



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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

Mr. Ron Harper, Deputy Chair
Regina Northeast

Mr. Darcy Furber
Prince Albert Northcote

Mr. Jeremy Harrison
Meadow Lake

Mr. Warren Michelson
Moose Jaw North

Ms. Laura Ross
Regina Qu'Appelle Valley

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 15:00.]

**General Revenue Fund
Agriculture
Vote 1**

Subvote (AG01)

The Chair: — Good afternoon, committee. I'd like to call the committee to order at this time. We're here again to consider estimates for Agriculture, vote 1. And we've gone over all of the vote summaries, and we've heard from the Minister of Agriculture before. So I would just ask the Minister of Agriculture to introduce his officials if he would, just for the record. And there's no opening statements by the minister, but you had some comments that you wanted to clarify. Or did you want to wait, Minister, until the critic was here to give those particular responses? It's totally up to you.

Hon. Mr. Bjornerud: — I suppose I could give them now, and if she wants clarification on them later, I can do that.

Thank you, Mr. Chair. I'll start by introducing the officials that are here today. Alanna Koch, deputy minister, is on my left. Laurier Donais on my right. Laurier is executive director, corporate services branch. On the left-hand side behind me here is Nithi Govindasamy, associate deputy minister; Rick Burton, assistant deputy minister; Cam Swan on the right side back here, general manager of Crop Insurance; Al Syhlonyk, executive director of policy branch, right here; Tom Schwartz in the middle at the back; Maury Harvey on the right-hand side back here; and Tim Highmoor, my chief of staff.

So with that, Mr. Chair, I would like to start by . . . There were some questions asked regarding some information that we didn't have at our disposal in the last set of estimates that we had, so I'd start by giving some of the answers that were asked for at that time.

The farm and ranch infrastructure program, the water program that we designed last year, some of the questions that were posed with that, we didn't have the answers directly right in front of us, so we didn't give them.

The question was, there was a particular question regarding the percentage of applications approved over total applications. Ninety-seven per cent of the applications have been approved. This means the project applied for has been deemed eligible under the program guidelines. I would note, however, that the program payments are not made until of course the projects are completed.

The other 3 per cent of the project applications that were not approved, they weren't approved because of, number one, they weren't an eligible project. The project may have been out of the designated area. As you know, Mr. Chair, it was for the Southwest because of the drought for the last three or four years, so the specific area and some of the applications were outside that area. Possibly it could have been — why they were rejected — was that the project was undertaken outside of the time period that we had set the program up for. And there were some of the applicants actually in that 3 per cent that withdrew

their applications that had decided they weren't going to do that project.

Also there was a question regarding the largest amount of dollars approved on any one project. The answer to that, Mr. Chair, is that the maximum approved payment on a single project is \$403,650, and that was for three deep wells on a Hutterite colony. This is 65 per cent of the total estimated cost of that project, that 403,000; however the actual amount of the program payment won't be known of course again until the project is totally complete.

There was another question on the number of projects by cost range — example, zero to 25,000 and so on up — and I'll give you just a quick overview of what that sits at. From the zero to 25,000 range, the number of projects were 2,813. So it shows about 85 per cent of the projects applied for are of the smaller variety; I think probably on farm wells and things like that that aren't, you know, tremendously expensive projects.

From 25,000 to 50,000, there was 279 applications in that area, about 8.5 per cent. From the 50 to the \$100,000 range of applications, on the dollar value, there was 118 fit in that category, about 3.6 per cent. From 100,000 to 200,000 — we're getting into the bigger projects now — there was 55 fell under that. They could be community wells or things like that, piping, that would be far more expensive. And of the 200,000 range, there was 13 that would fit 200,000, over that amount. And of course we won't know the exact amount until the projects are completed. Projects' payment will of course not be determined until we've finished and get the bills sent in.

There was another question on Informa Economics that the member had asked, and it was to do with the livestock competitiveness study. The second area the committee requested information on is the current contract we have with Informa Economics, specifically the dollar amount of the contract, and that dollar amount is 69,000 US [United States]. This project is supported by Saskatchewan Stock Growers, the Saskatchewan Cattle Feeders Association, and the Saskatchewan Cattlemen's Association, and Sask Pork.

So that pretty well covers the questions, Mr. Chair, and if I need to, I can go over them again later at some point in the session today. So we would gladly try and answer any other question that the member has.

The Chair: — Thank you, Minister. And questions? Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair. And first of all, I want to welcome the minister and his officials here. It's nice to have you here. We're looking forward to having a good exchange of information here this afternoon.

Mr. Minister, I know that you are very much aware that spring is about to spring, and with that, comes spring seeding. And I think that you're probably also very much aware that when farmers are looking at the various commodities they need as inputs into their farming operation, we're seeing those inputs at probably a very high level if you compare that to the commodity prices that the farmers are receiving for their

product today.

So with that in mind, I'm wondering. Have you and your department or your ministry done anything to look at the relationship between the cost of inputs for example, say, fertilizer and the actual cost of producing that by the companies? When I say the cost, I mean the price that they are retailing it to the farmer versus the actual cost of production. And if there's any relationship there, that you can play a role in perhaps negotiating a benefit to the agricultural producers out there.

Hon. Mr. Bjornerud: — Well, Mr. Chair, and to the member, I certainly agree with you, that the input costs have gone up dramatically from where they were, although fertilizer has dropped off. February numbers were about 35 per cent down from where they were a year ago. And I think the member's certainly well aware of that.

This one's a tough one because what do you do? How do you control fertilizer prices? We met with one of the companies the other day, and I tried to get an indication from them. And of course they don't know either. It's by demand that drives the costs of course. And I think we all as farmers out there, from time to time, you know, feel that maybe the demand is created sometimes, and the prices are, you know, drove up somewhat, probably not out of necessity. But it's the way the marketplace works. But how do we as a government, I guess, control prices? I mean this is business out there right now.

And I know I've talked to a lot of producers, going around the province to different functions — and you probably hear this I'm sure too — that fertilizer prices are well up there. One of the comments made by the fertilizer company that I had met with was that, you know, they have a feeling — and they don't know this of course — but they think maybe we're about where we're going to be through spring seeding right now with fertilizer prices.

I guess the best solution to the problem, if grain prices now with the dollar down . . . And we know that hasn't totally reflected into our grain prices. Cattle prices are moving somewhat. I think the best answer would be, if our grain prices could go up a little bit again without companies already jacking up the input prices, we would be able to handle them. But I certainly share your concern that it is a problem out there.

Mr. Harper: — Thank you, Mr. Minister. No, I don't for one moment suggest . . . that I'm suggesting that you're looking at controlling fertilizer prices because I don't think that's the role for you or for your department or for the government.

But it's my understanding that natural gas is a major part of the production of nitrogen. And last spring, natural gas was somewhere in the \$8 a gigajoule range, and fertilizer prices, although perhaps slightly less than what they were last spring, they're still quite comparative to what they were last spring. And yet natural gas is something less than \$4 a gigajoule this spring. So there's been quite a drop in, what I would think, the costs of the companies' ingredients to produce that fertilizer. But yet I don't feel and I think producers don't feel that that cost has been passed on to them in the price of fertilizer that the companies are charging them this spring.

And I'm just wondering if you've had any discussions with the companies in regards to ensuring that yes, they make a profit. They have to make a profit; we understand that. But as long as it's a fair profit, not finding our producers being gouged or taken advantage of.

Hon. Mr. Bjornerud: — We certainly discussed that issue, but I think one of the messages they brought fairly quickly to the table was natural gas is only one of the things that affect the price out there. And we saw natural gas go up of course and now taper down a bit, you know, and I think many producers out there don't feel that that's been reflected far enough in the price, you know. And we pass that along to the companies certainly.

I guess there's a number of other areas that also affect those prices out there. There's an export tax on fertilizer of course in China, and then the demand that is raised out there as, you know, different countries purchase the fertilizer right now. And I guess one of the other areas is the demand for food out there right now. And I think we see India and China and countries like that, where their population is growing just dramatically compared to what we are doing here in Canada for an example or even in the US for that matter.

So you know it's demand driven and again, I guess, it's a real tough one. We've been in this situation many, many times before. And I mean other than passing the message along to the fertilizer companies, which we certainly have, and you know, they're quite upfront with it. They hear these messages too; they deal with producers every day and, you know, and the fertilizer dealers that are around the province right now. And you get this front and centre. You know that and I know that. In fact we were probably some of the ones that, you know, complained about it when we were farming and producers do right now.

And you know, the crop we had last year was a tremendous crop, but we know what that does is depletes the nutrients in the soil. And you have to go back in the spring, and it's kind of a good news, bad news thing. We had a really good crop, but we need a lot of fertilizer again to grow another one. And let's cross our fingers that we can, you know; this crop comes off like it did last year. It would be great to have two of them in a row. And we still have piles on the ground around the province in many areas, not all, and a great problem to have.

But to get back out there and grow another crop of course you need the dollars. And I think that's what you're saying is that the high costs out there are really hurting. But it's a tough one. How do we try and control that as government? And I think it's one of those things that's almost out of our hands, other than making sure that message gets along through us to the companies. And we've been certainly doing that.

Mr. Harper: — I agree with you, Mr. Minister, that it would be wonderful to have another good quality and good quantity crop this year like we had last year, though it is also a good news, bad news scenario because what we've seen with the increased production, we've seen, I suppose, a demand backing off and with that the prices dropping.

Just talking to the gentleman who farms my land, he was telling me that he's getting something like less than \$1.50 a bushel for

his oats. And I can remember when I was farming — and that was a number of years back — that that's the price I was receiving for oats, and my cost was a lot less than what his is today.

And I would think that if this continues on, particularly if we have another good crop, then we may be looking at a situation where we have producers out there who find themselves in some very difficult financial times. And once again, this puts a pressure on our ability to retain farmers, particularly those younger than you and I, Mr. Minister, which is really the future of our industry and the future of agriculture in this province.

And again, I don't have the answer for you as to what it takes to really fix the problem, other than I agree that the fertilizer companies need to make a profit in order to exist. But so does our agriculture industry and our farmers out there. They need to make enough of a profit so that they can continue on in that industry.

Hon. Mr. Bjornerud: — Thank you, Mr. Chair. Again I think we all, you know, know the problem out there is the price of the grain out there too.

I think some of the things though that we've tried to do as of course a new government, as you know, but as the government, some of the things that fall under our watch was the education tax. And I think, you know, you're fully aware of what that cost did. Every time you went to pay your taxes every year — and education was certainly the bigger portion of and yet under no control really that you could make any changes to what that amount was — whether we had a good crop, bad crop, or a complete crop failure, you owed those dollars.

So I think by the government setting the mill rates and having that drop down on agriculture land to about a third of where it originally would've been without the rebate will make a difference, and of course next year that goes down about half of that again. So I think that'll be a big support program for producers out there, and we're certainly getting tremendously good feedback from the changes to the education tax system, especially on farm land and ranch land out there.

Some of the other things I think that may help out there, even a revenue-sharing deal that's on a constant basis with RMs [rural municipality], I think, is being seen positive out there — not that it may make it any cheaper to pay their taxes this year, but I think they feel that overall it may help bring some stability, you know, so that fluctuation isn't as much as it could be on other years where the RM had to raise their mill rate. Maybe they won't have to raise it to a great degree.

Water program, of course we talked about it earlier here. I think that's one of the costs where producers, especially in the Southwest, but all over the province . . . The Northwest has an area right now that's fairly dry. It can be a cost for producers out there, and it's mostly on the cattle side. But even for spraying and things like that, that cost can run up very dramatically if you've got to haul long distances to haul your water. And you know, it's only a small part of the big puzzle, and I'd be the first to admit that. But if we can do enough of those things, it will help a little bit.

And you know, and you throw in the cattle and hog support program, and many of the producers out there are not just on the grain side but are mixed farmers. You know, the \$40 that we put in aren't going to solve all the problems of producers out there. We knew that. That's why we of course we'd asked the federal government to come to the table with their \$60, and I think that would've made a tremendous difference out there.

But the feedback I've been getting going around the province right now is they're appreciative of the \$40, would've also really liked that other \$60, would have certainly helped them get through. And at the same time, we see cattle prices not jumping, but they're certainly heading in the right direction. They've crept up a little bit. And I was out in Yorkton the other night and talking to some of the producers out there but also to the people. The Heartland Livestock situations, bull sales, things like that are much more positive than they were even a year ago. And I think just that optimism you're starting to see out there a little bit is refreshing and good to see.

So that side of it for any of them that are in the, you know, mixed farming, I think that helps a bit. The grain side's been carrying the cattle side now for the last couple of years, and of course that was reversed before when we had low grain prices.

So you know, research is another area that we've increased funding to and, you know, I think research is an area where we may not see results today or tomorrow or even this fall maybe. We are seeing some from research that's been done in the past. And producers, I think, are appreciative of the different, you know, varieties and the improvements to those varieties. But I think down the road that's going to be one of the biggest things that agriculture's going to benefit from is the research that's being done there right now.

[15:15]

Not sure if you were here the last time we had estimates, we talked about some of the work that research has done, whether it's drought tolerant varieties, just tremendous difference. The member knows exactly what I'm talking about. If you get not even a dry, dry year but a year where you're off the normal amount of rain out there, it could make the difference between maybe 5, 6, 7, 8 bushel an acre, which is, you know, if canola's eight bucks a bushel, it makes a big difference to the bottom line. It could be the difference whether you go in the hole or whether you can break even or even make a dollar or two. So I think research is going to play a tremendous part in that.

And you know, we certainly, I think, are well aware that that's an investment, really. It's not a cost. And it's another one of those things. So I think some of these . . . you know, and we hope we're going to do more. We're looking for other ways we can help producers right across the province. But you know, if we can get enough of these smaller things, I think in the end run maybe we'll finally get there.

Crop insurance is another area of course, you know, where there's a number of areas where we had yield trending and yield cushioning. The Southwest is a prime example. I was with the member for Wood River, the chairman, the other night, and we were at a function where they talked about that specific part of the program that we made changes to because it's going to

directly affect them because it won't, you know, their coverage won't drop quite as dramatically. So it's kind of a pilot project to see just where that goes, but I think it will help.

But you know, of the 12 changes we made at Crop Insurance, I think each one of them, each one is very dramatic, not as much as spot loss hail would have been and, you know, we've talked about this before. That was the one thing everybody really wanted, but it was unaffordable. You know, as we know, when it was cut, then the federal government of course wasn't coming back with their share. We'd had to pick it all up provincially, which would have been around \$70 million provincially. That wasn't the only bad news. The other part was the producers were going to have to pick up about 66, 67 per cent of the premium then, and that was almost unaffordable for them. But the other downside to that was none of these other changes could have been introduced into the program because we'd have spent everything we would have possibly had.

I mean, the member knows how it works. You go to cabinet and, you know, you go to Treasury Board and that, and you try and get so many dollars. And you know, you have to look just at our budget numbers over this year, and I'm probably avoided more than any of the other cabinet ministers in the hallway because we've done pretty well in agriculture. And you know, I appreciate the work my colleagues have done from all around rural Saskatchewan to assist me in that. But I agree with you. You know, the best answer would be higher grain prices.

Mr. Harper: — Mr. Minister, I couldn't agree with you more when you say that research certainly is a very important part for our future. I think if you look back at the history of agriculture in Saskatchewan, the progress in our agriculture industry here, much has been due to the research that was done at the time or done prior that we benefited from — from producing rust-resistant wheat to the innovative agricultural tools that farmers use to increase production and to reduce costs and so on and so forth. So I say, yes; research is certainly something that should be viewed as an investment into the future. It has been in the past, and it certainly has paid its dividends. And I'm sure it will into the future.

You'd mentioned the \$40 for the livestock producers and the hope of being able to bring the federal government onside with an additional 60 or their 60 per cent, additional 60. Have you abandoned that hope or are you still pursuing the federal government to come to the plate with meaningful support for our livestock producers?

Hon. Mr. Bjornerud: — I wouldn't go so far as to say we've abandoned it. We'd certainly hoped that they would change their mind, although I certainly am not holding my breath at this point. We lobbied very hard, as you know, and we went to Ottawa and before that — actually going back to last November, even October — started lobbying the federal minister. I guess I haven't totally given up but, you know, most producers out there are saying if they were going to get to the table, they would have done it. If they changed their mind, that would be great. I know that cattle organizations have been to Ottawa after we were there and sent that same message. They certainly need help.

Surprisingly, when we were at the table provincially, we didn't

get a whole lot of support because many provinces weren't in a position to actually pay their share into it, and that was fair. But I've noticed Nova Scotia and some of the Atlantic provinces have been asking for help for their cattle industry. We didn't hear too much of that at the federal table. And I've noticed BC [British Columbia] actually lately has been asking for assistance from the federal government for the cattle industry.

If enough of the other provinces would come to the table with that same message, knowing full well what they did for the auto industry, and it looks to me like they're going to have to put more money in there. And who knows where that's going to go?

So we haven't dropped it completely. We'll certainly keep pushing that message that, you know, as you help other parts of the industry in this country through the market meltdown — which hasn't gone away, we all know that — don't forget us out here. And to this point, we haven't had much satisfaction in that. And I'll be first to say that.

Mr. Harper: — So your discussions with the federal minister, do you have a regular forum that you talk to him on a regular basis, or is it an ad hoc basis, issue by issue? Or are you able, through your department, to fully inform the federal minister as to what the situation is here that the individual producers are facing and the effect it could have on the industry in the long term if we don't ensure that we at least are able to ensure that the core of our industry survives here so that we have something to build on into the future?

Hon. Mr. Bjornerud: — Yes. Well we have that ongoing . . . I don't have a red phone in my office, as you know — a direct line to Mr. Ritz. Some days it used to seem like it. But I mean, every occasion that we get that we think there's something that they can assist us with, we certainly call. And to that point, he's been very good in getting back to us. We don't always get results out of that, but we do sometimes.

You know, I don't mean to be totally negative with them either. The water program was a prime example. We started that program out of the scratch with \$6 million and they came to the table. And then, you know, you're fully aware that it almost doubled in cost because of the applications were so tremendous coming in at the last minute that the program went to about \$29 million. Federal government come to the table again and cost shared with us which was . . . We very much appreciate that. So that part's good. So it's not always we get, no. But we ask more times than we get, yes. Let me put it that way.

Mr. Harper: — Mr. Minister, I'm rather surprised that you would have a red phone in your office, but okay.

Hon. Mr. Bjornerud: — I don't know who it would go to, but it would be red.

Mr. Harper: — With what you've already mentioned about your involvement in various programs that support agriculture or support our individual producers out there, can you tell me what activity your department has been involved in? In looking at and perhaps working with farmers or farm groups out there or communities, that we would be looking at facilitating some value-added mechanism to agriculture, whether it be value

added to livestock or beef production, pork production, chicken production, grain, or taking that product, the base product, raw product produced on the farm and developing it into something value-added and as a result, creating a greater return to the community or the farmers out there.

Hon. Mr. Bjornerud: — Well as you know — and some of this falls under Enterprise of course, and it's not under Agriculture right now — but we have, you know, the biofuels and the ethanol plants. Some of them are on the go. When grain prices went up of course, a lot of those projects seemed to go on hold and stopped very quickly, but they're still in the works, I'm sure.

And if we see fuel prices go up again and gas prices go up . . . That was one of the costs of course that I didn't mention too, is it's nice to see diesel has gone down. I noticed at the pumps yesterday I think it was 82 cents and gas is at 95-something. So that swing around again of course makes you wonder why this happens out of the blue. But that's a good sign coming into seeding.

I heard one of the economists saying on the radio yesterday that they feel that prices this spring . . . Where always, you know, the May long weekend and seeding time we always see prices — and I hope he's right — see prices skyrocket because of demand of course. And this year he felt that there was going to be more stability because the markets are so, you know, in turmoil around the world right now that we may not see that big spike. And wouldn't that be refreshing to see diesel prices stay at 80 cents a litre or something in that area would make a tremendous difference, about probably a third of the cost of fuel from where we were not long ago.

So you know, we have farm business management specialists going to be around the province. Extension services of course we're expanding. Opening three new offices, that's in the works. One of them coming up very quickly. So you know, extension services are going to be some of the areas. Value-added businesses and development business out there is going to be some of the specialities that we're going to have out there and get these people right out there helping producers that may want to . . . You know, there's so many areas where somebody is specializing in some little niche market out there right now. Sometimes we don't even know about them.

But that's where we're going to try and be able to help people. Many of them right now, I think, can develop the product to a point but then don't know how to market it or, you know, naturally. They're farmers; they don't have that experience in the past. These are some of the areas we're going to really try and get up to speed on out there and help people with that.

And you know, agribusiness specialists, we're going to have two of them to work with business. An example would be of canola crushing plants. We've worked very closely with Louis Dreyfus and JRI [James Richardson International Limited] in Yorkton and at Clavet of course with Cargill — just going to be a tremendous boost out there. And you know, value-added, there's a good example of where we're going to go. I know out in our area — Kamsack, Yorkton, Melville — well it's going to be such a big area because with two plants, not just the one, the demand for canola is going to be really high.

And I guess one of the concerns I heard from the canola guys the other day was that they're a little worried that farmers might start shortening up their rotation to grow canola. But it's a great problem to have because the demand is going to be there, and I think in the long run we might see prices go up because of that — because there'll be less for export.

And I know in some cases we're small in the big picture, but in some of these areas, we're not. In some of the pulses, we're the leading exporter in the world. And so we do play a big part in that. And you know, let's hope with canola. I notice the soy bean prices, I think, might start to go up a bit in the States right now. That's a positive sign.

So you know, a lot of these things happen. But we never see grain and cattle at the same time, and hogs, you know, at the same time up. And right now something odd's happening there, and maybe we could see that happen. Wouldn't that be nice for a year. I wouldn't need a red phone.

Mr. Harper: — Mr. Minister, you mentioned the two canola plants, crushing plants, in Yorkton. Do you have knowledge of where they are as far as their stage of construction and how soon they would expect to be in operation and starting to receive canola?

Hon. Mr. Bjornerud: — Yes, JRI is early in '10, I think in March. Correct me if I'm wrong, Alanna, somewhere in that area.

Ms. Koch: — July, maybe, yes.

Hon. Mr. Bjornerud: — July. Maybe I was pushing it a bit, but July. I was by there the other night at 1 in the morning, and they were pouring cement. So they're pouring 24 hours a day. The building is just — not a building, but the plant — is going up very quickly. I was amazed at how fast they've done that.

Louis Dreyfus, I'm not just sure. We'll check.

Ms. Koch: — I think it's fall '09.

Hon. Mr. Bjornerud: — Fall '09 for Louis Dreyfus. They're a little farther advanced. And of course Clavet is expanding.

Mr. Harper: — So do you anticipate then that will, those plants coming on stream — the expansion of the two new plants coming on stream — will have a very positive impact upon the number of acres of canola being grown in this province on an ongoing basis?

Hon. Mr. Bjornerud: — Well I would think it would. I just know from going home and where I live, 16 miles from the plants, and just the feeling from farmers out there that I talk to are pretty excited about it because, you know, canola has always been a great crop for us out there. But it's had its highs and lows.

The demand is going to be there, but now they're going to have another opportunity to market somewhere else, not just there. I mean they can still market anywhere they want; they don't have to sell to JRI or Louis Dreyfus. And of course the two plants are going to know they're going to have to compete in the

marketplace to get that product right there and to have it on an ongoing basis. So you know, I don't know this for sure, but I'm sure they're going to have contracts and things like that with producers but they're going to have to give them a decent price because, you know, the way it works.

It could be an increase of about 500 000 tonnes, Alanna says. So that's a real positive, I think, too. And it takes a load off some of the other crops and, you know, it's full circle.

Mr. Harper: — Well it certainly provides the farmer out there with another option, and I think that's important. If we look at the hope to continue to provide the ability within the industry for farmers out there to survive and survive profitably, I think as many options as possible certainly will assist them in that.

Earlier you mentioned the expansion of the extension services, and you are going to establish four new offices. Is that correct?

Hon. Mr. Bjornerud: — Three new offices.

Mr. Harper: — Three? Three new offices?

Hon. Mr. Bjornerud: — Kindersley, Moose Jaw, and Watrous. Moose Jaw is actually part of another office that was already there, an ag office, but it will have more things involved.

Mr. Harper: — Okay. That was going to be my next question is, what services will these offices house?

Hon. Mr. Bjornerud: — We'll have a crop specialist, a livestock specialist, a forage specialist, and a business management specialist, and then that's to start with.

And then some of the areas in the province, when AgriStability comes back we're going to have about 30 people out of the AgriStability administrative end around the province to help producers. And I go back to where we're going to be on farm if need be, or they can come into the office and help them.

There's many producers out there who aren't in the programs right now, and I think we'd like to see that number certainly go up and, you know, get more of the producers in there. I think it's almost getting to the point — I know federally it sure is — that ad hoc is not a word that they want to talk about any more.

[15:30]

But of course we've got to get the programs working, but one of them is to make them timely. I believe of the 2006 applications that had come in, there's still like 80 or 85 applications that aren't processed. It's just another reason why we are bringing it back to Saskatchewan, of course the other being that it was 15 million, close to 15 million a year that we were paying to have them do it, and it wasn't being done in a timely fashion. And I know that won't impress them, but I'm not too worried about that. We need to get this so it reacts quicker.

The other area, and you may have heard me talk about this before, is where Alberta is working on a pilot project to simplifying the program, making it far easier for producers to take part in the program, but number one, understand the program. And very shortly we're going to be looking at that

with Alberta. We've been watching very close to see where that's going. And you've heard me talk about this before too, but I'd like to see Manitoba, and I know they're interested; BC I'm sure will be on a much smaller scale than we are in Saskatchewan; and Alberta — but if we could go as the four provinces and look at a new program like this.

You know, you talk to producers out there, I talk to producers out there, and every member around the table from rural Saskatchewan hears from them, these programs aren't working the way they think they should work. Of course we don't always hear when a pretty good cheque comes out. That producer probably doesn't tell anybody on coffee row, and that's human nature. But I think overall the feeling out there is that programs need some improvement but, you know, just complaining about it isn't enough. We've got to find a better way to do it. And I'm hoping in the program Alberta's working on, I like what I see so far but let's hope that pans out.

Mr. Harper: — Why I think you're right, Mr. Minister. I know that there seems to be producers out there who have negative comments to make towards the programs, and I think that's part of it is because it's the programs, there's various programs for various parts of the industry. And the bottom line is I think producers are looking for a program that would provide them that safety net when they need it, but it's a vehicle that should be fairly simple to participate in and I don't sense that they feel that's the case out there right now.

I think that you're right. I think many producers simply don't understand the program that is available, programs that are available to them, simply because at first blush they're fairly complicated. And I think what producers are really looking for is something that would be simplified, something that would be bankable, and something that would provide them that safety net when the commodity prices of the product that they are producing simply fall below the cost of production.

And I would hope that you'd be able to, you know, work closely with the federal government because I mean they have to play a role here too, as the producers do. But I think I would hope and encourage you to continue to work to develop that type of program, instead of having ad hoc programs that come along to meet the crisis of the day, that we have a safety net program that simply works.

Hon. Mr. Bjornerud: — The one key word you really touched on, and I think . . . And we've met with the banking institutions from time to time just to get a feel for what's happening out there. Bankable is the word, that they have no reliability that I can see in the programming. A number of the financial institutions like what we were doing with crop insurance. They felt that brought a little more stability to the program. Certainly hasn't solved all the problems with the program, but it helped a bit. But you're right, I think. The bankers themselves want to see that bankability with the programming.

But that would make it a lot easier for producers out there when you went to get your operating loan and all the other things. Right now I'm not sure, with AgriStability, that that even plays a part in it, because nobody knows, number one, if you're going to be in a position to get a payment, even if you are not doing well. And then you're not sure when you're going to get that

payment, even if you are in a payout position.

Yes, so I just checked and it's about \$700 million if you add what the federal government puts into Saskatchewan and what the provincial government puts into programming in Saskatchewan. Now I think you would agree with me on this. Are we getting our bang for our buck for \$700 million through programming? I don't think so.

You know, maybe we should just take all that money and design our own program here. And I know I'm scaring everybody sitting around me. But surely there's something better we can do here. Because for \$700 million, that's a lot of dollars. If we just threw everything out and did straight ad hoc, that's quite a few dollars. And I'm not suggesting we do that, but what I'm saying is that's a lot of money to have at the table and I don't think our producers are getting their bang for, or we are getting our bang for that much either.

Mr. Harper: — And I agree, Mr. Minister, and I'm wondering if that includes the crop insurance dollars and cents too. Because that's also a program that in some ways is an ad hoc program because it only covers part of the industry.

And I think this is what I'm hearing from producers when I sit at their kitchen table and have the opportunity to drink a pot of coffee with them. What they're telling me is that as well-meaning as these programs have been and as well that they have served the producers on various narrow aspects of agriculture, they still feel that they would rather have all these programs simply done away with, and come back with one program — an income support program of some type — that would provide them that safety net. And they feel it wouldn't be that complicated to be able to develop a program to reflect the needs of pork producers, to reflect the needs of cattle, beef producers, to reflect the needs of those who are in the feedlot industry, to reflect the needs of those who are oilseed producers, or even a combination thereof.

That would simply provide that safety net. And by doing so then they'd be able to take it to their local bank or their local credit union every spring when they go to renew their application for their operating loans and simply be able to say, well here's the level of income I'm assured. And here's my cropping plans; here's my production plans and so on and so forth. And they'd be able to work out something that would bring a comfort level to both the banker and the financial institution as well as the producer and give the producers the ability to do some perhaps even long-term planning as far as his operation is concerned because he'd have some assurance that this would be something that'd be there year in and year out.

Hon. Mr. Bjornerud: — No, for sure. One thing I would mention, that in July we're having federal-provincial meetings, business risk management meetings, that we're going to be reviewing the programming. And you know, that's a start — remembering that we need seven out of ten provinces to agree, along with the federal government and, you know, ask for a cattle ad hoc and hog ad hoc, I think. That's showed right there, and that was a little bit different scenario. But you needed support from other provinces at the table to do that. But I think that's where it comes in. If we could get even the four Western provinces to go down there as a group on most issues — we

won't agree on all.

But one of the things, though, that was the reason we fully committed to fully fund the programming because we thought that brought kind of a, you know, even that made it more shaky than it is right now by not having all our dollars upfront. Although you know, having said that we don't think the programs are working as good as they could for the dollars we've got in there, I think we felt it was necessary to do that.

But in July, we'll certainly be at the table again asking for, you know, reviewing, and I know my officials — deputy minister and others here — have been working continuously with the federal officials trying to, you know, work on things that we might be able to improve on.

Right now of course federal government I don't believe is in much of a position to put many more dollars into the programs. And we know every change we make for the better is going to cost us more money. And we're certainly willing to look at it, but if they don't come to the table, then, you know, that doesn't happen.

Mr. Harper: — Just going back for a minute, I'm going to bounce here a little bit, and I'll apologize for that. But I had the opportunity here, just in fact just this last week, to sit down with the gentleman who rents my land, and he has farmed it for a number of years now. And just in a conversation, we sort of reviewed the increased cost of production that he has experienced over the last 15 years or so. And there seems to be no predictability I guess you would say in what costs the farmer may be looking at next year, let alone into the future. And that also makes it difficult for farmers to, particularly in his case . . . Compared to me he's a young man. It makes it difficult for him to be able to do long-term planning for his operation so that he can continue to improve and grow his operation — to make it hopefully more viable, more profitable.

And have you had any types of discussions with your federal minister that perhaps would facilitate a mechanism that companies, as they would do their projections, would be looking at having to increase the costs of, say fertilizers or fuel or machinery because to reflect their costs, that they'd be able to project that into the future to give some idea to producers out there that you could be expecting a 10 or 15 per cent increase in fertilizer next year or something like that? So you could sort of do some long-term planning to have some idea of what next year might hold.

Hon. Mr. Bjornerud: — We have certainly talked to him but I don't think he has any more answers than we do federally when it comes to where the markets will go. Potash, look at the potash market in Saskatchewan where it's gone in the last couple of years. And of course that's kind of a double-edged sword because on the one hand it's just tremendous for the province, the resources and the revenue that we bring in here, but on the other hand producers have to pay more for the product.

But how you can look down the road and, you know, it's just something that's just about impossible to read into where that's going to go down the road. And again I guess, you know again, we have to I think be very careful of where we go with this

because the more rules and things you put in place to make that stable, you almost interfere with what's happening out there and somewhere you're going to pay the price for it.

So, you know, I think we have to be careful where we go with that one, but having said that, that stability would be nice if you had it. But then again the marketplace drives demand out there, drives the cost, and you know the price that we're paying for all our products.

So not always in reality on the fuel side. I mean diesel coming down, it took so long to come down and it's coming down and that's great. But you know, you don't know where it's going and what it's going to be a month from now. So you know, AgriStability I guess is a margin-based program, but it takes into account cost of production as part of the formula in there.

I think, you know, go back to the GRIP [gross revenue insurance program] days when we had the GRIP program. I think that was one of the things that made it very expensive, but I think it reflected closer to what cost of production and those things were. And I remember I was part of that program and never got a payment out of it, but it was there and, you know, we could've got to that point I think if we'd have had it long enough. So it's one of those tough ones but I don't know just exactly where, you know, where we would go with that. But I share your concerns.

Mr. Harper: — Yes. I wasn't suggesting that, you know, any type of controls be put into place. But I can't help but think that companies, when they're looking at their operations this year, they have the ability to look into, to some small degree at least, the ability to look into the future and as to what their costs are going to be and what they may need to increase the price of their, the retail price, as you say, of their product in order to be able to cover the increased costs and so on and so forth. And I think they can do that, you know, well into the future. I'm not saying years and years but certainly you can look at six months to a year or something like that.

And would they not be in a position to be able to report to some mechanism of reporting, say in the fall time as to what they expect the price, the retail price they'd be asking for, say for fertilizer, for fuel, would be six months or a year from now based on, you know, the factors that they're working with now? Not saying that they're necessarily going to be accurate but they'd be able to say what we could expect a 7 to 10 per cent increase in fertilizer prices and farmers would then be in a position to have a greater period of time to be able to digest this and make perhaps changes to their operation or look at whatever it needs to accommodate the increased costs.

That's what I was thinking of, some type of a reporting mechanism that would give farmers a bit of for more warning, a bit of radar sort of thing, to give them a little bit of warning to increased prices or decrease of costs, whatever happens to come along.

Hon. Mr. Bjornerud: — I think I misunderstood the question a little bit last time and I didn't give you the proper answer to the question you were asking. A part of the Growing Forward program that we just signed on to and is just coming out is the farm business program part of it where we're putting \$27

million over four years into just that. And I think that deals exactly with what you're asking here, trying to give projections and help them have that projection.

The farm business development initiative, part of that will help farmers and ranchers obtain the information that they need to do exactly what you were talking about, you know, and training and consulting services to enhance the profitability and show them where that profitability could be and how they get to that point.

Some of the assistance available will be business strategies, strategic planning, marketing — which is important of course as we know right now — production economics, human resources, financial management, environmental strategy, succession planning, which is important right now to many of the farmers out there that are getting ready to maybe slow down or get out of the business and pass it on to someone younger. Their business structure, go over that and just see how stable that is and how that could be helped, and then of course how the risk management would fit into all of that.

So that's part of the growing program forward that we'll be, you know, putting out there and helping them with. And I think that kind of talks to some of the areas that you talked about. It won't solve the problem but it certainly might be helped and see where they may be a year or two or five down the road.

[15:45]

Mr. Harper: — That's the point I was trying to make. I think it doesn't matter what industry or what business you're in; information and knowledge is very, very important. And I think agriculture probably is an industry where stability is not really a common thing. It's always moving. It's always changing circumstances because it's affected not only by local conditions or local circumstances but it's really connected globally, by global situations.

And as a result of that you're seeing some, in some cases, some rapid changes in perhaps commodity prices; you're seeing some rapid changes in costs. And in another period of time you'll see some stability. And so it makes it perhaps difficult for the individual producers there to be able to react in time in some cases, and if they don't have the knowledge then it makes it very difficult for them to make the right decisions. And as you know, in this industry one wrong decision can really hurt and could maybe even end a career.

So I think it's very important that governments play that role in providing that information, providing the most recent information to help those producers make the right decision when they're faced with making some very critical decisions as far as their farm operation is concerned — that they have the knowledge, they have the tools to be able to come up with the right decision that will have a positive effect on their operation rather than a negative effect.

Hon. Mr. Bjornerud: — No, I agree with you. And I think this falls back on our extension services and our regional offices that we've got around the province, the 10 of them now, and the crop and livestock specialists that we're going to have out there and all the services I think that we could provide and are going

to provide now, especially with Growing Forward coming on stream, and actually do it right out on farm in some cases or in the offices out there.

But I think we've got to get back to where we're supplying that service that government should supply, not getting into their business but supplying the information, and marketing for an example right now. You know, if you're not doing much work on where you market your grain, just going and selling it and you're leaving 20 cents a bushel on, say, wheat or whatever — any crop or any commodity out there — you're losing money. And I think if we can help do that and develop a marketing plan and all these different parts of the puzzle, I think it should help producers.

Some of them are doing it now, have gone out and, you know, but many of them now I think are the very big producers that are . . . They have to do it because they're working on such volume. But we can help all sizes of farms out there and I think there's a real advantage to that.

Mr. Harper: — Thank you, Mr. Minister. I have now been joined by my colleague, the critic for Agriculture, which has been a big relief to me. So I want to thank you, Mr. Chair, and, Mr. Chair, I'll turn the microphone over to my colleague, the member from Saskatoon Nutana.

The Chair: — Thank you, Mr. Harper. And we have Ms. Atkinson sitting in for Mr. Harper as of now, and questioning can go to Ms. Atkinson.

Ms. Atkinson: — Thank you very much, Mr. Chair. I'm just trying to get my pen. Just a moment here.

Mr. Minister, the last time I was before the committee, there were a number of questions that I sought information and your officials said they would provide that information to the committee. Has that information been provided?

Hon. Mr. Bjornerud: — Thank you. I actually answered them quick before you were here because I knew you weren't going to be here for a little while. Actually, I didn't. I said I would go over them again, and I will.

The questions that you had asked and we didn't have answers for, we have some of those answers for you right now, I think most of them. On the water program, you had asked questions about regarding the percentage of applications approved over total applications. Right now we have about 97 per cent of the applications have been approved. The 3 per cent that hasn't been approved, and I'll kind of give you a little breakdown on why they haven't been approved.

There's the odd project out there that didn't qualify to fit under the program, of course, a very small percentage. We tried to be very flexible with the program. As you know, and you'd questioned us on it the other day, was about out of the designated area — there was a few of them that had no land in the designated area, so they fell out of that. Or the project wasn't in the eligible time period. Somebody had done the work, you know, far ahead of the program coming into place. Or we had the odd case where a producer actually withdrew their application because they decided not to do the project.

That fell under the 3 per cent, too. So it's 97 per cent of the applications have been approved and are ready to go.

There was another question you'd asked the last time was regarding the largest amount of dollars approved for any one project. The amount, maximum approved payment on a single project, was \$403,650. And where that was, was three deep wells on a Hutterite colony. This is 65 per cent of the total estimated cost of the project, of course. That's our share. The actual amount of the program of course, though, won't be known, as I said before, until they send their bills in and the project's complete, and we'll see what the exact cost in is.

There was another question that you had asked on the number of projects by cost range, zero to 25 and so on. I can give you a breakdown of that if you like. From zero to 25,000, there was 2,813 projects, so the largest by far number of projects were the smaller projects up to \$25,000. From 25,000 to 50,000, there was 279. Of the 50 to \$100,000 projects — and of course we're getting more expensive here; the numbers are going down — we had 118 projects that would fit in that category. From the 100,000 to \$200,000, and we're getting into the big, big projects now, there was only 55 fit into that category. And over \$200,000 was 13 projects, totalling 3,278 projects.

Informa Economics, you'd asked a question on. Nithi had explained how this study was going to work, the livestock competitive study. The second area the committee requested information on is the current contract we have with Informa Economics, specifically the dollar amount of the contract, and that is \$69,000 US. So if you, you know, relate that back into Canadian dollars, it would be more. The project, I might add, is supported by the stock growers and the cattle feeders and the cattlemen's association, but also Sask Pork is involved in that study. So I think that was most of the questions unless I maybe missed one.

Ms. Atkinson: — Very good. You got them all, so thank you. The next area that I want to talk about is Crown land sales. And this issue has generated a lot of public discussion from a variety of perspectives, and I think I have received some of the correspondence that you have, Minister, and some of the correspondence that the Premier has also received.

And I'm wondering, one of your baseline measures that you do have in your performance management plan for your ministry talks about the number of acres sold from November 3 till, I guess, the end of the calendar year, and then from the beginning of this calendar year to March 5. I'm wondering, you've got a little more data now, a little more time, and I'm wondering if you can update us on some of those numbers in terms of acres that have been sold so far this year.

Hon. Mr. Bjornerud: — Just give me a minute. We'll get the latest update, because we've just had an update on the number of acres.

The number of acres sold total is 18,962 acres.

Ms. Atkinson: — Can the minister indicate to us how he thinks this is going. Because we're looking at about 1.6 million acres over I think a five-year time frame, and I'm just wondering, are we at a downtime in the market? Is there not that much interest?

Are some of the people — the lessees of this land — are they older people, older farmers who aren't interested in taking advantage of your program? How do you feel this is moving along?

Hon. Mr. Bjornerud: — Well actually talking to producers out there, I think we're getting a lot of interest in it. Now whether, you know, that follows through into sales, I'm not sure. They have to see a price and see where, you know, how that fits with where they feel the land is worth and things like that.

But the number of applications that we've received — 1,182. I guess, you know, it was one of those things it was hard to tell just where that would go. But I know there was a lot of interest. We've had a lot of phone calls. There's probably nothing on paper in some of those instances although we've sent them out information on how they apply and things like that.

So right now I would say that probably the interest is even higher than I would have thought it was. But having said that, you know, how do you translate into this is where the sales would be at this point? It was really one of those things; it was really hard to tell. At this point we aren't, I don't think, far enough into that.

Ms. Atkinson: — Minister, maybe this is a question for your officials. How many lessees do we have in total?

Hon. Mr. Bjornerud: — How many leases in total?

Ms. Atkinson: — No. Just lessees — actual individual citizens.

Hon. Mr. Bjornerud: — The best number I can come up with for you as far as the number of lessees out there would be 9,971. I might add that that affects about 5.785 million acres roughly.

Ms. Atkinson: — Of the 1.6 million acres that your ministry has up for sale, do you have any indication or do you have any data on how many lessees that would entail?

Hon. Mr. Bjornerud: — Would be eligible to buy, you mean?

Ms. Atkinson: — Yes. So the 1.6 million acres that obviously you've got some indication of where that land is, it's not fragile environmentally, so on, as I understand the program, do you know how many lessees would be on that 1.6 million acres?

Hon. Mr. Bjornerud: — The number of applications that we sent out is 2,361. That's a really hard number to pinpoint because, as you know, some of those parcels of land have WHPA [*The Wildlife Habitat Protection Act*] on or they could have Crown land easements or gravel underneath. Whatever it is, there may be something that they can't purchase that land. But that's as close to the number we can get there right now.

Ms. Atkinson: — Now pastures, as I understand it, community pastures are part of this. And I'm just wondering . . . They're not part of this?

Hon. Mr. Bjornerud: — Community pastures aren't for sale.

Ms. Atkinson: — Oh, I thought they were.

Hon. Mr. Bjornerud: — No.

Ms. Atkinson: — That there was land that had been community pastures that was being put up, and that people were looking at going together and buying it. So community pastures are not part of it.

Hon. Mr. Bjornerud: — No.

Ms. Atkinson: — Thank you, Minister. Now I guess I'm curious to know, why is the appraisal cost deducted from the cost of the land? Usually that would be something that I think the potential buyer would be interested in doing and have that associated cost. So I'm just wondering.

Hon. Mr. Bjornerud: — The feeling was that if we can come up with a price that's satisfactory to both parties, of course the deal will go through and the land will be purchased and there we are.

In the situations, as you know, where the producer or the lessee doesn't agree with our price, he has the opportunity to go out and bring an appraiser in and get his value put on it. And if the two don't match, of course, we'll sit down; officials will sit with them and work out a price to see if we can come to some common ground there.

But I guess why we've done this is if it's somebody that's just curious and not all that serious about buying, but they have to go that next step if they don't like the price and actually pay for the appraisal, I think we felt that it would only keep the real serious applicants at the table, knowing that if they follow through and then purchase their land, that we would refund them the cost of the appraisal. So that was really the reasoning why we did that.

Ms. Atkinson: — But you know, you're a free market kind of guy. And you've indicated in your ministry plan that you're about the free market. So doesn't the buyer normally pay for the appraisal in the free market?

Hon. Mr. Bjornerud: — The deputy minister just told me that this is a long-standing policy within lands branch for ag land, doing exactly that — that if the appraisal was done by the producer and they purchased the land, then that would be refunded. So this isn't something new that's part of this program. This has been ongoing for many years.

Ms. Atkinson: — Oh, I know that, but you're new and your government's new, and you know, you've looked at, you're talking about the free market and so there have been policies that have changed. And I just assumed that given the free market that you would, normally in the free market the buyer pays for the appraisal. So I just found that interesting. But we'll move on.

If the government pays then, I guess the questions is, why wouldn't the province get to choose the appraiser?

[16:00]

Hon. Mr. Bjornerud: — It's actually an agreed list that we have of appraisers that they can pick one off of that list. So

really we do have some input into that.

Ms. Atkinson: — Are there any ministry staff appraisers?

Hon. Mr. Bjornerud: — Pardon?

Ms. Atkinson: — Are there any ministry staff appraisers?

Hon. Mr. Bjornerud: — No.

Ms. Atkinson: — But the ministry does get to choose some appraisers. Is that correct?

Hon. Mr. Bjornerud: — We have a list of accredited appraisers and the producer can pick off that list of whoever they want, but it has to be an accredited appraiser of course.

Ms. Atkinson: — Okay, but then the ministry can choose accredited appraisers and then the prospective buyer, depending, can choose accredited appraisers. So I guess my question is, is there a difference in the average appraisal when the ministry chooses versus the individual lessee?

Hon. Mr. Bjornerud: — Really, no. We don't differentiate between any two appraisers out there. The official said we haven't found any case where we really, you know, something was out of the ordinary.

Ms. Atkinson: — Is there an audit or any review process to monitor the appraisal process to ensure that taxpayers are getting fair value for this property, this public property that's being sold? I do know this, that certainly in my experience there were times when certain parcels of land would come up that would be lakefront property and the appraisals that we saw didn't represent what was happening in the marketplace. So I'm just wondering, do you have a review process or an audit process to make sure that we're getting, as the public through the treasury, fair value for this property?

Hon. Mr. Bjornerud: — That's a good question. And we have appraisers that actually work with fair market value out there so they take into account if that's a specific issue that's out there, whether it's a, you know, a lakefront or something in that situation — or something anyway that has something specific to it that maybe normally in the fair market out there would raise the price, that would certainly be taken into consideration.

Ms. Atkinson: — How many appraisers are on your accredited appraisal list?

Hon. Mr. Bjornerud: — We'll get that back for you. We don't have that information in front of us.

Ms. Atkinson: — Can you indicate how these appraisers were chosen?

Ms. Koch: — Yes. They're actually accredited through the Canadian institute of appraisers. So it's an actual accreditation that they receive from their professional organization, and that's how they qualify to get on the list of appraisers.

Ms. Atkinson: — Do you have to be a farm land specialist, or can you be any kind of appraiser because there are different

types? I'm just wondering.

Ms. Koch: — Well I guess I would say that there's criteria that would be put forward by the professional association, and so they would have to meet that criteria in order to go on the list. And so there's certain criteria obviously that they would need to meet in order to receive their accreditation. Each appraiser, you know, it's fair to say would probably have an area of expertise, but there's no question that they'd have to meet a certain amount of criteria in order to qualify.

Ms. Atkinson: — So when the ministry does an appraisal or gets an appraisal, they go to these private sector specialists for the appraisal, do they?

Hon. Mr. Bjornerud: — We'll get Nithi to answer some of these questions to the member. He works with this fairly constantly.

Mr. Govindasamy: — The process of land evaluations takes a number of forms. We have internal staff with expertise in the business of land evaluation, although we do not have any, to the best of my knowledge, any accredited appraisers within the Ministry of Agriculture.

We do evaluations internally, and when we do want to sell a parcel of land, the potential buyer has the opportunity to seek out his own appraisal, which some people do. And those values are compared, in most cases those values are, because the evaluations that are done by the Ministry of Agriculture, those folks use the same methodologies to value the land, although they are not accredited appraisers. So purchasers have the opportunity to go seek their own appraisal, if that's what you were looking for in terms of . . .

Ms. Atkinson: — It's what I was trying to get at because my own experience was that particularly when it was lakefront land, lakefront property where orders in council would come before the previous government, and you'd see this evaluation that seemed sharply out of line with the private sector. And these value reports were being produced by not independent appraisers.

So I guess that's why I get back to my previous question that I asked. Is there a difference in the appraisal between the ministry doing it and the private sector? And have you looked at that? Because a lessee who, maybe there's an appraisal done, it's under market — you're not going to say anything. You sign on the dotted line, pay your money, and you're on to your next event, so to speak.

So I guess I'm going back to, does the ministry . . . You've got several, you've got 18,000 acres that have been sold already. Can you, in terms of the 18,962-odd acres, what portion of that was just agreed to by the lessee because of the ministry's appraisal? And what portion of that went to the private sector where the person, the lessee asked for an independent, private-sector appraisal?

Mr. Govindasamy: — Can I just perhaps explain, in terms of land that may be seen to have or may be attributed to have attributes that are perhaps recreational in value or commercial in value, for the most part the ministry does not do evaluations

of those kinds of lands because we do not have the expertise to do that. Therefore any land that is of that nature, we encourage private appraisal people who are qualified to do those kinds of appraisals.

In terms of the numbers, the split between, you know, how many evaluations were done by the ministry people and whether or not they were acceptable to the potential purchaser, and how many wanted private appraisals done, I don't have those numbers with me. We can certainly check to see whether we can kind of bring it down to that type of, narrow it down to those kinds of stats, but I don't have those numbers with me today.

Ms. Atkinson: — Okay. I think yes, I certainly would like to know, of the 18,900-some-odd acres that have been sold, what portion of that, the sale was based upon land value reports provided by the ministry and what portion of that was done by people who are accredited rural appraisers.

Mr. Govindasamy: — We will certainly look for that type of a . . .

Ms. Atkinson: — And if I understood you correctly, the ministry staff are not professional appraisers.

Mr. Govindasamy: — As far as to the best of my knowledge, not a single member of the staff that works with me has got a certified professional appraisal designation.

Ms. Atkinson: — Is it in your . . . Pardon me, Minister. Is it in the lands branch that this is handled in terms of the land values? Is that done by the ministry?

Mr. Govindasamy: — That is correct.

Ms. Atkinson: — Okay. Can you advise us, what's been the average value per acre of land sold thus far?

Mr. Govindasamy: — I don't have that number with me.

Ms. Atkinson: — Can you get that, Minister, for us?

Hon. Mr. Bjornerud: — Try and find that number, yes. Probably be changing on an ongoing basis, but we can try.

Ms. Atkinson: — No, but we do have 18,000 acres that have been sold. I am interested in knowing . . . and I think if you could do that by arable acres and then pasture land, that would be useful. What is the estimated value of the 1.6 million acres?

Mr. Govindasamy: — I mean, it's very difficult of course to estimate, you know, what broad variety of land that we are dealing with. Many parcels of the land may have certain encumbrances, may have certain values that are different from what would be considered to be grazing or cultivated land. But for the purposes of designing and developing and running this program, we had an approximate estimate of total revenues back, if all of that land were to be sold, at \$350 per cultivated acre and \$140 per grazing acre.

Ms. Atkinson: — Can you do the math for me?

Mr. Govindasamy: — I think we had estimated . . . Broadly speaking, we had estimated if all of the land were to be sold at that average prices and all of that 1.6 million acres were to be sold, the estimated revenue for the government would be approximately \$336 million.

Ms. Atkinson: — And the \$336 million is net, I presume.

Mr. Govindasamy: — That would be gross.

Ms. Atkinson: — So we have 600,000 acres is cultivated land if I recall this . . .

Mr. Govindasamy: — That's our estimate.

Ms. Atkinson: — And 1 million acres would be pasture land.

Mr. Govindasamy: — Yes.

Ms. Atkinson: — So the only metric that you have in terms of performance is not the dollar value of land but the number of sales. Is that correct?

Mr. Govindasamy: — We have a program that's designed to encourage purchase of the land. So one of the metrics that we are using is the number of acres that's actually inquired on and the number of completed agreements and therefore the number of acres that were sold.

Ms. Atkinson: — So you're not necessarily measuring this by the returned . . . Because this is a public asset at the moment. It's a public asset owned by the citizens of our province, so it's about the number of sales, not the amount of money that the public will be able to garner as a result of this sale of a public asset.

Mr. Govindasamy: — What we have estimated based on the averages, and because of changing land values, we have estimated the potential revenues to the government if all of that land were to be sold.

Ms. Atkinson: — Now one of the things that has occurred from . . . Leaseholders have indicated that if you lease pasture land, because of the situation in the livestock industry, their leases have gone down in terms of the amount of money that they'd have to pay to the government to lease that land. But if you have cultivated land, it appears as though leases have increased substantially. Can you indicate to the committee what has happened to leaseholders of cultivated land in terms of a significant increase in what they're paying for their leases?

Hon. Mr. Bjornerud: — Under the formula, you're asking? We're at 83 per cent. We've raised the rate on cultivated land, as you're aware, up to the, I believe, 83 per cent of what we would call fair market value for what normally would be out there. Of course that fell behind when grain prices were low, and the price wasn't raised up to where the ongoing thing was. On the pasture side, they were frozen, right? That was pasture rates did not move up.

Ms. Atkinson: — And they were frozen because of where we're at in terms of the cycle.

Hon. Mr. Bjornerud: — I think mainly that was my decision, that with cattle prices right now, probably that was the best, you know, wait and see what cattle prices improve.

On the grain side of course, knowing that grain prices had gone up dramatically and the way the formula works, it takes that into account, you know. And the higher grain prices naturally affected that, remembering that now grain prices have come back down, but the same formula we've been working with for many, many years. So sometimes that formula maybe reacts to the price going up and of course then very quickly the price dropped off a bit, so you know, that doesn't reflect in it quick enough until next year's contracts would go out.

[16:15]

Ms. Atkinson: — So, Minister, when do you make the decision regarding what's going to happen to people who have leased land as pasture land or cultivated land? When is that decision made? Is it made in February? January? March?

Hon. Mr. Bjornerud: — Who gets the leases, you mean?

Ms. Atkinson: — No, sorry, what farmers are going to pay for lease land. When is that made?

Hon. Mr. Bjornerud: — Letters go out in February. So the average rent rate on the province, provincially right now, would be about 23.40 an acre on cultivated land, but that letter would go out to them in February and let them know of that.

Ms. Atkinson: — And you rely solely for cultivated land on the formula — what happened last year, not what we're looking at this year for grain prices?

Hon. Mr. Bjornerud: — And you're asking, did the leases go up or down or . . .

Ms. Atkinson: — Oh, I know that leases went up dramatically under the program.

Hon. Mr. Bjornerud: — No, no, not this year. I'm trying to understand your question. Yes. No, I realize they went up this year.

Ms. Atkinson: — Okay. In terms of the formula, I mean lots of things have changed since you've come to government. But I gather that you had some discretion when it came to what you did with pasture land because of the situation in the livestock industry. But you didn't use that discretion to deal with the reality that grain prices have dropped. So I've got, and I know you do, you've got lots of people contacting you saying, my goodness, this cultivated land has risen dramatically in terms of my lease costs; everything is going up and the price of grain is going down. So I guess I'm trying to understand.

The letters go out in February. You must have decided this in, I don't know, January or early February. Prices were going down for grain in February so did you just decide to go with the formula and not deal with the reality that grain prices were dropping?

Hon. Mr. Bjornerud: — Well at that point of course, going

back when grain prices have been, you know, coming down now, but when the formula kicked in in the beginning of the year, of course, they were at a higher rate than they are today too. So that reflects in it.

The other thing I think we have to take in account here too, and I know the formula doesn't work that way, but what does the average producer — take a certain RM, anywhere in this province — what is the average producer out there that's renting land or leasing land from the private sector paying compared to what we're paying as leasing Crown land?

Now I had Crown land out there and I had a lot of neighbours that had Crown land and talked to producers around the province. When you compare what the private sector's paying the private sector for a lease, and what the lessee out there is paying the province of Saskatchewan right now, even with the increases we've had right now, I don't think they are out of line very far. And I know the formula, you know, reacts to going up, and it hasn't reacted as quick coming back because it's a once a year thing. It's not an ongoing, you know, fluctuation before the end of the year.

But when you compare — and in some of these cases we'll ask a producer when they phone, give us an example of, you know, the type of land you've got — but how much your cost of lease went up, but also what is your lease today. And then when we compare to what's going on, fair market value in that area or that RM . . . And this isn't what the officials do here; this is, you know, out of my office that we do this. In most cases, unless it's really odd, and then we'll check to see if maybe a mistake was made or something, but most cases it's still below what the fair market value is out there.

You know, and I guess my argument here is many producers are phoning in because all of a sudden they're paying far more than they were before. But all they got to do in some cases is look across the fence to see what somebody else is paying to the private sector, and whoops, all of a sudden it isn't that bad.

Ms. Atkinson: — Do you know how many . . . I tried to do the same thing you did — just look across the pond to see what your neighbour's doing. But for a lot of the people it's based on, you know, crop sharing, that sort of thing. So do you have any data? Does your department have any data in terms of, you know, people who are actually leasing private sector land to farmers — they're not getting a share of the crop; it's straight lease — and what the costs are? Does your department have any of that?

Hon. Mr. Bjornerud: — I don't believe we have that in front of us, no, right now. And of course, but I know in my own area and just talking to some of the areas that I've gone around this spring, in most cases even though grain prices have backed off, a lot of the rent has gone up in many areas. From where we were, you know, two, three years ago, it's gone up quite dramatically, actually.

I know in my area, where \$45 an acre was unheard of for rent for the type of land it is . . . It's average land; it's not the worst, and it's certainly not the best in the province by far. Forty-five dollars an acre was never, we would never think of paying that, and that's what some of them are paying this year. So now

when you compare that, Laurier's showed me here, on average across our lease land right now it's about 23.40 an acre. And I know that's not maybe fair because that's an average right across the province. But compared to \$45 an acre, that's not right up to speed with where the fair market is out there right now.

It's hard to compare apples to apples when we're not in each specific situation. And I think with calls that we get into my office we try and, you know . . . Something really looks out of whack here and, you know, a producer says, oh it's gone up dramatically, and it looks like it certainly has compared to other situations, we'll get a hold of the officials and ask them to review that and make sure that we haven't made a mistake somewhere or maybe, you know, the wrong number was used or something like that. So we certainly do check in case that's the situation.

Ms. Atkinson: — So for the purposes of the record because I'm going to be sending this out to many producers that have contacted me, can you explain how a particular lease is arrived at based upon the formula? Because many farmers don't understand this. I'd like to know when you make the decision. Do you make it in December? Is it January? For instance this year, when did the ministry make the decision about what farmers were going to be charged for cultivated lease land?

Hon. Mr. Bjornerud: — Our decision, I believe, was made around in January in that time period because we had to get the letters out in February of course so producers would know what their, you know, their lease rates would be for the upcoming year. So that's about the time of year that we make that because we have to go by the end of the crop year, of course, to get the prices of the commodities. On average I know wheat is . . . I can't remember. There's all different commodities that are into that formula. I know wheat plays a big part of that, but some of the other commodities are used as the base and we go from there.

Ms. Atkinson: — Could you be a little more descriptive, Minister, in terms of how the formula is determined because farmers don't understand this. And I guess if we could put it on the public record how this actually works, I think people . . . I send this out to people, so it would help with their public education. So if you could be a little more descriptive.

Hon. Mr. Bjornerud: — I'll get Al to answer that question because he works with this every day.

Mr. Syhlonyk: — Thank you. It's a really good question. The formula under which the rent for Crown land, whether it's pasture land or whether it's cultivation, is set out in the regulations under *The Provincial Lands Act*.

On the crop or the cultivation land, the formula is based upon the prices as reported for the last full crop year — it's 73 per cent wheat, it's 17 per cent barley, and it's 10 per cent based on an oilseed whether it be flax or canola, on those prices.

And so as you can well appreciate, the price of wheat isn't determined until the last full crop year is closed out. So there's always a significant lag period. And so that is what's really driven the price of . . . or the formula to have a significant

increase in a year where you've had commodity prices actually soften a bit. So that's on the cultivation side.

On the grazing side, it's based on a formula that takes into account the marketings for the prices for livestock sold, and it's a mix of livestock primarily based upon feeder animals, calves and feeder animals, but it also does include a cull component for cull cows. And it's based upon the fall marketings. And so we're a little bit more responsive to the actual marketplace in place at that time.

And so once the marketings for October, November, and December are completed, then — I believe it's those three months; I could stand to be corrected there — the prices are calculated and in turn we look at the yield or the actual forage yield on the parcel of land and determine what the actual rental will be on a per quarter basis.

But essentially it's set based upon a formula that takes into account how much forage is actually produced on that land, and it takes into account the fall prices for those livestock.

Ms. Atkinson: — So the percentage increase will vary depending upon what has taken place on that land historically — do I understand that right? — based on your formula.

Mr. Syhlonyk: — The price of the rental will vary depending upon what the actual land use is. So for example, you know, if you have cultivated land it'll be based on a cultivation rental. If it's tame forage — it was cultivated and seeded back into tame forage — it very well, likely could be based on a forage yield, forage formula. So that'll determine, land use will determine the rental type.

Ms. Atkinson: — So would every lessee that had cultivated land, would they experience the same percentage increase?

Mr. Syhlonyk: — No, they will not. No, they will not. The percentage increase will be depending upon the productivity of their land. There's various classifications for the actual land. As you can well appreciate, Regina heavy clay is going to have a much different rental base than what you might have south of Assiniboia.

Ms. Atkinson: — So going from memory here, we have close to 10,000 lessees in the province with 5 million acres of agricultural land, whether it's cultivated or pasture land. How many lessees in the province would have cultivated land?

Hon. Mr. Bjornerud: — The question was how many lessees would have cultivated land?

Ms. Atkinson: — Yes.

Hon. Mr. Bjornerud: — Of that 10,000? 2,100 lessees have cultivated land — 600,000 acres.

Ms. Atkinson: — Okay. So all of the cultivated land is what the ministry is attempting to sell. So the ministry will no longer have any cultivated land within the ministry if this is successful.

Hon. Mr. Bjornerud: — No, that's not quite right.

Ms. Atkinson: — Okay, that's what I'm trying to understand.

Hon. Mr. Bjornerud: — No, I'm sorry, I wasn't listening close enough.

Ms. Atkinson: — Okay.

Hon. Mr. Bjornerud: — Anything with WHPA on or conservation easements, anything like that, an applicant will apply to purchase their land through the program that we put out there, the discount program. But in many cases, we're finding that there's WHPA on it or a conservation easement or there may be gravel under it that the RM, or I think it's Highways, has first dibs on and then the RM, and you know it goes down.

So anything with anything additional like that on wouldn't be for sale. But until they apply, we don't know that because it would take forever to check every corridor to see what it is. I guess if we had lots of time, we could do that, but we're doing that on an ongoing basis. And so a number of the producers might call in if they have, say, just an example, they have four quarters of leased land — two might be possible for sale, but two aren't because there's WHPA or something like that on it.

Ms. Atkinson: — So, Minister, of the 5 million acres that is considered "Crown land," 1.6 million acres of that 5 million acres is being offered for sale to the lessees. Of the 1.6 million acres, 1 million is pasture land, 600,000 is cultivated land, but not all cultivated land within the ministry's Crown land . . .

Hon. Mr. Bjornerud: — Is available.

Ms. Atkinson: — Is available. Okay.

Hon. Mr. Bjornerud: — But we don't know that until they apply.

Ms. Atkinson: — Okay, got you. Okay. Now we'll go back to these farmers that have cultivated land that have experienced a significant increase. So people who've experienced a significant increase, they aren't just the people . . . It's not just 600,000 acres of cultivated land. There is more land that has experienced a significant increase. Do I understand that correctly?

Hon. Mr. Bjornerud: — I would think that's right because some of that land of course isn't available for sale, but it still carries on with their leases.

[16:30]

Ms. Atkinson: — I don't mean to be mixing apples to oranges, but we're dealing with the sale of lease land, and we're also dealing with escalating costs for cultivated land. So of the 600,000 acres, those farmers that have leases for those 600,000 acres, some of those farmers have determined that they're going to buy it, some haven't. But all of them, if they haven't purchased the land, have experienced an increase in their lease agreement with the province.

Hon. Mr. Bjornerud: — Everybody would be treated . . . The formula would work for everyone, yes.

Ms. Atkinson: — Right. So of the 5 million acres, what portion of the 5 million acres is pasture land or forage land, not cultivated land?

Mr. Govindasamy: — So if I understand the question correctly, you wanted a breakdown of the approximate 5 million acres, what is the current land use on those. So we've identified about 600,000 acres as cultivated land. There's about 4.8 million, 4.9 million acres approximately as grazing land, about 190,000 acres in tame hay, and what is classified as wasteland, 120,000 acres. So that's the kind of breakdown that you were looking for?

Ms. Atkinson: — Can you provide that? So what I'm interested in, and we don't need to do this today, what I'm interested in knowing is of the land that is considered Crown land in the province that would come under your ministry — I'm not talking about land that is in the Department of the Environment or that sort of thing — so of what's considered to be agricultural land, could you do a breakdown for me, if that's possible, of what's pasture land, forage land, cultivated land, wasteland, however you want to describe it.

Because I thought earlier someone said that there were 9,971 lessees with approximately 5 million acres. And obviously there's more than 5 million acres — have I got that; do I understand that? — that's considered agricultural land.

Mr. Govindasamy: — The total acreage under the Crown land, Saskatchewan Crown land that comes under Agriculture, the total acreage is approximately 7.1 million acres. That's the total acreage. Of that 7.1 million acres, there's about 825,000 acres that would be classified under community pastures, for example. So I guess what you would like is kind of like a breakdown of that number into the various classifications and land uses. Am I understanding you right?

Ms. Atkinson: — You are, you are. Thank you. And I'm interested in, and I'm trying to piece this together and I'll do this by looking at the answers to the questions. How many lessees have pasture land? How many lessees have cultivated land, and so on and so forth?

Now earlier you indicated that you have sold about 18,962 acres, which represented 1,182 applicants. Your benchmark for the selling of this land was \$350 per acre per cultivated land on average, and \$140 for pasture land. So let's go to the 18,962 acres that have already been sold. Of the 18,962 acres of public land that has been sold, how much of that is pasture land and how much of that is cultivated land?

Mr. Govindasamy: — I think I should go back and clarify that 11,082 number in terms of applications. Essentially those applications represent, based on inquiries, those 11,082. The total number of inquiries is well in excess of 2 million acres. That's the number of acres that have been inquired on.

Of the 18,962 acres, approximately 11,600 acres are cultivated acres, with the remainder being classified as native or waste acres, and in some cases there was some developed acreage also. So the cultivated acreage is about 11,600 acres, and the native acres is about 6,000 acres of that 18,000-plus acres.

Ms. Atkinson: — Can you give me an average price?

Mr. Govindasamy: — That's something that I would have to go back and check on.

Ms. Atkinson: — I'm interested in that. I'm interested in knowing what your average price is for cultivated acres and native acres.

Now, the native acreage, are you using the same terminology as one would for pasture land?

Mr. Govindasamy: — Yes, I think so. In this instance, yes.

Ms. Atkinson: — Okay, okay. Good. Thank you. My next set of questions has to do with farm land prices. And I am interested in knowing whether the department tracks farm land prices in the province.

Hon. Mr. Bjornerud: — We don't specifically track those prices, but FCC [Farm Credit Canada] does. Well of course, they're in that business. So they do a good job and we rely on their numbers.

Ms. Atkinson: — Okay. So from a policy perspective though, the department has access to that research; that would be part of your policy mix. So I guess the question is, do you look at how risk management programs affect farm land prices? Have you done any graphs?

Hon. Mr. Bjornerud: — Not to my knowledge to how it affects it. I don't know in the past if we've maybe possibly done that. Not that I'm aware of, no.

Ms. Atkinson: — Do you look at future projections of what we're looking at in terms of farm land? Is there anyone looking at what the future looks like in terms of agricultural land and prices for farm land?

Hon. Mr. Bjornerud: — We haven't to this point. It may be something we do in the future. I know land prices, I believe, right across the province are, you know, climbing, not dramatically in some areas but in some areas they're going up a fair little bit. But I think the trend is, and I think some of these numbers come right out of Farm Credit that I was listening to is that there's, you know, they're gradually going up. Of course grain prices going up affected that somewhat. But then of course that goes back to what I said about the lease rates or the rental rates out there going up too, so they all go hand in hand.

Ms. Atkinson: — So when you look at the budget for this year, and I referred to this the last time I was here, if you look at where most of the increase is going to, it's going into the risk management programs. And I'm just wondering, is there any analysis that's been done in terms of tracking farm land prices and what impact risk management programs like AgriStability, crop insurance, and so on, have on the price of agricultural land? Do you look at those kinds of things in the ministry?

Hon. Mr. Bjornerud: — I would say no at this point. I don't know how we would even do that. I'm not sure.

Ms. Atkinson: — Okay. Well, okay. Okay, just a question.

Now if you look at the agricultural budget — and I've gone back four years — the budget has increased by over 82 per cent in the last four years and yet staffing levels have dropped by 5.9 per cent in your ministry. And how do you explain that? I mean as I understood it, your position was that as budgets went up then staffing levels went up. And I'm just wondering what this means.

Hon. Mr. Bjornerud: — We made it very clear — this year I think we were right out front — that AgriStability went up quite dramatically from the cost last year because of the projections that we received from the federal government. And of course we won't know that until the end of this year when, you know, we see where we're at. Crop insurance of course, as you know, the cost of crop insurance went up.

It really has very little to do with staffing numbers. It has more to do with the coverage that a producer actually has out there. And correct me if I'm wrong, Cam, on this, but I think the extra dollars, you know, really . . . The program, that part that the employees administer, really hasn't changed. It's just the values have gone up. There's a few more things in the mix there, of course, that we've added to it, but as far as the number of employees going up, it's just the cost of the programming, that the coverage that we're providing.

And then of course with the AgriStability, that's somewhat out of our hands. Whether we agree with that number or not, that's the one we have to use.

Ms. Atkinson: — So when AgriStability comes over, next year I guess it is, those positions will be part of your ministry, I assume.

Hon. Mr. Bjornerud: — Tied right in with Crop Insurance. They'll actually be part of Crop Insurance, yes.

Ms. Atkinson: — And how many FTEs [full-time equivalent] are you — we're a little further along on this, so I guess I'm interested in knowing — how many FTEs do you believe will be coming over to your ministry from AgriStability?

Hon. Mr. Bjornerud: — The number we have projected at this point is 140 positions that it will take to administer AgriStability. Of course as we said, that we were projecting 110 in Melville and then 30 around the province to help producers with that part of the program. And that's our projections right now.

Ms. Atkinson: — And of those 140 positions — and this has never been very clear, Minister, and I don't know if you know this — how many of those positions are in Regina? Because we certainly have been left with the impression that the positions that you're talking about, they're not coming from Winnipeg. They're coming from Regina. Do you know that?

Hon. Mr. Bjornerud: — Fifty-five positions, I believe, in Regina. Am I right there? Yes, I believe 55 of those positions are in Regina; the balance are in Winnipeg.

Ms. Atkinson: — So there are positions that will be moved out of Regina, the city of Regina, to Melville.

Hon. Mr. Bjornerud: — If they apply to Crop Insurance for a position, that's the way they would move, yes. They're certainly welcome to do that.

Ms. Atkinson: — Right.

Hon. Mr. Bjornerud: — It's not an automatic process, though, where we just take those 55 and put them in Melville, remembering those 55 people here and the ones in Winnipeg work for the federal government. They don't work for us. So they will be applying to Crop Insurance.

Ms. Atkinson: — So you're not arranging like . . . This has been done before, where people who had positions in employment insurance, for instance, that did training, there was a transfer between the feds over to the province, and there was a transfer agreement between the province and the federal government, that people who worked for the federal government got to transfer their positions to the province. You're not attempting to arrange a transfer agreement between the federal government and the province?

Hon. Mr. Bjornerud: — No, we aren't. But I've been very clear right from the start that any position . . . Actually out of Winnipeg, if someone feels they're in a position, they may be losing their job throughout this process, certainly we would look forward to their applications to apply for a job in Melville or around the province. And especially here, the ones here in Regina, we would look forward to their resumé's being sent in if they were interested in, you know, following up with the job here.

Ms. Atkinson: — So okay, so in terms of AgriStability coming to Melville, people who presently work in Regina — 55 citizens, Saskatchewan citizens who have been in these positions for a bit — and people in Winnipeg won't automatically see employment in AgriStability. It'll be up to Crop Insurance to determine who gets positions.

Hon. Mr. Bjornerud: — Yes. The type of positions we're looking for, they certainly could apply for, but you know there's nothing written in stone that they'll get those jobs. But we certainly need many people to apply for those jobs. And I think we hope that they certainly would, many of them would take a good look at Melville or maybe possibly some of the positions around the province that might fit with some of them right here. So we would look forward to that.

Ms. Atkinson: — Okay. So is there any other example where a province is taking over this program from the federal government where people didn't get to, there wasn't an agreement between the federal government and the province where people, if they wanted to, could move into the public service or whatever in the province?

[16:45]

Mr. Govindasamy: — Can I offer some clarification in terms of the transition and the transfer of the AgriStability program overall? There is a multitude of areas that we are currently discussing and negotiating with the federal government with respect to having the program transition to Saskatchewan. One of those areas is precisely the questions that you've raised with

respect to the employees, the current employees and the future needs of the AgriStability program.

Clearly we intend to be able to transition this program smoothly. We also intend to be able to deliver the services with some synergies that already exist within Crop Insurance staff with respect to efficiency gains, etc. So we are right now in the middle of discussions and negotiations with respect to the human resource component of the current AgriStability program and some of the things with respect to the kinds of positions that we will need. There is a comparison of the kinds of positions that are currently in place in Winnipeg and Regina with our needs in Melville and in Saskatchewan.

So those discussions and negotiations are currently ongoing, and clearly the premise behind these discussions and negotiations is that people will be provided an opportunity to be able to participate in delivering AgriStability in Saskatchewan if they so choose to. And at the end of the day, as has been demonstrated in other such types of discussions and negotiations, is that it's going to become an individual decision as to whether or not somebody decides to come and wishes to participate within the new AgriStability administration in Saskatchewan.

Ms. Atkinson: — If I might, Mr. Chair. Well there have been devolutions, I guess you could call it, from the federal government to the province in the past, and usually there have been arrangements where people, if they wanted to, could transfer to the province. But that's not, as I understand it, that isn't within your purview at all — that your employees that work won't have an automatic transfer to AgriStability in Melville. They will have to apply for the jobs. That's what you're negotiating.

Mr. Govindasamy: — I have to clarify by also suggesting that employee transfer is a subject of discussions and negotiations. It is not something that's outside of the discussions and negotiations. So employee transfer, the current crop of people . . . Because there are various designations. There are term positions. There are permanent positions. The federal government also has the opportunity and I believe the inclination to redeploy as many of the federal government staff as possible within the federal system that they have currently. So those kinds of discussions are ongoing, and I wouldn't want to give you the impression that employee transfer is not a part of the discussion. It is an integral part of the discussion.

Ms. Atkinson: — Mr. Chair, so to the minister, so if it's an integral part of the discussion, we have 55 people that presently have their jobs in Regina. These are Saskatchewan people that have skills and, I guess, several of them have expressed concern that there aren't a huge number of opportunities within the federal ministry in the province and that they may have to go elsewhere.

And so I guess I'm interested in knowing what the public policy position of the province of Saskatchewan is when it comes to people who have worked and are working in our province in the federal system having the ability to move from that position in the federal system into the province without going through a bunch of hoops when they already have some expertise and skill sets.

And my own experience is when the feds devolved training to the province and the province made arrangements that federal employees could come and work for the province through our Can-Sask centre. So I'm just wondering, is this something that would be a serious consideration? Not an integral part of the discussions, but it will happen. That it's the position of the province that we want to make sure that these people have work.

Hon. Mr. Bjornerud: — As Nithi has talked about here before, the negotiations are ongoing right now. In fact that's happening day by day. But the opportunity is certainly there. And I think Nithi has said that and I have said that — that the opportunity is certainly there for these people to look for a position here, either in Melville or in, you know, some of these other 30 jobs. In fact we're certainly hoping that a number of them, if not all of them, would put in resumés to apply for the positions with the provincial administration of the CAIS [Canadian agricultural income stabilization] program.

Ms. Atkinson: — Mr. Chair, I have another series of questions, and I'm wondering if it would be okay if we adjourned because I don't want to get started and then we'll have to come back. So I want to thank the minister.

The Chair: — Yes, I'd thank the minister. And before we recess, I just want to read a substitution form in, where Ms. Schriemer is substituting for Ms. Ross, and that will be for the rest of the committee today. I'd like to enter that. And I'd like to thank the minister and his staff for their answers and being here. And this committee is recessed until 19:00 this evening, 7 o'clock p.m.

[The committee recessed for a period of time.]

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

Subvote (HI01)

The Chair: — I'd like to call the committee to order, please, and welcome back. We have a substitution. Mr. Broten will be substituting for Mr. Furber this evening.

And this evening we are continuing the consideration for vote 16, Highways estimates. And I will not read all the rest of them into the record. We've done that before. So I would ask the minister if he would introduce his officials. And I know we had the opening remarks before, but if you have anything further to add you may do so after you introduce your officials.

Hon. Mr. Elhard: — Thank you, Mr. Chair. This might come as a surprise to the committee, but I have no opening remarks other than the ones we provided, at length, when we last met.

To my immediate right is Terry Schmidt, the assistant deputy minister of operations. To my left is George Stamatinos, assistant deputy minister, policy and programs. Behind me to my right is Ted Stobbs, assistant deputy minister, corporate services. And immediately behind me is Jennifer Ehrmantraut, the acting director of corporate support. And we are pleased to be here again tonight and to answer questions from the

committee.

[19:00]

The Chair: — Thank you, Minister. And Mr. Harper, I believe you are ready for questions?

Mr. Harper: — Yes, thank you, Mr. Chair, and welcome, Mr. Minister. It's a pleasure to have you here again. Welcome to your officials. We're looking forward to having a good exchange of information here this evening. Mr. Chair, to start off with, I'll turn the mike over to my colleague, the member from Cumberland, who has a few questions he wishes to ask.

Mr. Vermette: — Thank you, Mr. Chair, and to the minister and his officials. I got a letter just recently from last estimates, some of the questions I asked, so I just want to start out by thanking you guys for that letter. It came at a good time to follow up some of the questions I would like to bring to your attention and see where we go on some of these. And I guess I may as well go right into the letter.

The question I asked was on the bridge at Sucker River, and I know I look at this and it was \$25,000 that was allocated to the demolition of that bridge. What would be the process for the band? And I'm referring to Sucker River because it's in the community of Sucker River for Lac La Ronge Indian Band. What would be their process to come to your department — I guess it would be yourself, Minister, or your deputy minister or somebody — that they could bring their concern of the cost of taking the bridge down, that they don't feel the 25,000 is going to cover it. And they're quite concerned about that, so what would you suggest the process they do? And I know it was an agreement.

Hon. Mr. Elhard: — Mr. Chair, the question I think is significant, especially to the community that is making the enquiry. It's my understanding, and I think we included the detail in the letter that we provided, that our ministry did advance \$25,000 to the community as an instalment, I guess, or a payment for the community to demolish the bridge.

I think the decision was made at the time, though, rather than to demolish it, the purpose was changed from vehicular to pedestrian, and the ongoing use of the bridge was restricted to pedestrian traffic. If the community has changed its mind now about what they think is the most appropriate end result there, I guess that would be a decision that they need to take.

But our responsibility as a ministry does not extend to taking further action in that particular instance. We, you know, we have a requirement to provide infrastructure that will support the northern communities, but it doesn't extend to this particular instance in my understanding. So if there is information that you can bring to the discussion that would clarify that or help us reconsider, I'd like to hear that.

Mr. Vermette: — Well then I guess at this time what I would propose, and I will go back to my community and explain to them that there's a meeting that needs to be set up, and I guess we'll draft a letter and send it to yourself and you can, I guess, direct your officials to either set up a meeting that we can discuss the matters that they have and maybe a different

understanding — just to make sure that it's fair and at the end of the day at least the process has been followed from me to you and with your officials. So I will suggest that to them.

Hon. Mr. Elhard: — Just let me confer with the officials a little further on that particular topic because I don't want to mislead anybody tonight as a result of the conversation we're having here. If in fact we have some additional or other interest in the bridge, we should determine that. If we don't, we need to be clear about that tonight. So let me just confer with the officials for a moment.

Mr. Chair, to the member, the understanding I have as a result of our conversation here with Assistant Deputy Minister Schmidt is that the justification for our ministry providing \$25,000 to dismantle the bridge initially was based on the fact that we had, as a ministry, provided some ongoing maintenance to the structure on behalf of the community. And when the bridge was deemed to be inappropriate for vehicular traffic, the ministry erected a new bridge which was not within the boundaries of the community, and our expenditures and our operational costs and maintenance costs were directed to the new facility.

Now we have some understanding that the ongoing situation there has been discussed by the community and the federal Department of Indian and Northern Affairs, INAC, and that there is an ongoing discussion happening. If that's not correct, I would appreciate knowing about it. But that bridge and that community, investments and infrastructure for that community within their boundaries, is really a federal jurisdiction.

Mr. Vermette: — Well I don't know all the details at this time. And if I did, I would share more of them, but I don't. So I'll go back, to be fair, to the community. And the people that have asked me . . . and I'm talking about the councillor. I'll go back and we'll start the process with a letter and ask for a meeting with your officials, and hopefully we can work through. And if you hear their side to what's going on and maybe there is a good reason and maybe you guys can reconsider it. And I mean that's just the option that's there for them. I just want to follow that process with them.

Hon. Mr. Elhard: — I would encourage the community to bring with them documentation that would indicate where they're at in their discussions with the federal agency as well. That would be helpful.

Mr. Vermette: — Mr. Minister, I will pass that on to them, and hopefully they can provide any more information they have to, you know, help make a decision or go with it. Anyway thank you very much.

I made some responses to the budget, and I guess I've been bringing a number of petitions for Highway 135, the seven kilometres paving of Pelican Narrows. And after *The Northerner* reported, I guess, my view of what the budget and how I said the inadequate dollars that were placed in the North and some of our issues in communities, the Minister of Northern Affairs or First Nations and Métis Relations, and I believe an article was put out. You guys responded, "Province to initiate Enterprise Region process" in *The Northerner* on April 2, 2009. It's an article.

In that article, it sets out the plan for the North and different projects that you guys are working on as a government with First Nations and Métis, and it's quite a lengthy article that been put together here. But I'll come back to the article and why I'm curious why it's in there.

On Highway 135, when I asked you last time, there was no further movement, and we didn't look like it was going to be on the five-year rolling plan that you guys had. It might be in the six or seven year. You weren't sure. And you said you guys were — and correct me here if I'm wrong — but you guys were doing your . . . Was it you were analyzing or looking at which projects would use the best resources that you have for economic improvements overall? And that's how you'd be determining which projects would get the go-ahead and which ones would be put off to a later date. And that's what I believe you said.

At this time, has there been any contact with anyone, whether it's the administration or chief and council of Peter Ball [Ballantyne] Cree Nation for Highway 135?

Hon. Mr. Elhard: — I'll probably allow the detail of the answer to be provided by one of the gentlemen to my right or left. But I do want to correct what sounds like a misunderstanding on the part of the member.

Our five-year rolling plan has been developed and released to date, only applies to roads generally speaking south of the treeline, south of what we call the fringe area. That would be in the constituency of Saskatchewan Rivers and across over toward Meadow Lake. The roads in the region north of that particular geographical line are all subject to a whole new process that we're developing based on the same or very similar criteria that we used in the southern evaluation process but taking into consideration unique and very specialized concerns and needs in the North.

So we haven't developed a five-year rolling plan for the North as yet. We haven't come up with a clear set of criteria by which we can evaluate the roads. We're still in the formative processes of developing that five-year plan. And, you know, I wouldn't want anybody to assume that this is going to be a quick and easy undertaking. It took us at least a year to do the roads in the southern part of the province. And we had a lot of good, solid information — technical information, engineering information — that helped inform our evaluations in the South. We don't have quite the level of understanding from a technical perspective of all the roads in the North.

And so as we move forward, this is going to be a process that is informed by very transparent criteria, and we're going to do it right. But it won't happen quickly. It's probably going to take a number of months, maybe even the best part of a year, to undertake and complete the evaluation process. But once it's in place, the people of the northern communities will be able to understand what it was that went into the consideration of each and every road — how we arrived at the points that we will award each of the roads, how those points, how that weighting, how that scoring might be influenced by changing dynamics, changing factors such as the potential for a brand new mine in some area or the closure of a hospital in a given community or those kinds of factors that are subject to change as time unfolds.

So our plan will be largely based on very clear and transparent criteria, but we're also going to leave just enough room in our evaluation process so that new information brought to the table can help influence the scoring and the ranking of each individual road.

You know, I have a situation — I'll use this just as an example — in southern Saskatchewan where a community is very anxious to see their road repaired to a primary weight standard. And while I understand the urgency from their perspective, when you compare that road to other roads in the province using the same criteria for evaluation purposes, the points that that particular highway achieved, the score it achieved was about . . . well it placed it at 93 out of 250 roads. So while that sounds pretty long term, it will give the people of that community a very clear understanding how they compare, how they rank, how their highway can be compared on the same criteria to every other road in the region.

And it's our anticipation or our expectation that, as the years unfold, we're going to be able to do half a dozen to 10 projects a year. So we can move through the rolling five-year plan reasonably quickly.

Now that community that scored number 93 out of 250 roads might be, as I said, pretty disillusioned by that fact. But if they had a substantial economic development initiative that was being considered for their community, that might completely change the dynamics of that road. It might in fact create a significant truck traffic increase. It might produce a significant increase in the average daily traffic count. And where people think they've got 200 cars on the road and that's a big number, it's a very small number by comparison. You might have any number of factors that will change the scoring of that road.

I think what the people of Saskatchewan need and want is some predictability to this whole undertaking about providing renewed infrastructure.

[19:15]

And we can go in here and do a couple million dollars of work in this community and a couple million over here and 10 million here and 80 million over here, but unless we've got a very strategic plan and a very clearly articulated process by which to make those investments, some of that money might be wasted. Because \$10 million to fix 7 kilometres of road here might attach themselves to 125 kilometres of disastrously poor gravel road. That would be money not well spent. And so we need to evaluate the roads in the North with the same kind of overarching view that we are bringing to the roads in the South.

And I think that, when this exercise is completed and people start seeing the rollout of the five-year plan, they'll understand the appropriateness of the approach and the long-term benefit to the people of Saskatchewan.

Mr. Vermette: — I guess that I'm going to go back to Highway 135 and I want to focus on that for a little bit. I have been presenting petitions for Highway 135 and I will continue to do that. The community has lots of signatures. It's growing support. I met with the chief and council prior to the Peter Ball election here; they just had an election on the 14th and there's

been some new councils, members on there.

And I guess the concern, and I guess the support of the leadership of the mayor and chief and council to go ahead with getting that 7 kilometres paved, to them is very important. There's a reason why. And I guess the work that's going to go and the support we'll get and . . . I'm going to encourage them to do all they can to make sure that this project moves ahead. And I can only encourage them. They have to make their decision. From what I can see, the community supports it. We've talked to the elders. There's reasons why. So there's getting support, momentum for that road.

I was actually there all last week in the constituency, meeting over there, and those roads through the community are in dire need of some serious maintenance and paving. So that project, I'm hoping whatever efforts can be done to your department to see it as a priority, hopefully the community can do that. And we'll see where it goes from here. So I see where you're at.

I want to refer to this article and here, the article that I'm talking about, it talks about:

The Province is waiting for the Peter Ballantyne Cree Nation to provide a Council resolution that will transfer the roadway to the province. "Also a consultant (has been hired) to complete design work and we expect that to be done this year" . . .

Now that's in the article. Now I'm not sure which roadway you guys are asking for Peter Ball to give you a band resolution. It's actually band council resolution, but in here it just says council resolution. I'm not sure — is this Highway 135? It doesn't say. Prior to it, the article, it talks about Highway 123. So I'm not sure.

Hon. Mr. Elhard: — Well in my understanding it is directly connected to Highway 135, as you indicated. The question of band council resolution, we, our ministry did receive from the Peter Ballantyne Cree Nation back in August 2007 a band council resolution supporting this ministry's request that reserve land be transferred to the province for the purpose of a public highway, and that would be, our understanding is, for a period of 25 years.

Now the band is requesting that the ministry complete a number of projects in exchange for that agreement, it's my understanding. What the band has asked for is the construction of an asphalt surfaced highway to the same general standard or quality as the asphalt surfaced sections of Highway 106, which is Hanson Lake Road. They want us to erect four delineation lights at key locations along the 7-kilometre section. They want us to install pedestrian-activated flashing lights at the school pedestrian crossing. They've asked that we provide up to \$20,000 towards boardwalks for pedestrians in low spots along the highway right-of-way, and periodic reviews at a minimum of every five years to discuss any concerns with the constructed asphalt surface, delineation lights, or pedestrian crosswalk.

Now it's my understanding that even though the ministry received the resolution from the Peter Ballantyne Cree Nation, that the Department of Indian and Northern Affairs Canada is reviewing that particular resolution, and at this time the status

of approval of an order in council is pending with INAC.

And we have commissioned a consultant to complete a design for that work — that's expected to be completed sometime late this spring — to allow us to deliver that project, that work either later this year or sometime in the near future.

But you know, infrastructure provision in the North is never a simple, straightforward set of circumstances. There's always more than one player and in this case now we've got the federal government involved looking at the resolution and considering its approval.

Mr. Vermette: — So you're saying that this band council resolution, I believe the ministry, department, got that August 2007. Is that clear?

Hon. Mr. Elhard: — Yes, that's the time frame.

Mr. Vermette: — And now you guys, as of what date have you hired a consultant to do the design phase of this project?

Hon. Mr. Elhard: — According to Mr. Schmidt, and he's going by memory here but the consultant would have been commissioned probably somewhere right around the time frame of us receiving the band council resolution. It's probably 18 months ago, maybe even a little longer.

So you know, I think the ministry has acted in good faith. Upon receiving the band council resolution, they took the obligations of the agreement to heart and moved to secure a consultant so that the design work could begin. That design work is not completed yet; we do expect it to be completed late this spring. And that will position us for future delivery.

The holdup really is the fact that we don't have the approval of the band council resolution by the federal government, and that approval would allow for the transfer of title for the land to the Crown in Saskatchewan, to our ministry. And we're not really in a position to start building this particular project, undertaking this project, until we have title to the land.

Mr. Vermette: — Being that I'm new and I guess I'll ask one of your officials, however you direct who wants to answer it. I guess you could answer it yourself too, Mr. Minister. Has in the past, any time there's been any work done of this nature on a reserve, has the band council had to do a band council resolution to authorize the land to be turned over to the province on any types of projects like that when we go in there and put provincial dollars on a project like this?

Hon. Mr. Elhard: — Mr. Chair, we had to have some discussion because this is really an important question around obligations and jurisdiction and ownership. And the answer generally speaking is that if we're talking about a continuous highway going through a First Nation community or land held by a First Nation, in order for us to maintain and operate the highway within their jurisdiction, we would want the security of a long-term lease or the transfer of title to our ministry.

If there are exceptions to that rule, they would be probably very infrequent but might arise where you have a road that is not a continuous road but dead-ends within a First Nation, you know,

if it was just an access road in and out of the First Nation. So that might be the one differentiation we would allow for.

Mr. Vermette: — Okay. Further to this question, how many in your experience — and I guess this can go to your officials or you can get the information for me — how many times has Highways requested this type of a band council resolution from any other bands in this province? Do you have a number?

Hon. Mr. Elhard: — Mr. Chair, it's a good thing we have the corporate memory of long-serving employees in the ministry because at this point we are going by memory, generally speaking. But Mr. Stamatinos tells me that, in his personal experience, he was involved with the necessity for a band council resolution for improvements to Highway 15 near Punnichy. And also Highway 9 right close to the Manitoba border somewhere in the vicinity of The Pas, Manitoba, and there was a band council resolution required there.

We have had some more recent examples, but there are some circumstances in which bands would prefer not to give up title and would prefer a long-term lease. And that happened most recently in our agreement with the First Nation along Highway 219, the Dakota Whitecap First Nation. And I think that their justification was that they have an ongoing interest in the highway. They have participated in a partnership with our ministry as well as several other organizations and local governments that have formed a partnership on the improvements to Highway 219. And so that's the route that they chose.

But I think I indicated that in my earlier comments that there's two conditions under which our ministry will provide roads and road improvements on reserves. That's either if we have title to it or if we have a long-term lease.

[19:30]

Mr. Vermette: — Just for clarification, what would you recognize or what do your officials or what is the standard long-term lease? Is it 25 years? What would you classify as long term?

Hon. Mr. Elhard: — I think generally-accepted principles for lease arrangements would indicate or dictate no less than 25 years as a valid long-term lease. Thirty-three years isn't uncommon. There are some instances where you'll get 49-year leases, but I think for our purposes, we would generally be looking at that 25-year time frame.

Mr. Vermette: — Thank you. So far for this consultant, what would the cost be so far? Do we have any idea?

Hon. Mr. Elhard: — We don't have that information at our fingertips, so we will undertake to find it and report back to the committee.

Mr. Vermette: — Thank you. I guess you said you had a number. You talk about two leases — Highway 15 and Highway 9 — where a band council resolution was required. Is it possible to get copies of that? Is it anywhere a person could see?

Hon. Mr. Elhard: — I am informed that the band council resolutions were required somewhere in the range of 23 to 25 years ago. We might be able to find a copy, but we'll probably have to go to the archives to do it. If it's absolutely essential, I suppose we could provide it, but I'm not saying no. It's just that if there's justification and merit providing it, we'd be prepared to do it. But it's going to be a costly and time-consuming search.

Mr. Vermette: — Then Mr. Minister, I don't want to be causing any grief to anybody, too. I want to work through this process. So at this time, I guess we'll wait to see what process we go through with the band council resolution for Peter Ball. And if there are areas where we're concerned, then I guess I will do it through the House through written question asking for copies at a different time. So if we can work through that, then fine. It won't cause, you know, a bunch of work on anybody, but if we need it then I guess I'll do it through the written form. Anyway thank you for that.

Hon. Mr. Elhard: — Mr. Chair, I just would recommend that before the member starts offering written questions to us on sort of the content and the provisions of the band council resolution, that's really an issue for the band to sort out with INAC, not us. We're just waiting for it to be approved. The terms and conditions of the resolution have nothing to do with us from that standpoint. So I think the member would be well served or maybe better spend his time directing those questions to INAC on behalf of the Peter Ballantyne Cree Nation.

Mr. Vermette: — Well let me be clear if I some way was not understood; I'll repeat it. I'm not talking about the process and the wording of the band council resolution, but you're talking about a lease or you were talking about the band council whether it was ownership lease. And I'm saying if there was a document that has some wording in it, would be useful to us, then great, and to the band, so be it. That's what I was asked for.

I'm not asking the band or directing them in anyway on how to word a band council resolution. They know how to do that, and they do it quite well. So just wanted to be very clear.

Hon. Mr. Elhard: — Mr. Chair, that wasn't my assertion at all. All I'm suggesting is that at this point the only holdup in this process seems to be at the federal level, and we're not really in a position to push them on this particular topic. We would like to see it resolved and come to some conclusion so that we can move forward with the project. But in the meantime, the holdup is at the federal level, and we're not in a position to influence the outcome there.

Mr. Vermette: — Okay then. I think we understand each other. That's good. I guess my next question, Mr. Chair, I'll go to.

I think a report came out, or I believe it was from your department, put out. And you guys can correct me here if I'm wrong. It talked about two bridges. And I believe they were towards the same highway we're talking about, 135. There's a review and it talked about replacing two bridges.

Now why I'm asking that is when I'd seen that document coming out, it was very interesting to me because we had a

conversation about that. And I have to go back and check who we had that with, whether it was one of your officials in a telephone conversation about bridges. I think it could have been one of the engineers. Anyway and if these bridges are by Pelican Narrows . . . There's two of them. They're right close together. And if you look at the information that was provided they were very close. And that's exactly what these bridges are. They're within a jump away from each other.

But it talked about looking at the replacing, I believe, of those bridges. And it didn't say it was within the five year . . . it's being looked at. But when I talked to somebody from, I guess, the Department of Highways that deals with your bridges, they said that the bridges were sound, and they weren't looking at replacing them. Then all of a sudden I get this letter from information, and they're on there. So I believe it was in your rollout of the budget, your projects that you guys are looking at. So it was in there. It was very clear. So I'm just curious.

Hon. Mr. Elhard: — We're going to have to check on the substance of the question because I don't personally recall the issue of two bridges, and we just need a few minutes to verify that.

Mr. Chair, we have come to find some information here that will help us with this particular discussion. There are two bridges scheduled for replacement on Highway 35, the two that were alluded to by the member. One is at 45.39 kilometres, and the other is at 45.63 kilometres outside of Pelican Narrows. And those bridges have been identified as part of our long-term five-year capital plan for bridge replacement. Now that's a different plan basically than our road plan because we have a very significant infrastructure deficit in bridges across the province.

The provincial highway system contains about 850 bridges and probably close to double that in terms of culverts, all of which probably are approaching or have approached — have exceeded maybe — their life expectancy. That's a terrible thing to say here because people will worry that their car will bottom out as a culvert collapses, but the fact is that we have a very significant deficit in infrastructure. And so we completed a rolling plan in terms of an aggressive approach to bridge replacement.

We have a number of projects for bridge replacement scheduled for the year 2010 through 2012. These two bridges we're talking about are included in that time frame.

The current status is that we have some design work being done on it. The bridges will require probably a year, maybe a year and an half to two years for design. But included in that time is the environmental approval process that has to be undertaken. So even though we would design a bridge, we can't construct it and put it in place until the environmental assessment process has been completed. And so that requires some additional time.

Mr. Vermette: — Thank you for that clarification on that information. I guess I want to go back on a question here. In one way, for some of your officials and dealing with the phone call I made to some of the Highways people . . . The bridge 40 kilometres south of La Ronge, there's a bridge there. It's pretty well sunk right down. It's got a lot of heavy traffic from the

trucks hauling up to the mines. And the bridge is, well, there's been quite bit of incidents, people hitting them. I've asked . . . and I just want to pass this on to you, Mr. Minister, with your officials that I talked to. And I was concerned. I had people complaining about, yes there was signs telling people to slow down because of the, I guess, the condition of the bridge. I was reassured that it's not a structural thing by your officials, which was good. They were going to try to work on that bridge and get it levelled back up, propped up, whatever. It's actually like it's sunk, but apparently there's some things they could do to bring it back up.

Why I'm saying that, I asked also about some type of lighting system to warn people — flashing lights. So I'm passing that on to you. And I did talk to your officials with Highways. They did take care of that, and within a matter of a short time there was flashing lights up there telling people to slow down. So I just wanted to pass that on. Sometimes, you know, it's nice to compliment people when they do the things that need to be done for safety. So I just wanted to pass that on to you.

Hon. Mr. Elhard: — Thank you for the compliment and the comment. That's one of the biggest challenges I think facing a ministry like ours. There are issues that develop that we aren't necessarily able to identify on our own, and when the motoring public has some input and we can respond, we are happy to do that. Safety is our first priority. And if the local crew saw fit to put up flashing lights and utilized the equipment we have for that purpose, I'm glad that that was able to be accomplished as quickly as possible. It's our goal as a ministry to make safety not just our first priority in word, but in practice as well, so thank you.

Mr. Vermette: — You're welcome. I guess further to that we'll monitor to see when they raise it so that, you know, it deals with the problem that's there. I'm hoping it's soon. They told me in March they would get onto it, and I'm definitely monitoring it, but I guess it has to do with the weather. So we'll wait and hopefully it can be solved fairly soon and quickly so that there's no more erupt bumps in the road and I mean it's quite the . . .

I guess I'll go on to my next question. The highway going north of La Ronge to Southend. You go up to Southend. But what I'll talk about is probably the 30 kilometres of paved from La Ronge going north and the condition of that road. And I'm getting people calling me, and actually we had a meeting about it just recently in the communities up there, and people are coming into my office about the concern. It has heavy, heavy traffic with semis hauling into the mine. You talk about economics; well there's the economics, because what's going on up in the mines is an opportunity for us to have revenue to do some of the projects that we need to do.

[19:45]

And I'm assuming I'll be presenting petitions as momentum builds on it how bad the road is up there. And, Mr. Minister, as one of the ambulance drivers up there challenged me — and I put the challenge to you last time in estimates — to come for a ride. They wanted us to go for a ride in an ambulance, see what it would be like travelling on that road. And I've travelled there several times in the last little while and it's pretty bad. The

road's in bad condition. I mean you have a lot of heavy hauling. Lots. I mean those semis are on there; that road's narrow and there's constantly . . . So it's a safety issue. It's getting pretty bad and I'm having people coming into my office saying, what's going to be done with this?

So I just want to just give you the heads-up. People are concerned for their families, their safety because of these big trucks on there. I mean we know that economics is part of it and I know you've mentioned that several times, but I just want to say that with economics has to come safety too. And they just want to make sure that I'm representing them and I bring those concerns forward, so I will be doing that through petitions if that's what has to happen.

But maybe you guys can have a look at it, and also that challenge is still going out to you. If you'd like to come for a ride in one of our ambulances up north, we'd gladly accommodate that, is what I've been told. So I just want to pass that on to you for that road.

Hon. Mr. Elhard: — Mr. Chair, I appreciate the concern of the local residents for the condition of that road. It's not that long ago that I drove that road myself and was party to a fairly rough ride in some places. I want to make it clear though that the pavement beyond the community of La Ronge is primarily TMS [thin membrane surface], thin membrane structure. And as you will know, Mr. Member, TMS has been around this province for 60 years and for the most part it was just an inch and half, maybe 2 inches of pavement laid on a dirt surface, and there might have been some gravel in some exceptional circumstances, but by and large it was just to provide a dust-free driving surface for light duty travelling or for light duty equipment.

The economy has changed. The demands on those roads have changed dramatically. The weight that we carry on our trucks these days is significantly higher than it ever was. The length of the trucks, the sometimes double trailers, the flexing of the pavement, all of those things — not to mention our extreme weather conditions here — all of those things play a disastrous role in the lifespan of TMS roads. And unfortunately what was a very good solution to a pressing problem in the '50s and early '60s has proven to be the bane of our motoring existence today. And our ministry does the best it can to kind of hold those TMS roads together, but it's a losing battle, frankly.

And as I indicated many times, both here and in public presentations elsewhere, the province has yet 5800 kilometres of those thin membrane structured roads, and to upgrade them to a primary weight standard is currently a \$600,000 per kilometre cost. So for us to commit the resources necessary to fix just the thin membrane roads in this province, not to mention the many other thousands of kilometres of highways that need some attention, just the 5800 kilometres of TMS roads, would cost us in the range of \$3.5 billion.

So even though we have a \$630 million budget this year, which is the largest in the history of the province, at any given time that amount of money will only provide proper attention to 5 per cent of our roads — 5 per cent. And we are going to need a budget of \$630 million for the next 20 years to come close to fixing the problem of TMS roads.

So we're looking at, you know, a pretty significant commitment financially to address thin membrane highways in this province. Now having said that, I would also make the argument tonight that, given the kind of traffic that the member has indicated on that particular stretch of road, given the economic value of the traffic there, the heavy industrial traffic that is going to mine sites and other developments in the North, that particular highway will make a pretty good candidate for attention as we do our five-year rolling plan and as we do our evaluation of each of the roads.

So while I can't make any comments tonight or any promises about a time frame in which that road will be addressed, I can certainly suggest to you that it has more potential, early potential, than many of the other roads. And I think the people of that particular region will welcome the fact that it's going to be considered very seriously as part of our evaluation process and ultimately our five-year rolling plan for the North.

Mr. Vermette: — Thank you. And I guess I'll just add to that, Mr. Minister. If you look at the traffic that use that, and I'm talking about for the local communities. And I'm just going to name them off, so you understand the kind of traffic of residents and people with kids going to school because there is no high school in some of those communities, so they have to come into La Ronge.

And there is Missinipe, Grandmother's Bay, Stanley Mission, Southend, Sucker River, Wadin Bay. These are communities that are — English Bay — that are constant traffic into town and those big trucks and the road conditions. So I just want to share that with you as extra information so some of the communities that you're aware of that are affected by that road.

And I know that the individuals that have approached me and asked for our assistance, we'll continue to work with them to, you know, bring that to your attention. And like I said, however we have to do that, we'll do it. But they need to do, and I will bring their message to this legislature or to your officials and yourself as the minister. So thank you for that information.

Hon. Mr. Elhard: — As part of our process in developing the five-year rolling plan for the North, we're going to engage the area transportation planning committees that exist now in the northern regions of the province.

We will be talking to local communities and leadership in local communities. We're going to say to them, here, here are the criteria on which these evaluations are being made. And the criteria will be the same for road 135 as it will be for the highway north of La Ronge as it will be for Highway 9 . . . oh what is it here; I can't even find it right now. But 106 and eventually 135. The criteria won't change, but the data probably will, depending on the hard information that we can determine.

I just want to say for the member's sake, that among all the technical data that we're going to be accumulating to help us develop this scorecard and the points for each of these highways, we are going to be looking at the existing infrastructure and the capacity. Like, what is the status of facilities in the immediate community? Does that community have hospitals, schools, banks? We're going to look at the capacity of existing infrastructure to serve future industry, and

that's an important part of the criteria. Are there water and sewer and pipelines? And is there high-speed Internet or cellphone coverage? Or is there an aquifer in the area? We're going to look at the ability to expand developmental building lots.

And then another category we're going to look at is the dependence of the area or that community on the highway, and the member just talked about how many small communities north of La Ronge use that road to take children to school. And the number of highways and rural municipalities, municipal roads that provide access into the area will be a factor. How are health and emergency vehicles and school buses using those roads? What are the existing industries in the area that are dependent on the highway? What's the volume of the commodity that is currently hauled or could be hauled on that highway and the municipal roads in the area?

Those are important, hard data that we can plug into this evaluation process. And so while I'm prepared to work with the member and his communities and the leadership and representation of those communities up there, these decisions are going to be made on clear criteria evaluated through a fundamental process.

And while I have signed and encouraged constituents to sign petitions, you know what? In the end that's really not going to make much difference because the petitions won't change the criteria. What will change the criteria is the willingness of the community to work with us to help achieve better economic outcomes and the collection of better data.

Mr. Vermette: — Well I guess, you know, you have your decisions to make. And I guess you will do that. You have an opportunity, and when I say and I talk about the safety and stuff . . . And to me some of these communities, they're not small; some of them are large — Stanley Mission, Grandmother's Bay. Like you have some pretty . . . Southend. Communities are growing in the North. Our population's growing and there's a lot of people using that road. And I know there's a lot of economics on there.

But you know, I'll say this: they'll do what they have to do to bring it to your attention. And I guess they'll rally the troops and support that they need to make sure their projects are heard. And with the economics that are going on up there, and I mean we all know that. So we'll see where we go at the end of the day with that one.

Hon. Mr. Elhard: — Mr. Chair, to the member. You know, the time of the people up there would be much better spent in working with us and with the local community leadership to help us collect the hard data. Anybody can sign a petition. It takes no time, no commitment, no energy. Anybody can sign a petition.

The hard work is putting the information together, collecting the data, and making the economic argument for the significant cost of upgrading the road. And that's why I've said the reason we're going this route is to provide economic leadership to the province for the long term.

There's lots of people who will sign petitions in my

constituency and other southern constituencies, and I'm saying the same thing to them: this approach is to provide the best long-term transportation infrastructure from a strategic perspective for the entire province of Saskatchewan and removing the politics from it.

This won't be about which community can scream the loudest. This will be about which community can put its heart and soul into helping us find the right economic and social answers to justify the expenditure in that region.

Mr. Vermette: — Well thank you. And again I guess your department and the government of the day will make those decisions based on whatever criteria you want to say you're using. That's fine. But I think it's very clear. I say that the communities want to do whatever they need. I mean, the talk was petitions and whatever else they want to do or they feel they need to do as a leadership and as residents. I guess they'll figure that out on their own and move it very quickly. I'm just giving you a heads-up on it.

I guess the decision and the criteria . . . You might say the time would be better spent doing other things. Well I guess, you know, that is your opinion and we're all entitled to our own opinions, and we make decisions and you will make your decisions.

And I know when my community members come to me and say, here's what we want and here's what we're going to do — carry this message; you're our elected official, you're supposed to do that. I will do whatever I can to bring that to the attention of your government and your department if it's need be, if it's Highways or anywhere else.

Just so you understand, I don't mean that as a threat. I mean that as truly so you understand the need out there.

We're talking about a lot of communities that use that road for safety. So I just want to finish there. They'll do whatever . . .

Just want to finish up on that one. You know, a lot of communities in Saskatchewan . . . And you refer to not just the North, you refer to the South lots, and you want to say we want to share with everybody, and you keep telling us how it has to, you know, we have so many projects all over and we want to share with everybody. And there's a lot of needs, you know, for whatever reason.

But I want to be very clear, Mr. Minister, that there is one way out of some of our northern communities — one access road in and out. And sometimes the conditions of these roads, we don't have two and three from our communities, access roads out. We're limited to . . . I mean, you have a wildfire; you have conditions to evacuate. You are limited to where you can go. So some of these people think about that when they have their families, their loved ones. They think about that, the condition of that road.

And I've heard comments made. And I understand you when you say, yes, there's needs all over. But sometimes when we have one road coming out, I'm sorry, for safety, it would be nice to have a safe road at least one way out versus something that's in the shape that they are. So I just share that with you.

[20:00]

Hon. Mr. Elhard: — Mr. Chair, you know, I am completely sympathetic to the member's position. When there's one road in and one road out and they're the same road, you want a safe road. And it's our ministry's intention and objective to try and provide a safe road.

But that doesn't mean we can provide a fully developed primary weight highway. And there are a lot of different levels of construction and a lot of different technologies available that might help us, moving forward, to achieve some of the road requirements that are important to these communities in the North that aren't maybe as costly as the processes and technologies we use today. But that's some time in the future yet. We haven't reached that point.

I understand the member's frustration. You know, I want to remind him that I've been here 10 years. And for at least six of the eight years or so that we were in opposition, I was the Highways critic, and I presented petitions every day for those five or six years. And it didn't make a tinker's difference in terms of the government's priorities. It didn't. And you know, that's pretty frustrating. So I'm completely sympathetic with the member when he's frustrated to some extent by the limitations or the lack of persuasiveness that petitions present.

But the fact of the matter is I would be remiss in my duty to the people of the entire province if, given the limited resources we have and the size of the problem, the size of the infrastructure challenge, I would be remiss if I didn't find the most strategic and smartest way to spend that money. And that's my determination. That's the determination of our government. And we will do that, and petitions will not dissuade us. We will move forward with a plan that is clearly articulated based on sound economic and social criteria. And we will invest on behalf of the long-term future of this province.

Mr. Vermette: — And let me be clear, Mr. Minister. If you seem like I'm frustrated, I'm not. I'm excited. And I have compassion about that. So I'm not frustrated. I want to be very clear on that. I enjoy what I'm doing. And I'm doing it because the people have asked me to do it, and I'll do the best job I can. So I just want to be very clear on that.

I'm going to go to my last question, Mr. Chair. About three weeks ago, a good friend and a long-time colleague who I served with for six years, and prior to that served for three years with his father . . . This gentleman did a lot for his community. And actually he was here on school board of education business. They had their conference.

And on the way home — he was with his step-mother, his nephew's partner and their small baby — and on their way home, on the Friday at 3 o'clock, they were on their way home back to Sandy Bay, and they were in a train accident at Dafoe. And out of that, you know, there was two — himself and, I guess, an infant — that lost their life and two other people that were severely injured.

And I guess, you know, I've been thinking about this. And when it came up to estimates, I thought maybe I'd mention it to you. And if you look at the lights at Dafoe, they're flashing

lights. There was no arm coming down. Yet I look at some of the other areas, and there was arms coming down on highways. And there's been about — and I don't know if I have my numbers and my facts straight, Mr. Minister — but I believe three serious accidents there.

I went over there after because I promised, you know, his mom that I would go there. And I went there to see the site, and I left some things there for his memory and in respect.

But I looked at that. I don't know if it would have made a difference had the arms been there and if we'd have saved two people. But I would like to, you know, suggest that to you and your officials, if you can look at that.

I can send a letter to you and I was thinking about that. When I got here and it came to, you know, my mind today, I talked to his wife. And I didn't want to, without her respect, bring this up here. And she was fine with that, so I'm sending that to you. And I can follow up with a letter, and I probably will do that to you and your officials to have a look at Dafoe, the train crossing over there.

At this time, Mr. Chair, I would just like to again thank you, the committee, your officials, and yourself, Mr. Minister. I know in the North we have a lot of work to do, and we'll work hard. One thing I'm finding, we're getting united and stronger.

And yes, you know, I've been here a short time. And I want to make it very clear. People can say there's enough blame to go around, and I'm not here to point fingers. But when people need things done in my constituency and my communities, I will bring them here as best I can and try to make sure that their concerns, whatever they are, are at least seriously considered because of the way . . . and I hope that I do the best job I can do to present those issues here.

And I think at this point I've done all I can with some of these items. And I'll continue to work with the North and my constituency to bring the concerns forward, whether it's to the committees in questions, to yourself as a minister, to the House. We'll continue to work on northern issues. There's struggles but, you know, there's light at the end of the road. We will work together, and we will get things noticed and do the best.

So at this time, Mr. Chair, I'd just like to say thank you for the opportunity to put my questions, and thank you to you and your officials for answering them. And hopefully we're going to have some more work done back home, and we'll get some good announcements coming for the Cumberland constituency. Thank you, Mr. Chair.

Hon. Mr. Elhard: — Mr. Chair, and to the member, I want to offer my respect to the member who has brought forward the concerns of his constituents in a very determined way over the last number of times we've met at this juncture, at this committee. I have nothing but the greatest respect for somebody who says, my constituents come first and I'm going to make a point on their behalf; it doesn't matter what you say. And I appreciate that.

You know, that's what this place is about. That's what we're elected to do. That's why we have a pretty healthy democracy

in Saskatchewan — because we have these kinds of dialogues. And whether we agree or not and whether we all come to the same conclusion really isn't as important as the fact that we work diligently on behalf of our constituents to represent their concerns.

So while we may differ on the approach and the direction that we would take on this particular topic, I think the outcome ultimately will be to the mutual benefit of the member, his constituents, this province, the people of Saskatchewan, and our government because we all know that the North really is the economic future of this province and that infrastructure is going to be required there like it's never been required before. And any government, any minister would ignore that reality at its own or his or her own peril. So having said that, I want the member to accept my gratitude for the persistence and determination with which he brings his constituents' issues to this discussion.

I also want to offer to the member my condolences for the loss of his friend and family member. You know, we've had in the past some very tragic incidents in this province, none of which are any more tragic than the loss of life at a rail crossing when in fact there were lights in place and obviously working. It just seems like such a waste. There's no greater definition of accident than the loss of life unnecessarily, and yet it happens from time to time. And so to the member and to the people of whom he spoke, I offer my own personal condolences directly and condolences of our ministry and our government.

I also want to assure the member that when those kinds of instances occur, our ministry responds with a predetermined protocol. We launch an investigation every time there is a mishap of this type. We go to the scene and evaluate if there is any engineering factor that contributed to the mishap. We look at whether there could be improved safety mechanisms put in place to prevent future mishaps of that type in any given location where these accidents occur. We take safety very seriously, and it never seems that we are able to accomplish enough to prevent every preventable accident.

But in this instance, I would assure the member that we have already started that review process. We are in the midst of our investigation. We are working with CP [Canadian Pacific] Rail in this instance — and having their considered input into this sad circumstance — and we will also be working with Transport Canada to evaluate the circumstances that contributed to the accident.

So I don't know if it's any consolation, but these accidents have happened before, and we've been forced to deal with the tragic consequences. And we want to know that we as a ministry and that our infrastructure, our roads, did not unduly contribute to the eventual outcome, and so we're in that process right now. And as we come to a determination, we'd be happy to talk to the member and detail our findings for him. Thank you.

The Chair: — Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair, and thank you, Mr. Minister. Mr. Minister, earlier this year when you announced your five-year rolling plan, basically — correct me if I'm wrong — but basically what your five-year rolling plan is, it sets the

priority for maintenance and construction of the highway system across this province. Is that correct?

Hon. Mr. Elhard: — It establishes a priority primarily for construction and rehabilitation.

Mr. Harper: — Is this different from the planning process the department used previously?

Hon. Mr. Elhard: — Well the ministry didn't have a clearly articulated long-term plan. The ministry did have access to information through its asset management capacity that would indicate that this road given the level of traffic and the level of repairs and the expectations for traffic in that region would require a certain upgrade. But in terms of construction of new infrastructure or reconstruction of existing infrastructure, they didn't have the benefit of an articulated, substantiated long-term plan.

Mr. Harper: — So you're saying that the department previously didn't have any indication that a particular highway would require major work probably at year 2, year 3, or year 4 into the future.

Hon. Mr. Elhard: — I'm sorry, Mr. Member; I was otherwise engaged.

Mr. Harper: — What I'm saying is, are you saying your department didn't have an indication or a plan that, for the highways in Saskatchewan, that would indicate that a certain particular highway may need — because of its age, because of the traffic on it — it may need extra special attention in the year 2, year 3, into the future.

Hon. Mr. Elhard: — No, I'm not saying that at all. That was the benefit of having the asset management program in place, which is technology that our ministry has worked with very successfully over quite a number of years.

If I recall correctly, the asset management program was devised in Australia where they had some increasing pressures on their infrastructure and the ongoing maintenance of it. It proved so successful that it was marketed to other ministries, and ours was one that took advantage of that kind of breakthrough in managing the asset. It does exactly what the title says.

[20:15]

You know the roads in this province, the highways in this province are finite. They are built to a certain standard, to a certain life expectancy, and if the traffic numbers don't change, the highway will probably meet that life expectancy. But as we're finding out, traffic patterns change, the use of the road changes, the weight of the vehicles change, the number of heavy vehicles changes, and it all takes a toll on the life expectancy of the highway.

That changing information can be put into the asset management model and can help the ministry determine when a road needs to be fixed, what the repair ought to be, what the cost would be, what the long-term expectations would be. If the information being put into the model changes, it will have different outcomes obviously. And the roads are, if I remember

correct, each highway in the province has been evaluated by ministry personnel on an annual basis to see whether or not the information that had been put into the asset management model was current and whether it had produced or was producing the results that had been expected.

What's different now is that we have so many roads in the province that asset management isn't adequate to meeting the new structural needs of our infrastructure. And so we have evaluated every road based on a number of criteria — that we've discussed in this committee many times — and come up with a pretty clear assessment of what the infrastructure needs are going forward, where we need to make significant improvements. And as we make those improvements we are tying them into the primary weight expansion that we've talked about.

It seems to me that if we're going to get the full benefit of any investment, any new investment in roads, or any investment in new roads — which is two different things — we need to try and get the most economic return from that investment. And by putting that money into new construction that is not up to a primary weight standard is folly, given today's circumstances and given where we expect to go in the future with our economy.

So the five-year plan allows us to build new or rebuild existing roads to a primary weight standard on a clearly articulated time frame, and that forms the basis of our five-year rolling plan.

Mr. Harper: — Then would you explain to me why it is that the portion of No. 10 Highway from Balgonie, junction no. 1 at Balgonie to Fort Qu'Appelle, which had a traffic count based on your traffic volume map of 2007 of some 4,205 — which is about the same traffic level as on No. 1 Highway East towards the Manitoba border, in some areas even higher than that on No. 1 Highway — and yet it has failed to meet your five-year plan for any major, significant upgrade or improvements.

Hon. Mr. Elhard: — Well I would dare say to the member that, even though the numbers look to be roughly equivalent, the nature of the traffic is not. The nature of the traffic of No. 1 heading east is much more truck-related, long-haul truck traffic, much more freight-oriented traffic. And that would be a significantly different factor. Even though the numbers might be the same, you know, the impact is different and the conclusions that one would reach because of that are necessarily different.

The traffic volume between, well Balgonie I guess and Fort Qu'Appelle on No. 10, the numbers are high and we don't dispute that. But we have to look, I think, at more suitable alternatives to alleviating the traffic congestion there that would accommodate the much heavier tourism-oriented traffic as opposed to industrial type of traffic.

Mr. Harper: — Yes. I wasn't making a suggestion, Mr. Minister, that it needed to be twinned, but I do believe it needs to be addressed to increase the safety factor of the amount of traffic on there. And some of that is heavier traffic. I'm not saying it's long-haul truck traffic, by no means. But I believe there's three grain inland terminals that are fed off that artery.

I believe that certainly the tourism factor for both summer and winter, particularly at Fort Qu'Appelle and in that area, constitutes much of that traffic. It is also a major commerce artery, I guess it is, as far as to feeding the Melville and the Yorktons of the northeast part of the province.

So the numbers certainly indicate that there is significant traffic there, though not heavy traffic all of it, but certainly it's still traffic that constitutes a need, I think, to be carefully considered as far as the safety factor is concerned. And one would hope that the tourism industry in that area would be a growing industry and that we could anticipate increased traffic, tourism traffic.

And I still wonder why with that high level of traffic — though not the heavy traffic that you had indicated that may be on No. 1 Highway East — but still that high level of traffic and the fact that it's nurturing a growing tourism industry and that it provides other commerce as far as agriculture is concerned, as far as the communities in the northeast is concerned, why it was not able to meet your five-year standard, some place within that five years, for a major upgrade as far as providing safe travelling conditions for the motoring public.

Hon. Mr. Elhard: — I guess the short and quick answer is that it's always a matter of priorities. And while I don't dispute anything the member has said about the traffic and the economic benefit of the highway, I would say that we have many other more pressing and immediate requirements which need our attention, and infrastructure construction and reconstruction now is a very expensive undertaking. And so as much as we've got the largest budget in the history of the province, it's not going to go far enough. That's simply the reality.

And I, you know, I alluded to the fact that all the money we spent last year, all the work we did — the 1,580 kilometres that we achieved some level of repair for a record-setting year — only amounted to 5 per cent of the work that needs to be done in the province when you look at it.

But let me just say this. I have speculated, I guess, in this committee that Highway 10 might make a reasonable candidate for the implementation of new safety measures, including the possibility of passing lanes. Now we can't enter into the construction of passing lanes lightly because of our penchant for building roads every two miles or every mile. And having an intersection from a side road intersecting with the highway that frequently, it is an accident waiting to happen. So when we look at the possibility of developing a passing lane in a given stretch, we don't want to be intersecting any of those oncoming municipal roads.

However, having said that, even though there's some, you know, pretty significant safety and technical challenges associated with that undertaking, we are planning to complete a passing lane feasibility study on Highway 10 in the near future. We think that it's worth looking at if . . . You know, the kind of traffic that is predominant on that stretch of road lends itself well to passing lanes as a solution; whether or not the existing lay of the land lends itself as well remains a different matter.

And I might as well be upfront with you and the members of

our motoring public right now. If we were to successfully develop a passing lane alternative or opportunity on Highway 10, there might be some roads that would have to be closed to direct access to the highway, because we might provide safety for the motorists on Highway 10 and increase risk for people who would approach the highway from the side roads.

So there are lots of factors to consider there, but we're moving forward and we're thinking about that as a possibility.

Mr. Harper: — Well I'm glad to hear that it's on your thinking list at least. And I suppose it's too much to ask for you to consider overpasses every two miles to accommodate municipal roads.

Mr. Minister, earlier this year or I suppose maybe even late last year, you made available the projects, the list of projects that were in the construction season for this summer. You did that earlier than normal so that it would allow the contractors opportunity to take a look at it and to make their bids. Have all those projects now been let out as a tender?

Hon. Mr. Elhard: — Mr. Chair, in answer to the member's question, I'm really pleased to be able to provide the following information. We have, as of today, tendered 75 per cent of the contracts for resurfacing. We have tendered 65 per cent of the contracts for granular work. We have tendered 50 per cent of the contracts for earth work. And within a very short time — days in fact, maybe a week — we will have tendered 100 per cent of our micro surfacing contracts for this calendar year, this construction year.

You know, that's a very aggressive position to be in, and this reflects, I would believe, the new way of approaching the tendering schedule by our ministry. We've become very aggressive. We've gone to tender earlier with a significant amount of work in preparation for the construction season. Much of that winter work has been completed, and we're in a position to move forward on spring construction work. And this bodes well for a pretty aggressive construction season.

Mr. Harper: — Has your new approach caused any new contractors to enter the industry? Has there been anybody who has tendered that hasn't done work for the department of Highways before?

Hon. Mr. Elhard: — To the member, Mr. Chair, we have, you know, we have some expressions of interest by contractors from outside the province in undertaking work here. I wouldn't doubt for a minute that there will be some new contractors start up, to spring up here in the province.

But our experience has been very positive in terms of this new approach to tendering and getting the work out on the market earlier. It really gives companies a chance to bid pretty aggressively because it allows them to know what project they're going to go to early in the construction season. They don't have to worry about having work. They don't have to worry about whether they should retain staff, whether they should buy new equipment or not. Those decisions are made quite a bit earlier now and gives the industry room to breathe, I think, and to formulate a pretty clear action plan on their own part.

[20:30]

I think our experience has been that the tenders have been more aggressive, pricing has been more competitive. We have had more response from companies interested in working on a variety of our ministry projects. And Mr. Schmidt just tells me that on Highway 368 — the notorious highway that runs from St. Brieux to the general vicinity of Humboldt — we just closed the last tender on that project, and there were nine bidders. Nine bidders. You know, it's not that long ago that we were pretty lucky to get one, two, and maybe three. But nine bids on that project is a clear indication of the health of the industry and the competitiveness that exists there.

Mr. Harper: — Thank you, Mr. Minister. Of those nine bids, were any of them . . . I assume they were all contractors from Saskatchewan. Is that correct?

Hon. Mr. Elhard: — Well the member can assume that, but he'd be wrong.

Mr. Harper: — Oh okay.

Hon. Mr. Elhard: — And I'm not saying that lightheartedly or facetiously. We, I believe, had four of the nine were from out-of-province . . . [inaudible interjection] . . . Five, I stand corrected. Five of the bids, of the nine, were from contractors out-of-province.

Mr. Harper: — And were any of the other contractors new contractors to the industry from Saskatchewan here who were getting into the industry as a result of the increased work from your ministry?

Hon. Mr. Elhard: — I needed this confirmed by Mr. Schmidt. I think I knew the answer anyway. But while most of the Saskatchewan-based contractors in this particular instance — and I think this is true generally — are not brand new contractors. They in many instances are existing operators who have seen new opportunities and have expanded their operations to take advantage of new operations. So where you may have had a contractor who did just primarily crushing work, they have decided they might want to get into the paving business. So they've hired personnel that understand the paving business. They've bought some pavers, and they're expanding their capacity that way. I have talked to some contractors personally who have really seen this as an opportunity to establish their particular business as an all-purpose or multi-purpose contracting business where they aren't restricted to one or two types of work. They are an all-purpose contractor now.

And you know, that is pretty helpful to our ministry and the province generally because you can have a contractor come in now and bid a job and say, you know, I'm basically on-site. I've got a camp here now. All I need to do is bring in a few more personnel and a couple more specialized pieces of equipment, and I'd be able to do this part of the contract or this part of the contract.

And so, you know, a lot of the administrative and set-up costs that normally are built into the cost of a contract, the price of a contract, are sort of spread across two or three operations. That

helps that contractor to be more competitive in his or her tendering. And it is of benefit to our ministry and the people of Saskatchewan.

Mr. Harper: — How many contracts have been awarded to contractors who are headquartered outside of Saskatchewan?

Hon. Mr. Elhard: — Are you talking about this year?

Mr. Harper: — I'm talking about this last tender process year, yes.

Hon. Mr. Elhard: — We don't have the numbers with us, but we can provide them for you. We'll have to dig through some of the paperwork that the ministry has accumulated as a result of this tendering season.

But here's sort of the reality we're faced with right now, and that is that we are putting more work on the market, and some of our companies in Saskatchewan have slowed down but others haven't. So there is more work to be achieved here. And companies from outside the province see this as a solid market, as a competitive market. They're willing to compete in the market, and we — no matter where the bid comes from, whether it's Manitoba, Ontario or Alberta — we are the benefactors when those companies participate in our bidding process.

Our industry is not unfamiliar with the competitiveness of outside participants. But our own industry players don't shy away from that competition at all. They step right up to the plate, and they've played that game for a long time, and they understand it. The reality also is that we do not close our boundaries to companies that want to tender our projects from other jurisdictions in Canada. We are bound by interprovincial agreements in that regard. And as often as we have companies coming from outside the province to participate in Saskatchewan construction projects, we export our expertise and our capacity to other jurisdictions as well. Some of the most successful operators in Alberta are Saskatchewan-based construction companies.

Now there's one other angle maybe we should discuss when we're talking about this particular area, and that is that something we've seen . . . are more joint ventures between companies that exist in Saskatchewan that might really have a certain level of specialization in one area or another, and they want to tender or bid on a larger tender rather. And so they form a joint venture with an existing and known partner. They come in and do this together. And the projects are getting larger. You know we're bundling some of our smaller projects to make a realistically priced larger project, and there's benefit to both the industry and the province when we do that. And so we're seeing that that joint venture activity produced pretty good results for the tendering process here and in other jurisdictions absolutely.

Mr. Harper: — Mr. Minister, when a contractor from outside of Saskatchewan is awarded a contract here in the province, is it your experience or the experience of your officials do they — by "they" I mean the contractor from outside of Saskatchewan — do they usually bring their own workers, their own employees, or do they hire Saskatchewan operators to operate their equipment?

Hon. Mr. Elhard: — The information that I have, Mr. Chair, is that there's no one set of circumstances for hiring practices. I can talk about a circumstance in my own constituency where we've got a small project going. It's a big project as far as my constituents are concerned, but in the scheme of things, it's not that big. But the contractor who took on that project was a Saskatchewan-based contractor, but because he had worked in a variety of different places, he didn't bring a fully established team or workforce to this particular project. He went to Canoe Lake, I'm told, and hired a substantial number of employees and brought them down onto that project near Climax, and they worked interesting hours. I think they were there 10 days in a row — 21 days, I'm told — and then they took a week off and then they'd come back, and they worked extended hours. These people were very dedicated to the project and wanted to see it get done.

We've had other circumstances where companies will bring sort of the project management capacity to the project and will hire locally as much as possible. That also happened in Climax where there were a few local individuals that hired onto the crew and worked all summer long. So there are some instances. Depending, I think, on the complexity of the job, maybe given the manpower requirements around a particular project, they will either bring an entire crew or source people wherever they can and just provide sort of skilled leadership for the local hires.

Mr. Harper: — So a contractor who is headquartered or based outside of Saskatchewan receives a contract here. Then when he receives his compensation, where would he pay his income tax, here in Saskatchewan or in the province where he was headquartered?

Hon. Mr. Elhard: — You know that's a good question, and I think it would better be answered by an accountant. You know I don't know. I don't know that answer, but I guess the answer for that circumstance would be identical to the Saskatchewan contractor who went into Alberta and spent most of the construction season there and then returned home to Saskatchewan. I assume that that individual would pay their income tax here, so I think it's fair turnaround.

Mr. Harper: — Yes, I would say it would be fair turnaround. I was just wondering if you — perhaps your officials — might be aware of what the ramifications would be as far as income tax is concerned, as far as the contractor or his employees who may be based outside the province but doing work here and where they would be obligated or required by law to pay their income tax.

I also see that in the estimates that you have a significant budget for bridge repair, I think a little more so than in the past. And can you tell me, is that bridge repair going to be done by the employees of the ministry, or is that going to be contracted out to private contractors to do the work?

Hon. Mr. Elhard: — We have too much work to restrict it to the bridge crews that exist within the ministry. They were so challenged last year by the volume of work that there were a number of complaints to our ministry about how come this bridge project got started, but we haven't seen any work happen.

Well the reality was that there was another bridge someplace else that our crew was attending to and another bridge and another bridge. And the timetable for work on the various bridges was often predicated on when we could get access to the heavy cranes that are necessary to put the bridges in place. That is not equipment that we as a ministry have, and we find a way of renting that equipment. And so we make best use of it wherever we can, as often as we can get access to the cranes.

We have a huge challenge ahead of us in terms of keeping ahead of the bridge needs in the province. And as you noted, we've seen a significant increase in our budget this year — I think it's in the range of \$45 million. We've never seen anything like that before. We're hoping to spend that much again, maybe more next year if we can talk the Finance minister into loosening the purse strings because this is an important challenge for our ministry.

As I think I mentioned not too long ago, the province has responsibility for 850 bridges on our highway system and about 1,400 maybe 1,500 culverts — big oversized culverts — around the province. This is completely distinct from the 2,000 bridges roughly that municipal government has responsibility to maintain and literally, you know, a couple thousand culverts as well.

So the challenge before us, given the fact that so many of these bridges have reached their normal life expectancy, the challenge before us is to get the repairs made, the upgrades achieved, the replacements undertaken, whatever is necessary to make that bridge safe for the kind of traffic we have on our roads today. We need to do it, and we need to do it quickly. And at the current rate of expenditure, it will take a number of years for us to achieve our objective. I'm not sure how many years, but I think we're planning on at least five overall and maybe more. But we simply could not continue to spend, you know, 7 or 8 or even \$15 million a year and hope to come anywhere close to achieving those objectives.

[20:45]

So that's the rationale. That's the urgency and requirement for the significant increase in bridges. Having said that, we have far too much work to undertake in that bridge upgrading program to try and accomplish it with our existing two bridge crews. And so where there is bridge building expertise in the private sector, we're going to contract some of these projects out. And we expect them to bring their expertise to this market with an urgency and an aggressiveness that we're seeing in other sectors as well. And we're hoping that we can achieve a better result than otherwise.

Mr. Harper: — How many bridges do you have in your system right now that, for safety sake, need to be replaced either with another bridge or replaced with large culverts that will accommodate the flow of water?

Hon. Mr. Elhard: — Boy, I hope I remember all of that. I don't want to leave the impression with the committee or the general public that our bridges aren't safe today. What I said earlier is that most of them have reached their life expectancy and because of that there is an urgency to the bridge replacement program.

But we inspect the bridges on a biannual basis, so every two years there is an inspection that's undertaken. If the evaluation of the bridge is that it is need of repair, we do the repair. If it can't be repaired adequately, it might require a lane closure, or it might require a weight reduction, a weight restriction may be is the best way to say that. But, you know, this is the process. This evaluation process, this monitoring process is how we determine what the condition of the bridge is, and that's also what helps us determine what our priorities need to be in terms of replacement. And so that's likely why you won't see, you know, 10 bridges along a 100-kilometre stretch of road all being replaced in sequence because some of them might be newer. Some of them might not be subject to the volume and weight of traffic that some of the other bridges are.

So I guess the short answer to your question is that the majority of Saskatchewan's bridges were actually built more than 40 years ago. And within 10 years, 77 per cent of all the bridges will be more than 40 years old. So the ministry should really be planning to replace or repair or rehabilitate something in the range of 600 bridges in the next 10 years. So that's sort of where we're at here. Now our most urgent project, our most urgent requirements will be achieved in the next five years.

Mr. Harper: — Has your department estimated the average cost of replacing, repairing, refurbishing the bridges in this great province? What would it cost on an average? If that's a fair question. I mean, I realize that every bridge is distinct in itself because of its location and weight loads and track water flow and soil conditions and all the rest of that stuff. But would we have an average cost that you could look into the future and say, well over the next 10 years it's going to cost the taxpayers X number of dollars to render these bridges safe to the motoring public?

Hon. Mr. Elhard: — You know, Mr. Member, that's a very tough question for us to answer because, you know, the size of bridges varies so distinctly from location to location. You could have a very small bridge that you can maybe replace for half a million dollars. It wouldn't take much to run up a bill of a half million dollars. And that's why in fact, where you can get away with it, the ministry uses the large diameter culverts because they have a pretty good life expectancy and are generally considered to be cheaper.

But we're talking about a bridge in Saskatoon that is over \$200 million, so you know it's so difficult to identify an average that I wouldn't even be able to offer to provide that information, frankly.

Mr. Harper: — Most recently, over the last couple of years, your department refurbished, I guess you would say, maybe even in some ways even replaced the bridge on No. 9 Highway north of Yorkton, south of Canora. It was I think a major project because it took a summer plus to get it completed. At the end of the day it's a very good job. I think it's a plus to the motoring public now to travel over that bridge. What was the cost? What were the totals costs of that refurbishing?

Hon. Mr. Elhard: — Mr. Chair, the ministry staff are looking for the information that the member requested. I want to comment about that particular project because I think he alluded to the fact that it took more than the summer to do the project.

Some of my colleagues suggested it took way too long and it was more than a summer. And they were getting a lot of complaints about the motoring public who had to drive through the ditches while the road was being repaired. We were very glad ultimately to get the road open, the bridge open.

I think we had originally anticipated it would be open in late September or mid-October, and it took well into December to get the traffic moving over the new bridge. So I'm glad to hear that you like it and that it's a good bridge and the job was well done, because it took us longer than we anticipated and it was a bit frustrating on our part as well.

I want to go back to another question you asked earlier before we get the answer for the most recent question. Out-of-province contracts, we had four out-of-province contracts issued in one instance and we had single out-of-province participants in two others, I guess. So those were lead contractors. They were the prime contractor. And we don't have information right now on some of the out-of-province contractors that might have played a subcontracting role, but, you know, the out-of-province participation rate isn't too high, isn't exorbitant, and isn't problematic at this point.

Now in terms of the cost of that bridge replacement project that you had asked about, the information I have here is that the total was \$2,075,653. And if the print was any smaller, I wouldn't be able to read it at all.

Mr. Harper: — With that, Mr. Chair, I think I'll wind up my questions and we will vote these estimates off this evening.

The Chair: — Thank you, Mr. Harper. Seeing no more questions, we'll go to vote 16, Highways and Infrastructure, central management and service, subvote (HI01) in the amount of \$21,608,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Strategic municipal infrastructure, subvote (HI15) in the amount of \$65,978,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Operation of transportation system, subvote (HI10) in the amount of \$91,099,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Preservation of transportation system, subvote (HI04) in the amount of \$155,400,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Transportation policy, subvote (HI06) in the amount of 3,993,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Custom work activity, subvote (HI09), there's no amount to be voted.

Machinery and equipment, subvote (HI13) in the amount of

9,500,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Amortization of capital assets in the amount of \$103,140,000. This is for informational purposes only. There's no amount to be voted.

Highways and Infrastructure, vote 16: 347,578,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010, the following sums for Highways and Infrastructure in the amount of \$347,578,000.

Ms. Wilson.

Ms. Wilson: — I so move.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 16 agreed to.]

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

Subvote (HC01)

The Chair: — Vote 17, Highways and Infrastructure Capital, infrastructure rehabilitation, subvote (HC01) in the amount of \$87,018,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Infrastructure enhancement, subvote (HC02) in the amount of \$195,286,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Highways and Infrastructure Capital, vote 17, \$282,304,000. I will now ask a member to move the following resolution:

Be it resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010, the following sums, which to the extent that they remain unexpended for the fiscal year are also granted for the fiscal year ending on March 31, 2011, for Highways and Infrastructure Capital, in the amount of \$282,304,000.

I would ask somebody to move that.

Mr. Michelson: — I so move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 17 agreed to.]

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

The Chair: — Vote 145, Highways and Infrastructure, loans for short-line railways, subvote (HI01) in the amount of \$1,052,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Highways and Infrastructure, vote 145, \$1,052,000. I'll now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010, the following sums for Highways and Infrastructure in the amount of \$1,052,000.

Mr. Harrison. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 145 agreed to.]

The Chair: — I would like to thank the minister and officials for being here this evening and answering questions, and going through all of the estimates. Mr. Harper.

Mr. Harper: — Thank you, Mr. Chair. I too would like to thank the minister and his officials for being here. I think we had a good exchange. Certainly from my point of view it was a learning experience, and I want to thank you very much for your answers and for your participation.

Hon. Mr. Elhard: — Mr. Chair, I'd like to thank the member and his colleagues for the questions. I always enjoy estimates, especially on the topic of highways and infrastructure, because I think it's an important, a very important subject for the future of our province, and I think there's much to be gained by this type of discussion.

Before I thank my officials, Mr. Chair, I'd like to go back to when this committee met for budget estimates on March 31. At that time the member from Athabasca repeatedly commented on what terrible shape the roads are in as far as the North is concerned. And at that time, in a bit of give and take, I suggested I thought that he had frequently said exactly that as a Liberal MLA [Member of the Legislative Assembly] before joining the New Democrats.

And the member said he wouldn't mind seeing a copy of my assertions, and so I assumed he meant a copy of *Hansard*, where those comments might be recorded, so I asked my staff to research some of the member's previous comments from when he was a Liberal. And over the course of his time as a Liberal, the member made many comments, most of which I

have compiled and am prepared to provide for the committee tonight as requested by the member from Athabasca.

[21:00]

The Chair: — Thank you, Mr. Minister. And thanks to the committee members. And we'll be taking a five-minute recess, and I would ask members to be back in their place at five minutes after. And now we will recess for the five minutes.

[The committee recessed for a period of time.]

**General Revenue Fund
Environment
Vote 26**

Subvote (EN01)

The Chair: — I would like to call the committee to order, please. Before getting into the estimates, I would like to announce a substitution where Ms. Morin will be substituting for Mr. Furber. And also I would like to table questions from the minister from the March 31 estimates. And there's answers to questions from the minister, and I'd like to table that at this time.

I would now like to continue with the consideration of estimates for vote 26 on the environment, and I would ask the minister to introduce her officials this evening. And she provided remarks prior but if there's any additional remarks that the minister would like to make, she may do so after the introduction of officials.

Hon. Ms. Heppner: — Thank you, Mr. Chair. With me today to my right is Liz Quarshie, deputy minister. To my left, Bob Wynes, acting assistant deputy minister. Seated behind me Kevin Callele, executive director compliance and field services; Kim Graybiel, director of corporate policy and planning; Lin Gallagher, executive director, environmental protection; Nancy Cherney, director of lands branch; Donna Johnson, executive director of finance and administration; Randy Seguin, director, environmental assessment branch; Daryl Jessop, manager of science and planning, fire management and forest protection branch; and from Saskatchewan Watershed Authority, Alan Parkinson, president of the Watershed Authority; Wayne Dybvig, vice-president, operations division; and Bob Carles, vice-president, stewardship division. And I will forgo any additional opening remarks and open the floor to questions.

The Chair: — Ms. Morin.

Ms. Morin: — Thank you very much, Mr. Chair. And thank you to the minister and her officials for being with us at this late hour this evening and answering the questions that I'm going to be posing.

As recently as November 2008, stewardship groups including the Last Mountain Lake stewardship group were notified that provincial funding may be in jeopardy. Without stable funding along with equipment and support from the Saskatchewan Watershed Authority, stewardship programs that monitor water quality would be unable to maintain their important work. Could the minister identify the number of stewardship groups in

Saskatchewan that receive provincial funding and furthermore acknowledge if any cuts to funding have been made or plan to be made?

Hon. Ms. Heppner: — There were seven groups last year that received funding, and we actually more than doubled the funding that was available under the previous administration. Previously there was a budget allotment of \$320,000 for these groups and we've increased that by half a million dollars to a total of \$820,000.

Ms. Morin: — Thank you. Stewardship groups want to preserve Saskatchewan lakes for future generations. The testing such groups carry out is vital in identifying threats to aquatic and human well-being. The Last Mountain stewardship group, as an example, has determined there are high levels of ammonia caused by effluent which was released into the water system. Could the minister discuss how the Ministry of Environment views the future of stewardship groups in relation to managing Saskatchewan source water?

Hon. Ms. Heppner: — Well obviously, considering the extra funding that we've given these groups, the on-the-ground organizations, both watershed planning groups and the conservation development associations, are of pretty big importance to our government. Government doesn't have to do everything and we believe that the groups on the ground who are closest to the issues facing their communities and their local areas are oftentimes the better people to be engaged in these activities.

And we've also in this budget increased funding for the water control program as well. Between the two groups it was almost \$1 million in increased funding over and above what was there previously. So we certainly appreciate the work that these groups do and I think our dedication and commitment to supporting these groups is evident in this year's budget.

Ms. Morin: — Thank you. The Hanson Lake recreation site located off Highway 106 and approximately 65 kilometres west of Creighton is currently restricted to the public. Since 2007 Saskatchewan Environment has been conducting an ongoing investigation of the abandoned mine site located in the recreation site, as it poses a health risk. Can the minister please provide an update as to the status of the investigation in the Hanson Lake recreation site and provide any new information?

Ms. Gallagher: — At the time when we found from the initial site investigation that there was contamination on the site, we went in and did a secondary investigation. That has been completed. We've also done some estimates on the work that would be required to clean it up and so the next process will be, as part of budget cycles, to consider whether it is a priority or not to clean the site up.

In the interim, we have safetied the site, posted signage, as well as closed off any areas where we don't want public access to, because of the contamination.

Ms. Morin: — Thank you. So we're now looking at through the budget cycle as to what's going to be the next step, is essentially what you're saying.

Ms. Gallagher: — Right. We have it would be a number of sites throughout the province, abandoned mines or facilities, that we have recently completed a list of contaminated sites and a priority for cleanup. And Hanson Lake would be on the list, very high on the list for cleanup for contaminated sites.

Ms. Morin: — There was some concern raised with me as to the people that live in the surrounding area and how that might be affecting their health. Is there any immediate concern for the residents there that would prioritize this as a cleanup site?

Ms. Gallagher: — No. We've done testing of fish in the area as well as we've done some mammal sampling. And we have not found any problems in the fish for people who would access the local area. As well as at the time when the site was determined to be contaminated, we worked with the health officials and didn't find any concerns for individuals' health.

Ms. Morin: — In a ministerial statement on April 7, the Minister of Environment announced that following the completion of a consultant's report by Clifton Associates Ltd., Saskatchewan would now move to a new model of environmental protection. What was the total cost of the consultant's report?

Ms. Gallagher: — I don't know that I have the final number, but it was just over \$800,000.

Ms. Morin: — And what were the terms of reference provided by the ministry to the consultant group, Clifton Associates Ltd.?

Ms. Gallagher: — Sorry. Donna Johnson, our executive director of finance and admin, corrected me. It was just under \$800,000; it was 762. Sorry.

Ms. Morin: — Thank you very much for the corrected number. Would you like me to repeat the next question as well? Would you like me to repeat that next question?

Hon. Ms. Heppner: — The work that the consultants did was a complete mandate review of the Ministry of Environment. It also included a legislative review to look at legislation which was if it was outdated, if it needed to be updated, changed. And now that we are moving to results-based, it would be the pieces of legislation that needed to be updated to reflect the new regulatory system that we're going to have in place.

It also included benchmarking where Saskatchewan is in reference to other provinces and what they are doing. And at the end of it, offered recommendations to the ministry as well as a recommendation on implementation strategy.

Ms. Morin: — Was the emphasis given on the review of environmental regulation in general, or was it more narrowly focused on the desirability and appetite for a results-based model of environmental regulation?

[21:15]

Hon. Ms. Heppner: — The focus going in was an overall review of how the ministry works. And the recommendation that came back was that it would be beneficial to the province to move to a results-based regulatory system.

Ms. Morin: — The consultant report concludes the following on page 5 of the executive summary. The quote is, "It is recommended that Saskatchewan adopt a Results-Based system for environmental regulation and renewable resource management, where operationally feasible."

The report also notes that there was a clear endorsement of a results-based approach. Could you clarify what the authors of the report considered as a quantitative, clear endorsement of the results-based model.

Hon. Ms. Heppner: — We held an initial round of consultations with around 75 stakeholders, and I would say almost 100 per cent of the stakeholders that we met with came back with a full endorsement of the approach that the province would take with a results-based regulatory system. So the endorsement came from stakeholders which include organizations like the Mining Association, SUMA [Saskatchewan Urban Municipalities Association], SARM [Saskatchewan Association of Rural Municipalities], environmental groups. It was a pretty broad spectrum of stakeholders, and they all came back saying that they endorse this approach.

Ms. Morin: — Could you provide a list of the stakeholders that were involved in the consultation process?

Hon. Ms. Heppner: — It's on the website, I believe.

Ms. Morin: — Okay. Were there any labour organizations that were involved in the consultative process?

Hon. Ms. Heppner: — No.

Ms. Morin: — No? And why would that be?

Hon. Ms. Heppner: — The focus of the consultation would be with stakeholders that are regulated or affected by regulations under my ministry.

Ms. Morin: — So front-line workers wouldn't have been consulted in this particular process.

Hon. Ms. Heppner: — We don't regulate workers. We regulate the environmental processes behind developments and projects and that sort of thing, and so we met with those stakeholders.

Ms. Morin: — I understand the ministry doesn't regulate workers. But front-line workers, generally speaking, have a fairly good knowledge of what environment they're working in and how the regulations affect their environment, so that's why I was curious as to whether or not we had any input from those front-line people.

Did we have consultations with any northern communities or any of those representative organizations?

Hon. Ms. Heppner: — The municipalities that fall under the New North were part of the consultation process as well as First Nations and Métis communities.

Ms. Morin: — Operational feasibility is cited in the report as a

condition that may prevent the full adoption of the results-based model. Obviously staff complement and administrative resources would determine such operational feasibility. Could the minister please expand on any other operational feasibility challenges?

Hon. Ms. Heppner: — If I understand your question correctly it's the challenges that we are facing, may be facing in the implementation of this.

Ms. Morin: — Yes.

Hon. Ms. Heppner: — One of the things that the ministry is working on which is going to be a challenge is the IT [information technology] section. The ministry, when I was named minister, was operating under, for the most part, a paper-based system. And so with a view to moving the ministry into the 21st century we are working on electronic applications, whether that is the electronic purchasing of hunting and fishing licences, permitting through web-based applications, that sort thing. But obviously that's a big job to switch the ministry over from paper-based to electronics, so that's one of the challenges that we're currently facing.

Ms. Morin: — Are there any other challenges besides staff complement, administrative resources, and the IT challenges? Are there any other challenges that one foresees?

Hon. Ms. Heppner: — Those are the biggest ones. The other thing, and I alluded to it earlier, to rewrite the legislation and update it to reflect the results-based model that we're going to be using.

Ms. Morin: — Does the minister foresee areas of the Ministry of Environment that may be fully excluded, exempt, or partially converted to the results-based model due to operational feasibility challenges?

Ms. Quarshie: — The results-based framework actually applies to the ministry as a whole. Certain sections of the ministry's programs are more amenable to results-based than others. So for example environmental assessment, environmental protection and so on are quite conducive to a results-based framework. And if you look at the support functions like finance and others, it may not comply 100 per cent with the results-based framework, but you could have process improvements when you do process mapping by elimination of certain processes and so on.

And there are also certain areas within the ministry that may not be 100 per cent compliant with results-based — for example, the compliance and field services area because of the nature of the work — but it could be a hybrid of the two. In other words, it could be a hybrid of the existent system versus results-based through the application of revision of the legislation, and the shift in some of the way we do business with a huge emphasis on education awareness programs versus some of the more policing role that we do.

Ms. Morin: — Okay. Thank you. The report provided by Clifton Associates notes that implementation of the results-based regulatory system is a very significant undertaking that will affect most units in the Ministry of Environment.

What steps have been taken thus far since the announcement of this self-described significant change in the way in which environmental protection is handled in the province by the Ministry of Environment and the government generally?

Hon. Ms. Heppner: — The first steps on implementing the results-based regulatory system is, I guess the word I would use is to build a foundation. My deputy minister is working on a reorganization of the ministry. There's a certain staff complement that's necessary in order to do this; an example would be auditors. The way the system works, you audit towards the end of the cycle. And so there has to be experts and auditors in place. So there's a restructuring within the ministry. And the other piece of this foundation is the legislative framework that needs to be in place before this can be implemented on the ground.

So the legislation is being worked on currently and we are hoping to introduce that, I believe, in the fall. That is the timeline that we're currently working on. So once those two things are complete and the legislation is through the House, we can continue on with the changes.

Ms. Morin: — Could the minister or one of the officials outline some of the larger and more detailed aspects of changes that would need to occur in the Ministry of Environment with respect to implementation?

Hon. Ms. Heppner: — I think the main things that we have to do I've commented on already. One is the reconstruction of the ministry, making sure that we have the technical staff in place to do the jobs that are going to be new within the ministry such as auditing, the IT component to have a lot of what we do online or web-based, the legislative review and a mandate review — which includes, I guess, making sure that the staff within the ministry understand the process — how the ministry is going to be working once this is implemented, and making sure that they're familiar with the new processes and legislation that's going to be in place.

Ms. Morin: — Does the minister have any current notions as to what the reorganization of the ministry might look like or some examples?

Hon. Ms. Heppner: — As I said, the one thing that we will have which is not in place currently is auditors. Right now you permit at the front end, and a lot of the work will be done to ensure compliance. But that has to be done by experts, whether it's — I call them ologists — hydrologists, geologists, hydrogeologists, those type of people. There has to be an expertise level that's in place in order to do the auditing at the end of the cycle.

Ms. Morin: — Are there any other reorganizational aspects that are going to be taking place within the ministry besides the auditing process?

Hon. Ms. Heppner: — On staffing?

Ms. Morin: — Whether it's staffing or whether it's merging of sub-components of the ministry.

Ms. Quarshie: — In order to make the results-based

framework effective, you have to look across all the functions within the ministry, all the branches with all the different functions within the ministry. And the intent of that is really optimization and efficiency. In other words, if we're duplicating services, we need to eliminate that kind of duplication. So how do we rejig the resources within the ministry to obtain the efficiencies that I'm talking about?

So it's not limited to a certain division or a certain branch, but it's limited to across the ministry outlook for how we are staffed, how we do our business — that's the process mapping that I talked about earlier — how to achieve efficiencies, and how do we conduct our business such that we are more responsive as a ministry to all our clients and the public as a whole.

Ms. Morin: — Do we see any cutting of full-time jobs or part-time jobs or casual jobs because of the reorganization?

Ms. Quarshie: — Well I think it is difficult at this point in time to tell you specifically that we will have a cut of one or ten. But in general, any re-engineering or restructuring of our organization typically involves bringing in new skill sets. And some old skill sets which may or may not be pertinent to the things that you need to do, you have to figure out how you're going to utilize them in other areas. And if you can't utilize them, then you have to figure out what else to do with them. Those are options that we need to explore with our human resources folks, if we get there. We haven't gotten there yet.

Ms. Morin: — And when do we foresee potentially getting there? I understand from what the minister has spoken of so far in terms of a timeline, but what is the viewpoint as to a timeline with respect to the reorganization and restructuring of branches and staffing?

Ms. Quarshie: — The reorganization is starting this year. If you look at the responses, the Clifton report, we are saying that we expect to have 90 per cent of our businesses completed with IT support by 2011. So this is not a very short-term process. It's an ongoing process, looking at things systematically. I believe strongly that it is better that we take our time to make sure we're doing it right than rush through it and realize that actually we do have to come back and do different things.

Ms. Morin: — So has any of that reorganizing or restructuring taken place already or is that something that's going to be happening, say, next month or is it in two months? Can you give some sort of idea as to what the timeline is?

Ms. Quarshie: — Well currently we are in the process of hiring ADMs [assistant deputy minister] for the executive level positions and so that is the first level of staffing. We need that executive leadership to drive some of the programs that we need to conduct. And as the minister said, we also need to bring in technical staff like, you know, chief engineer, quality . . . [inaudible] . . . hydrogeologists and all this that the minister talked about earlier. So we need to bring in those positions to support the work that we need to conduct currently.

For example, if you look at the way we conduct our environmental assessment for example, because we don't have some of those specializations in-house, we have to rely on other

ministries to help us with the program. And there's nothing wrong with that. The only problem is that you don't have a very good control of the timelines when the work is being done outside. If you can utilize some of your in-house resources to do it, you have a better control of the timelines and you have a better control of the agenda in terms of the work of the staff and how it will be done.

So these are the efficiencies that I'm talking about. Once you bring those things in and you do your process mapping, that's when you identify where the redundancies are and what the process duplications would be and what needs to be eliminated later on.

[21:30]

Ms. Morin: — Is it an accurate reflection to say that currently you're only looking at adding positions but you've not yet eliminated any positions? Or have there been some positions that have been eliminated already?

Ms. Quarshie: — Let me clarify this. Are we talking about position elimination this year since the report came out?

Ms. Morin: — I'm talking about positions being eliminated through the restructuring and the reorganizing process that you've said already that you've commenced.

Ms. Quarshie: — Right. Well no, we haven't eliminated any staffing positions. I don't believe so anyway, yet. So we haven't really gone that step yet. Right now the emphasis is on bringing in more of the skill set that we need to make our systems more efficient, to make our business processes run better. That is a higher priority at this point in time.

Ms. Morin: — And how many assistant deputy ministers are we looking at hiring?

Ms. Quarshie: — We're filling four.

Ms. Morin: — Okay. And have any of those positions been filled yet?

Ms. Quarshie: — No, not yet. We anticipate to announce those soon. We've gone to an interview process.

Ms. Morin: — Okay. And are those four assistant deputy minister positions going to have special titles or assignments, or are they just going to be general ADMs? Or can you describe what we're looking for here?

Ms. Quarshie: — The four are specifically assigned to different work divisions. So for the first time we have an ADM for environmental assessment, which we didn't have before. And the intent of that is to raise the profile of the environmental assessment area to be able to deliver front-end service to small- and medium-size organizations who need help; who normally in the current process, in terms of the way we do business, we will assess them or screen them through the same filter that we would do a major project for example. So again it's a process of efficiency streamlining. So that's one.

We'll have an ADM for the resource management area, which

is the official wildlife and the complaints area, including lands and all that. We'll have an ADM for environmental protection. And we'll also have an ADM for corporate services. And again corporate services area is a reorganization because that's a new one which will encompass the areas of finance, communications, geomatics, HR [human resources].

Ms. Morin: — Okay. Thank you. The Clifton Associates report notes the following about the implementation of a results-based model:

Implementation of the Results-Based Regulatory System is a very significant undertaking that will affect most units in Ministry of Environment. The first step in implementation should be to develop a comprehensive implementation plan with designated project managers and a dedicated steering committee who commit to an intensive schedule that will transform Ministry of Environment to a fully Results-Based organization within 24 months.

Is the 24 months time frame the sole opinion of the authors of the report or as a result of political direction?

Hon. Ms. Heppner: — The implementation timelines that are in place for this is not a political decision. It's an operational reality. It allows the ministry to make the changes that are necessary as timely as possible, but with enough time to make sure that it's done right as my deputy minister pointed out in an earlier response.

We could plow ahead as quickly as possible and then potentially make mistakes along the way, which is not what our goal is. So the timeline that's in place is, as I said, to make it timely.

We know that stakeholders have been asking for this. It's been advice given to the Ministry of Environment since the late '70s, and so obviously we believe that the time has come. But as my deputy minister pointed out, we also need to take enough time to make sure that, as much as we possibly can, that we do it right the first time.

But it was not a political decision. It's a basic operation decision based on realistic timelines.

Ms. Morin: — What resources will be required within the ministry to complete this outlined process?

Hon. Ms. Heppner: — I think you had referenced, in a previous question, one of the recommendations in the report was to have a project manager and steering committee, and those are in place within the ministry to move this forward.

Ms. Morin: — Those are currently already in place is what you're saying?

Hon. Ms. Heppner: — Yes.

Ms. Morin: — Okay. What results are not being realized by existing government regulation that would in your view be remedied by a self-regulatory approach?

Hon. Ms. Heppner: — I would like to clarify — it's not a self-regulatory approach. The government regulates. I know that that phrase has in various forms been banded about since we started working on this project. And I just want to clarify for the record that industry does not regulate; the province regulates.

It's how they meet our regulation requirements that changes. And one of the major opportunities within the change to the regulatory system is allowing for innovation.

As it currently stands, we permit based on a very narrow set of rules. And it's basically, here's the result we want; here's how we will tell you how to get there. And if industry has a more innovative way or a better way, a more environmentally friendly way, a new way, that is not allowed within the current system because we tell them how to get there and what results we want.

In the new system, the results that we want remain the same, the environmental protection. As I said, what this allows industry to do is use innovation or expertise or experiences in other projects to meet the goals that the province sets out for them. But industry does not self-regulate.

Ms. Morin: — It's my understanding from reading over the report though that the industry has a significant say in terms of which goals should be met and therefore has a huge role to play in terms of how those goals will be met. Is that not in fact the case?

Hon. Ms. Heppner: — That is not the case. The goals that are to be met are dictated by the province. They present us with a proposal on how they will meet the rules, guidelines, regulations, legislation that is set up by the province. They present a proposal to us and in that offers possibly different ways of getting there. But the proponents do not dictate to the province what the end goal will be. The province still remains the regulator and says what that end goal will be.

Ms. Morin: — And so will those end goals or the regulations that are currently in place, shall we say, will those be loosened off at all, or will they be as stringent as they are now and potentially even more stringent going forward?

Hon. Ms. Heppner: — There is no loosening of regulations under this system.

Ms. Morin: — That's very good to hear. Referring to existing environmental protection regulations in the province, the minister in her ministerial statement on April 7 used the adjectives prescriptive, time consuming, and frustrating in an attempt to explain the environmental regulations that are government sponsored and government enforced.

Prescriptive means that it's usually done in a certain way or is directed to be done. That's the nature of regulation that is transparent and effective. Time consuming means that time is taken for due process to be done in protecting our province's environment. Frustrating is more of an ideological response to the role of government in general than any definite experience as it indicates hostility to government control in protecting our environment and contempt for the value of the public domain

potentially.

So in an article in *The StarPhoenix* of January 28, 2008, the Premier indicated publicly that he is “frustrated with the environmental process surrounding nuclear power,” suggesting that environmental protection is needlessly obsessed with protection.

So the question is, could the minister fill in the blanks of this rhetoric and provide an explanation as to what is so time consuming and so prescriptive as to warrant a shift to a — what the minister is describing is not self-regulatory; I’m still not convinced of that yet, but — system of environmental protection.

Hon. Ms. Heppner: — I think one of the concerns facing industry, pretty much any industry, is the duplication. I know that the previous administration had outlined their concerns about duplication of processes as well. It’s in no way a loosening of regulation. I think to state that the results-based regulatory system would result in a loosening of regulations or not protect the environment, I think that’s nothing more than fearmongering. And I don’t know that that advances environmental protection in this province because it is an absolute fallacy that the environment will not be protected under this.

There’s actually opportunity for greater protection the way the ministry will be set up as the deputy minister had alluded to. There will be a section to deal with the smaller organizations within the province. If it’s a municipality putting in a new sewage lagoon, there’s going to be people to help them, which will allow more resources and greater attention to be paid to the developments and proponents that are probably, I would say, slightly higher risk than a sewage lagoon in a town of 1,000 people.

So the opportunities for greater environmental protection certainly exist under the new model. And I think to have a fair and open discussion about the results-based regulatory system is completely valid, but I don’t know that making accusations or alluding to what isn’t true, that this will lessen environmental protection. I don’t know that that really helps the debate.

On the uranium mining and nuclear sides, I know that the member asking the question had asked a question in the House earlier about the government goals, key actions in our performance report which alluded to provincial regulation of nuclear activity. It’s an agreement that was signed under the NDP [New Democratic Party] with the federal government in 2003 and was fully endorsed by ministers in charge at the time.

The nuclear activity that is referred to may not be the best language to be used in this circumstance because it pertains to uranium mining and milling. Uranium is a nuclear material. But to clarify, in this particular instance, it’s uranium mining — and uranium mining as it’s happening in the province today. And where there are efficiencies to be found with the federal government, it would be on duplication; it would not be on lessening of regulations.

Ms. Morin: — Well I guess then we’ll allow the stakeholders to speak with you directly because these are some of the fears

that are expressed to me by some of the environmental stakeholders of the province who obviously weren’t involved in the consultative process that we described earlier.

The Clifton Associates report compared Saskatchewan against other provinces and found that, not surprisingly, that each province is very different when it comes to the government organization around environment.

As we’re all aware, both provinces and the federal government have jurisdiction over the environment. Provincial governments have authority to protect the environment in their capacity as owners of the public property and in their capacity as legislators to protect natural resources, both publicly and privately owned, within its borders. The federal government’s role in protecting the environment rests within their constitutional authority over fisheries, navigation, agriculture, trade and commerce, criminal law, and additionally their exclusive authority over nuclear power.

When comparison is being made between provinces on issues such as climate change, organizational differences appear rather stark. Ontario has a climate change secretariat. So too does British Columbia. Saskatchewan also had a plan outlining the establishment of a climate change secretariat — that is, until the Sask Party government decided to scrap the office, along with the initiatives and funding, to achieve the carbon emission reduction targets that the Sask Party adopted from the former NDP administration and advertised in their election platform. Does the Minister of Environment see a need to align with other provinces over a climate change secretariat and reverse her original decision to scrap the climate change secretariat?

[21:45]

Hon. Ms. Heppner: — Well I have to say I find it refreshing that the member asking the question, although she’s maintained that the climate change secretariat existed, has just said that it was a plan for establishment of a climate change secretariat. So I’m glad that we have that on the record, that it actually never existed, because it didn’t. So there was really nothing to scrap other than a notion of a climate change secretariat.

The climate change secretariats, by that name or other names within provinces, are, as far as I know, are to advise, direct, that sort of thing, their local provincial government. And each provincial government is going to make their own decisions on how they move forward and what kind of advisory groups or information is presented to government.

So as it stands now, the form, the notion of the NDP climate change secretariat as it existed in 2007 — will we be doing that? No.

Ms. Morin: — Well the minister has proven herself to be the master of spin, so the minister can spin the climate change secretariat . . . Mr. Chair, could you ask for order, please? As I said, the minister has already proven herself to be the minister of spin, so the minister can spin the notion of a climate change secretariat as much as she wants to.

But the fact is that the establishment was already starting to take place under the former NDP administration. And, quite frankly,

the fact that the NDP, former NDP administration was establishing a climate change secretariat and putting the funding in place to make sure that those changes to reducing greenhouse gas emissions in this province would actually take place and that those targets would actually be met is a heck of a lot more than we've seen from the Sask Party government so far.

As a matter of fact — so far as to the Sask Party government having a promise in their election platform that they would adopt those targets and reach those same targets and yet having absolutely no plan in place to do so and now telling us within the last 24 hours that they are going to scrap those targets because they have no way of accomplishing them — what resources in the Ministry of Environment are being dedicated currently around planning to reduce carbon emissions in the province, even though your government admits it will fail to meet the promised reductions contained in the targets adopted during the election?

Hon. Ms. Heppner: — Thank you for the question. I find it interesting that the NDP Environment critic is now upset that we've moved from our targets when last year she demanded that we do this.

And on the NDP plan, a glossy brochure does not reduce greenhouse gas emissions. There was two that were released in 2007, but there was no corresponding legislation or regulations. Kyoto was signed on I think around 1997. The NDP had a decade — a decade — to come up with legislation and regulations to actually take action. Talking about reducing greenhouse gas emissions does not reduce greenhouse gas emissions.

So you know, like the Environment critic has just stated, they handed out these nice brochures, but there was nothing on the books that would actually incent or command industry — SaskPower, oil and gas — to actually make any kind of reductions. In fact it talks about volunteering — a voluntary tech fund, not even a mandatory tech fund. They were going to abdicate to the federal climate change plan. It's on page 4; I'm not making this up.

And when I got into this ministry . . . Obviously this file is a huge file for the Ministry of Environment. And considering the position that was taken previously on targets, my first question was where's the cost analysis? Where's the impact analysis? Where is the analysis on what each sector of our province is going to have to do to meet those reductions? And guess what I found? Nothing. There was nothing done.

So for the NDP Environment critic to sit here and say that we have no plan, we have been working for 16 months to overcome the absolute deficiencies of the previous administration. I don't know if it was lack of leadership or lack of will, but I can tell you, in this government we have the leadership and we have the will. I have an amazing staff; a deputy minister who is very dedicated to her job, I must say. And we are working on this.

But to come into a ministry after the NDP had 16 years in office, 10 years since Kyoto was signed, this is not a new problem. We've known about this for years. To come into the ministry, no cost analysis, no impact analysis — we've been working on these things. So I think it's incredibly disingenuous

for the Environment critic, the member who asked the question, to say that we have nothing. We're trying to get baseline information together because the NDP never did it.

That being said, moving forward, there are things that we're going to be doing. As I said during a scrum yesterday, we have an announcement that's going to be made in May. A lot of this information will be put forward then, but as a broad-based answer to this question, there will be dedicated staffing within the ministry.

We're going to be expanding our research and development capacity. We're going to be changing and expanding the Go Green funding program. I've mentioned this earlier in the House and in committee at my last appearance, that under the NDP— the green initiatives fund — we had an independent analysis done to see if it was going to be effective and the answer came back no. So we're restructuring that, and we're also working on a tech fund in order to keep offset credits or offset payments within our province to reinvest.

The member had mentioned today a green economy. That's exactly what we're going to be doing. There is great potential for a green economy in Saskatchewan. Part of it already exists. We've got the PTRC [Petroleum Technology Research Centre] at the U of R [University of Regina]. We've got carbon capture and storage at Weyburn which, with all due credit, happened under the NDP. And we are more than interested in expanding the potential for CCS [carbon capture and storage] within our province and outside of our province. We are in discussions with the government of Montana to see if we can do some cross-border initiatives with them.

But the tech fund is, I guess, a cornerstone of the plan going forward to make sure that we keep our money here to reinvest in our province, reinvest in research and development, reinvest in jobs for our province, reinvest in or actually invest in potential for greenhouse gas reductions.

But I have to say that I take umbrage of the fact that the member states that we haven't been doing anything. I'll tell you this, we've been doing a whole lot more in the last 16 months than the NDP did.

Ms. Morin: — Well the minister can be as sanctimonious and indignant as she wants about what the NDP has done, but the fact of the matter is this, Madam Minister, you had put a promise in your election platform of meeting the same greenhouse gas reduction targets that the NDP did. And the NDP put \$320 million to that commitment, not to mention a plan in place. But you put in reduction targets in your campaign platform clearly with no plan because you haven't been able to say anything about reducing those targets or articulate anything as of yet. So when can the people of Saskatchewan actually see a plan of action on reducing carbon emissions in Saskatchewan?

Hon. Ms. Heppner: — As I stated in my scrum yesterday and have stated in, I believe, in my previous answer, in May this year.

Ms. Morin: — In discussing the results-based model, the Clifton Associates report states the following:

The key principle of a Results-Based regime is that proponents are responsible to manage risks associated with achieving specified results or objectives while government's role is to hold proponents accountable for achieving those results and assure the public that compliance is being achieved.

The key here, according to the authors of the report, is to implement results-based environmental protection and that the government must assure compliance.

As recently as yesterday, the Environment minister assured us that the Sask Party government will be unable to keep their promise to reduce greenhouse gases. How can the public be assured that the government can, as the report suggests, assure real compliance when you're allowing polluters to in essence have a significant role in what their emissions may be?

The Chair: — Could I have the member identify himself for Hansard, please?

Mr. Graybiel: — My name is Kim Graybiel, director of the corporate policy and planning branch. We are certainly going to be working closely with the major emitters to establish baseline emission levels. And one of our intentions will be to have third party verification of the emission levels to ensure that the reports that they provide are accurate. And beyond that, the ministry will have an opportunity to audit the reports that come back from the large emitters to verify, and we will obviously have to register those emission reductions as well through a formal registry program.

So that will all be done according to standard practice and codes of practice that we will be establishing in regulation.

Ms. Morin: — In the 2009-2010 working plan for the Ministry of Environment it includes a strategy, "Lead the government's response to mitigate and adapt to the impacts of climate change" under the broad goal, security.

Under the broad goal of security, it lists the strategy, "Lead the government's response to mitigate and adapt to the impacts of climate change," along with a list of corresponding actions: "Implement policy and legislation to address climate change," and "Implement a provincial adaptation blueprint to sustain economic growth and address potential impacts of climate change."

What resources are currently being dedicated to the policy and legislation to address climate change action described in the 2009-2010 plan?

Hon. Ms. Heppner: — The actions that correspond with the section that the member highlighted on the adaptation blueprint, there are obviously other ministries that are involved in this — Saskatchewan Watershed Authority, the Ministry of Agriculture — and we're also working with the federal government to work on the adaptation blueprint. It doesn't necessarily involve hiring new staff, but utilizing the staff that's already in place in other ministries and agencies within the government.

The provinces of Alberta, Saskatchewan, and Manitoba are also working together on adaptation strategies that will be presented

to Natural Resources Canada, the federal ministry, with a focus on water conservation. As the member asking the question would know, the three provinces are quite linked when it comes to water — water resources, water allocations. There's allocation agreements between the three provinces, and obviously anybody downstream from the other one is quite affected. So it benefits all of us that we work together on this, on an adaptation plan, especially with a focus on water. I know that Manitoba's quite concerned with their water supply. Unfortunately lately they've had too much water and probably not in the areas where they'd like it.

So those are some of the things that we're working towards. Like I said, it doesn't necessarily require additional staff, just utilizing the resources that we have in multiple ministries.

[22:00]

Ms. Morin: — Will there be meaningful public consultation on the policy and legislation to address climate change?

Hon. Ms. Heppner: — There is consultation process; it's going to be taking place on our legislation before it's tabled. And obviously there will be opportunities for people to comment on it after it is, and then obviously it will appear before a committee as well. But yes, there will be consultation on the legislation that we have on climate change.

Ms. Morin: — And do we have any ideas of what that consultative process might look like as to the stakeholder groups that might be invited? Or is it going to be an open process for submissions? Or can the minister elaborate a wee bit on how that consultative process might proceed?

Mr. Graybiel: — We have retained a management consulting firm to conduct detailed negotiations with the major industry associations and industries in the province. That will be starting this Friday. And there are going to be formal forums held in both Saskatoon and Regina with a number of industry associations, as well as with non-government organizations involved on environmental issues. So we believe that this will allow the public to have ample input into developing the legislation before it's tabled in the House.

Ms. Morin: — And who is the management consulting firm that's been retained to do this?

Mr. Graybiel: — Meyers Norris and Penny.

Ms. Morin: — And how do members of the general public find out about this consultative process and where they go, what time and dates, and such?

Mr. Graybiel: — The consultant will be sending invitations to a list of large emitters and industry associations. And that I think is planned for tomorrow. And beyond that, there will be notices as to where those meetings are going to be held in Regina and Saskatoon.

Ms. Morin: — And where will those notices be published?

Mr. Graybiel: — There are NGOs [non-governmental organization] included in that process as well. I've in fact had

direct contact with several of the large NGOs and they've committed to being involved, inviting all of the member agencies to participate who are interested. So I think both in Regina and Saskatoon we expect quite a large level of interest on the part of NGOs as well as, of course, the industry groups that will be directly affected.

Ms. Morin: — And what about, you know, for instance I'm thinking of environmental groups and such and general members of the public that would want to have some input on this process. How would they, first of all, find out about this process unless they're watching television this evening and hear about it . . . [inaudible interjection] . . . Not likely, I agree. But anyways, where would they find out about these meetings so that the, how should I say, it can be the most inclusive as possible for anyone that may want to contribute?

Mr. Graybiel: — One of the main NGOs that will be involved is the Saskatchewan Eco Network and they are an umbrella organization representing, I think, more than 30 of the environmental groups in the province. As of today the executive director has been notified about the consultations and she assured me that she will be notifying all the member groups, and anybody that has been involved with those groups over a number of years. In Regina we will also be approaching . . . A major Saskatchewan centre for international cooperation will be directly involved in organizing the meetings here in Regina. So we believe that there will be ample opportunity for not just the NGOs but for all supporters of those organizations to be directly involved and have input into the process.

Ms. Morin: — Would it possible for me to get all that information as to where those consultations are taking place and how people can make those submissions or whether they can simply show up and make a submission or whether they have to apply ahead of time so that anyone that's contacting me personally will be able to access that information through my office as well?

Mr. Graybiel: — I know that the consultant is going to be preparing a very comprehensive package, you know, to get that information out to the public. It's being developed as we speak. I don't know all the specific details as to how that notification will be covered. There will be a website with information about the consultations that they will put forward. As well, you know, we can certainly provide specific information as required.

Ms. Morin: — I would appreciate if that could forwarded to my office. That'd be very helpful.

Hon. Ms. Heppner: — And just as addition to that to make sure because we're nothing if not open and transparent, that the information will also be posted on the Ministry of Environment website, so people can check that out too.

Ms. Morin: — Thank you. Could the minister elaborate on what is meant by the action, "implement a provincial adaptation blueprint"?

Hon. Ms. Heppner: — That was what I was referring to in an earlier response when I said that we're working with other ministries on adaptation strategies for Saskatchewan in the face of climate change whether it's water, soil erosion, that sort of

thing. That's why the Ministry of Agriculture would be involved, Saskatchewan Watershed Authority. And part of that broader approach too is working with the federal government on adaptation plans, initiatives, and ideas.

Ms. Morin: — And does this blueprint also include the results-based model of environmental protection?

Hon. Ms. Heppner: — I'm sorry but could you rephrase that? I'm not sure exactly what you're asking.

Ms. Morin: — So under the adaptation blueprint that we're speaking of, will that include a results-based model as well in terms of environmental protection, or does that results-based model that we are talking about, under the previous discussions that we've had, have anything to do with this as well?

Hon. Ms. Heppner: — I think probably the best answer is if there are programs or initiatives to implement that fall under the blueprint, that would be done within the ministry under a results-based approach.

Ms. Morin: — Also in the 2009-2010 working plan for the Ministry of Environment is the action to "seek to maximize provincial regulation of nuclear activity under the Nuclear Safety and Control Act in Saskatchewan through an administrative agreement with the Canadian Nuclear Safety Commission." Why does the Ministry of Environment want sole jurisdiction to regulate the nuclear industry even though this is a federal responsibility?

Hon. Ms. Heppner: — I had actually referenced this in an earlier answer. When it says nuclear activity as it applies in this particular agreement with the Canadian Nuclear Safety Commission, we're talking about the agreement that was signed under the NDP in 2003. And I had said in an earlier response that calling it the nuclear activity was probably not the best choice of words and if there is confusion, I certainly apologize for that. What we are referring to is uranium mining and milling. Uranium is considered a nuclear material therefore the word nuclear was used, but it has nothing to do with nuclear power generation or that sort of thing.

This agreement as stated in here under '09-10 actions is to follow up on the agreement that was signed in 2003. It pertains only to uranium mining and milling, and only in its form that is currently in the province. It doesn't address things that are referenced in, let's say, the UDP [Uranium Development Partnership] report, value-added, any of those extra things that aren't currently being done. The follow-up on this agreement refers only to uranium activity as it currently exists in the province today, not future things. Those would have to be examined obviously in a new context if and when they happen. This is only what's happening in the province today.

Ms. Morin: — Thank you for that clarification. So we're speaking specifically of mining and milling and no other activity whatsoever. Is that correct?

Hon. Ms. Heppner: — In this agreement, no.

Ms. Morin: — Okay. Thank you for that clarification. On page 47 and 48, Clifton Associates state the following about nuclear

regulation going forward:

Saskatchewan does not have adequate staff capacity or capability to monitor and regulate the current industry and oversee the social license, and is in a massive capability and capacity deficit when considering new mining and milling projects, let alone support the value-added activities the province has announced it intends to pursue.

So one can see how some of the confusion comes in with respect to assuming, one shall say, that it would encompass more than mining and milling, just from that paragraph alone, because it seems that Clifton Associates themselves were under the assumption that this might encompass value-added activities in the nuclear industry as well.

What's the minister's comment about that? I mean were they not aware of what the 2003 agreement actually was about, or are they under the assumption that this would have some more far-reaching effect?

Hon. Ms. Heppner: — Well I would imagine it's an assumption. Our government, our Premier, has stated quite clearly that, considering the amazing opportunities on uranium in this province, that we are open to looking at value-added on the uranium side.

I know that the NDP in the past have taken the same approach, as well as the member who just asked the question has said exactly the same thing: that considering the economic potential for our province — and we're in complete agreement apparently, the NDP and us — that we are interested in looking at value-added on the uranium side. And I would imagine that the report would then be referencing the fact that we've said that we were open to looking at opportunities and discuss capacity in light of that.

And I have to say the capacity issues are, the lack of capacity when we took over this ministry was an issue. It was gutted under the previous administration. It went from 10 FTEs to one and a half. In the last 16 months we have increased that to eight FTEs, so even before this report came out we were correcting some of the capacity issues that existed when we assumed our roles, my role as minister.

Ms. Morin: — So was that increase to eight FTEs before or after the Clifton Associates were mandated to write this report?

Hon. Ms. Heppner: — The increases in the industrial sector which I referenced were before the reports came in, and there will be, we are hopeful, further additions to that particular branch, some additional technical specialists, one of them to do some auditing capacity and other technical supports within the industrial sector branch.

Ms. Morin: — Well then, given that the words of the consultant's report say massive capability and capacity deficit when it comes to current environmental protection regulation concerning uranium mines and mills, and considering that the FTEs were increased to eight prior to the report being written, that means that there is a consideration by the authors of this report that there is still, in their words, a massive capability and capacity deficit. So what are the minister's intentions about

alleviating that massive capability and capacity deficit, given that this is what was contained in the report after the minister has hired the additional FTEs?

Hon. Ms. Heppner: — I think the member is trying to say that we're hiring so that we can somehow through the back door increase our uranium activity. That's not true. The branch that I referred to had been depleted of capacity to the point of 1.5 FTEs, and we needed greater capacity to deal with the current uranium activity in this province, and that's why the FTE complement was increased.

[22:15]

Ms. Morin: — The minister has clearly misunderstood what I was saying. What I am trying to say, Madam Minister, is that you've hired eight — up to eight, you said — FTEs to expand the complement of the staffing. And yet this was done prior to this report being authored, and despite that the report's authors have said that there's still a massive capability and capacity deficit when it comes to current environmental protection regulation concerning uranium mines and mills.

So given that the FTEs were hired prior to the report being authored, and the report authors are still saying that there is a massive capability and capacity deficit, what are the intentions of the ministry and the minister in terms of ensuring that that deficit is alleviated?

Ms. Quarshie: — Thank you, member, for that question. Let me just step back one bit. Within the industrial potash, coal, uranium, all that section, we have staff who look after that type of work. So the minister's making reference to the staff within the branch who do the work. Now what the Clifton report is saying is that we do have staff who look after our industrial sector, but we don't have enough specialists who would have detailed knowledge of some of these special sectors.

And without the specializations that we've talked about earlier, it's really difficult. For example, it's hard to say to the CNSC [Canadian Nuclear Safety Commission] that the province wants a more active role in uranium regulation when we don't have a health physicist. So we need to recruit a health physicist who would actually be able to sit across a table and have an honest technical dialogue with industry, and be able to talk about problems and solutions and find a way to help. So the specializations that we're talking about in this instance is to supplement the staff complement that we have currently to help us in the work that we do. I'm not sure if that has helped.

Ms. Morin: — And that is alluded to in the report as well. Actually I can quote from page 48, "The required skills and knowledge base is specialized and in very short supply worldwide as a result of the rapid growth of the industry." And I'm sure that that's what you're currently referring to.

So in light of that, how can the Ministry of Environment reasonably assure the people of the province that environmental protection would be the same or better in a results-based approach given the massive deficit of capability and capacity to provide environmental protection?

Hon. Ms. Heppner: — There was additional financial

resources in this budget that's actually set aside to aid in the hiring, the recruitment and hiring of the experts that the deputy minister referred to. So the money is there. The commitment is there by our ministry and by our government to make sure we have those people in place.

Ms. Morin: — Clifton Associates state that the only way for results-based environmental regulation to reasonably work would be to contract out or potentially deregulate the responsibilities of government:

[The Ministry of Environment] . . . must address this issue on a priority basis to develop the capability for sustained regulation of a rapidly growing industry. This may be an area where . . . [the Ministry of Environment] should consider developing a long-term "preferred supplier" relationship with a private sector firm who could be kept on retainer to provide these capabilities.

And that's on page 48 as well. Who would be the preferred supplier?

Hon. Ms. Heppner: — Just to clarify, I'm pretty sure that the Clifton report does not recommend that we deregulate government. I don't know if that was issued as a direct quote or just an inference, but I'm pretty sure the Clifton report doesn't say that.

But as to the question on private sector involvement, it was a recommendation within the report, but it's not something that we are acting on at this time.

Ms. Morin: — I just want to clarify, I did not say that Clifton Associates would say that. I said that some might say, and that's exactly what the interpretation is of some individuals or groups.

So the preferred supplier suggestion is something that you're saying you're not acting on at this time, but you are potentially looking at doing that at some point in the future?

Hon. Ms. Heppner: — Perhaps at this time is potentially not the right phrase to use, but it's not something that we're looking at. As I said, it was a recommendation that's within the report. There is no obligation by our government to wholesale accept everything that's in that report, and that approach is not something that we're examining.

Ms. Morin: — Would this be a consideration that the ministry might want to engage a preferred supplier if the ministry achieves the articulated objective of maximizing provincial regulation of nuclear activity in the province?

Hon. Ms. Heppner: — The nuclear industry, nuclear power generation is the most regulated industry in the country, and there is no contracting out of services on nuclear in the context in which your . . . And unless I'm misunderstanding your question, but it sounds like you're asking if we're going to contract out environmental issues on nuclear — that's not the case.

Ms. Morin: — Okay. Well clearly we've seen federally what can happen if someone is not in agreement with the government on the issue of nuclear safety. One might lose their job, as

happened in the federal situation, so at this point I guess I personally wouldn't rule anything out as to what might happen in the future, in terms of the federal regulation of the industry or the provincial regulation of the industry.

I would like to move on to another topic, but we have five minutes left, and so I'm thinking the Chair will probably cut me off within a couple of minutes anyway, given the hour of the evening and the fact that we're supposed to be ending at 10:30.

So at this point I'll just say thank you very much to the minister for her co-operation, as well as to all of her officials. Thank you for answering all my questions and being as co-operative as you have been this evening, and I look forward to the information being sent to my office that I have made a request for this evening as well. So thank you very much to everyone, and I hope you have a safe trip home.

The Chair: — Seeing as there's no more questions, we will go to the estimates, vote 26 on the Environment, central management and services, subvote (EN01) in the amount of \$17,223,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Corporate policy and planning, subvote (EN14) in the amount of \$20,939,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Environmental protection, subvote (EN11) in the amount of \$41,032,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Forest services, subvote (EN09) in the amount of 15,524,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Fire management and forest protection, subvote (EN10) in the amount of \$102,097,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Compliance and field services, subvote (EN08) in the amount of \$16,565,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Land, subvote (EN15) in the amount of \$3,975,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Fish, wildlife and biodiversity (EN07) in the amount of \$10,442,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Amortization of capital assets in the amount of \$6,216,000. This is for informational purposes only. There is no amount to be voted.

Environment, vote 26, \$227,979,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010 the following sums for Environment in the amount of \$227,979,000.

Could I have a mover, please? Ms. Wilson. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 26 agreed to.]

The Chair: — I'd like to thank the minister and officials for being here this evening, and ask the minister if she has some closing remarks.

Hon. Ms. Heppner: — I would just like to thank the committee for their time. I know it's been a long day and the hour is late, but thank you for the discussion. I'm more than willing to appear at any time to answer your questions.

And I would also like to thank the ministry staff that's with me here today. We have taken on some huge projects in the last 16 months, and they have worked tirelessly and have been great advisors. And I certainly appreciate all the hard work that they do, and I wanted to thank them publicly.

And thank you, Mr. Chair, for your work this evening as well.

The Chair: — Thank you, Madam Minister, and again thanks to your officials, you and your officials. I'd also like to thank the committee for their time spent here this evening. I would entertain a motion for adjournment.

Mr. Harrison: — So moved.

The Chair: — This committee is now adjourned.

[The committee adjourned at 22:28.]