. And the review was based on that — whether we were getting the best results for the money that was being spent. So it was a review of a ministry program.

**Mr. Yates:** — Thank you very much for the answer, but what I'm trying to ascertain from the question is whether the communities involved and individuals involved in utilization of the grant were consulted as part of the review or if it was a review done as a result of the paperwork and that, that was returned to the ministry.

**Hon. Ms. Heppner:** — Sorry, I didn't hear the last part of your question.

**Mr. Yates:** — Was it the result of the paperwork and the forms that were returned to the ministry versus an interview with communities and individuals involved?

**Hon. Ms. Heppner:** — It was based on the parameters of the program that was set up under the previous administration and whether or not that was effective.

**Mr. Yates:** — Were people consulted as part of the review, I guess, is the simple question, or was it a review simply of . . .

**Hon. Ms. Heppner:** — It was simply a review of a government program.

**Mr. Yates:** — Thank you very much. So there was no consultation with the communities. As you look at a new process to move forward, are you going to have consultations with communities and those who have used the program to see what they think would be more effective?

[19:15]

**Hon. Ms. Heppner:** — As I said, the new program outline will

be coming shortly, and obviously people are going to offer us feedback on what they think of the program. But I would have to say that I'm not sure how it was done in the previous administration, if there was public input and consultation before the previous administration had implemented their programs.

But we, regardless of what program we implement, we welcome public feedback. And if there's issues with how it's set up, I'm sure people will let us know, and we'll take that into consideration and make changes where necessary. But the basis of the program and the funding is going to be based on government objectives for real outcomes and achievable goals.

**Mr. Yates:** — Thank you very much. Madam Minister, could you outline for me what objectives you would want to see in the outcome of the grant?

**Hon. Ms. Heppner:** — As I stated in my previous answer, that we have an actual outcome at the end of it. There's a lot of things that can be funded that don't necessarily have an outcome. Whether that's, you know, how many tonnes of CO<sub>2</sub> are being not put back into the atmosphere, if there is a certain amount of product that's not going into our landfill, those are the things that we are looking for, where it's . . . There is a number attached, I guess, if you want to make it simple, that at the end of whatever we're funding, that there is an achievable goal at the end.

**Mr. Yates:** — Thank you very much. My concern is that not all environmental issues are necessarily quantifiably measurable early and in some cases may take some time. So I'm trying to get some sense of what you're looking for for actual outcomes. Now you've given a couple of examples. Could you give me a few more so I get a better sense of what you actually would look at?

**Hon. Ms. Heppner:** — If it's water conservation, how many litres or gallons of water is this project going to be saving, because water is a pretty valuable resource. If it's landfill issues, how many things are going to be kept out of the landfill. If it's greenhouse gas emissions, how many tonnes are going to be saved from being emitted back into the atmosphere. Like I said, we're looking for actual outcomes going forward.

**Mr. Yates:** — Thank you. In the previous program, you're saying that there wasn't measurable outcomes in all cases. Now moving forward, you want to see the measurable outcomes. What type of time frame must they show those measurable outcomes within?

**Ms. Quarshie:** — We used to have a finite timeline for projects that were undergoing review. In other words, because the funding was coming in annually, the programs were tied to the funding that we had. But in revising the program and looking more at R & D [research and development] opportunities that would have the potential for commercialization in the future, it's really hard to tie to an annual time frame.

So we look at the proposal in its entirety. In other words, you know, depending on what they demonstrate that the need is, whether it's over two years or whatever, and then we'll program the funding accordingly. But that just started this year. We just got the approval to start carry-over funding, but we didn't have

that before.

**Mr. Yates:** — All right. The next grant I want to talk about is the green technology commercialization grant. Again my understanding is that that grant is . . . you can no longer access that grant as of late last year. Could you give me the status of the green technology commercialization grant?

**Hon. Ms. Heppner:** — That was part of the funding that was frozen as we undertook this review. Again we wanted to make sure that it was going to projects that would have some achievable goals. But the idea behind the commercialization will be part of the go green funding that we offer. There'll be a focus on research and development with the goal of commercialization of technologies. So projects that need the commercialization boost in funding, those people will still be able to access funds.

**Mr. Yates:** — Thank you. Was there any consultation with businesses or communities before this funding was frozen?

**Hon. Ms. Heppner:** — No. As I said before, it was all part of the same review so the same rules applied.

**Mr. Yates:** — So this was not prescheduled. It was simply a matter of the minister deciding that there needed to be a review on the accountability on these particular grants?

**Hon. Ms. Heppner:** — Absolutely. When we took over government obviously every new government is going to review the programs left over by the previous administration. And I had concerns about this fund, and apparently I was right to have concerns as it was not effective as it should have been. And one of the main tenets of our party is not wasting taxpayers' money and making sure it is used effectively, and I wanted to make sure that as we went forward that that mentality was part of this fund. And not everything that was left over behind after the NDP is going to be kept by our government. There will be changes, and we think this is a really positive change for the better for this fund.

**Mr. Yates:** — Thank you very much. Madam Minister, have you had any feedback from communities or organizations or individuals or companies that were involved in utilization of this grant?

**Hon. Ms. Heppner:** — No.

**Mr. Yates:** — Did you seek any input from anybody who utilized these grants?

**Hon. Ms. Heppner:** — I believe I have answered that question, that this was an internal review of a program that I had concerns about.

**Mr. Yates:** — Thank you very much. Have you had any feedback at all from any of these communities or organizations about these grants at all?

**Hon. Ms. Heppner:** — No.

**Mr. Yates:** — Thank you very much. When's your intent to have the new grant structure in place and available for

communities?

**Hon. Ms. Heppner:** — The funds are no longer frozen. As I said, part of our announcement in May when we release our legislation will be talking about the fund and the parameters surrounding that fund. But people can send in applications now.

**Mr. Yates:** — Thank you very much. Is there going to be an ongoing review process associated with these grants in the future?

**Hon. Ms. Heppner:** — Absolutely. I think that's required of any funding mechanism in government regardless of the ministry, that there is some oversight to make sure that the money's being spent in the best possible way.

**Mr. Yates:** — Moving forward will there be consultation with those who seek the grants to see what their opinion is of the program moving forward?

**Hon. Ms. Heppner:** — We would certainly welcome feedback from those who are accessing the program to make sure that it's effective, that they're realizing a benefit from it as well.

**Mr. Yates:** — My understanding of these grants originally was to encourage small- and medium-sized organizations to try to improve their, as an example, innovative water solutions for the communities, looking for ways to help their communities to better deliver services to their citizens. And it provided some opportunity for looking at creative solutions. Will all those types of parameters exist in the new grant formula?

**Hon. Ms. Heppner:** — As long as those who are applying can demonstrate to us that there is a net gain at the end of it. So of course if a community has a proposal for some kind of water system or approach to water where there's a conservation or a benefit on that, those people would be able to participate in the program.

**Mr. Yates:** — Thank you very much, Madam Minister. But as you'd be aware, when you're looking at research and development or innovative solutions for a problem, you can enter into them with the best intent of achieving a result, but you don't always achieve that result for reasons that may not be apparent or obvious when you try to find the solution to the problem. So not in all cases will you, you know, within any measurable time frame, achieve a result.

Can you explain to me what would happen in a situation where, over a year period or two-year period, you weren't able to achieve what you thought you might be able to. Would they then be cut off from the grant?

**Hon. Ms. Heppner:** — Well we understand that people go into these things with the best intentions, and there might be a glitch along the way. And the funding would be delivered to those organizations based on the application that they have with the outcomes they can show us at the application process.

**Mr. Yates:** — Okay. Thank you very much. I'm trying to get some sense if you're looking for 100 per cent success on projects that, by their nature, are somewhat of a research and development nature and aren't necessarily going to find quick



results. In some cases they may, but they may not always.

**Hon. Ms. Heppner:** — No. We understand that. And I think my deputy minister has alluded to that, that this is a rolling fund. And research and development, obviously, does not always end up in a 100 per cent result. But like I said, the initial funding will be based on the applications that we receive and the information provided to us.

**Mr. Yates:** — Thank you very much. So the review of the success or failure of individual projects on a regular basis will be done by the deputy minister's office? Or how will they be reviewed?

**Ms. Quarshie:** — The intention of the revision really is to encourage people to look at the application like a business proposal where, you know, if you're going to the bank, you have to demonstrate a certain outcome. And of course the intentions are good. You want to make a profit, but it doesn't always necessarily mean that you do make the profit.

So this is structured very similar. In other words, you have to demonstrate an outcome. You have to have a reportable measure to us based on your program at a certain time frame that you defined as appropriate for you, and we'll look at it. At the end of the time frame of the project, we'll look at the successes, what you've achieved.

And the intent is not to fund indefinitely. The intent is to help you come along to a commercialization stage hopefully for R & D, where you could now go forward with a bigger proposal with more partners and not really drawing down on government funding for the next stage.

**Mr. Yates:** — Okay. Thank you very much. That will conclude my questions on these particular funds. I'll turn it over to my colleague for the next set of questions. Thank you.

**The Chair:** — Ms. Atkinson.

**Ms. Atkinson:** — Thank you very much, and welcome to the minister and her officials. One of my interests when I was in government was the plans for each department. And I see that you have a plan for your ministry for 2009-10, and I see that the ministry has a mission, and that is, "... to protect the environment and promote sustainable use of natural resources to enhance economic and social benefits."

And then of course the government has three goals, and the goal that you're focusing on is to: "Sustain Economic Growth for the benefit of Saskatchewan People, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development."

Now earlier when you were speaking to my colleague, you talked about reportable outcomes. And you have identified a number of strategies, and you've identified a number of actions under those strategies. How are we going to measure your ministry's performance next year, when we meet, in terms of reportable outcomes? How are you measuring the success of your strategy and your actions around that strategy?

**Hon. Ms. Heppner:** — There are reporting mechanisms within the ministry. It's actually called performance measures. And there's a variety of issues that are addressed in that. If we've increased funding for air monitoring, performance measures would be our information at the end of the year on our baseline information for that. We've initiated a provincial toilet replacement rebate program. A performance measure in a year would be what kind of intake we've had and what support from municipalities we'd have on that.

[19:30]

Whether it's advancing hunting and angling, it would be how many licences have been sold in the province. And where warranted, there's — every few years, I think — there's studies done on the economic impacts; also it's a performance measure. For the increased funding that we're giving to SARCAN, a performance measure on that would be how many beverage containers they've recycled. They've hit 4 billion late last year.

And so there are performance measures for the initiatives that we're undertaking, and those are reported every year I understand.

**Ms. Atkinson:** — So basically in terms of your ministry performance plan, for all of your actions and your strategy, you have six performance measures. And as I understand it from the document: the number of hectares of land, Crown land, under integrated land use plans; number of hunting and angling licences sold; the air quality index; recycling rates; number of hectares in the representative area network; drinking water, quality standards compliance and quality satisfaction. And those are your six measures. And those, we're to judge your performance as a ministry based on those six measures?

**Hon. Ms. Heppner:** — No, I'm saying that there's those six measures in this report. But for other initiatives that we're undertaking this year that are new initiatives, I'm sure that information would be available as to how those things have gone between now and this time next year.

**Ms. Atkinson:** — Okay. Let me just give you an example of an action that you have. One of your actions is to continue to monitor chronic wasting disease. Now it would seem to me that we must have some information regarding chronic wasting disease in the province. How will we know, if you don't indicate to us what the past history has been around chronic wasting disease as an example, how the ministry is managing chronic wasting?

**Hon. Ms. Heppner:** — On the issue that you've alluded to, on chronic wasting disease, we have programs in place where hunters submit heads for testing, and obviously that information would be extrapolated. And anybody can ask for that information, I would imagine. It's not top secret information, so if they wanted to they could ask for it.

Whether every single one of those things is going to be in here, I'm not sure if that's what you're asking for — that every single action we were taking in every branch then goes into this report. I'm not sure if that's the kind of reporting mechanism you're referring to.

**Ms. Atkinson:** — Well one of the comments that was made earlier — and, you know, I certainly understand the comment — is that we need to have measurable outcomes when it comes to spending taxpayers' dollars. And I support that. And what I want to understand is, in terms of being transparent and accountable — which is another one of the government's goals — how are we to measure outcomes in terms of the actions and the strategy that you have provided to the public? How will we know whether you're meeting your strategy and your actions if we only have six measures? Are there not other measures that could be included in your document?

**Ms. Quarshie:** — Thank you for the question. I think I'll just step back a bit and see if I could try and explain the process that we go through here. We have a number of strategies. And so we have six or so strategies — very concrete, simple, such that we don't have a whole bunch of stuff that we are not able to measure and report on. Associated with the strategies will be key actions and the performance measures associated with those.

Now typically, or previously, we used to have a whole bunch of performance measures which sometimes we were not able to report on or complete. And I think, from my point of view, that you choose concrete measures that you could report on that the public would know exactly what you're doing. You make it available on the web — that's part of our results base that we're going to more of an IT/IM [information technology/information management] support base where all of this information will be available on the web to the public. They could review it. They could ask questions. They could write to us, all kinds of . . . [inaudible] . . . So that is where we're going, and that's why we have limited ourselves to more of the concrete measures as opposed to having measures everywhere which we are not able to accomplish or report on.

**Ms. Atkinson:** — Okay. So you have several strategies and you have a number of actions under those strategies. Let's start with "Deliver effective results-based environmental regulation," and then you have four actions under that. Next year when we meet, how are we going to measure the results?

**Hon. Ms. Heppner:** — The question to that is actually not terribly complicated. I'm expecting that by this time next year most of that will be implemented. So you know, we will definitely take questions on that.

Part of it is change to regulations, so we can see whether or not the legislation that is going to be affected has been introduced with the corresponding changes. And the focus and mandate of the . . . or the focus of the ministry . . . And as the Deputy Minister had said, part of the performance-based approach that we're taking is to have the stuff listed publicly on the website. Anybody can go to it and see where we're at and what is being undertaken by the ministry. It's actually a far more accountable, more open, more transparent system than is currently in place.

**Ms. Atkinson:** — One of the actions is going to be a legislative review of *The Environmental Assessment Act*. And so this review, I presume, is going to get us to a results-based environmental assessment Act or regulations coming out of the Act.

So how will you go about reviewing that particular piece of legislation? Will there be consultation? Will the public have access to the legislative review process? Will the public understand or will they be engaged to take a look at this Act? Because I think the Act's been here for a while. Tell me how you're going to do this.

**Hon. Ms. Heppner:** — Phase 1 of the consultation process was already undertaken, and we're examining the legislation that's going to be affected. There's going to be a second round of consultation, and that's with stakeholders — whether it's SARM, SUMA [Saskatchewan Urban Municipalities Association], industry. They are fully engaged in our process for a performance-based regulatory system. It's actually something that a lot of industry stakeholders have asked for, and we've found overwhelming support for our approach.

I'm thinking about 99.9 per cent of the stakeholders that we've spoken to are fully onside with the approach that this government is taking. As I said, they've been fully engaged in the consultation process. And it's not just one round of consultation; it's actually going to be two. And so they're engaged, and when all of that has been completed, we will be introducing the legislation for amendment into the House.

**Ms. Atkinson:** — So when you say people have been engaged, or stakeholders have been engaged, industry has been engaged, can you give me some sense of the stakeholders that you have been consulting with? I heard SARM, SUMA. What other groups would be considered the industry?

**Hon. Ms. Heppner:** — I don't actually have the list in front of me. There is I think around 75 organizations in the Environmental Society of Saskatchewan, professional engineers' organizations, the Mining Association of Saskatchewan. Like I said, I don't have the list in front of me, but it is a fairly lengthy list and includes industry, environmental organizations, and, as I stated before, SUMA and SARM.

**Ms. Atkinson:** — Is there an opportunity, if you're not an organized stakeholder but a citizen who's interested in this review, is there an opportunity to participate?

**Ms. Quarshie:** — I hope I have understood the question. And I'm not sure if the question is, did we go to consult with individuals, like individual households? We didn't do that. We consulted with organizations and had meetings with a group of people, bringing different people together. People were invited to submit written comments if they want, as well as comments that we collected during the . . . this far.

**Ms. Atkinson:** — Okay. I was thinking of when the government undertook the crop insurance review, people who weren't necessarily part of an organized group like APAS [Agricultural Producers Association of Saskatchewan] or SARM or these organizations had an opportunity as individual stakeholders in crop insurance to comment. And so I'm wondering, there are a number of citizens that don't belong to a stakeholder group, but they are interested in the environment and making sure we have safe drinking water and air and land and so on. And I was just curious to know whether there was, through the Internet or through the web, through your

department, an opportunity for individuals to participate.

**Hon. Ms. Heppner:** — There will be as part of the second round of consultations. There's opportunity for public consultation. There'll be announcements made inviting the public to respond. And there's also, my understanding is, comments will be accepted on our website.

**Ms. Atkinson:** — Thank you. The other action under this particular strategy is to move to a new environmental management model in terms of how your ministry is structured and then of course how you deal with information. And I'm wondering if you can elaborate a bit on this.

**Ms. Quarshie:** — Because there are many elements involved in a results-based model, and based on the work that was undertaken last year, we have quite a number of initiatives that we have to undertake for this coming year. So one is some of the legislation review that the minister talked about. One is restructuring the ministry organizationally in terms of setting functions. There are certain functions that we currently don't have in-house. For example we don't have auditors. So that's a new function so it requires a different structure. We need to bring in more highly skilled technical staff who would facilitate the environmental reviews, like assessment, environmental protection, provide scientific support for the ministry as a whole. So that's a new structural change.

We need to look at IT/IM platform that will support decision making across the ministry. For example this year we implemented portable. . . What do you call that? It's like a portable computer for the environmental protection officers. They go in the field and they have this. They record their findings. It's sent to the web right away, so it diminishes the handling of paper back and forth between staff.

And so we need to look at personnel, you know, our staff complement. Do we have enough? Do we have too many? How do we shift results from some of the areas that we have too many to some of the areas that we need resources, and what training do we need to provide people to get to that level of functioning?

So we have quite a number of activities going on, and it's not just based on one. It's just multiple things.

[19:45]

**Ms. Atkinson:** — So when this is all said and done, how am I, as a citizen, going to know that the Ministry of the Environment — you might have asked this question yourself, Minister — how am I, as a citizen, going to know that the environment is in good hands and protected?

**Hon. Ms. Heppner:** — I realize that one of the joys of my ministry is that we do a lot of good work and work really hard. And with all the changes that are being made, the general public doesn't see what we do.

It's not a particularly sexy ministry, dealing with toilets and sewage and that sort of thing. People see when things aren't going well, which is, I guess, the nature of the ministry. For the actual performance-based regulatory system, the general

population, I would have to say, for the most part won't know the difference. At the end of the day, the environment is still protected. It's being protected, I would say, more efficiently, for lack of a better word. But the people on the ground, I don't think, will see a drastic difference.

Those who will see the difference is stakeholders and people who deal with our ministry on an ongoing basis, whether it's industry or municipalities, those sorts of people. I believe that the interaction with the ministry and the service we provide will be far more efficient and will be easier for people to get through the system. At the end of this, the environment is still protected, in some instances to a greater degree.

The way the system works now, last year there was about 15,000 permits that were issued. It's very prescriptive and doesn't allow for innovation or new ideas and how to address a particular problem. And we feel with the results-based, it actually allows for innovation, new technologies, new ideas which is very exciting, I think. And at the end of the day I'm predicting we'll offer greater protection for the environment.

But the guts of all this, I don't know that the average person on the street would see the difference, but people who deal with the ministry will.

**Ms. Atkinson:** — So maybe you can give me an example. Let's use the example of clean air. People want clean air. They want to know that they are breathing air that is of high quality. And suppose there is a large project that could be an emitter of pollutants, okay. So tell me how your result based . . . I mean we have a process now for this. Tell me how your results-based process is going to assure the public — whether they live in rural Saskatchewan or urban Saskatchewan or northern Saskatchewan — that the air around them is going to be safe and clean.

**Hon. Ms. Heppner:** — The main difference, and this kind of alludes to the previous question that you asked about how the general public will . . . you know, with the difference at the end of the day.

I think the biggest thing right now, there's information in the ministry — whether it's baseline information or the requirements for, say, an industrial development — what are the allowable emissions from plant X under the rules that are in place. The difference will be is that the public can actually see that information online for the air monitoring that we're doing in the province, particularly in the North. Baseline information will be there. The requirements of an industrial development under our proposal will actually be web based so that people can go in and see. Currently they would have to approach the ministry, and through correspondence or other means would be accessing my ministry to get that information. This way they can go actually right to the website and see what's being done next door, and have the baseline information and all the requirements and the expectations and the allowable emissions and all of that information online.

**Ms. Atkinson:** — So if I live in — I don't know; let's say — Swift Current and I wanted to go online when this is up and running, I should be able to see what the air quality index is for Swift Current? Or if I live in Cabri, I should be able to go

online and see for my general area what the air quality index will be?

**Ms. Quarshie:** — Yes.

**Hon. Ms. Heppner:** — Yes.

**Ms. Atkinson:** — Okay. Thank you. And when do you think you'll have this in place?

**Hon. Ms. Heppner:** — As the deputy minister had alluded to, there's a lot of pieces to put into place. The legislation, obviously that takes time to move through the system in the legislature. There's staffing concerns. We have to finish our consultation with stakeholders and the general public. So we are hopeful that this will all be in place within two years.

**Ms. Atkinson:** — Okay. Thank you. Now you're about to issue a state of the forest report, I gather. Am I correct?

**Hon. Ms. Heppner:** — Yes.

**Ms. Atkinson:** — And I had an opportunity to be on a parliamentary visit to Germany several years ago. And I was interested that in Germany they have for their forest — and they don't have a large forest but nevertheless — they basically have an indication of the state of health of every tree in their forest. I'm not suggesting that, but they take their forestry . . .

**Hon. Ms. Heppner:** — We have a lot of trees.

**Ms. Atkinson:** — Yes. They take their forestry very seriously. And so I'm wondering, so I'm wondering what are we looking at in determining the state of the health of the forestry? But what will be measured?

**Hon. Ms. Heppner:** — I'll let Bob take that question.

**Mr. Wynes:** — Thank you. This is actually interesting. When we talk about the forestry side of the business, we are a significant ways down the road of results-based already. We certainly have more improvement we can make, opportunities to improve the flow of information between the forest companies and the government, opportunities to do more electronically instead of paper versions — all of those things certainly apply. Some of the measures are already quite a ways down the road of results-based.

We have no intentions of bar-coding every tree which in fact, as you mentioned, has been done in some jurisdictions. It's not practical, nor do I think it's desirable to get to that state, quite frankly. I don't think that . . .

**Ms. Atkinson:** — I wasn't suggesting that — just so we're all clear, so that I'm not misrepresented by, you know, numerous members of this committee. But just I was giving an example. I found it interesting. So go ahead.

**Mr. Wynes:** — Yes it's interesting. European countries have been managing forest more intensively than we have in North America, particularly in Canada. And it's kind of interesting that some of the differences that I find in this business of what people judge as a healthy forest, some of the people I've

worked with previously judged a forest to be healthy if there was no rot, no decay, no trees going to waste, so to speak. Other people, more on the environmental side of it, would define a forest that has a certain amount of recycling, natural recycling in the forest going on in terms of dead trees, residual trees left after forest fires, for example, decaying, going back into the soil. That would be their measure of health of the forest.

So I think we have an interesting challenge and a very interesting opportunity here in Canada, that we have the opportunity to maintain a lot broader range of values in the forest than some of the European countries have. And I've spoken to professors at universities in Sweden, for example, that envy our situation here in Canada. Although people view Sweden as the mecca for forest management, is very intensive. And like you say, in Sweden it's like a bar code on every tree. A lot of the forest values have been lost, a lot of the biodiversity. They don't even know what they've lost in terms of the biodiversity because every square metre of forest is intensively managed.

So we have a much different opportunity here, and I think a much broader opportunity to maintain ecosystem health rather than just maximizing forest production. So I think we have a unique opportunity here to optimize the forest industry. We have tremendous potential in this province for a large and healthy forest industry. The current slump makes you think that it isn't, but it's a short-term slump. There is optimism about the forest industry recovering, starting in 2010. We keep hoping for the sake of our communities and jobs and good forest management that that's the case.

So there is a number of measures that we have that we use quite frequently. Although a lot of them aren't formalized, we use quite a few of them within the forest service, for example, measures like, how much of our forest is covered with good forest inventories. How much of it has certification levels? The forest service within the government has ISO [International Organization for Standardization] certification, for example, the only government forestry program in Canada to have ISO certification. Certification could be a measure of health. We've got certain companies that have FSC, Forest Stewardship Council certification. That could be a measure of health.

Having a certain amount of the forest land base in protected areas so that we have an ecological benchmark and the opportunity to use that comparison to judge and modify our forest management practices; a sustainable flow of timber for our mills and maintaining the species, the piece size — all those things could be measures of health. And just some other examples, you know, having a healthy age-class distribution in the forest — that we have some portion of the forest an old forest that have the biodiversity associated with that would be a measure for some people. So you'll find that the state of the forest report, when it comes out in the fall, has many of those measures described in it.

**Ms. Atkinson:** — So then given that there seems to be — we'll learn shortly about the state of our forest — support for forestry and industry revitalization, but then when you look at the budget for forestry, I see that there has been a small reduction in forest programs, and I'm wondering what that means. I see there's been a change in insects and disease control when one of

your measures or actions is protecting commercial forest from insects and diseases. And then of course, there seems to be a large increase in the geomatics, which must be part of this reporting that you're going to be doing in the fall.

**Mr. Wynes:** — I can speak to that. The examples, that's actually another good measure, thank you for reminding me. Another good measure of forest health in some people's minds is preventing insect and disease problems. And suppressing forest fires, for example, is another important measure.

Specifically in terms of the changes to the forest service budget, there is a notable decrease in the main program budget associated with the virtual data warehouse. That effort for better data management has been redirected into the geomatics section to coordinate that with a whole ministry initiative to ensure that all the pieces are coordinated. The forest service had been pursuing that increased data management capacity as a one-off essentially. As far as the branch on forestry, that will be integrated into the bigger geomatics effort for data management and electronic interfaces with stakeholders, with industry as part of that bigger plan. So that's why that shows up as a decrease in the forest service budget.

Two significant things that are happening on the insect and disease program, if you look back for the last few years, the spruce budworm program has kind of been on and off, and that is essentially by design in response to the current population of the insect. It is cyclical to start with, but our suppression program had been very effective, and the populations were decreasing significantly. We, by design, suspended the program because of the success. The spruce budworm was diminishing to small areas of the province.

Last year we proposed treating some hot spots to try to keep those under control instead of having them flare up again, and we sprayed about 10,000 hectares last year, in the 2008-2009 budget year. This year we propose that we don't need to do that spraying, although we still have a surveillance program.

The other program, mountain pine beetle, it looks like we're going to get offsetting federal money. Because of the money we invested in the mountain pine beetle last year, we're able to leverage some federal funding on this.

I'm not sure if you're familiar with the problem, but it's spreading eastward from BC [British Columbia]. It's crossed the mountains into Alberta now. We're very concerned about it spreading into Saskatchewan across the boreal. So we are taking that very seriously. There's a number of things we've done on that front. Designating it a pest last year gives us the flexibility to address it on private land. We've got increased surveillance along the border, along the western edge of the province, watching for any ingress from Alberta.

There is a resident population of mountain pine beetle in the Cypress Hills. We had a program this winter where we're actually cutting individual trees and burning them within Cypress Hills. So there's a number of things that we have been . . . oh and also we did a significant piece of inventory in partnership with Parks, doing an inventory for Meadow Lake Provincial Park to fill a gap in the data so that we can do stand susceptibility mapping.

So despite the fact that it looks like a decrease in our insect and disease program, I'm personally very pleased with the support that is there for the insect and disease effort in the province.

[20:00]

**Ms. Atkinson:** — So then reforestation, one of your actions is around ensuring renewal of harvested areas within the provincial forests. And I do know that there are a number of tree-planting companies in the province that do work not only in this province but Alberta and British Columbia as well. And I'm wondering, given that Weyerhaeuser is sort of at a standstill at the moment — or Domtar — what can we expect in terms of forest reforestation this year?

**Hon. Ms. Heppner:** — The government has a particular responsibility for reforestation for lands that were harvested before the current FMAs [forest management agreement] were in place, and we have gone through a number of cycles of planting in the last 16 months. And I will let Bob answer further as to the specific question on Weyerhaeuser and Domtar.

**Mr. Wynes:** — Thank you. It's kind of a complicated question to answer because there is historic — we call it NSR, not sufficiently reforested — areas that were left by previous industry. And this has been an ongoing effort to get more results based. When the last round of FMAs, when the current FMAs were issued, the reforestation became the responsibilities of the companies. So we were looking for that result rather than government taking it on and doing it. That was part of the business model as the companies take on things like forest inventory and renewal.

But we have the backlog problem that predates the current FMAs that the government is responsible for. There has been ongoing support for this program to clean up that old problem, so we're still planting as part of the government program — about 2 million trees per year — and, you know, still addressing that historic problem, cleaning up that old NSR land.

We don't have the responsibility for the current FMAs. The fact that Weyerhaeuser doesn't have a big planting program is because they don't have a harvesting program, so they're not creating the land. They're quite caught up on the reforestation obligations. They've been doing a good job. All the companies in Saskatchewan have been doing a good job on keeping up with their renewal. We're trying to clean up a historic problem that predates current FMAs.

**Ms. Atkinson:** — So the increase in reforestation of half a million dollars, this will fundamentally plant 2 million trees this year?

**Mr. Wynes:** — That's our average program, is about 2 million trees per year. The \$500,000 increase is a reflection of increased contract costs, so it's not an increase in the amount of trees. We have to do surveys to identify areas that have come back naturally and identify the areas that are economical for us to treat. That's part of our cost.

We also have to do site preparation. Because these sites were harvested decades ago, there's a lot of competing vegetation

that's come up on them. We have to go in and treat those sites before we can plant trees. We have to plant the trees, and then we have to go back a couple years later and do stand tending — which is like weeding the garden — afterwards because there's a lot of competition, especially in the Pasquia-Porcupine area because they're very productive sites which is where most of the problem is.

So it's a reflection. That 500,000 increase is not an increase in the overall kind of objective of the program. It's keeping up with inflation, increasing contract costs, fuel costs, those types of things.

**Ms. Atkinson:** — How many years away are we from renewing the forest in terms of those old harvests?

**Mr. Wynes:** — We're projecting that the clean up of the historic NSR lands will be finished in approximately 2021. That's what we're anticipating as a sunset at current budget levels.

**Ms. Atkinson:** — So you know, one of my observations is that we do have a number of companies in the province that are involved or have been involved in reforestation. They have an infrastructure, and it was built upon the industry obviously, and it was built upon the provincial government. And now with basically a shutdown in the forestry industry it's pretty tough times in the tree planting industry, as you're probably aware.

And I'm wondering if you thought about accelerating some of that reforestation in the next year or two given that we've looked at accelerating infrastructure. I guess this is a political question, Minister. We've looked at accelerating infrastructure in order to support people in terms of jobs and economic activity. Was there any thought on the part of the province that we might want to accelerate the renewal of the forest given that we have, you know, 12 years out or 11 years out in terms of catching up while we wait for the forest industry or sector to recover?

**Hon. Ms. Heppner:** — We have purchasing agreements with a nursery, and the trees have to be grown for two years before they can be planted. So it's not a decision that we can make today — to increase the reforestation that's under the responsibility of the government — to have tree planters out, say, this spring, just because the trees aren't available because we're on a two-year lag time.

**Ms. Atkinson:** — Are all our trees purchased inside Saskatchewan?

**Hon. Ms. Heppner:** — Yes, they're purchased through Pacific Regeneration Technologies, and it was an existing agreement that was started under the previous administration as carrying forward.

**Ms. Atkinson:** — Thank you. I think I'll turn some of my questioning over to my colleagues, Mr. Chair.

**The Chair:** — Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. I understand from your department's plan that the department will seek to

maximize provincial regulation of the nuclear activity in the province through an administrative agreement with the Canadian Nuclear Safety Commission. Could you give me an update on the status of that endeavour?

**Hon. Ms. Heppner:** — That was an agreement that was signed previously, in 2003, and I believe that we're seeking to move ahead with that. But it was an existing agreement that was signed under the NDP.

**Mr. Yates:** — Thank you very much. So has there been any movement or advancement of that over the last 12 months?

**Hon. Ms. Heppner:** — There's been informal discussions but nothing formal yet, so I don't have a report on progress for you today.

**Mr. Yates:** — Thank you very much. Do you have any idea when this would actually move forward? Or will it move forward over the next 12 months?

**Hon. Ms. Heppner:** — We're hoping it's going to move forward. But as I said, the discussions so far have been informal, and so I don't have a definite timeline.

**Mr. Yates:** — Thank you very much. When and if this moves forward, will it be made known to the public?

**Hon. Ms. Heppner:** — Yes.

**Mr. Yates:** — Thank you very much. My next set of questions — and my colleague from Regina Lakeview I think has a great deal of interest in this as well — has to do with the Great Sand Hills. It's an area which I'm very familiar with. My grandparents ranch in the Great Sand Hills, so I spent a great deal of time there when I was a youngster.

I understand the environmental assessment is now complete, and we're waiting for your decision on what we're going to do. Do you have a time frame in which we can expect that decision?

**Hon. Ms. Heppner:** — I can share your affinity with the Great Sand Hills. I was born in Swift Current, so I spent time growing up there. And I actually met with the bunch of folks from Piapot and the surrounding area and went on a tour there last summer, and it's quite an exceptional piece of our province.

As you had stated, the time frame for comments from the public have been . . . I think mid-December was the closing date. And I'm sure as you can appreciate, this is not something to be taken lightly, nor do I take it lightly. And to be perfectly honest with you, I do not have a date, as of today, when my response will be prepared; but I will commit to you today that when I do have a date, I will let you know or let the committee know as to what that date is.

**Mr. Yates:** — Thank you very much, Madam Minister. The scientific advisory committee made a wide range of recommendations — I think some 60, 62 recommendations, 65 recommendations — about the protection and management of that area. Are you looking at implementing all those recommendations or any number of those recommendations, or

have you had the time to examine them in detail yet?

**Hon. Ms. Heppner:** — I've actually gone through the recommendations, but I am not in a position today to preclude what the final decision of the government will be on this issue.

**Mr. Yates:** — Thank you. Have you in recent years visited the Great Sand Hills to . . .

**Hon. Ms. Heppner:** — Yes, I just said I was there last summer.

**Mr. Yates:** — Last summer okay. Pardon me, I didn't hear that.

**Hon. Ms. Heppner:** — That's fine.

**Mr. Yates:** — Then you have a great appreciation for that area. All right, with that I guess we can move on to the next area of questions from my colleague.

**Ms. Atkinson:** — I have a very short snapper as they say. Okay, and I'm doing this on behalf of a colleague. So there's a part of the province called the Dillon-Vermette. Are any of you familiar with it? Okay. Now apparently this is a candidate for protection. The ministry has consulted with Mistik Management, the Saskatchewan Environmental Society, the Wildlife Federation, the World Wildlife Fund, Ducks Unlimited and so on and so forth, and it has been identified as worthy of protection because of the ecological features found in the area.

Now I understand that this is a site that was put up for auction in the oil and gas land auctions, and what this constituent says is, surely the province can't be so financially pressed that we have to put this particular piece of ecology up for auction. And I'm wondering just in terms of this constituent, can you tell me where things are at with Dillon-Vermette? Is it going to be protected in the future?

[20:15]

**Ms. Quarshie:** — Well thank you for the question. As you could tell, I'm scurrying around trying to figure out what's going on. But I don't have a straightforward answer for you. I know that with respect to the permitting, allowing activities, say drilling activity, I would imagine that that would rest with Energy and Resources. The protection piece — I'm not quite sure how that relates to the Ministry of Environment and FNMR. [First Nations and Métis Relations] and how the consultation process, if any, that has taken place. So I'd need to get back to you on that. I don't have the specific answer.

**Ms. Atkinson:** — Thanks.

**The Chair:** — Mr. Nilson.

**Mr. Nilson:** — Thank you. And good evening, everyone. This committee is much more interesting than the Provincial Secretary upstairs.

I have a few questions in a few different areas. And as many people in the room know, I could probably keep going for many hours, but we don't have many hours. So I will just ask a couple.

One of the issues down in the Great Sand Hills area is the EOG Resources Canada proposal to develop 122 wells. Can you give us an update on the status of that particular proposal and where it fits in with the Great Sand Hills decision that you're trying to make? And I appreciate that it's not an easy thing to get it right.

**Ms. Quarshie:** — I think today must be the day of tough questions for us, because I know we have . . . [inaudible interjection] . . . That's right. We don't have the right person here to answer it. The answer will come from our director of assessment. I know about the project you're talking about. I don't know what stage it's in, so I really can't provide you with a concrete answer. And again, it's something that we need to provide information to you later.

**Mr. Nilson:** — Okay. Well we appreciate that, because it obviously has a big impact on the overall project. Of the 30 — I guess there are 35 — core biodiversity areas that were in the Great Sand Hills study, I assume that all of those 35 are still in the review that you're doing as a minister in making your final decision?

**Hon. Ms. Heppner:** — Yes.

**Mr. Nilson:** — Yes, okay. Now another question. I've been wondering what the status is on the overlap problem up around Cumberland House as it relates to the various licences that were given for big game operations and the problems with some of the local people. I know that a couple of years ago there, we were starting on a process to try to resolve that which has been a, probably a 30-year problem. So I'm not expecting a instant solution but I would appreciate an update.

**Hon. Ms. Heppner:** — Obviously you're well aware as the former minister that this is not an easy thing to find a resolution to. But I can assure you that we are still working with the outfitters that are involved to try to come to some equitable resolution to this situation. But we don't have a solution today.

**Mr. Nilson:** — Okay. Well thank you. But I appreciate that it hasn't disappeared from the pile of work that needs to be done. Okay, not a lot of time here, but another question. We asked when the budget came out, when we had a chance to ask some questions of the deputy minister of Finance, why there was such a large increase in the summary budget of the income that comes in to the sources of revenue. And there was about \$100 million, well I guess \$80 million increase under sales, services, and service fees on page 14 in the budget.

The response was the bulk of that relates to sale of land. And so then it, you know, relates to the sale of agricultural land. Is it accurate to say that the Ministry of Environment has been instructed to review all of the wildlife habitat land to determine whether some of this should be removed, so that it could be sold in this sale which is intended to generate a lot of money?

**Hon. Ms. Heppner:** — The premise of your question isn't quite accurate. The land that the Ministry of Environment is in charge of is not part of the agricultural land sale that was announced last November. We don't realize an income from that. The agricultural land that's being sold is not . . . It's currently being leased by producers and is not under any kind of wildlife habitat protection.

The land that the Ministry of Environment is selling, I have to say I was pretty shocked when I got into this ministry to find out that around 2005, while the NDP told people that they would sell them the Crown land that they were currently on and took their money, they didn't actually give them their land. So in 2005 there was approximately \$177,000 in deposits that the NDP had from people who, in good faith, handed over a cheque thinking they were going to get their land sold to them, and the land wasn't given to them.

When we took over in 2007, there was still on the books \$101,000 from Saskatchewan residents who had sent in their money and were expecting their land in return and the government of the time did not hand them their land; instead they put a freeze on it. But while there was a freeze on the sale of Crown land, there was apparently no freeze in accepting taxpayers' money for the sale of that land.

So some of the income that was generated, that you alluded to, is because we lifted the freeze on the sale of Crown land and for those people who for up to three, four years, had their cheques being held by the NDP government, we thought that the right thing to do would be to give them the land that they had been promised. So a large part of that revenue that was generated was because we unfroze the Crown land sales for those people who had applications in the queue and we thought we would probably give them their land, considering they had already given the government their money.

**Mr. Nilson:** — Well that answer was completely off the mark. The question relates to \$80 million in land sales that relates to land that is involved in the southern part of the province, where the Department of Environment doesn't own the land. And it relates to the land that would be in the name of the Crown in the name of the Department of Agriculture, where there may be features that are protecting the most threatened landscape in Saskatchewan.

And I guess my question relates to, is the Department of Environment reviewing those holdings in Agriculture? Because there was a fairly close working relationship there to deal with habitat that was there on government-owned land. And part of the long-term goal was to make sure that any bit of native prairie or any bit of creek bottom or other would fit. And to answer that by referring to 101,000 or \$166,000 in pieces of land which . . . Many of those sales were being very carefully reviewed as part of an overall Crown land issue, and I don't appreciate that kind of response. Let's get to the heart of the Department of Environment's role.

Now practically, you didn't even say whether you had dealt with all of those cases and just turned the land over or not. But the real issue here is, is the Department of Environment sort of stepping back from protection of prairie lands that are in the control of the government? Are you doing review in that particular area? And what is the plan over the next five years?

**Hon. Ms. Heppner:** — The \$80 million to which you're referring to, I don't believe is part of any revenue listed in the Environment ministry's budget. That would be agricultural land. And I did actually answer your question at the beginning of my statement by saying that the agricultural land sale that was announced in November is land that is currently being used

in lease by producers, and is not part of any kind of protected land under wildlife habitat protection.

**Mr. Nilson:** — My response is that much of that land that is leased by ranchers and farmers in southern Saskatchewan has parts of it that are natural prairie and that are pieces of property that the long-term goal of the government was to protect. And so that's why so many people across the province who are concerned about the prairies are raising questions with us, I assume with you, with the Department of Agriculture, with the Premier.

Because once the native prairie is gone, it's gone. And it may be on a leased ranch or some other place like that, but there is a role — as you indicated earlier when you talked about the plan for this department — of protecting habitat that's in danger. And so that's my question.

**Hon. Ms. Heppner:** — And I'm not sure what else I can say on that except to say that the land was sold to which you are referring. The \$80 million revenue under the Ministry of Agriculture is not part, that land is not under *The Wildlife Habitat Protection Act*. So we are not, in that land sale announced in November . . . And the \$80 million to which you referred in the Ministry of Agriculture's budget, revenue side, is not wildlife habitat protection land.

**Mr. Nilson:** — Well thank you very much, and I appreciate that. But what happens with the land that was under discussion and under review between the Department of Environment and the Department of Agriculture, in looking at how we could protect pieces of the large amounts of leased land that have been leased for decades, to make sure that proper protections are in place before any of that land is sold? And I think that is a role for the Department of Environment, working together with Agriculture.

**Hon. Ms. Heppner:** — One of the things that I had asked, probably about six or eight months ago, and was surprised by the answer is for the land that is under wildlife habitat protection — because some of it has been in protection for quite some time — if we actually had a values inventory; if the land that's set aside is actually still of the quality and value that it had when it was put under protection. Do we know what the province owns. Do we actually understand what is protected?

All of the millions of acres of land that is protected under wildlife habitat protection, do we have an accurate, up-to-date inventory of that to see if we're actually making decisions based on current information? We don't have any of that. That inventory wasn't done.

And so we are looking to make sure that the land that is under wildlife habitat protection is land that still needs to be there. Has the land changed? Has the wildlife that it once served to house, is that wildlife still there? Have those situations changed? Is there other pieces of land that should be going and that weren't looked at before? But the work to determine whether or not we had an accurate picture of what we were protecting and why we were protecting it actually hadn't been done, so we're working on that.

**Mr. Nilson:** — That's right and I appreciate that. That's an



ongoing project from many years, and I'm glad to hear that it's continuing to take place.

One last question, I guess, because there are a few minutes left here. There was a recent order in council that involved land that was approved under the Diefenbaker Lake watershed area. I think it was about a quarter section of land just near Gardiner dam. Could you explain what the approval was involved there, and what are the plans with that particular land.

[20:30]

**Hon. Ms. Heppner:** — The OC [order in council] that you're referring to, what was the date on that? I'm trying to recall this . . .

**Mr. Nilson:** — It's within the last two months and it relates to land that's right on the water just by the Danielson Provincial Park. It may be a minister's order where you've signed a release of the land from protection along the lake.

**Hon. Ms. Heppner:** — To be perfectly honest with you, I'm drawing a complete blank on the piece of land that you're referring to, but I will get you the information as to what it is going to be used for if . . . I apologize.

**Mr. Nilson:** — Thank you. Our time is up, so thank you very much.

**The Chair:** — Yes, our time has arrived. I'd like to thank the minister and officials for their answers here this evening and if the committee could just take a in situ break, stretch, and we'll be back as soon the officials for Highways arrive.

So we'll just recess for two or three minutes.

[The committee recessed for a period of time.]

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

**Subvote (HI01)**

**The Chair:** — Can we call the committee to order, please. Can we call the committee to order please.

If we may call the committee to order, I'd like to get started. This evening we have Mr. Belanger substituting for Mr. Furber, and the other substitutions I've earlier announced.

This portion of the evening is for consideration of vote 16, Highways and Infrastructure, central management and services (HI01), strategic municipal infrastructure (HI15), operation of transportation system (HI10), preservation of transportation system (HI04), transportation policy (HI06), custom work activity (HI09), machinery and equipment (HI13); vote 145, Highways and Infrastructure, loans for short-line railways (HI01); vote 17, Highways and Infrastructure Capital, infrastructure rehabilitation (HC01) and infrastructure enhancement (HC02).

I would now like to ask the minister if he would introduce his

officials and if he has some opening comments, to place his comments. And we're looking at planning a short five-minute — and I restrict it to five-minute — break at 9:30. Mr. Minister.

**Hon. Mr. Elhard:** — Thank you, Mr. Chair. It's a pleasure to be back in this room once again to deal with the estimates of the Ministry of Highways and Infrastructure.

Seated to my immediate right is John Law, the deputy minister for this ministry. Seated to my immediate left is George Stamatinos, assistant deputy minister, policy and programs. Seated behind me to my left is Terry Schmidt, assistant deputy minister, operations. Seated directly behind me is Jennifer Ehrmantraut. She's the assistant director, corporate support. And seated behind me to my far right is Ted Stobbs, assistant deputy minister, corporate services.

Mr. Chair, when we came in here I thought we'd arrived in the middle of a small-town social. There seemed to be a fair amount of visiting and camaraderie. I hope that continues in the rest of our deliberations tonight.

I'm pleased to be here tonight to answer the committee's questions regarding the 2009-10 budget for the Ministry of Highways and Infrastructure. Before we begin, I do have a statement that I would like to read into the record.

The provincial budget for the coming fiscal year was developed with two goals in mind. The first is to keep the province strong and steady during the current global economic downturn. The second is to ensure Saskatchewan is positioned for sustained growth over the long term. I am pleased to report to the committee that my ministry is making significant contributions to the fulfillment of both of these goals.

In terms of responding to the current economic downturn, there is consensus across jurisdictions that infrastructure investment is a prudent measure with which to stimulate economies. In the coming fiscal year our government will invest \$630 million in highways and infrastructure, the largest such investment in provincial history. And that amount includes a \$358 million capital program, also the largest in provincial history.

Now we have heard from stakeholders such as the Road Builders and Heavy Construction Association of Saskatchewan that this investment, along with the province's total \$1.5 billion infrastructure investment, is already having the intended stimulative effect.

In addition to addressing current economic concerns, this budget is also about planning for the future. That's because transportation is integral to the province's economic prosperity. Some 70 per cent of provincial GDP [gross domestic product] is derived from exports, and virtually all of the key industries are transportation dependent.

Now because of our relative distance from port facilities and major North American markets, we need efficient links between regional clusters of economic activity and the broader national and international transportation system. To ensure our transportation system is maximizing its impact on the province's economy, my ministry has put in place a comprehensive, long-term transportation strategy called

transportation for growth. Under this framework, investments are targeted towards six priority areas.

First, investments in new gateway corridors that link Saskatchewan to the broader national transportation and global logistics systems. Secondly, a strategic integrated rural system that prioritizes investments through a consistent and transparent economic-based framework in collaboration with municipal partners.

Third, an urban highway connector program to develop corridors where the provincial system converges on urban municipalities. Fourth, a strategy to develop key infrastructure in northern Saskatchewan to foster development of the resource sector and to enhance social mobility.

Fifth, encouraging the development of new short-line railways and providing infrastructure rehabilitation support to existing short-lines. And finally, providing dedicated resources to communities for regional airports that service industry, tourism, medical, and law enforcement needs in rural Saskatchewan.

Implementation of the strategic framework occurs within an environment characterized by economic development. That is to say, the transportation system is viewed as a primary enabler of economic development.

Effective and responsible stewardship of the system and organizational excellence, as well as partnerships, key stakeholders like municipal governments and industry, are engaged in long-term planning and prioritization processes; and provincial investments will leverage additional funding investment from other orders of government and industry. As such, transportation for growth is inherently aligned with overall government priorities.

Now I'd like to spend some time talking about the various components of the strategy and how our budget plan for this year aligns with and advances the strategy. Under transportation for growth, effective system stewardship is assumed within each component of the framework. When our government came to office, we inherited a significant infrastructure deficit.

Now while it is important to make investments that will provide for sustained economic growth over the long term, we also need to remain cognizant of the need to rehabilitate and maintain existing infrastructure assets. To that end we are encouraging a five-year ramp-up program to repair or replace bridges and culverts. And I say encouraging, Mr. Chair; this has been a very deliberate effort on the part of our ministry and the effort has been recognized by our government. Many of these structures are at or beyond their life cycle and were not designed to accommodate the demand for truck weights that are now placed on that system.

In 2009-2010, we will invest \$45 million, the largest bridge and culvert investment in the history of this province. This represents a 100 per cent increase over last year. And it includes \$10 million to begin work on replacing the St. Louis bridge. This bridge will eliminate a gap in primary weight access on the Highway 2 corridor.

We will also provide \$224 million for road maintenance and repaving, also again the largest such investment in the history of this province. This amount will provide for 300 kilometres of repaving and represents a year-over-year funding increase of 10 per cent.

In moving forward on the strategic components of transportation for growth, we will continue some very important programs. Our community airports are an important yet sometimes under-recognized component of the transportation system. These facilities provide service to the tourism, energy, agricultural, and mining sectors, and are frequently utilized by air ambulance and law enforcement.

We will again provide \$500,000 to the community airport partnerships program to provide grants for capital improvements to community airports. We will also continue the \$500,000 short-line rail sustainability program that provides grants for rehabilitation of short-line railroads. And we will continue to make interest-free loans available to groups looking to acquire new short-lines.

We will also continue with some important work in northern Saskatchewan. Work will continue on the new all-weather road into Wollaston Lake, including centre line clearing and the start of some grading work. And we will continue to work with industry in northern communities to develop a new transportation strategy for northern Saskatchewan modelled on the principles of our successful rural highway strategy.

The urban highway connector program supports the seamless and safe movement of people and goods to, from, and through our urban municipalities. The objective of the program is to provide ongoing, sustainable, and predictable funding to urban municipalities through a transparent framework that supports the consistent and equitable management of urban connectors. The program removes jurisdictional obstacles and addresses long-standing transportation bottlenecks around major urban centres.

Economic objectives are enhanced by providing seamless connections through urban communities that link to transportation corridors. In the coming fiscal year, we will invest \$11 million in urban connector projects in Swift Current, Lloydminster, Weyburn, Melfort, Humboldt, and Moosomin. In addition, we have advanced \$7.7 million worth of projects as part of the province's stimulus package announced a couple of months ago. And we are providing \$99 million to the city of Saskatoon for the new south river crossing.

Last year we adopted a rural highway strategy intended to realign our rural highway infrastructure with the imperatives of our modern, diverse economy. This strategy builds on our existing and extensive 9400-kilometre primary weight system.

The first initiative we undertook under the rural highway strategy was to perform an engineering analysis of the secondary weight network. Based on this analysis, this year we will extend access to primary weights on a nine-month basis to some 5000 additional kilometres of provincial highways, bringing the total primary weight system to more than 14 000 kilometres.

We also worked with stakeholders to put in place a rational and transparent framework to prioritize investments into the remaining highways that require capital upgrading before becoming primary weight ready. We've established an advisory committee that has signed off on both the framework and the ensuing prioritization. The work of this advisory committee was reflected in the development of our rolling five-year capital plan and a long-term vision for the rural highway system.

This year our ministry will assume responsibility for rural municipal road programs previously funded through Municipal Affairs. These programs include the heavy-haul, high-volume road program, the municipal bridge and culvert program, and funding for the Clearing the Path initiative. These programs complement the ministry's municipal roads to resources program. This consolidation will provide a powerful new tool that will bring about true integration of the municipal and provincial rural road systems, improve administration, and provide a more strategic focus.

This strategic integrated rural system will link regional economic activity to export markets in a seamless manner that has never been seen in this province. It will allow us to work toward shared priorities and to maximize use of existing infrastructure assets. And it will give our rural communities a direct role in the prioritization of investments and allocation of resources.

In the coming fiscal year we will invest significant resources to advance the strategic integrated rural highway system. Mr. Chair, this is important, I think. We will double the funding available to the rural municipal programs I referenced earlier, from \$20 million to \$40 million. In addition we are proposing the creation of a joint SARM-Highways advisory committee to oversee these programs. The committee's roles will be to recommend program details, prioritize investments as developed by a technical committee, and propose allocation of the \$40 million in third party rural municipal capital among the various programs. We will also invest \$100 million to continue and commence upgrades on more than 250 kilometres of rural highway corridors identified in our five-year capital plan. These upgrades will be completed to a 12-month primary weight standard.

The final component of transportation for growth is our gateway corridors. These are our national highway system corridors and our mainline rail connections that provide us with access to major Canadian centres, to US markets, and to overseas export destinations. Saskatchewan is well positioned relative to the broader North American transportation system.

We sit at the centre of a T that provides fairly direct access to Canadian and Gulf coast ports as well as key interchange points such as Chicago, Minneapolis, Kansas City, and St. Louis. The growth of container traffic originating from Asia destined for the US Northeast and southern Ontario is influencing transportation flows across the continent. Our location presents an opportunity to position Saskatchewan as a major logistic centre. In turn, this will provide a higher level of service, multimodal integration, and access to North American and overseas export markets to our shippers.

Now to develop our gateway corridors, we will begin work on

\$67 million in strategic investments during the coming fiscal year. We will invest \$23 million to advance twinning of Highway 11, as we recently announced with the federal government. We will invest nearly \$20 million to develop the supporting road infrastructure for the global transportation hub here in Regina, and about \$15 million to begin work on the Lewvan interchange. And we will allocate more than \$9 million to develop supporting road infrastructure to enable industrial growth in Yorkton.

In conclusion, I would like also to touch on another important component of transportation for growth. This area is called partnerships. Through our strategic framework, we have enhanced our relationships with key stakeholders in the transportation sector such as the road builders, industry players, with Saskatchewan Association of Rural Municipalities, with SUMA, with Tourism Saskatchewan, and with industry players individually.

Within each of the components of transportation for growth, we have established structures that allow our partners to play a meaningful and tangible role in identifying and prioritizing investments and program development. As we move forward on the strategic objectives of transportation for growth, we will be looking to deepen these relationships. I firmly believe that this will ensure our transportation investments will maximize their impact on the province's growth, will respond to the needs of our communities and businesses, and will enhance transparency in our decision making.

Mr. Chair, I know that's a lengthy opening statement, but thank you very much.

**The Chair:** — Questions. Mr. Harper.

**Mr. Harper:** — Thank you, Mr. Chair. And I want to first of all welcome the minister here and welcome his officials here this evening. We're certainly looking forward to having the next little while to exchange both questions and answers. And we're looking forward to the answers.

Mr. Chair, I will start out by having my colleague, the member from Cumberland, have the opening questions. Thank you.

**The Chair:** — Mr. Vermette.

**Mr. Vermette:** — Thank you, Mr. Chair. For your staff, thank you for being here. I want to start out, because I have people watching back home who are really interested in seeing this process and go through this. So I've encouraged as many people back home to watch this as I could encourage.

Why I want to say this, you talked in quite length about how proud you are as the minister and responsible for the Ministry of Highways, Infrastructure, and your government's commitment to roads and projects that you are very happy to announce — you know, the commitments, the promises you made out there — and you want to follow those through. And you know, I'm glad to say that you went through a process and explained that very well for about 25 minutes. So I commend you on your presentation.

When we talk about promises and commitments made by

different departments, and you know, yours is the responsibility of Highways and Infrastructure. And probably prior to you as a minister and your government taking over, there was commitments and promises made and people's hopes and expectations were out there. And a lot of people are happy that those commitments are made to them and promises made to mayors and councils, to chief and councils, and to the community members at large. Those are important commitments and announcements. And people are really excited and feel that sometimes they're being heard. And it takes a long time to get a project forward and probably funded, in light of the funding situation.

But I'm so pleased to see all of the funding that your department had and all of the announcements you have made. It's very positive. And you present that very well. And you know, you guys have done an excellent job of presenting that well for the province.

But having gone there, you know, there's prior commitments, and people feeling like those commitments were made to them. And unfortunately some of them today are not feeling the same way.

Now I can mention certain projects, and I will get to those certain projects as we go through and you can, you know, answer and your officials can answer those.

But to the people back home who count on those roads and having access to their community and having a road that's safe to travel on, you know, having . . . I guess it's not only about economics that come into their communities, but the condition of the road and for safety.

And when you've had serious accidents on roads, well, you know, even myself as a candidate, it happened to me on Highway 123. It's a terrible road the community has to travel on lots. You know, prior commitments and promises made to the mayor — Highway 123.

We were hoping, you know, announcements would be followed through and the commitment that was made to the mayor and the community and I guess people's expectations of the previous government, that that would have been followed through. And unfortunately it's a sad day for that community because we don't see, and currently I do not see on the five-year rollout plan, as you call it, Highway 123 to Cumberland House. So that does concern me.

And I guess I sometimes . . . why some of those projects that were committed to, promised, announced, and I'll pick that one to start with. Why in this budget, and all the announcements that was made and all the money that was spent and all the hope, why wasn't that commitment followed through? Why wasn't the community . . . And I mean, I know that people have asked and have made phone calls and have been told that, you know, it didn't exist.

So I put that question to you: why Highway 123 is not today either being completed, started, or finished. Anyway, I put that to you as the minister responsible.

**Hon. Mr. Elhard:** — Well to the member, I appreciate his

question and I also appreciate his concern for that road and the roads that serve the population and the activities, economic activities of the constituency he represents.

I have been in the same position you are in when I represented a constituency that was vast and large and had some roads, but most of them were in pretty poor shape. And I had the concerns of the citizens addressed in the House through petitions day after day after day. If I recall, I represented petitions on behalf of the people living along Highway 32 every day for two and a half years, and it's just now getting fixed. So I understand the, you know, I understand the despair and the urgency and the issue that you're raising here. So I don't minimize that by any stretch of the imagination.

[21:00]

But I want to say a couple of things in that regard. I think the words that you used in your presentation that clearly identify the discrepancy were the . . . when you alluded to the former government. Because the former government did make that promise. And I think, if I heard you correctly from time to time in the House when you're presenting your petitions, the promise was made sometime in August, prior to the 2007 election.

And I assume that the promise was made with good intentions — I'm going to make that assumption — and that had the New Democratic Party been re-elected, the promise would have been fulfilled at some point. Maybe not yet, but at some point. But that wasn't the choice of the people of Saskatchewan. The people of this province chose to elect a new government with new priorities, and we were not obligated by commitments made by the previous government.

Having said that, we came to office with a huge infrastructure deficit that needed to be addressed, and since the resources of the province, as great as they are, are not sufficient to meet all of the deficit in a short time frame, we had to come up with a plan that would help us address the deficit in a long-term, sustainable way. It was that requirement that compelled us to go to what we have described as our five-year rolling plan. And that was undertaken by the ministry over a considerable length of time.

I think the first meeting that we had with officials, we talked about the need for this five-year rolling plan and how we would go about achieving it. How would we identify the roads that needed repair? And I placed that challenge in front of both the deputy minister and the assistant deputy ministers that are here tonight, and they went away with that challenge and spent the best part of a year coming up with criteria that they could use to evaluate on a fair and open and transparent basis each road in the province.

Now there's 300 highways in the province of Saskatchewan and so to do a fair evaluation based on identical criteria and do a comparison based on the findings of that evaluation was a large undertaking. The exercise was so intense and so long that it wasn't until December 8 of this past year that we unveiled our five-year rolling plan. Last year at budget time we unveiled the first two years of our plan. But on December 8, we unveiled years 3, 4, and 5. And today we are, you know, happily moving into year 2 of our rolling five-year plan. And year 1 has dropped

off, and year 6 is moving on. And we're going to talk about, I'm sure, some of those projects as the evening unfolds.

But here was the rub and here was the difficult challenge that we faced. While we had the right criteria to come up with an appropriate evaluation for roads in what I would call southern Saskatchewan — and that would be basically from about the forest fringe south or Prince Albert south — we didn't have what we felt was the right criteria to address roads in northern Saskatchewan. And based on what we have learned in our first year of developing this five-year rolling plan for roads in southern Saskatchewan, we want to use that template and tweak it and adjust it appropriately so that we can do the same thing in northern Saskatchewan.

So having said that, you know, if you look at the huge number of kilometres of roads in northern Saskatchewan, if you just look at the sheer length of the roads in northern Saskatchewan and the cost it would require to rebuild them and think . . . You're talking about Highway 123 for instance. I mean I've got an estimate here that to rebuild Highway 23 to an appropriate highway standard would be \$62 million by itself. And we know of other road projects that we're talking about in northern Saskatchewan that will have a \$200 million price tag. And we know that each individual road is probably as expensive to build in the North and maybe more so than it is in the South.

So we're not talking about a few million dollars here; we're talking about literally hundreds and hundreds of millions of dollars. So if it's going to have that kind of price tag attached to it, we better know where we're spending our money and where we're going to get the best return for our investment.

That's a long explanation, but it . . . I mean it's absolutely crucial that if we do this right in the North, we need this kind of exercise, and we need to have that money very strategically applied.

**Mr. Vermette:** — Okay. Let me be very clear and if you can answer this then. Then what I've heard you saying, we talk about a \$7.5 million commitment to Highway 123 that was there. You're saying that your ministry, and under your, I guess, authority and however, the commitment that was there, whatever it was, has been cancelled by you and your department because you've gone on to looking at other areas for whatever reason. You've cancelled it then.

**Hon. Mr. Elhard:** — Every time a new government is elected, they are elected to address and advance the priorities of the election platform and the government that takes control of the province's seat of governance. And that was a promise that was made in that region by the previous administration. We have no obligation and no requirement, nor did we have the funding to do it. Because when the government changes, all of the funding priorities change. All of the requirements change. And so that decision to move forward on that particular promise was something that we didn't feel bound by at that point.

**Mr. Vermette:** — So then it is correct — just for clarification for the record — then you have cancelled that project.

**Hon. Mr. Elhard:** — I would say we have postponed the project.

**Mr. Vermette:** — Till when?

**Hon. Mr. Elhard:** — Well that answer will be determined by the outcome of our, what we hope will be our five-year rolling plan for northern roads. That hasn't been determined yet. We're not going to run in to spending money on roads in the North without a clear and well-articulated and substantiated reason for doing it.

Now the choice will be, if we had a \$100 million for roads in northern Saskatchewan, the question would become, where should that \$100 million be spent over a period of two or three years? And if we don't have clear criteria and a well-reasoned argument for spending it in this place or this place or this place, then we may miss the best places to spend that money.

And so that's the approach we want to take. We really think that it's important to be as strategic and careful with those expenditures as possible.

**Mr. Vermette:** — Well let me make it clear then. The people back in Cumberland who live in the First Nations reserve and also in the municipal boundary, and a large Métis community over there, heard very clearly that you guys have lots of money. You've made it well known throughout the province that we're booming. The economy is booming. Everybody knows that. So again everyone is excited. You inherited a lot of money.

You inherited some debt, you say, infrastructure debt. That's fine. We can look at it that way. To them, they now know that to them that project's been cancelled. You want to call it postponed. It doesn't show up anywhere, so I guess, yes, like it's a . . . I guess at some point it could surface, whatever. But I want to make it very clear for that community who will now know exactly where they're at as a priority.

**Hon. Mr. Elhard:** — Well I would have to disagree with you for very fundamental reasons. There's lots of roads in southern Saskatchewan that didn't show up on our five-year rolling plan. That doesn't mean they're cancelled. That doesn't mean that they're never going to be attended to. It means that they didn't make it on the plan on the basis of comparative analysis and that some time will have to transpire before that road comes on the plan.

And I did not say the project was cancelled. I said it's been postponed until we have done a thorough evaluation and analysis of all the needs in the North. Now we can spend, you know, a few million dollars fixing that particular small stretch of road. But is that the best place for that money to be spent? Or might there be other priorities that the people of your constituency would rather have that money spent addressing, whether it's a road to another community or maybe it's an upgraded road to a new mine or into the Oilsands Quest project. Maybe it needs to go into a couple of bridges that will allow for primary weight access by heavy industrial traffic.

Those are the kinds of questions we need to address. And if we're only going to have a certain amount of money to spend in any given area at any given time, then we'd better make sure we're spending it the best way possible. We haven't achieved that decision point yet.

**Mr. Vermette:** — I'll go on now to the announcement that was made under Highway 135, Pelican Narrows, the paving. That was announced in August 2007. That project, it would've been nice to see completed. The announcement was made. The people expected that. They're part of this province. They expect that, you know, to be a part of the boom. And everybody hears about the money and how exciting things are. Everybody's real excited. But unfortunately right now there's not excitement on their road because there's obviously no commitment now. What happened to that? Has that been postponed? Cancelled? Or some day? Like, it'd be nice to get the answer.

**Hon. Mr. Elhard:** — Well you won't get an answer from me specifically tonight on those roads because we haven't done the homework on them. And I think that we want to be very careful about having the rational basis for which to make those decisions. We are applying the same kind of critical analysis to roads in southern Saskatchewan.

We have just nicely got our five-year rolling plan established. We just nicely got our evaluation of roads completed under the rural highway strategy. We are just now rolling out our plan in southern Saskatchewan. I think if it's going to work as well as it appears and be as acceptable as it appears, we want to utilize the same tools to make those kinds of decisions on roads in the North.

I understand your frustration about not having a definitive answer here tonight, but I'm wondering if the member is saying that he doesn't really care about the rest of the North as long as I get my roads fixed. And that's what I hear as part of this discussion. I hope that's not what he's saying, but if he is, then what do I tell the other communities further north or further west or further east? What about their priorities and their needs? And if there's only limited money, wouldn't it be better if we spent this money in the most appropriate and significantly beneficial way, both economically and socially, that we possibly could? And wouldn't it be better to have a plan in place where we say, given the limited resources we've got, we're going to spend this much money on the first 25 kilometres of this road this year, and we'll build the next 50 kilometres in the year after. And in the third year we'll build the next 50 kilometres, and you'll have the full length of the highway completed.

**Mr. Vermette:** — Well then let me be very clear. I represent the Cumberland constituency and I've got a list of communities I will talk about. And if there's another area, you know, and my colleagues have areas of concern, I know they will handle it and bring it up here and deal with it once and for all. They will advocate for their communities. I know that. But I will do what I can for the communities that I've been identified, that have the needs, and I will share that with you as best I can tonight. So, you know, it's not just picking out one area. There's a lot of areas and, I guess, roads in my constituency that have to be addressed. So we'll get to that. And with all the money, maybe we can get through, and some of that process will come out some day soon, and we'll get an announcement.

So here's where my next question goes. Then Highway 135 to Pelican Narrows, the cost of it, whatever you want to say. You want to do a . . . Is it a review? It's not postponed. There's a process you want to go through to identify which projects in the

North are going to be identified. And I would like to encourage you that a process has been done. Those projects were identified. Commitments were made to chief and council, to the mayors, to the community members. And there was good reasons why those commitments would have been made.

So I would encourage you to fulfill those obligations and commitments, and I think it's time. The money's there. It's time to make that commitment to our communities.

**Hon. Mr. Elhard:** — Mr. Chair, to the member, I understand there was a commitment made. But when you look at the timing of the commitment, it's suspiciously close to an election date — suspiciously close to an election date. Now if the urgency for roadwork in the North was that imperative, I suspect that there should have been a commitment made to build those roads, maybe two or three or four years, or even ten years earlier than the actual date of the so-called commitment. It seems to me that the urgency of the request and the legitimacy of the request is somewhat undermined by the suspicious timing of the announcement.

Now we can go around this a couple more times, but I think that the people of the North want to be well served by our investments, and we will do it in a deliberate and reasoned fashion based on an evaluation of the criteria that applies to each road in an equal and fair and transparent way. I don't want to apply different criteria to route 123 or 135 than I'm going to apply to any other highway in the North. The same criteria will be applied to each road. If the Highway 123 or 135 scores higher in our evaluation, the money will be focused there; if it doesn't, the money will be focused to areas where there is higher priority. It's as simple as that.

[21:15]

Now one of the things I want to make clear tonight is that when I took the tour through the North that we went on back in October, it gave me a very clear, first-hand opportunity to see the conditions of the road you're talking about. I'm not faulting you for pushing on those roads whatsoever, because the roads are not good. And I wouldn't tolerate it in my own constituency either.

So I'm not faulting you for making this, but I'm just trying to suggest to you that being aware of that problem and being aware of the size of the problem really requires us as a government, us as a ministry to be precise about where we invest those first monies. And you know what? I think the people of the North are looking for opportunities to participate economically and socially and they will, they will accept the argument that that money needs to be invested strategically. And that's our first priority.

**Mr. Vermette:** — I guess I want to go on, and I've got other comments I've got to make, but I want to go on to the Wollaston Lake road and the commitment that the NDP, previous government made to that road. And I want to definitely make it very clear: that project was started and I'm glad to see that. And also I commend your ministry and your department for fulfilling that obligation and following through with it.

I wish — to be honest — it would go faster, there was more dollars into it, get it done. It's a priority for that community, but I will give you credit that you did not cancel that one or postpone it or say we have to review it. I'm glad for that. I'm glad for the community of Wollaston Lake. So don't ever say I didn't give you a compliment.

**Hon. Mr. Elhard:** — May I comment on that, Mr. Chair? I appreciate that and, you know, I think in the spirit of honesty and candid discussion I want to recognize your comment. I wish the Wollaston Lake road could move forward faster as well. I mean, if money was unlimited, the road would be one of my first priorities up there.

But let me tell you something else. The Wollaston Lake road is part of what we call the Athabasca Basin roads, and we are in the midst of discussing with the federal government and with some private sector partners how they might come to the table to help us finance those roads. The road to Wollaston Lake, the road from Points North to Stony Rapids, the road that goes from Stony Rapids to Fond-du-Lac — I think there's some ice roads up there as well — if we're going to do those roads to a proper all-weather standard that will carry primary weights, we estimate today the cost will be \$200 million. You can fix a lot of other roads for \$200 million. But that is the price tag in today's dollars for that group of roads. Until we get the federal government on side for those projects, until we bring our private sector partners to the table, we're moving forward. But we're moving forward incrementally.

Now as you may be aware, we undertook some centre-line clearing last year. We had a local company undertake that work. They did very good work. They got the project finished in record time. I think if we had known how good and how quick they were going to get that job done, we might have extended the mileage of that particular contract. But having said that, we have two contracts in play now for the Wollaston Lake road for centre-line clearing: one continuing from the point we left off, and the other one coming from Wollaston Lake in a southwesterly direction.

So we are advancing that project fairly quickly, and we are also going to start building, actually building, the first 10 kilometres of the roadbed this year. That is pretty essential, in order for us to expedite that project, because construction companies and any other activity that's going on there needs a road to work from. And that's why that project is advancing, even though we haven't got all our partners in place.

**Mr. Vermette:** — I guess then, when you talk about the federal dollars and projects, where are you at with the federal dollars coming in and the partnerships? Are you at a dollar figure? Are you at any commitments? Are they promises?

**Hon. Mr. Elhard:** — I wouldn't say they're promises. I think there's interest at the federal level to get engaged in this type of project.

The problem has been, I think, that most of the federal commitment to this project has been tied up in the ongoing politics of the federal scene. I think the federal government has had much bigger fish to fry and so they have not been focused on this particular initiative. But we've been raising it with the

department people on a consistent and regular basis. There seems to be some political interest, but we just haven't been able to break the logjam as yet. But we fully anticipate that at some point the feds will come on board with that particular project.

**Mr. Vermette:** — I'll go on here. I guess I want to share you with you some of the current conditions on some of our roads.

When I refer to roads, and I'm just going to name off some of them because they've been brought out to me as concerns from the leadership of the communities. And I think, you know, it's nice while your officials are here, I can maybe share some light for the record, so the people back home know that I'm asking and bringing to your attention the roads that have been identified by those communities with struggling conditions of the roads when it's, I guess, the thaw — what type of conditions they have to travel on, for safety.

But anyway, Hall Lake is one road that definitely needs some attention. There's Stanley Mission can use some attention. Southend, the community of Southend — I was there. Some of the elders saying their breathing problems, the respiratory problems that they have because of the dust. It's such a fine dust. It would be nice to see projects like that for health reasons.

We have an aging population up north as well. We have a young Aboriginal population, but we also have aging population. It would be nice to deal with their issues and concerns.

So for the record, you know, I have done what I need to do to bring it to your attention. There's other process and ways that people will bring it to your attention and I understand that — through your ministry going out there; through different ways of communicating to your ministry, your department, and to yourself as a minister, those needs. But I just want to share that with you.

Grandmother's Bay could definitely use some work. Deschambault Lake — I know there's work on that. I'm curious. Where are you at with that project at this time?

**Hon. Mr. Elhard:** — We are going to allow my officials to respond to some of those specifics in just a moment.

You know, I don't dispute any of this information that you're bringing to me. And I think that some of the roads up there are in desperate need of attention. And I will spare you the reiteration of my comments earlier about needing to be strategic. We're going to address the individual roads and the individual needs on those roads as best we can — whether it is a paved surface, if it's through routine patching, if it's through routine maintenance, if we need to improve maintenance on some of those roads, I think we can look at doing that. We've got a number of instances in the North where the maintenance is actually provided by local contractors because they have the equipment and the willingness to do the work. We've tried to utilize that skill and ability and equipment wherever it's practical and possible.

So some of the questions you're asking specifically we can probably address in more detail, but I guess I just want to

indicate once again that my trip to the North was a real eye-opening experience. And I had heard about the bad roads in the North, but I never in my wildest imagination thought they could be that problematic.

I'm thinking in terms of the seasonal road — it's supposed to be a winter road, I guess — from Points North up to Stony Rapids. But we drove it when there was no snow. And that's an exciting experience — not a very fast experience, but very exciting at times. And I think I described it here as going from real heavy sand pits to outcrop granite rock, to stones the size of a cup to the size of a barrel in the road. And weaving your way around that and over that kind of material is quite a challenge. So I don't dispute the conditions of that particular road.

We drove some other roads north of Meadow Lake that were really pretty good for a ways; there's been a substantive amount of paving done on, I think it was 155, was it? And it was pretty good. And then the paving quits and it peters out; and it just goes to gravel and then gets worse. So, you know, my familiarity with some of the roads up there is pretty keen, and that's why it's important that we fix those roads. We've just got to know where, how much, and when. Now you had some specifics that you wanted to address.

**Mr. Vermette:** — Deschambault Lake, where are you with that one?

**Mr. Law:** — My name is John Law. I'm the deputy minister. And I'm pleased to provide a little more information on Deschambault Lake. That is a project that we started two construction seasons ago with the community. The scope of the project was determined in working with the local community to do specific spot improvements, areas where we thought the worst sections of the road could be improved for safety purposes and to essentially provide for a better quality of travel on that road.

The work was done in conjunction with the community. The work was actually delivered by the community in conjunction with a contractor that brought in some expertise to do that work. And over the course of the last two seasons we've completed that project, so the original scope of the project I think that the member is referring to, which we started two years ago, has now been complete. And there is ongoing maintenance, other maintenance activities that are planned for the coming season. But the original scope of the project that was undertaken has now been completed over the last two years.

The other specific areas that you mentioned — Stanley Mission, Southend, Hall Lake — we'll undertake to provide you with an update on the planned activities for the coming season. I can't give you all of the details, but I can generalize and tell you that there is a maintenance program that is planned for all of those roads that would include, in some instances, some of the dust treatments and so on that you have suggested would be helpful. And in that regard we'll provide that by way of follow-up for you.

**Mr. Vermette:** — Okay. Thank you. I want to come back to Sucker River. And I want to refer to a bridge, a bridge that is old, and actually I believe it's in the process of being demolished or removed from the community. And I'm not sure,

I believe it's the band that has, Sucker River that has a contract currently with you to take that down. I'm not sure if I'm putting that into . . .

**Mr. Law:** — Mr. Chair, we're endeavouring to track the specific project information for the member on that location. We hopefully will find it before the conclusion of the evening is out. And if not, we'll make sure to provide a further update for the member.

**Mr. Vermette:** — Thank you.

[21:30]

**The Chair:** — Before there's any more questions, Mr. Vermette, we're going to exercise the five-minute recess that I had called at the start of our committee. So at this time I would ask members to be back in their place by 25 to, so as of now we'll take a five-minute recess.

[The committee recessed for a period of time.]

**The Chair:** — Okay. I'd like to call the committee back to order, please. Call the committee to order, please. Thank you.

Mr. Vermette, are you ready for another question?

**Mr. Vermette:** — Yes. I guess I'll go on to a road. And you could explain to me, maybe, how long this road is — and your officials. The Hanson Lake Road, can you tell me how long that is, where it starts, and . . .

**Hon. Mr. Elhard:** — Mr. Chair, we're probably going to need a calculator, but according to the map here, it runs right to the Manitoba border, but it starts just outside of Smeaton, by the look of it. Yes.

**Mr. Vermette:** — It's a very long road. It's about 390-some kilometres. But anyway, why I go back to that, are you guys aware of the condition of that paved road?

**Hon. Mr. Elhard:** — Well I think we're always pretty much aware of the condition of the roads. I'm just looking at the map and the colour code here, and there's indications where there is structural pavement, and there is other sections where there's thin membrane highway, which passed as pavement at one time. More recently it's lost its reputation as a reliable road surface. And I'm assuming that there's some stretches in there that may have had some gravel reversion undertaken.

**Mr. Vermette:** — Okay. I just wanted to identify that one road. Thank you.

**Hon. Mr. Elhard:** — Mr. Chairman, the gentleman to my right has just informed me that the length of the road is 326 kilometres, and that we do have a couple of projects that are going to be undertaken on that road this year.

**Mr. Vermette:** — I guess I look at the needs in the Cumberland constituency, and we've talked about some of the projects. And I'll go back to it, the commitments and expectations that people thought and really felt with all the excitement — and again I go back to this — the hope and the money. And I mean, that was



out there. And there was a lot of excitement and lots of money in our coffers and everything else.

And when you hear projects — and again I want to go back to this, and it's important that I share with you — that people feel like that project is going to go ahead and excitement is there, and all of a sudden it just dies. Goes away. Postponed, or being reviewed. A community is left with either accepting it, or it tries to work with people. It tries to bring awareness, and there's different ways that they do that.

But when there's announcements or commitments, I think we went through last month in supplemental estimates with yourself, and I was glad that you agreed that ministers cannot make announcements or commitments without going through the budget process. And at that time I believe you agreed with that process — the member from Athabasca.

**Hon. Mr. Elhard:** — The issue as I understand it was that there was an announcement made or a promise made that the road would be fixed. I would assume that if the road had been fixed sometime between the late August announcement and the date of the November 2007 election, then it would've been paid for by the previous government. But having made an announcement and not fixing it doesn't tie the next government's, the succeeding government's hands in any respect. We're not obligated to fulfill NDP promises.

**Mr. Vermette:** — Well then I guess with what I look at, the process that was followed, the budget announcement was made, then the money — in my views and what I got from the community — was there and committed. So that's my view.

**Hon. Mr. Elhard:** — Well it might've been there, but the commitment wasn't obviously there, because the road wasn't fixed before the election. And I think that that's a pretty important distinction to make.

**Mr. Vermette:** — I want to start out . . . And you know, I'm very proud of the communities and the leadership that I represent and the willingness of them to fight. And they feel like they have to fight. They have to do petitions, whether that's letters, whatever is needed to bring their needs heard by your ministry, by you as a minister, and by your government, they will do and they will have to do. I'm very proud of that process.

The lobbying that will have to happen, because obviously if they're not on your rolling plan yet, and we're going in to the sixth year and they're not there, something tells me there's a lot of work that has to be done within those communities to organize to make sure the message gets across and that their elected MLA [Member of the Legislative Assembly] brings those concerns — whether there's a petition, letter, whatever he can do to bring those concerns to your department. And I believe that is my job. And I have a responsibility, so do you as government, to respond to the needs of all of Saskatchewan.

So I just want to make it very clear. I think it's sad when a people have to go through that process and the length that they're going to have to go through to bring that message to your ministry and to you as a minister and your government. But I know and I'm very proud of them, that they will do that. They will do what they have to do. I will support them in every

way I can to make sure their needs, their safety are dealt with.

And you want to talk about . . . I've been put a challenge to me by the ambulance operators that operate our ambulance, go up and down our roads, and said you and the minister should have to come on a ride with us to see what some of our patients have to go through. And, you know, it's sad that that has to happen — you know, projects, the money that's there; the commitment that's there — and I guess to go back to it, it is sad that a community has to do this.

But again I'm going to finish up with saying I commend what the leadership in my communities are doing, what the community is doing. And I will do everything I can, and I know my colleagues will do all we can to bring to your ministry, to your department, those concerns — and not with disrespect but with true, here are our needs; here's why safety issues, not just economics. At the end of a community, people are an economic — it's not just the natural resources out there that everyone relies on and says . . .

People truly — our elders, our community members, our youth — have a right to travel on a safe road, which everyone in the province does, and I can appreciate that. But back home we have a lot of conditions and roads that are in need of repair and upgrading. And with the dollars that are here, I hope as a minister you will seriously look at those areas that I'm talking about. Thank you.

**Hon. Mr. Elhard:** — Mr. Chair, I'd like address some of the topics that the member just raised in his most recent comments. I wonder if it would surprise him to know that people in the Cypress Hills constituency and in the Wood River constituency could not ride in the back of an ambulance safely to the nearest hospital. Would it surprise him to know that the ambulance from Leader, Saskatchewan, instead of going directly to Swift Current or directly to Medicine Hat, had to take Highway 21, 110 kilometres out of their way, to get to the No. 1 Highway to transfer a patient safely to either Medicine Hat or Swift Current? That is not a situation that is unique to the North, and I have the greatest empathy for those situations because my own constituents have lived through them.

[21:45]

I don't think at any point in our conversation tonight have I said that I don't understand the concern or the depth of need existent in northern Saskatchewan. Nor have I said that we will not be fixing the roads in northern Saskatchewan. I think I have said repeatedly here and in public broadcasts when I've been asked from time to time that we are going to undertake infrastructure development in northern Saskatchewan because that's where so much of our future lies. That's where so much of our economic future lies. That's where so much of the outstanding social deficit exists. That's why it's important to do that analysis of all the factors that should go into evaluating which roads get fixed first because the need is there and we want to be strategic about addressing the need in the best and quickest way possible.

I might remind the member, however, that you've talked about lobbying. Lobbying isn't necessary. I know the problems. What you need to do is work with your leaders, as you indicated, and have them work with their area transportation planning

committee; have them work with New North, which has taken a leadership role in northern Saskatchewan; have them work with our own ministry people who are going to be doing the evaluation and the analysis of the roads on the established criteria that we are going to utilize in the North.

To have their input into the plan for northern Saskatchewan, lobbying is not necessary. In fact, I've told area transportation planning committees that I didn't want them to be lobbying me either. They had work to do. Lobbying wasn't part of their mandate, and I wasn't interested. The reason for having a clear, articulated, transparent process in developing infrastructure in a strategic manner — and I emphasize the word strategic — the reason for having it is so that lobbying isn't necessary, so that the politicization of the process is made irrelevant. Highway infrastructure, no matter how much money we've got, is going to outstrip our ability to pay for it. So we'd better be focused on where we're putting those dollars. We'd better have the right reason, the right rationale, the right justification for spending the money that we're spending.

When that's achieved, everybody will benefit. They may not benefit as early as they'd like, but ultimately everybody will benefit. The province will benefit. And I think that that is the soundest, most appropriate way of achieving success in the North.

Let me say this: when we introduced our rolling five-year plan and the strategy associated with that whole effort, one of the people who supported that and said it was the right thing to do, and a smart and appropriate way to address the infrastructure deficit in this province, was your critic for Highways. He said it on the record. If he believed it was the right approach to take in southern Saskatchewan, I'm sure he would understand that it's probably the right approach to take in northern Saskatchewan. And there's other people from your political circles who have come to me privately and said the same thing.

This is about strategy. This is about long-term benefit for the province. And if we don't get it right, we run the risk of squandering a lot of money in inappropriate ventures.

We're going to do it. I just hope that when we get the plan up and running and we start rolling out the projects, that this member and other members will say, we weren't sure if we could believe you, but we see that you're a man of your word. Because I fully expect that we're going to have this plan in place within the next 12 months and you will see the benefit of that plan start to unroll in the years ahead.

The other thing I want to remind the member is his political party served as government for 16 consecutive years prior to November 2007. If the roads in the North were that important, they should have been attended to previously. And I'm sorry but that's the reality. If the people of the North were serious about getting their roads done and took their complaints to the NDP, and the roads were not attended to, I don't know how anybody can expect this government to fix a problem in 16 months that has been left unattended for the 16 previous years. And I'm sorry but that's the political reality.

**Mr. Harper:** — Thank you, Mr. Chair. I will now turn the mike over to my colleague, the member from Athabasca. He

has some questions he wishes to pose to the minister.

**The Chair:** — Mr. Belanger.

**Mr. Belanger:** — Thank you very much, Mr. Chair. I listened with great interest to some of the minister's positions on certain issues and I guess, you know, after 16 years and \$11 billion in interest payments . . . And you know, I think the lowest that the Highways budget at one time was 160 million — I could be corrected on that figure — compared to the budget you have today. So yes, I guess having this \$11 billion interest payment burden over your head doesn't really account for the fact that we couldn't get all these roads done. We couldn't get a lot of roads done in anywhere throughout Saskatchewan. So yes, \$11 billion, that's not very much money to pay in interest. When your interest payment in each and every year is three times or almost twice your Education budget, yes, that doesn't count.

All the different analogies I could use to counter your particular argument, I won't get into detail because I think that's not very productive. I think people know the history of when we took over government versus when you took over government. I think my colleague has the phrase right — inheritance. You inherited a nice big chunk of money with the booming economy and a growing population. No government has ever in the history of this country received that kind of benefit as an incoming new government.

And I would point out, Mr. Chair, that the whole notion of the Highways budget, of course we think it's important to position Saskatchewan well. And part of the infrastructure necessary for that is the safe and orderly movement of goods and services and, of course, people. So I don't think anybody's going to argue with the logic behind why Highways needs to have a lot of attention, and so on, so forth.

I just have one little correction that I want to make on the minister's position when he mentioned to my colleague the commitment made to Pelican Narrows. It was made, what, four months before the election? And you thought that was a bit problematic and it was a bit opportunistic on our part. Well I've got a document. I'm not going to share with the minister, but I'll certainly give him a copy after I black out all the names because that's par for course for this government. So I guess in opposition, we can certainly return the favour.

But I quote from the document, and this is a Highways document:

In May 2000, Ministers Keith Goulet and Maynard Sonntag negotiated an agreement with Chief Ron Michel of the Peter Ballantyne Cree Nation. In return for a 25-year lease the department agreed to road improvements through the reserve.

And again from the same document, a second quote:

The department's 2002/03 programs included a tentative project to surface a 7.0 km section of Highway 135 through Pelican Narrows. Delivery of this project was contingent on the band granting the department a 25-year lease for the property.

Now, Mr. Minister, this work has been going on for a number of years. There's a lot of negotiations. It didn't happen four months before the last election. And the whole notion of the work on Wollaston Lake, the peanut gallery across here keeps harping about oh, it's time to get this done. The environmental impact assessment alone for the Wollaston Lake road project, I think that took almost two years if not longer. Because there's a federal and provincial environmental impact statement process that has to be undertaken, and the previous government committed to doing that road following the EIS [environmental impact statement], and of course the environmental impact statement is very necessary, very necessary before a road is built. Because you've got to know where you're going to build it and how you're going to get through some of the, for example, some of the sensitive areas that the region might not want a road through.

So the whole notion of the northern position when it comes to highways; there's a lot of history. And yes, the NDP could have got a lot of things done had they not had that debt hanging over their heads. And again, the peanut gallery can chirp from across the way. But guess what? The debt was there. The same debt that you don't have hanging over your heads, we had that over our heads for 15 of the 16 years that we were in government, but nonetheless we continued to move forward.

I would point out as well, Mr. Chairman, that in reference to the minister's comment, we felt in northern Saskatchewan, based on all the development opportunities and the money received from numerous economic opportunities — be it the resource sector or the business sector or the tourism sector, whatever the case may be, even the Crown corporation sector, because we have a number of northern dams that generate power — and you look at all the benefit and all the value that we have put back into the province as a region, and one of the things that they wanted off us was, quite frankly, decent services. Decent highways. Decent opportunities. And the list goes on.

Now one of the comments I made after the election is that people can yap all they want about the NDP didn't do this, the NDP didn't do that. But we had a mess to clean up, and it was a huge mess. And anybody that wants to deny that mess existed, as far as I'm concerned is full of beans. And they know it and we know it and I think the Saskatchewan people know it. So this whole notion of trying to revisit history, or rewrite history, well I'm sorry. The vast majority of people do not accept that in any way, shape, or form. And for you folks to continue harping on about that, that's insulting to the people of Saskatchewan's intelligence.

One of the things that we also want to point out, Mr. Chairman, is that part of the notion that we had in northern Saskatchewan, that we felt it fair and we felt it proper for a number of reasons, that we ought to have some kind of social contract when it comes to the safety of passengers and orderly development and movement of goods, because obviously it's good for the economy if it's good for the northern communities.

And part of our pillars — you mentioned pillars at your opening comment — part of our pillars of trying to ensure that northern Saskatchewan are served didn't just deal with resource roads, it didn't just deal with resource roads, just taking out the resources and to heck with the access roads to the communities.

It spoke about, and I quote from the same document:

Ensuring that northern and isolated communities are assured reasonable access to transportation services as a means to advance their social and economic development opportunities.

And guess what? Our Saskatchewan included Patuanak, included Pelican Narrows, and included places like Cumberland House.

The second part of the argument that I would make in terms of why treat the North differently, as you look at some of these communities, they have one access road into their community. They only have one. We don't have the luxury of some of our southern counterpart communities, whom we all respect for some of the struggles they had to go through as well, but we don't have the luxury of having two or three roads out of communities like Cumberland House, out of communities like Stanley Mission, out of communities like Wollaston Lake. We simply don't have that luxury.

So based on all the arguments that yes, you have the money available now; yes, you've had this information for years; and yes, the North contributes an incredible amount to the wealth of this province; and yes, we ought to have a social contract or conscience when it comes to developing and supporting northerners as best we can; and yes, we ought to recognize the unique characteristics and challenges of these northern communities, which include having one road out of their community.

You made reference to an ambulance having to be rerouted. Well guess what? The fine people of Pelican Narrows can't reroute the road ambulance. The fine folks in Black Lake have to simply wait for the air ambulance, and as far as Fond-du-Lac and Uranium City are concerned, well they don't have that option either. Guess what? If they don't get an aircraft because of weather, then the opportunity for saving that particular life in case of a life-threatening problem or injury or disease is probably a lot greater than it is of our southern counterparts.

We don't want to deny anybody access to safe transportation for medical purposes or economic needs, whether it's Swift Current or Uranium City. All we're simply asking is that northern Saskatchewan be recognized for their unique challenges and their need for these roads to be upgraded to a safe fashion.

[22:00]

And when you give us the argument, Mr. Chair, the argument that, well you guys didn't do anything; you were 16 years you were in power, you didn't do anything. Well that's insulting. It's very insulting to the northern people because we all know why we couldn't do a great number of things. I think you understand that, as I understand that, as absolutely everybody understands that. So we can't keep using that as an argument. You can't keep hiding behind the NDP because you don't want to do certain things. Just say you don't want to do it. And that's fine; it's good enough for us.

The bottom line, I think, we want to point out as well is that in

our particular area, in our particular area we have a map of how many people use certain roads. And those numbers are high. Those numbers are high. They're comparable to that of our southern counterparts.

So what is it that we need to find out? Do we need to have more accidents? Do we need to have more demonstrations? What do we need to do to impress upon you that there are some real clear problems?

So certainly from the issue of our perspective, Mr. Minister, I just want to point out that we need to have that constructive, respectful conversation on what the North needs in terms of priorities for roads. I'll grant you that. We've got to have that process. But what you can't have is the political twist to discussions of something as essential as safe roads.

And the other thing we can't have is the chirping which really doesn't do anything. It's more childish than productive, but nonetheless we accept that as part of this process.

But I'd also add, Mr. Minister, that quite frankly whether it is the all-weather road to Wollaston or whether it's the connecting road from La Loche to Fort McMurray, the North desperately needs attention on highways. It always has and it probably always will.

Now what we can't figure out and I can't figure out, when you mentioned earlier we have a nice rolling plan, five-year plan, well that rolling plan excluded the North. You know, it excluded the North.

Now when you talk about a northern highways plan, like the first thing that pops into my mind, I say, well good, at least we're on the radar screen. And the second thing that pops into my mind is, okay, let's compare it to what we were planning on doing and what our long-term plan or strategy is. But the most important thing that came to my mind is, when is that plan expected to be completed? When can we tell the people of the Northwest and the Northeast, of the great northern part of our province which produces a great amount of resources, when can we tell them they are going to unveil a Highways plan that we think you guys will be excited about?

When you talk about within 12 months, can we firm that date up? If you're a man of your word, as you've indicated, can you firm that day up and say, this is the day we are getting our northern highways strategy report from your ministry.

**Hon. Mr. Elhard:** — Mr. Chair, I'd like to thank the member for his comments. I would also categorically disagree with most of it.

Mr. Chair, I'm going to address virtually every item that was raised in this last set of comments from the member from Athabasca. But I also consider it unhelpful to refer to members of the government as the peanut gallery. And if you want the respect that you seem to demand, you need to treat other people with respect, and I would call on the member to do that.

I want to address more specifically some of the issues, however, that he raised. He says that the previous government had to deal with an \$11 billion interest payment over the term of its

government. I would submit to this committee tonight that a large part of that interest payment was transferred from that generation to the next generation, because the ability to pay off the debt interest was achieved by establishing a maintenance and infrastructure deficit that we are dealing with today.

The infrastructure deficit just for thin membrane highways in today's dollars is 3.5 billion. That does not include a nickel for additional twinning, and we all know the cost of twinning at \$1 million a kilometre. It doesn't include repaving any roads. It doesn't include repairing any roads. No maintenance budget whatsoever, no Highways crews, no equipment, no buildings, no snow removal. It doesn't include anything other than just TMS [thin membrane surface] roads to be rebuilt, \$3.5 billion.

So some of the \$11 billion that the member has referred to was paid for by an increased maintenance deficit when there wasn't a nickel's worth of money put into the maintenance of TMS roads all around the province. That's how the previous government paid its debt; it just transferred it to another generation. And frankly, that's part of the problem with ignoring the reality of ongoing maintenance. Pretty soon you have to pay the piper and rebuild the road.

Now I also want to categorically state tonight that nobody in this room who's been listening could say that I have said that we won't attend to northern infrastructure. Nobody can say that I have not been sympathetic to the needs. Nobody can say that we're not going to address it.

The only thing I have said is we're going to address it in a strategic way. There's only so much money, and the member keeps referring to the vast amounts of money. Most of that money, most of the money that we were left with went to the ongoing debt of the province — \$2 billion went there. I think most of the people of the province think that was a reasonable investment — pay down the debt, keep some of the interest payments at home instead of giving it to a Toronto or New York banker.

We as a government have been as prudent and careful with the money that we have been left, the money that resources have generated, the amount of resources that have come and accrued to the government because of a strong economy. We've been careful with that. We've spent more money on infrastructure than ever spent before.

There is not unlimited money to build roads. You would know that as a former member of Executive Council. There is never unlimited money. You make choices. We chose to spend \$630 million for the Highways ministry this year, last year a little over \$500 million. And we are moving forward on a very well-established, well-considered plan for road construction in southern Saskatchewan.

Northern Saskatchewan has some unique features. You just pointed out one of those features. The feature you pointed out was that some of the roads in the North, in fact the majority of roads in the North, are single entry and exit roads for communities. That's a unique feature to the North. That's what makes developing a strategic infrastructure plan for the North so much more critical, and that's a factor that's different in the North than it is in the South.

If I'd had a little more time, I would have liked to have read into the record all of the criteria that we've used to evaluate the roads in the province, and how we scored them, how we identified which criteria were more important than others, and how that impacted our rolling five-year plan. But my assistant deputy minister here has just indicated that, as far as the North is concerned, we can use our southern plan as a template, but moving forward because of the uniqueness of the road requirements in the North, there need to be other factors considered.

And you know, I spoke about this in the House the other night. Unfortunately there was nobody from the opposition side to hear me talk. But in our budget speech I identified our desire to see northern roads developed and how we would go about it in a planned and a clearly articulated way. And I don't think there's unlimited resources so if we don't have a plan we're going to waste money at some point. This needs to be the money most well spent because we don't have any . . . We can't afford to waste any at all.

I also want to indicate that there's been lots of talk about who did what when. Now for the member who was just speaking a few moments ago I went back to *Hansard* and looked at some of the things he said on the record when he was still a Liberal in 1996. You know, I could read those comments back to this committee tonight and they'd be word for word for what you just said now. In 1996 when you represented your constituency in this House as a Liberal, you were saying the same things about the NDP that you're saying tonight about us. And if you would like me to read those into the records, I can accomplish that.

Where did you have the change of heart? And when suddenly did things change, Mr. Member? I also want to indicate that you talk about the Wollaston Lake road and I could have alluded to this earlier but I chose not to.

Yes, there was a lot of talk by the previous government about the necessity for a road there. We don't dispute that. But let me say for the record that it was first discussed by the previous government in 2004 when a commitment was made at some level by either a minister or the premier, I don't recall which. And I'm going by memory. There was suggestion made that the previous government would undertake to build a road into Wollaston Lake.

In November 2005 the then MLA for Cumberland said, and I quote: "Premier Calvert has identified that project as a priority," and that her colleagues included a commitment in the Throne Speech. Now if you do a close review of all the New Democrat news releases from May 2006, you find more promises about that road. The fact of the matter is that that government never got that project started in 2004. They never got it started in 2005. They never got it started in 2006 in spite of the comments of Highways minister Eldon Lautermilch that said clearing work would begin in December. That government never got that project started in 2007.

Now, Mr. Member, you said that the environmental process was a lengthy process. We understand that. It was two years in the making but your government never, ever started that project. It took a Saskatchewan Party government to keep that

commitment and it took a Saskatchewan Party government to see the centre line clearing and it's going to take a Saskatchewan Party government to see that road through to completion. I want that understood clearly tonight.

**Mr. Belanger:** — Thank you very much, Chair. I'll just point out that one of the premise of our discussion when we talk about the northern agenda, the northern forum, we initiated what they call the northern economic infrastructure strategy, which is N-E-I-S — for short form, NEIS. And we attached real dollars to the NEIS program.

And I'm glad you understand that when you do a new road into a new community that never had a road before, environmental impact statements are very necessary. We won't argue that. We won't dispute that. And I won't dispute either the fact that that took time. I'll agree with you there.

But the fact of the matter is there is some serious commitments made to the northern communities, and those commitments had serious budgetary dollars. And they also had a challenge to the federal government attached to them. But the one place we did not compromise in terms of commitment — and you could rewrite history if you want, that's your choice — was the fact that Wollaston Lake was going to be done by this province with or without federal help.

Now I can't speak too much about Wollaston Lake because it's not in my constituency, but I can speak about other areas in Athabasca that I think are also important and were part of this NEIS program — N-E-I-S. And clearly when we met with the Athabasca Basin folks, of which many northern mines are attached, they told us — based on all the resources coming out, based on the fact of the cost of living, based on the number of factors — they wanted that road built.

And we committed to it. We committed \$65.5 million, a portion of which would go to Athabasca Basin, go to Wollaston Lake, and go to a number of community access projects. We put that \$65 million to enhance what is already being spent in the North. And we also laid a challenge, as per the instruction of the Athabasca chiefs, that the federal government has to put money into this mix as well, but can you put it in first so they'll come along and do their part.

Well they weren't prepared to commit. I think the highest we got from the federal government was 7 million, and that was it. So here we are putting our money where our mouth is. And we knew it took a lot more than what we committed, but we hoped to have a partnership with the federal government. That never materialized. And we continued making those commitments to the community access road, with or without the federal government's help. Now we know, in the Athabasca basin, that that's pretty darn important road. The mining companies have been telling you that, the Athabasca basin folks, the PAGC [Prince Albert Grand Council] folks. The list of people lobbying for that road is pretty darn important, and it's long.

[22:15]

So my only point I'd raise on that particular highway is, have you got any federal commitment as a new government from the federal government. And if you do have, how much money

have you got to contribute to that road, and is there a timeline to get that road done?

And by the way for the record, the comments you made in reference to my time as a Liberal, in *Hansard*, I wouldn't mind seeing a copy of that.

**Hon. Mr. Elhard:** — Mr. Chair, we'd be happy to provide a copy to the committee.

I think the question is a fair one, and the reality is that we are still pursuing an agreement with a federal government. We don't have an agreement with them. We are moving forward on the Wollaston Lake road out of our own resources without that agreement because we think that's an important commitment that we need to keep.

We're going to advance this argument with the federal government as I said early on in our discussions tonight. I think they've been preoccupied with a bunch of other things, and they haven't had much interest in talking about that particular project. But there is another possibility that I'm going to raise tonight, and that is the possibility of creating a 3P — public-private partnership — to advance the road infrastructure in that particular area.

And we have had Partnerships B.C. look at that proposal. They haven't categorically said what they think of the idea. We expect to hear from them in some more detail, but if that turns out to be a viable approach to providing roads in the North, what I want to know for the record tonight is, will the members of this committee support that because we hear mixed messages coming from the opposition benches on all types of topics, whether it's nuclear development or public-private partnerships or something else. And if that turns out to be the best way for us to achieve that road infrastructure that you say is so necessary in the North, the question then becomes, will the opposition support that?

**Mr. Belanger:** — Well, Mr. Chair, I have to point out that the decision you make on the triple P partnerships is your decision. It's not ours. So you decide. And in due course, we'll evaluate whether those positions are helpful or hurtful to Saskatchewan. Our role is not to govern. It's your role. Our role is to hold you accountable for the agreements you put in place.

Now going back to the highway situation, in terms of the Fort McMurray-La Loche road, most recently there's been a lot of discouraged people indicating that your counterpart, or the Premier and your counterpart in Alberta . . . Premier Stelmach indicated he has no desire to build that road. Have you as a minister continued to negotiate with your Alberta counterpart to try and convince his Premier to change his mind on that decision Alberta made?

**Hon. Mr. Elhard:** — Mr. Chair, the answer is yes. Every time that I have met the minister of highways infrastructure from Alberta, the Hon. Luke Ouellette, we have raised that topic with him. He has indicated pretty firmly — and I think this is the position that his Premier has taken — that they have other higher priorities for infrastructure investment at this time.

That won't preclude our continuing to press the case. And in

fact I'm pleased to advise the committee tonight that this Friday I am going to be in Edmonton. We're going to be meeting with the Minister of Transportation again, and that topic is I think either the first or second item on our agenda. So we're going to be pushing the case once more.

**Mr. Belanger:** — Now in relation to Minister Ouellette's position to you, have you asked for the official or unofficial reason why they departed from the former Premier Klein's commitment to that road?

**Hon. Mr. Elhard:** — I don't want to put words in their mouth. They indicated that it wasn't a high enough priority for them at this time. I suspect it had a lot to do with the fact that they were losing a tragic number of lives on the highway serving Fort McMurray coming from Edmonton, and there was immense — both political and other — arguments for improving that road as a priority. I think that was the decision they took, and it's had an impact on their other developments.

**Mr. Belanger:** — The other question is, there's no question from our perspective that the number one road in our area is of course the Fort McMurray-La Loche connection. And that's a heavy priority for us. We obviously completed our section with the help of the La Loche community because they're the ones that built the road to begin with. But we have been pressing, as you are aware, the Alberta government to do their part. There was agreement we'd meet at the border; that never happened.

And the other aspect is we also asked the federal government, through western diversification, to see if they would do the actual bridge at the Christina River. Have you got an updated cost of that bridge, like an estimated cost of the bridge, and how long the span is and whether the federal government has any interest whatsoever of contributing to that bridge cost?

**Hon. Mr. Elhard:** — Mr. Chair, to the member, we don't have updated costs on the bridge. The bridge actually is located on the Alberta side of the Garson Lake road project, and so you know, we aren't keeping track of that. I can assume that, like everything else related to construction, it's significantly more than it was. But that's for the Alberta government to decide in conjunction with western economic development. So I'm not prepared to answer or frankly can't answer the question.

**Mr. Belanger:** — All right. In relation to the actual discussion, I know that at one time there was some work between the Fort McMurray, the RM [rural municipality] I think is called Wood Buffalo RM, where the city of Fort McMurray and a number of other smaller communities were going to work closely with the La Loche contingent of people, which included a couple of mayors in the area and a few training partners and a few other political friends: First Nations, Métis organizations. They were going to work together with their Alberta counterparts to press WDO [Western Diversification Office] on a kind of a joint initiative between Saskatchewan and Alberta on getting them to do the Christina River bridge, which was a cost that they thought the federal government should be looking after.

So to a certain extent Saskatchewan was involved with the planning and preparation of the discussions with WDO to get that bridge part of their western diversification package, so to speak. And that's why I asked the question. So I don't know if

you have any relevant information as a result of the further information I've provided you.

**Hon. Mr. Elhard:** — We don't have any further detailed information. We will pursue this topic with the Alberta minister when we meet on Friday, and see if there's any interest at all in changing the stance that they have taken to date. If there seems to be some wiggle room there, some opportunity to push the case, we will. And I'd be happy to undertake to, you know, discuss the possibility of WD's [Western Diversification] participation at a future date. That's not a problem.

**Mr. Belanger:** — The other questions I have in relation to my constituency is Highway 155. As we know, Highway 155 has been identified as the main corridor or the primary route to the Northwest. And most recently in the media and certainly through press releases that I've issued, I've charged you member from Meadow Lake with attempting to have the route that connects Fort McMurray between Meadow Lake, Canoe Lake on to Dillon, then up towards the Grizzly Bear Hills. And we have, we have certainly got information from a number of committees including the northwest transportation council, that were suggesting that some of the road improvements for 903, primarily for Mistik was really a disguise to try and reroute the whole region. And from my perspective, we'll continue holding that view because we haven't got no evidence whatsoever to suggest that Highway 155 is going to receive the attention that it ought to receive.

So we've seen some cancelled projects on 155. We've seen some industry representatives advocating for more money on a different heavy-haul road, and we've also got some pressure on the northwest transportation committee to look at some of these options. So bit by bit by bit there's here a lot of concern and a lot of worry, and quite frankly, I don't trust for one minute any explanation I receive from anybody on what I think is an ulterior motive for the whole region. So my point being, quite frankly, Mr. Minister, is that 155 . . .

**The Chair:** — Order, order.

**Mr. Belanger:** — Ought to be the main route and the main link to the whole region. And you may not know, but there's been a lot of discussions happening in that entire area with certain parties to suggest other routes. And as a minister, I know you went on MBC [Missinipi Broadcasting Company] and indicating to people that, you thought I didn't know what I was speaking about. You weren't aware of that. Well I would suggest that there is some discussions . . . [inaudible interjection] . . . there is some discussions prior to the last election on what needs to be done for that area. So there's worry there.

And as a minister, I want to assure you that the entire region is supportive of Highway 155 that runs from Green Lake to Beauval to Buffalo to La Loche and on to Fort McMurray, one of these days. And that there ought to be that worry there that there is some discussion and some push from certain individuals to have that whole region rerouted for a number of personal reasons.

**Hon. Mr. Elhard:** — Mr. Chair, this kind of speculation doesn't do anybody any good, and it certainly doesn't do any

good for the residents of the North. I just explained a few minutes ago how immense the financial obligations would be to fix the existing roads in the North. How would I possibly justify the expenditure of another \$100 million to reroute traffic on Highway 903 to some unknown destination? I mean it's absurd. It's speculation, and it might be based on, it might be based on somebody's wish. But until that becomes a demand in my office, I haven't heard of it. I don't know anything about it. It's fantasy. It's somebody's fantasy maybe, but it's not mine. It's not the ministry's. It's not this government's, and we're not interested in speculating or encouraging speculation on that topic.

I can tell you though, getting back to Highway 155, we have no projects specifically targeted for that road this year, but we will be issuing tenders for gravel crush for this winter. And we will be fixing several sections of road on 155 over the next two years. We're spending \$17 million on Highway 155. There's about a 20 kilometre stretch of road in the Beauval area, I believe, and about 17 kilometres of road in the Green Lake area. So we're not abandoning Highway 155. If anything, we're probably going to step up our commitment to that road in terms of ongoing maintenance and necessary repairs.

Mr. Chair, before I leave tonight — and I know we're just about out of time — Mr. Stamatinos here has identified a couple of criteria that he wanted to articulate as part of our rural highway strategy and where we're going to make amends or concentrate more vigorously when we're looking at a similar strategy for the North. And I think if he could take just a couple of minutes of the committee's time to do that, that would be helpful.

**Mr. Stamatinos:** — Thank you, Minister. I thought it would be helpful if we could just very quickly summarize just some of the work that we've done under the rural highway strategy and maybe put it into context of how we think we can position the work we've done under that strategy to help us move along with the northern strategy, which of course is of great interest to the members.

Quickly, there's six criteria that we've been looking under the rural highway strategy. It's engineering economics, social economics, highway safety considerations, provincial economic activity, partnerships, and local economy. And we're looking to make some adjustments in the southern strategy to accommodate the North because we do recognize, as Minister Elhard mentioned earlier, that there are some unique features in the North that require some special considerations, special weighting that is not currently occurring in the South, particularly recognizing the single-access points as the members mentioned because that is a very important feature that doesn't necessarily or commonly exist in the South.

We also recognize as we described earlier, as the minister described earlier, some of the challenges that are faced in the North in terms of operating our vehicles. And we've all been there. We know how rough they are, and it's truly a uniqueness of the North which is different than the South.

So what we want to do is, is we want to weight those sort of consideration more heavily than we will, say, in the South. The other key piece is accidents, and we know that is an issue for our northern roads, and it has to be weighted differently than it

is in the South. And I don't think anyone in this room would argue with us about highway condition.

So right now we would look at those several pieces, some of the pivotal pieces that we would look to when we engage some of our northern associations, particularly the ATPCs [area transportation planning committee]. We would certainly suggest that to them as requiring more attention.

The other piece is we recognize some of the opportunities in the North, particularly with regard to tourism, industry development. That's no secret to any of the members. You know, there is some tremendous opportunity. Certainly Athabasca Basin region, some of the really exciting work is being done with Oilsands Quest in the west side of the province, and even with our timber sector north of Meadow Lake.

Those are some of the industries that have to receive some attention, and we're going to be considering them when we develop a northern strategy. Now we've done some, I would say, more-than-preliminary work certainly. We're at a stage now; we can start engaging a committee much like we did in the South. And when we get that committee in place, we're going to start work in earnest and working towards having a list of projects we can put forward as part of our rolling five-year plan.

**The Chair:** — We've reached our allotted time, so I'd like to thank the minister and officials for being here. I'd like to thank the committee. And at this time this committee is now adjourned. Mr. Harper.

**Mr. Harper:** — Thank you, Mr. Chair. I too would like to thank the minister and his officials for being here and for the answers we got from them tonight, and we're looking forward to next time we have the opportunity to get together.

[The committee adjourned at 22:31.]



**CORRIGENDUM**

On page 268 of the March 10, 2009, verbatim report No. 15 for the Standing Committee on the Economy, the paragraph in the right-hand column reading:

**Mr. Donais:** — Another day.

Should read:

**Hon. Mr. Bjornerud:** — Another day.

We apologize for this error.