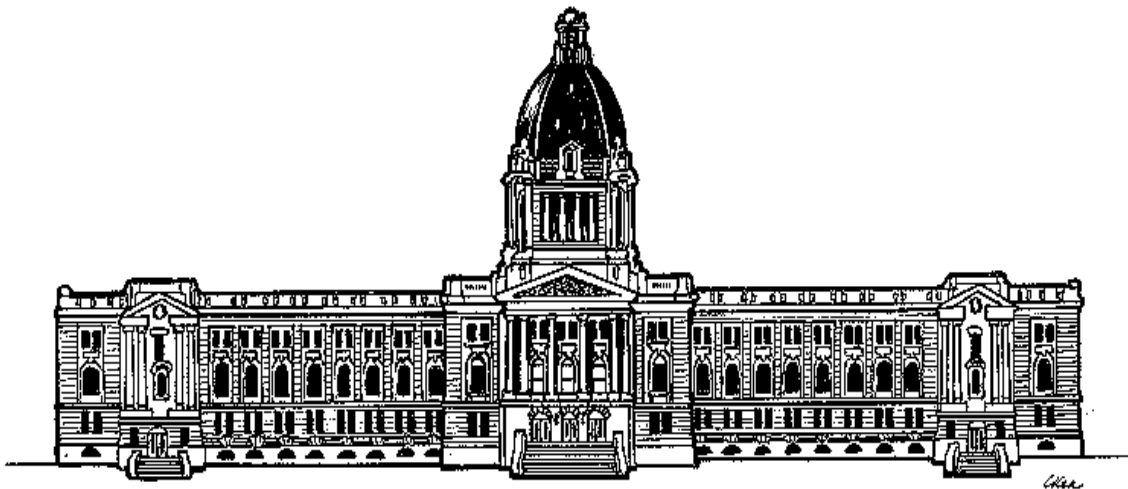




# **STANDING COMMITTEE ON THE ECONOMY**

**Hansard Verbatim Report**

**No. 29 – April 30, 2010**



**Legislative Assembly of Saskatchewan**

**Twenty-sixth Legislature**

## STANDING COMMITTEE ON THE ECONOMY

Mr. Darryl Hickie, Chair  
Prince Albert Carlton

Mr. Ron Harper, Deputy Chair  
Regina Northeast

Hon. Dustin Duncan  
Weyburn-Big Muddy

Ms. Laura Ross  
Regina Qu'Appelle Valley

Mr. Lyle Stewart  
Thunder Creek

Mr. Len Taylor  
The Battlefords

Ms. Nadine Wilson  
Saskatchewan Rivers

[The committee met at 08:00.]

**The Chair:** — Welcome, everybody, to this morning. Seeing as we're now at 8 o'clock, the hour that's been chosen for this committee to begin, I'll call the committee to order. I want to welcome you all to the deliberations of the Standing Committee on the Economy. To my left in the opposition side, we have Mr. Harper, and chitting in this morning for Mr. Taylor is Mr. Yates. On the government side, we have Mr. Stewart. We have chitting in for Mr. Duncan is Ms. Eagles. We have Ms. Wilson, and Ms. Ross.

So we have what appears to be or could be a busy agenda today. I don't believe we'll be here for too long. But the agenda in any case this morning, we will be considering the main estimates for the Saskatchewan Research Council, vote 35 (SR01), followed by the main estimates for Innovation Saskatchewan, vote 84 (IS01).

**General Revenue Fund  
Saskatchewan Research Council  
Vote 35**

**Subvote (SR01)**

**The Chair:** — Committee members, as I said in the introduction, we're now looking at the main estimates for vote 35 (SR01) Saskatchewan Research Council, outlined on page 127 of the Estimates booklet. Mr. Minister, if you'd like to introduce your officials and make any opening statement.

**Hon. Mr. Boyd:** — Good morning, Mr. Chair, committee members, thank you. Before I begin my opening remarks, I'll introduce the officials from the Saskatchewan Research Council that are here today. On my left is Laurier Schramm, the president and CEO [chief executive officer]. Behind me on the far left there is Therese McIlmoyl, director of finance. Next to her over my shoulder here is Wanda Nyirfa, vice-president of business ventures and communications.

Mr. Chair, as many of the committee members are aware, the Saskatchewan Research Council has a well-earned reputation as an organization that is engaged in cutting-edge projects that involve many of our province's strategic sectors. SRC [Saskatchewan Research Council] has a unique ability to harness knowledge and expertise from around the world and apply it to the types of problems that face Saskatchewan industries.

The dynamic nature and highly successful track record of the SRC is borne out in its ability to attract revenue from a very diverse client base. In fact SRC's provincial investment was approximately 28 per cent of its total revenue in 2009-10. The remainder was leveraged with external client revenue targets to strengthen our provincial economy through growth, quality jobs, and a secure environment.

Current and future programs at the SRC are reviewed to ensure that they are consistent with our province's goals and the SRC's purpose, assist the growth of the economy, and provide a positive environment and social impact. Our government recognizes the value of the SRC, and this year's budget

highlights our commitment to the type of work that it undertakes.

This year we increased the SRC's budget by about 1.6 million to just over 16.6 million. This increase provides the SRC with 1.5 million towards new forestry research responsibilities and \$100,000 for SRC's salary inflation costs. Our government looks forward to the continuation of the SRC's great work throughout the year and its beneficial partnerships with our industry sector partners.

Mr. Chair, I'd be happy to answer any questions that members may have.

**The Chair:** — Thank you, Mr. Minister. Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. My first question has to do with the new \$1.6 million, the majority of which is going to forestry research and innovation. Could you give us a little bit of further information or background on those developments?

**Hon. Mr. Boyd:** — It was felt that the moving of the budget to SRC more adequately reflected the needs of the forestry sector. They have done work certainly in the past with respect to the forestry sector, and as a result of that, it was felt that there was a better alignment with the SRC than previously.

**Mr. Yates:** — Thank you very much, Mr. Minister. Are there any specific projects or initiatives that this money will be used for?

**Hon. Mr. Boyd:** — Since 2008 the SRC has been leading a national study on the impacts of climate change for Canadian tree species under the auspices of the Canadian council of forest ministries, and so that's one area.

The Saskatchewan Research Council is leading a major study involving the three Prairie provinces, the effect of climate change on the southern boreal forest, which is funded, along with the province, by NRCAN's [Natural Resources Canada] regional adaptation collaborative program. And agroforestry has the potential to provide alternative crop for landowners in Saskatchewan as well.

The SRC has entered into a five-year partnership with the Conservation Learning Centre which is located 18 kilometres south of Prince Albert. While the SRC is working, is a . . . or pardon me. While the Conservation Learning Centre is a working farm with focus on agriculture research, the Research Council plans to use it as a field lab for research into forestry and forest ecology.

**Mr. Yates:** — Thank you very much, Mr. Chair. That would conclude our questions this morning.

**The Chair:** — That is all the questions from the opposition side. I think members on the committee from the government side may have a few questions they wish to ask. Mr. Stewart.

**Mr. Stewart:** — Yes. I'm always impressed with SRC, not only the work you do but the way that you generate revenue

from other sources. I've always been a fan. In fact I probably consider SRC my favourite government agency. But I want you to explain to us, if you can, how SRC has been able to generate revenue from other sources so successfully where other agencies have not.

**Mr. Schramm:** — I think principally, Mr. Chair and committee members, that at the foundation of our business philosophy has been that — although we bring our skills in research development demonstration, scale-up engineering design, and commercialization — that fundamentally we try to be a market-based organization and an industry-led organization. And so we align our technology activities as technology pull rather than technology push. That differentiates us from some of our sisters around the continent.

The good side of working to industry demand is that it's the voice of the customer that identifies the challenges and the opportunities. It gives us assurance that, if we can deploy our resources to help the clients, that the knowledge that's generated will be put to use because it's coming from their need. It also helps us with our mission to help grow the economy in the province that, as we go out and try and track the results of our work, we rely on the voice of the client rather than our interpretations. And we audit our clients to see whether they feel we've helped them increase their business or their productivity or their efficiency or help create or preserve jobs, and use their voice to guide us in that as well as in our activities.

It also means that if we're really working on projects that industry believes are important, then they will bring some money and some resources to the table. And that allows us to take our provincial investment and leverages up by several times, several factors. As the minister mentioned, in the previous fiscal year the provincial investment represented about 28 per cent of overall revenues. This current year we're projecting that to decline to about 25 or 24 per cent as we continue to scale up.

Some of our new capacity-building activities that this government has provided funds for in the past and are now starting to bear fruit in terms of new partnerships and new support from industry and so that's a powerful tool in being able to leverage our funds. If we can bring 3 to \$4 to the table from industry for every dollar we can put up, that increases both our breadth and our depth.

The importance of the provincial investment, though, I would like just to emphasize in that that's what allows us to try and develop capacity before industry needs it because, although we love working with industry, they can sometimes be a little bit impatient. And when opportunities come, they typically would like to see their problems and opportunities addressed today, if not yesterday, and will only wait around for a limited amount of time for us to get ready to try and help them.

And so one of the key uses of the provincial investment — other than the leveraging activity and to get consortia together — the third one is to build our own capacities to try and be ready when the market is ready for our services. And of course that's a risky business to be in. We don't always get it right. We're not always successful. And so the provincial investment

is what allows us to play effectively in that market, whereas other sister organizations, for example, that are fully at the mercy of the private markets don't have the ability to take some of the business risks that we can. And they don't have the ability to stay in the game for the long term like we can.

**The Chair:** — Mr. Stewart.

**Mr. Stewart:** — Thank you, Mr. Schramm, I think that answers my question. I know that, I believe, that you're a model for many other government agencies. And I know that in our meetings in the past, I know that your attitude is that you're never quite good enough, and you're always trying to get a little better next year. I appreciate that. Thank you for the answer.

**The Chair:** — I see Ms. Wilson has a question.

**Ms. Wilson:** — Mr. Chair, I believe the industries are very happy. Some of my constituents are talking to me about it. But I do have a question. How are the research priorities determined for SRC? Can you explain that a bit, about the research?

**Mr. Schramm:** — Certainly. As a starting point, as a Crown corporation working in the public interest, we try to align our . . . and with an agenda of using our skills to help grow the economy, we start by trying to make sure we're aligned with the key strategic sectors of the provincial economy. Every year I've been with the organization, we have focused on trying to make a difference in every one of Saskatchewan's key economic sectors, with the exception of health and tourism.

But we do play in all of the others. We're not a big enough organization to do everything all the time for everyone in those areas, so in each of the sectors in which we are involved, we're always having to make choices about where we will focus our resources. We do take a portfolio management approach, so we don't pick just one area in each sector. We pick several, typically three principal areas in each of the sectors in which we operate, and then those are constantly reviewed.

On the one hand, we tend to run multi-year projects. We've been involved in some areas of Saskatchewan's economy ever since 1947, so we've been 63 years at some things, not that we're doing the same job over and over again, but in some sectors.

And we're always starting new things as well, so part of the portfolio management approach is each year trying to decide how we can most optimally deploy what we have available to us. And as I said in response to MLA [Member of the Legislative Assembly] Stewart's question, we try and be guided as much as we can by industry's voice in how to make those choices. And we're also sensitive to the priorities of the government of the day as well. And so we try and balance the needs of our owner with the needs of our clients and search for the areas where there's a win for all and constantly readjust.

**Ms. Wilson:** — Well thank you. Sixty-three years is a very long time, and I think you're very valuable to the province. Thank you.

**Mr. Schramm:** — Thank you very much.

**The Chair:** — Ms. Ross.

**Ms. Ross:** — Oh okay, I'd like to know, is the SRC involved in ag bio at all?

**Mr. Schramm** — Yes, we are. We may not have been involved in agriculture exactly . . . oh since probably 1947, sorry. I think we have. And if it wasn't 1947, it wasn't more than a year or two after that.

At the moment, you'll see us active in three principal areas with a few fledgling ones coming along behind. We have been for a long time involved in fermentation processes of all kinds. We helped get the ethanol industry going in Saskatchewan — that is the grain-based ethanol industry — and still provide technical support where needed to companies like Pound-Maker for example.

We are also involved in, have been involved in fermentation of vaccines and plant inoculants over the years. Those are probably the three main lines that tend to have market demand for us. We have active projects right at the moment in the vaccine area. We work closely with VIDO [Vaccine and Infectious Disease Organization] at the University of Saskatchewan. Our role is usually to develop and produce the larger scale quantities of vaccines that would be needed for field trials, for example if there were something invented, or developed at VIDO would be an example.

On the industrial side, we're the only research facility in Canada licensed by the Canadian Food Inspection Agency to actually produce commercial vaccines. And that allows us to help small producers that would like to try again field trials of small batches of vaccines for particular niche markets. We're working with a Quebec company right now that is bringing three vaccines to market, and we're using that to build capacity that we can make available to Saskatchewan producers. So sometimes we work for clients outside of the province in order to prepare to benefit Saskatchewan, if I can put it that way. So that was one area.

We are in bioprocessing. We are actively involved developing technologies to convert biomass, including waste biomass to energy fuels and potentially value-added products. The minister, in responding to an earlier question, mentioned some of the forest biomass work that we're doing, but we're also doing related work in all kinds of waste biomass from slough grass to flax straw, you name it.

And we're currently advancing a technology for the conversion of such material to ethanol, working with industry. That's being at the pilot test stage right now, so it's coming along. We're also engaged with the Nipawin new-gen co-operative which seeks to put what could be Saskatchewan's first waste-biomass-to-ethanol plant into production. So we're partnered with them to try and bring that along.

[08:15]

And the third area — and then I'll stop — the third principle area is in DNA [deoxyribonucleic acid] genetics applied to the needs of the province's agricultural producers. So for a long time, we have been involved with the purebred industry in

parentage tests. We originally took over the blood lab from the National Research Council many years ago and moved it to Saskatchewan. And as you probably know, the industry has advanced beyond blood tests now to DNA-based tests, and we have extended beyond that into DNA-based tests for traits, not just parentage, so all of the traits that would be of value to a producer.

And also we work on DNA genetics of crops, not just animals. And so you may have seen this past year, we had a major funding announcement between the province of Saskatchewan and the federal government which is helping us commercialize the technology that will allow DNA-based identification of wheat and other crops to help . . . [inaudible] . . . Saskatchewan and Canada's export markets which isn't quite commercial yet, but we're very close. So that's kind of the field.

**Ms. Ross:** — Thank you very much, I appreciate that.

**The Chair:** — Thank you, Ms. Ross. Thank you, Mr. Schramm. Well I see no more questions from committee members. We will now move on to the votes. Saskatchewan Research Council, subvote (SR01) in the amount of 16,633,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — And that's carried. 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, 2011, the following sums for Saskatchewan Research Council in the amount of \$16,633,000.

Mr. Stewart.

**Mr. Stewart:** — I so move.

**The Chair:** — Thank you very much. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Vote 35 agreed to.]

**The Chair:** — Thank you very much, Mr. Minister, and your officials this morning for coming out. And we do . . . Mr. Yates, you may speak, sorry. You go ahead, Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. I'd just like to thank the minister and his officials for coming this morning and providing answers to our questions. It's always very nice to see you, and I think we all share a very healthy respect and admiration for the work that the Research Council does on behalf of Saskatchewan.

**Hon. Mr. Boyd:** — Yes. I'd like to join with the members in thanking the officials for coming down this morning for the discussion. And we appreciate the good work that the Saskatchewan Research Council does. And we will continue to work very closely along with them. Thank you.

**The Chair:** — I should just let committee members know that the Clerks need some time here to get ready for Innovation. So if we can have a 10-minute recess, we'll resume about 8:28. Thank you.

[The committee recessed for a period of time.]

**General Revenue Fund  
Innovation Saskatchewan  
Vote 84**

**Subvote (IS01)**

**The Chair:** — Welcome, members and officials, once again. On the agenda now we're here to discuss estimates for vote 84, subvote (IS01), Innovation Saskatchewan, outlined on page 108 of the Estimates booklet.

Mr. Minister, I see we have a new official with us. Do you want to introduce your official and then I guess if you have any opening statement.

**Hon. Mr. Boyd:** — Thank you, Mr. Chair, committee members. I'm joined this morning by Kent Campbell, the deputy minister of Energy and Resources who is also the interim chief executive officer for Innovation Saskatchewan, on my left. And on my right is my chief of staff, Laurie Pushor, as well.

And committee members, just a very brief statement with respect to Innovation. As a part of forward-looking commitments of this government, we have formed Innovation Saskatchewan, a new agency responsible for implementing Saskatchewan's innovation priorities.

Innovation Saskatchewan will help coordinate the strategic direction of the government's research and development, science and technology expenditures. They will provide advice on science and technology policy and coordinate the establishment and maintenance of science research and development infrastructure. Innovation Saskatchewan will also provide advice and recommendations on research and development and demonstration in the commercialization of new technologies and innovative processes in Saskatchewan.

Innovation not only contributes to the development of a stronger overall economy but also to the ability of our existing resource and agriculture sectors to compete in international markets. In their first year, Innovation Saskatchewan will be focusing on understanding the innovation environment of the province and where Saskatchewan can best direct its limited resources to maximum advantage. The board of directors of Innovation Saskatchewan has asked for an analysis of our strength and weaknesses as a jurisdiction from an innovation perspective to allow them to guide the agency's strategic direction. This work is currently under way.

[08:30]

Innovation Saskatchewan will also begin a review of how Saskatchewan spends its research and development dollars. In 2009-10 these expenditures were estimated in the neighbourhood of \$204 million. So Innovation Saskatchewan

will be tasked with looking at those and coordinating those activities. Innovation Saskatchewan will continue to work with its sector companies and Western Diversification on the feasibility of a mining research centre to support the development of energy and mineral innovations within the province.

Through its technology partnerships program, Innovation Saskatchewan will work over the next year to provide assistance to Saskatchewan entrepreneurs and technology developers who seek strategic technology market access and investment partners through the planning and coordination of incoming and outgoing technology partnering missions, facilitate the delivery of orientation and training to entrepreneurs seeking domestic or international technology partners, help to source technology out-licensing and in-licensing opportunities aligned with the interest of provincial clients, facilitate strategic research collaborations between Saskatchewan companies and like-minded researchers, and promote Saskatchewan as an important supplier of specialized R & D [research and development] services both nationally and internationally.

In addition, Saskatchewan is a participant in a number of inter-jurisdictional activities including the federal-provincial-territorial ministers responsible for innovation, the innovation component of a New West Partnership between British Columbia, Alberta, and Saskatchewan; the Western senior officials forum on innovation, innovation work resulting from The Council of Federation, the Pacific NorthWest Economic Region innovation network.

Mr. Chair, I think that concludes it. I would just conclude my remarks by indicating that last fall we proposed a supplementary estimate to facilitate the start-up of Innovation Saskatchewan. That estimate was for \$520,000. That was not necessary as the budget was managed through Enterprise, so as a result of that, that \$520,000 supplementary estimate is no longer needed.

**The Chair:** — Thank you, Mr. Minister. Do we have any questions from members? Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. The one very short question, we had spent considerable time last year on it, or last fall, pardon me, talking about the start-up of Innovation Saskatchewan. And one of the concerns we had just had identified was the . . . although it was a relatively small amount of money, always when dealing with public funds and potentially supporting third parties . . . What style of risk management strategy was going to be used by Innovation Saskatchewan?

**Hon. Mr. Boyd:** — Thank you, Mr. Chair. As was indicated last fall in our discussions, the Innovation budget, as you can see, is relatively modest. We will be looking at projects coming forward perhaps in a one-off basis that would require Treasury Board approval and cabinet approval to be looked at in terms of risk management strategies. We'll be holding to the principles that the Department of Finance has, the same principles of risk management strategies that the Department of Finance puts in place.

**Mr. Yates:** — Thank you very much. That concludes my questions.

**The Chair:** — Seeing no more questions from the members and the committee, Innovation Saskatchewan, subvote (IS01) in the amount of \$1,318,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. 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, 2011, the following sums for Innovation Saskatchewan in the amount of \$1,318,000.

**Ms. Ross:** — I move.

**The Chair:** — Ms. Ross, thank you. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

**General Revenue Fund  
Supplementary Estimates — November  
Innovation Saskatchewan  
Vote 84**

**The Chair:** — Vote 84, Innovation Saskatchewan, Innovation Saskatchewan subvote (IS01) in the amount of \$520,000, is that agreed?

**Some Hon. Members:** — No.

**The Chair:** — Defeated.

[Vote 84 not agreed to.]

**General Revenue Fund  
Innovation Saskatchewan  
Vote 84**

**The Chair:** — 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, 2011, the following sums for Innovation Saskatchewan in the amount of \$1,318,000.

**Ms. Wilson:** — I so move.

**The Chair:** — Ms. Wilson. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Vote 84 agreed to.]

**The Chair:** — Thank you, Mr. Minister and your officials, for coming out this morning. Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. Just like to thank the minister and his officials for coming. And I believe we saw history made this morning; the government defeated its own budget.

**The Chair:** — Thank you. So I guess according to the next agenda item, we'll be back here at 1 o'clock, for members of the committee. Thank you.

[The committee recessed for a period of time.]

**General Revenue Fund  
Environment  
Vote 26**

**Subvote (EN01)**

**The Chair:** — Welcome back, members and officials. Committee members, on the agenda now we are here to discuss estimates for vote 26, Environment (EN01) outlined on page 59 of the Estimates booklet. Mr. Minister, would you like to introduce your officials and make an opening statement?

**Hon. Ms. Heppner:** — Thank you, Mr. Chair. The officials joining me today, I think for the most part, are the same that were here previously. I'll allow them to introduce themselves if they are called up to the mike, and I don't have any additional opening remarks.

**The Chair:** — Thank you. I should, just for note, indicate that Mr. McCall is here, sitting in for Mr. Taylor. We have Ms. Morin and Mr. Yates with us today from the opposition side along with Mr. Harper. We have Ms. Ross, Ms. Wilson, and Mr. Stewart on the government side.

So I guess we will begin if you have any questions. Who will be up first? Ms. Morin.

**Ms. Morin:** — Thank you very much, Mr. Chair, and welcome back to budget estimates instead of what we were doing the last couple of evenings. Thank you so much.

So in getting to the budget estimates, executive management has been increased by about \$280,000 — yes, \$280,000 — which is an increase of 20 per cent. Can you explain that increase please?

**Hon. Ms. Heppner:** — There's a couple items that account for the increase in that particular line item. There is a new position that we've created within the ministry. It's assistant . . .

**Ms. Morin:** — I'm sorry, Madam Minister. I can't hear a thing.

**The Chair:** — Just one second. We'll . . .

**Ms. Morin:** — Thank you. There's noise everywhere, so unfortunately I can't hear any of your response. I apologize.

**The Chair:** — Sorry, we apologize. Please proceed.

**Hon. Ms. Heppner:** — Thank you, Mr. Chair. As I was saying, there's a couple of different things that account for the increase in that particular line item. There is a new position that was

created within the ministry. It's assistant deputy minister position in charge of environmental assessment. There is also a communications fund that was previously housed within environmental assessment branch related to our results-based regulatory system. The funding for that communications is now housed in this line item as well. So part of it's a transfer, and part of it is new money for staff.

**Ms. Morin:** — And I'm sorry. Can you tell me where the transfer came from again.

**Hon. Ms. Heppner:** — Environmental assessment.

**Ms. Morin:** — Okay, thank you. Going into the (EN06) which is climate change, I note that \$4 million of the 15 million set aside for green initiatives has been earmarked specifically for SARCAN. And can you explain why the move, why it's been moved from the previous area where it was housed, I am assuming — which you can perhaps correct me if I'm wrong — is under allocations which is beverage container collection and recycling system. It's showing that there is a decrease of \$4 million there. Can you tell me why this has been moved from this allocation and moved into the allocation under . . . so it's moved from the environmental protection allocation under the climate change allocation.

**Hon. Ms. Heppner:** — The funding agreements with SARCAN up until 2007-2008 were pretty static at around 10 or \$11 million. The environmental handling charges that were collected were far exceeding that amount. The rest of the money had traditionally been put into GRF [General Revenue Fund] and hadn't been used for recycling. So we had changed the way that we spent the environmental handling charges, and in last year's budget, we gave SARCAN I think it was all of it or very close to all of the environmental handling charges that were collected, which was a total of about \$21 million. So it was substantially more than it even had been in the past.

Going into this budget year, obviously we were looking for efficiencies and some cost savings, and so the original thought was to reduce what they were going to be getting to \$17 million. It would still allow SARCAN to manage their operations at their current recycling levels. But through the Treasury Board and budget process, it was felt that our government is committed to the work that SARCAN does, and there was some capital projects that SARCAN was hoping to undertake including an expansion in Saskatoon.

Their business there is growing, and they needed more space and to upgrade some of the systems that they were using. So their operating budget is \$17 million. The \$4 million taken out of Go Green funding is for capital going into this year to make sure that they can meet the demands that they are facing. And it is our intention next year to bring their budget back to \$21 million as it . . . There's \$21 million this year. They are getting \$21 million into this current year's budget, and our plans are to continue that funding level, like I said, which is far above what they had received in the past.

**Ms. Morin:** — Thank you for that explanation. I'm going to elaborate on how it appears to someone who might be looking at past documents, Madam Minister, and that is, if I look for instance at the document which was the election platform of the

Sask Party from 2007. It states in the platform that one of the items is that the Sask Party wanted to provide \$70 million for the Green Initiatives Fund, and that would be over the term of the Sask Party's term in government.

So then when one looks back at the budget from '08 and '09 and one looks at the Green Initiatives allocation, in '08-09 the allocation was 15.3 million. When one looks at the allocation from the budget document in '09-10, the allocation was 15.311 million. And those are strictly allocations to the Green Initiatives Fund in both of those budget years.

And then when one looks at the budget document from 2010-2011, one can see that the allocation this year is 11.314 million, and there is a separate \$ 4 million allocation to Green Initiatives/SARCAN. And there is definitely a \$ 4 million reduction in the beverage container collection and recycling system under the environmental protection allocation.

So to my eye, it looks like we're trying to find money to help cover off the deficit or the mandate that was set out for this budget year, and it was simply taken out of SARCAN . . . sorry, out of the beverage container collection and recycling system which is primarily what SARCAN's function is, in order to make it appear that there has been a \$4 million efficiency found versus what one sees in the past two budget documents, from the past two budget cycles with your government. Would that be a fair statement?

**Hon. Ms. Heppner:** — There's a few things in your question that need to be clarified. To reach the \$70 million over four years of our first mandate that was promised in our campaign literature would require 17 and a half million dollars per year. That has been fulfilled.

The funding through Go Green for '08-09 and '09-10, part of that money, the vast majority of it, usually just over \$15 million is housed within the Ministry of Environment. A separate allocation for Green Initiatives is in the Ministry of Energy and Resources. In '08-09, the Ministry of Environment had — I think it was —15.5. Two million dollars would have gone to Energy and Resources.

Last year a similar, a similar thing where about \$15 million was in Environment, the rest was in Energy and Resources. This budget year, if you look at the total within the Ministry of Environment, if you add up the total Green Initiatives under that line item in my ministry combined with the Green Initiatives that are going into Energy and Resources, I believe the total is just over \$18 million. So the funding over the last three budget years has been fulfilled. The rest of that, obviously, would be in next year's budget, in '11-12, for a total of \$70 million over four years. So that campaign commitment, that promise has been kept.

The funding for the beverage container program is \$21 million this year. There is no reduction to their budget. They will be receiving \$21 million. And as for the assertion that for some reason \$4 million out of Go Green shouldn't be going to SARCAN, or it's not part of a green initiative, I disagree with. Over the last two years, '08-09, '09-10, we have given almost \$4 million in bridge funding to recycling organizations in this province to help in their recycling needs. The market for a lot of



their products has fallen off, and they're facing difficulties, and there was concerns that some of them would be shut down. We didn't want that to happen, and so we provided bridge funding, like I said, to a total of almost \$4 million for the last two years.

And we believe that recycling is a green initiative. I have absolutely no problem having money coming out of our Go Green Fund for recycling initiatives. And I would say, if you talk to the agencies and organizations, municipalities that are involved in recycling who've received funding over the last two years and going into this year from Go Green for recycling, they are incredibly supportive.

And I would also say that if the assertion or accusation is made that for some reason we're trying to balance our books on the back of SARCAN or Green Initiatives funding, I would point out again that SARCAN has their full budget going into this year of \$21 million. The difference between our administration and the past administration is that the NDP [New Democratic Party] took half of the environmental handling charges and put them in the GRF. So if anybody was trying to balance things out with environmental handling charges and not directing those to the places that actually required them, it would have been the NDP and not us.

**Ms. Morin:** — Well while you are rambling on about what the NDP did versus dealing with what we're doing here which is budget estimates, I'm just looking up the past allocations under Energy and Resources here, just so I can follow what you are saying about where you feel the fund is currently at from the numbers that I have. So perhaps while I do that, I'll just go on to another question.

Under forest services (EN09), we know that our trees are valuable carbon sinks, but you've made substantial cuts to both reforestation and Dutch elm disease in the budget. How do these cuts square with your government's stated commitment to address climate change?

**Hon. Ms. Heppner:** — The trees that are currently in the province, for an offset program to be validated or to be recognized as an offset, there has to be something new being done to counter the carbon. It's my understanding that the forests that we have would not necessarily be considered a carbon sink because it's not a new project. So through an offset system under our climate change program, there would have to be new forestation. The new forestation would qualify for offset recognition in our province, but the current trees in place would not qualify as it is now.

[13:15]

**Ms. Morin:** — Okay, thank you for that response. And now the minister has returned, my understanding is, \$100,000 to the Dutch elm disease program. Is that correct?

**Hon. Ms. Heppner:** — Yes, there's going to be continued monitoring of the buffer zones. That funding was found within operating funds within the ministry.

**Ms. Morin:** — And who's going to be responsible for the cutting down of the trees that are within those buffer zones?

**Hon. Ms. Heppner:** — On trees that are found to be diseased on Crown land, the ministry would be responsible for those. If trees are found on land that is outside of Crown land, we would work with the municipalities on ensuring that those trees were removed.

**Ms. Morin:** — Okay. So can you clarify? So you're saying that if there are trees that are found on Crown land, obviously the Crown is going to be responsible for the removal of those. If trees are found on land that belongs to other municipalities, you're saying you're going to assist them with removal of the trees. How will you be assisting them?

**Hon. Ms. Heppner:** — The municipalities would be financially responsible for the removal of the trees.

**Ms. Morin:** — That's what I thought. And what are the legal implications for municipalities or individuals where Dutch elm disease trees are found on their property and they don't remove them? What are the legal implications?

**Hon. Ms. Heppner:** — The regulations in place state that there is an obligation to remove trees if they are found to be diseased.

**Ms. Morin:** — And what are the penalties in the event that a municipality doesn't remove a diseased tree or an individual doesn't remove a diseased tree? Are there different penalties or what are the penalties?

**Hon. Ms. Heppner:** — I don't have that information in front of me, but I will commit to getting it and getting it to committee members through the Chair.

**Ms. Morin:** — Thank you very much. So what is the government's plan then in the event we have a situation where trees are monitored and found to be infected with Dutch elm disease in the buffer zones and the municipality decides not to remove them or the individual decides not to remove them? They incur the penalty. What then?

**Hon. Ms. Heppner:** — There is ministerial orders through regulations that would compel municipalities to cut down those trees. I can't speak to what municipalities would or would not do. In the case that that would happen, I would expect them to comply.

**Ms. Morin:** — And so in the event the municipalities . . . because we already know that they're not receiving their portion of the revenue sharing that they were expecting, in the event the municipalities are not able to financially afford to hire the experts to do so because it's my understanding from these experts . . . I've never had to cut down a large tree before, but I'm understanding it's a fairly substantial undertaking, and there's a lot of safety requirements involved. If they are not able to afford these experts to do so, is there any notion of the Sask Party government doing something to mitigate the circumstances in terms of offering financial assistance?

**Hon. Ms. Heppner:** — I can't really speak to the financial capabilities of municipalities. It's kind of outside my area of expertise as to whether they would be able to afford or not afford to do these things. The cities, the city of Regina has said that they're fine.

I guess you're asking me to answer a hypothetical on the funding available in each municipality. I don't know what their budgets are. I don't know what they've set aside for various things within their municipalities. I don't think I'm able to answer that question.

**Ms. Morin:** — That's actually not the question I asked, so I'll ask the question again. The question I asked was, in the event a municipality is not able to remove those trees and obviously then there is a problem with the disease spreading, does the government have any plan to mitigate the circumstances for those financial situations for those municipalities to be able to do the work, or will the government go in and remove those trees themselves?

**Hon. Ms. Heppner:** — As it's private land and not Crown land, the responsibility would remain with the municipalities. There is authority given to municipalities to do a cost recovery if those trees are on private land. And we would expect them to comply with removals.

**Ms. Morin:** — So let me understand correctly that we're now saying that, in the past where these responsibilities have been undertaken by the provincial government that this is now been off-loaded onto the municipalities and those private landowners who may now have an infected tree on their property.

**Hon. Ms. Heppner:** — Just to clarify, it was a cost-share program, so they're not assuming 100 per cent. It's a portion, and there was always communities that didn't qualify for a cost-share program. It was based on size of community. They weren't eligible for the cost-share program before, so there would be no change in their status.

**Ms. Morin:** — What is the government's plan for the future because as . . . I mean your opinion is that the city of Regina is saying that they're able to easily absorb this, along with the other programs that have been cut like West Nile disease, the West Nile program. A and yet the version I get from the same individual that you spoke to is that he is afraid of the significant future implications, cost implications, that are going to come from the cut of the funding to the Dutch elm disease program. What are the government's plans for the future in the event that Dutch elm disease does start to spread because of the fact that there isn't the same monitoring and controls exercised that there is now?

**Hon. Ms. Heppner:** — As I said, the ministry will continue to be monitoring in the buffer zones to do what we can to prevent the spread of this. But I do have to point out that the trees within municipalities are private. They're on private land. And we are simply asking the municipalities to take care of those trees.

**Ms. Morin:** — Well let's pray for the best, I guess. Is there any type of mandatory removal time given once a diagnosis has been made? So when there is a tree or a clump of trees that have been identified with Dutch elm disease, is there a mandatory removal time to have those trees cut down?

**Hon. Ms. Heppner:** — There's nothing in regulations that stipulate a time frame for which trees have to be removed.

**Ms. Morin:** — For which trees have to be removed, can you elaborate on that?

**Hon. Ms. Heppner:** — Well for diseased trees, I believe that's what the question was, was a time frame for diseased trees to be removed. There's nothing in regulations that gives a timeline for that.

**Ms. Morin:** — Sorry, you say nothing? I'm failing to understand what you're saying. Did you say there's . . .

**Hon. Ms. Heppner:** — You asked if there was a timeline.

**Ms. Morin:** — Right.

**Hon. Ms. Heppner:** — Once a tree had been diagnosed.

**Ms. Morin:** — Yes.

**Hon. Ms. Heppner:** — For its removal.

**Ms. Morin:** — Yes.

**Hon. Ms. Heppner:** — There's nothing currently in regulation . . .

**Ms. Morin:** — Thank you.

**Hon. Ms. Heppner:** — That has a timeline for that.

**Ms. Morin:** — Okay, thank you. You and I both have the wonderful virtue of speaking quickly. And sometimes I can't understand you, as I'm sure that it's vice versa as well.

So in that case, given that there is no mandatory timeline . . . [inaudible interjection] . . . My colleague is now saying yes, that's true. Given that there is no mandatory timeline for the removal of that tree, how does one then prevent the spread of Dutch elm disease from becoming that much more exacerbated?

**Hon. Ms. Heppner:** — Well obviously we would expect municipalities to act as quickly as possible. But like I said, there is no requirement on timelines within the regulations. Regardless of funding, that has always been the way it is, but we would expect municipalities to act as quickly as possible.

**Ms. Morin:** — Thank you. And what is the timeline that the government is going to be looking at in terms of its responsibility for removal of trees on Crown land once they've been identified?

**Hon. Ms. Heppner:** — As promptly as possible.

**Ms. Morin:** — Could we narrow the window somewhat to . . . I mean, well honestly. Here's a scenario, right. I mean, so there's a diseased tree that's been found on Crown land. There's a private landowner that lives nearby. He or she's going to be potentially concerned that that is then going to start spreading to their trees. So I'm sure that they would like to have some idea of when they can assume that that tree will be removed, so it doesn't spread to the trees on their property. I think that's reasonable to ask.

**Mr. Wynes:** — Yes, Bob Wynes, executive director of the forest service. Yes, we will be working, especially parks. The majority of the trees we're talking about that are on Crown land will be within the provincial parks. And we, the forest service, will be working with parks to ensure the proper removal of those trees as quickly as possible as soon as they're identified. We'll be acting as quickly as possible. I can't tell you that will be one day or two days, but the goal will be very promptly because it's imperative to the prevention of the spread of the disease. So it only makes good sense we would do it as quickly in partnership with parks as we could.

**Ms. Morin:** — I agree. So in other words, once the tree has been diagnosed as being diseased, the property owners can anticipate that it would happen probably within a week then. It wouldn't be dragging on for weeks on end and then potentially causing more problems and creeping onto their property, and then having them incur the cost of having to do the same on their property.

[13:30]

**Mr. Wynes:** — I can't speak to the exact time frames that the municipalities would be acting. I can't assure you that it would be one week or eight days or anything. What I can speak to is on the Crown land, we would be acting as promptly as we could to minimize the risk of spread of those.

**Ms. Morin:** — Yes, I'm speaking specifically about Crown lands here. I'm not speaking about municipalities. So that's why I'm saying, on Crown lands there should be an expectation that they will be removed very, very quickly.

**Mr. Wynes:** — Yes.

**Ms. Morin:** — Okay. And with respect to the disposal of diseased trees, so when one finds a diseased tree on their property, how does one know how to dispose of them? What's the mechanism that is going to be undertaken to inform the public of how to dispose of trees that are diseased with Dutch elm disease? Can you explain that?

**Mr. Wynes:** — Yes, I can. One of the benefits of the program to date that has been conducted is that we've got a lot of awareness out there with the municipalities, with the communities that we've been working with and some of the money that has been allocated to the historic cost shares has been to help educate people, educate inspectors within the municipalities, within the communities, and also for the establishment of disposal sites.

So the trees really need to be either burned or buried promptly. And one of the biggest risks . . . and all the signage you see around the province about not transporting firewood, that's one of the key things. Transporting beetle-infected wood will transfer that disease around. So the important . . . We've done a lot of work in terms of the awareness of that with the municipalities, and assuming they take on the role with the private landowners, in a lot of cases the disposal sites are already established, and it can be done fairly promptly and properly to minimize the risk of spreading. And we would be using similar techniques in the disposal off of Crown land.

**Ms. Morin:** — Okay. Thank you very much. So you're saying that there is a communications program that's already in place so that landowners and municipalities have that awareness? Or is this something that is going to be initiated?

**Mr. Wynes:** — No. It's something that we have done historically. It's been part of the program, the awareness, the signage and everything, the technology transfer. We will be continuing the technology transfer component of this. The entomologist, Dr. Rory McIntosh, with the forest services, is on staff. He's still available.

We had a DED [Dutch elm disease] hotline established. We're going to be running that internally so that it will be a forest service employee answering that. That will be one of the mechanisms so that we can continue to provide advice to communities and to the municipalities to continue the technical support on the issue to help them.

May I just . . . One point about the timelines around disposal. I do want to emphasize just so there is no confusion about it, there is a pruning ban. So on trees that need branches pruned off of them, there is a pruning ban — not pruning between April 1st and August 30th — just to minimize the risk, the spread of the disease. So that that's a time period to avoid actually in cutting and moving trees around.

**Ms. Morin:** — But obviously if your tree's diseased during that period of time, that would be something you'd still want removed immediately and disposed of properly.

**Mr. Wynes:** — Yes.

**Ms. Morin:** — So how many . . . This is the \$400,000 that's coming out of the forestry budget with Environment. Is that correct?

**Mr. Wynes:** — Yes, it is.

**Ms. Morin:** — Is there any job loss because of that?

**Mr. Wynes:** — No, there isn't. We've got three people associated with our forest insect and disease program. As I mentioned, Dr. Rory McIntosh, and two technical people that support him. We had one individual that was assigned to the Dutch elm disease program; he'll still be working on the surveillance component and answering the DED hotline. But we also need his help. We've got this impending threat of mountain pine beetle coming at us from the West, and we need to utilize his expertise in other areas of the program. So we retained his position and essentially reassigned it to a broader range of duties on broader insect disease issues threatening the provincial forest.

**Ms. Morin:** — And on that topic, has mountain pine beetle affected Saskatchewan yet? Do we have any cases of that in Saskatchewan?

**Mr. Wynes:** — Yes, we do. If I could just to give you a little bit of background, just to put it in context. As everybody's aware, this is a major issue in British Columbia. The mountain pine beetle has devastated the pine forests in British Columbia, creating a lot of ecological concerns, carbon concerns, and a

major impact on the forest industry within British Columbia.

In August of 2006, there . . . What happens is the beetle essentially eats themselves out of house and home. And they build up, because of the concentration of lodgepole pine in the foothills, the mountain pine beetle population built up to very high levels in British Columbia and then ran out of food. So what that triggers is a long distance migration of the beetles, and they go up to high altitude, get caught in wind currents, and carried an amazing distance into Alberta.

And the initial flight in August 2006 made it just about halfway across Alberta, and it's right into the transition zone between lodgepole pine and jack pine. And so we've been monitoring that very closely, working with other jurisdictions, Alberta, monitoring how it's doing in the jack pine and whether there's much spread happening from those places where it's spotted out to. It appears to be doing quite well on jack pine unfortunately, but it doesn't seem to have moved much since it hit the ground there. It's kind of surviving sitting there.

In 2009, just last year, we had another major flight. The beetles essentially are just about out of food in BC [British Columbia]. We're hoping this is the last major flight out of British Columbia. They actually came quite a bit farther into Alberta than they did the first time. So once again we'll be working with Alberta to monitor that. But they're within couple hundred kilometres of the Saskatchewan border.

So we don't have any detected mountain pine beetle outbreaks in the northwest part of the province yet, which is good news. We have surveillance flights that we are doing annually. That budget is still intact, and we are continuing to do those surveillance flights.

But where we have seen the problem is in the Cypress Hills. There is a population that was essentially resident in the Cypress Hills, and that is where we actually have lodgepole pine, the natural host for mountain pine beetle. And there was a population of them there. This isn't spread from Alberta or from BC, but there's a resident population in the last couple of years. That population has kind of taken off. If you want the numbers, I can dig out the number of trees that are being felled, hand-felled, piled, and burned to try and control the spread within the park.

**Ms. Morin:** — I'd be interested in that, but we'll get that later. I have to say the devastation that I've witnessed in British Columbia is staggering. I mean, my brother has worked up there as an RCMP [Royal Canadian Mounted Police] officer for many years in Prince George and Tumbler Ridge and Fraser Lake and area, and it's amazing the devastation that those stupid little beetles have caused up there. And anything we can do to prevent them from spreading into Saskatchewan would obviously be desired.

So I'm glad to hear that it sounds like you're right on top of this file and have a depth of expertise that I think even your colleagues behind you have come to appreciate, so thank you very much.

**Mr. Wynes:** — You're welcome.

**Ms. Morin:** — I'm going to go back to the questions I was asking about Green Initiatives now because I was able to do some quick math without a calculator. Next time I'll have to remember when I come to budget estimates, probably a good idea to bring one along.

Anyways, so when I looked at again the previous budgets and now including the Environment and the Energy and Resources figures for Green Initiatives because the minister has pointed out that there is some funds that have been going into Energy and Resources as well, so when I look at the '08-09 budget and the '09-10 and the '10-11 budgets of Environment and Energy and Resources, I get a total of 47.725 million . . . Oh somebody just handed me a calculator . . . That's without the \$4 million allotment for SARCAN. So needless to say with the \$4 million allotment for SARCAN, it's showing a total of \$51.725 million.

So I'm not quite understanding when a minister says that they've already achieved the \$70 million allocation to the Green Initiatives Fund . . . Okay, so the minister is indicating that I've misunderstood that so I'm going to look forward to this explanation. Thank you.

**Hon. Ms. Heppner:** — The \$70 million commitment was over four years. This is our third budget. There'll be one more budget, and so the allocation in our fourth budget would total the \$70 million.

**Ms. Morin:** — And that's exactly what I anticipated. I anticipated that this was only the third year of the budget cycle, I mean in terms of the term cycle, and therefore the rest of the allocation would come next year.

But as I'm trying to decipher, that \$4 million allocation that is now marked as SARCAN is going to be included in the Green Initiatives total allocation for the term allotment, and over the past two budget cycles it hasn't been pulled out in terms of a separate allotment. And under this particular budget cycle, it is showing as a separate allotment for SARCAN for that \$4 million.

So like I said, it still looks to me as though that \$4 million allotment to the Green Initiatives Fund with a specification for SARCAN still appears to be quite different than the last two budget cycles where the beverage container collection and recycling system showed the full allocation and didn't have a separate allocation pulled out under the Green Initiatives Fund for SARCAN.

**Hon. Ms. Heppner:** — Well I think we're going to have to agree to disagree on this because we believe that recycling is a green initiative. It qualifies for funding. As I said, we've distributed almost \$4 million over the previous two years for recycling initiatives out of Go Green funding. Recycling is a green initiative, and we've paid for recycling out of Go Green in previous fiscal years. So this is really no different than that, other than we've listed as a separate line item for assurance, quite honestly, to SARCAN so they could see where the money was.

But recycling was paid for out of Go Green before. So if we want to go back and pull out recycling funding from the overall Go Green total previously, that's another \$4 million. But I don't

agree with that because recycling is a green initiative and does qualify for Go Green funding. So it is our position that that \$4 million is part of, over our four year, four budgets, that \$4 million completely qualifies as part of the \$70 million that we've allotted for Go Green initiatives. I'm not sure how it would be justified to say that recycling doesn't qualify for green initiative funding.

**Ms. Morin:** — Well no one's debating the virtues of recycling, Madam Minister. But if that's the case, why wouldn't the full allocation of the beverage container recycling allotment, the \$17.721 million, why wouldn't that be included under the Green Initiatives Fund every year in that particular line item then?

**Hon. Ms. Heppner:** — Because the \$17 million is operating funding. Go Green doesn't pay for operations. Go Green pays, for the most part, for other things.

The SARCAN budget is a separate item outside of Go Green funding. As I said previously, considering the budget concerns that we had going in, there was going to be a reduction to SARCAN's budget from \$21 million last year to \$17 million this year. We felt it was important to enable them to continue to expand. So this \$4 million was in addition to what they were originally going to get for capital funding going into this year, which brings our budget back up to \$21 million.

But the original plan was to give them \$17 million except, as I said, through the budget process, we thought it was very important to make sure that their capital needs were met going into this year. They need to expand in Saskatoon, so the additional funding was allocated out of Go Green instead of a baseline budget. Next year, it is our intention to have the full \$21 million as a base budget as it was previously.

**Ms. Morin:** — So in the past two budget cycles there hasn't been any capital funding that's been used out of the allotment to SARCAN, out of the funding that they've received?

**Hon. Ms. Heppner:** — They may have used their operating funding for capital, but what I'm saying is the \$4 million in this allocation under go green is for capital, not for operations. Their operation budget is \$17 million. That will allow them to continue operating, and the \$4 million is in addition to their \$17 million operating budget.

**Ms. Morin:** — I understand that, but you are now confirming that in past years the allocation that they've received could have been used for capital funding as well.

**Hon. Ms. Heppner:** — Absolutely.

**Ms. Morin:** — But this year your government decided to specify that that \$4 million had to be used for capital funding. Is that what I'm understanding?

**Hon. Ms. Heppner:** — Yes, because we had reduced their operating grant to \$17 million.

[13:45]

**Ms. Morin:** — Right. So in past years, they had discretion as to

whether or not they wanted to use their funding for capital projects, and this year it was mandated that they had to use the \$4 million for a capital project. Is that correct?

**Hon. Ms. Heppner:** — The \$17 million that they're getting for operations, they can use it for operations. They could also use it for capital if they chose to. That line item has no restrictions on it. It is just their budget. As I said, that was going to be their total budget for this year, however we felt it important to support their need for expansion. So yes, the \$4 million is for capital this year.

**Ms. Morin:** — Right, I understand that. So what I'm saying though is, did you pull the \$4 million out and put it under this line item under Green Initiatives specifically to mandate the fact that the government wanted to see this used for capital funding versus simply operational funding or at their discretion?

**Hon. Ms. Heppner:** — As I said, the \$17 million was going to be their full budget for this year. In that \$17 million, it would have been difficult for them to support the capital needs that they had. That was our concern is that they would be delayed by a year for expansion, so we decided to allot the \$4 million out of go green funding specifically for those capital needs for this year. It's unusual — I guess unusual is not the word — exceptional circumstances this year because it's not ongoing capital replacing a truck or replacing other equipment. It's exceptional circumstances this year because they needed to expand. So instead of asking them to try to find their capital needs out of a \$17 million budget as opposed to a \$21 million budget they had last year, we made the decision to allot a capital needs budget out of go green.

**Ms. Morin:** — Okay. There was some information given to the woman sitting beside you. If you wanted to elaborate on that, feel free to do so.

**Hon. Ms. Heppner:** — No, I'm good.

**Ms. Morin:** — So then what we're saying then, Madam Minister, is that there has, by virtue of the last two budget cycles, been a significant drop then in the Green Initiatives Fund because \$4 million is going strictly to SARCAN for capital funding, and there is now a \$4 million drop from the two past budget cycles. I'm looking at my Energy and Resources number here. It's pretty much the same. So yes, it's about \$4 million drop from the past two budget cycles with respect to the Green Initiatives Fund itself then.

**Hon. Ms. Heppner:** — No, the Green Initiatives Fund stays at the same levels. As I said, we fund recycling initiatives out of go green. We have for the last two fiscal years and we are in this fiscal year. Recycling is a green initiative. It qualifies for go green funding. There is no reduction in the go green budget.

**Ms. Morin:** — Okay. So in past years did you fund capital projects out of the go green budget for recycling?

**Hon. Ms. Heppner:** — We gave out bridge funding, as I said in my first answer. I'm not sure how many times I can say this. We gave bridge funding for recycling to municipalities, to folks like RMAAS [Rural Municipal Administrators' Association of Saskatchewan] for bridge funding out of the last two budget

cycles. That money came from go green funding, and money for recycling is in this go green funding as well. Go green can be used for recycling. It is being used for recycling, and recycling is a green initiative. There is absolutely no reduction in our go green budget.

**Ms. Morin:** — Well it just seems very difficult to understand, when in past years they were able to have an allotment of money and do as they wanted with it, whether it was operations or capital funding, and this year they're getting \$4 million less in their operational funding. And yet they're going to get that same \$4 million back as long as they use it for capital funding. And yet the green initiatives funding in past years was an allotment of \$15 million-plus, and this year it's about \$4 million less than it was the past two years. So you can understand why there might be some confusion into understanding what the minister feels is so logical.

Moving on to environmental protection (EN11). So March 29, Madam Minister, you said:

As part of this budget process, the Saskatchewan Watershed Authority has also been asked to find efficiencies, and they will. But they have been able to do this without reducing the key services that they offer to people.

Can the minister expand on what efficiency she was talking about?

**Hon. Ms. Heppner:** — Every ministry in our government has been asked to reduce efficiencies. One of those is a reduction in travel, those sorts of things. On the services that we are offering, there'll be no reduction in services whether it's well testing of critical wells, we've done that in Hepburn in the past. There will be more communities that are doing that. We'll continue to work with Watershed groups. But it's internal efficiencies; I think one of the biggest ones would probably be travel.

**Ms. Morin:** — Okay. And how much was spent on travel in the past year versus the year before?

**Hon. Ms. Heppner:** — I don't have that information with me, but if . . . [inaudible interjection] . . . Oh, we might. Hang on.

I don't have the last year's versus the year before information with us. If committee members would like, I can get that information to you through the Chair. The efficiencies will be found obviously in the year going forward. That's, I think, that we started looking at travel this past year to try and find efficiencies, do things more over teleconferencing, that sort of thing instead of actually having to go to take part in travelling. So the efficiency measures have started in the fiscal year that we've just finished, and more efficiencies are going to be sought in the year going forward.

**Ms. Morin:** — And what are the anticipated efficiencies that are going to be found?

**Hon. Ms. Heppner:** — I think the number is about 30, 35 per cent reduction in out-of-province travel is one of the targets that we're looking at.

**Ms. Morin:** — And what does that amount to in dollars approximately?

**Hon. Ms. Heppner:** — Because I don't have the previous year's travel dollars with me, it's hard to say. Sorry.

**Ms. Morin:** — Okay. All right. Now one of the biggest cuts in the Watershed Authority is reduction in water infrastructure rehabilitation of nearly \$2.7 million from 3.5 million to \$866,000. Is this expenditure of funds being shifted elsewhere?

**Mr. Dybvig:** — Wayne Dybvig with the Watershed Authority. Yes, this year we show a reduction from previous years. This is because Finance asked us to borrow the amount of money required for capital investment. We will actually be investing about the same amount, slightly larger, this year than last year in the total amount that we'll be doing for capital investment. But rather than provide a grant for the infrastructure, we will be borrowing \$2.7 million, and they'll be providing the interest and principle payment for about a 10-year loan.

**Ms. Morin:** — So given this significant reduction, again it doesn't seem logical that Watershed Authority services wouldn't be affected. Could you maybe just elaborate on that a bit?

**Mr. Dybvig:** — Yes, actually there's a reduction in the grant, but we are doing the same investment in infrastructure because we are making that up by borrowing the same amount of money that we would receive from the grant to invest in infrastructure. So instead of receiving a grant of \$2.7 million, we are borrowing it, and Finance is providing us the principal and interest payment.

**Ms. Morin:** — Thank you for the clarification. Now there's also been a significant cut to water control of about \$240,000 or about 30 per cent of the budget. Again is this expenditure of funds being shifted elsewhere?

**Hon. Ms. Heppner:** — The funds on that line item are water control programs, funding that was provided for channel clearing and those sorts of things. Last year there was \$1.2 million. This year I think it's about 960,000. But it's important to note that last year's, or even with the reduction going into this year of \$960,000, it is still substantially higher than it was '07-08, '08-09. And the years previous to that, we had bumped it up substantially, so this reduction still puts this line item further ahead than it had been. And so the work will still continue.

**Ms. Morin:** — Okay, Madam Minister, I believe that you were looking at the line item for operations because that's the line item that has \$965,000 in this year's budget. I was talking about the next line item, water control.

**Hon. Ms. Heppner:** — Okay. Sorry, clarification. The answer I gave was actually on the water control. The numbers are similar. The 560 will be supplemented. The Watershed Authority receives anywhere from around \$17 million from other revenue sources, so that 560 will actually be supplemented from the other revenue sources. So there will be 960 this year on the water control. It's just that the numbers for operations are similar, but the 560 will be supplemented from

other revenue sources.

**Ms. Morin:** — Thank you very much. My colleague who is the critic for CIC [Crown Investments Corporation of Saskatchewan] is going to ask a few questions about SaskWater now as well.

**Hon. Ms. Heppner:** — Mr. Chair?

**The Chair:** — Yes.

**Hon. Ms. Heppner:** — SaskWater isn't part of this budget.

**The Chair:** — SaskWater's not part of the budget?

**Hon. Ms. Heppner:** — No.

**The Chair:** — Okay, Watershed Authority. Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. And if this question has been answered in some way, because I've been out of the room, I do apologize ahead of time.

The significant drop in water control, financial water control, from 801 to 561 seems very significant. Has that been asked?

**Hon. Ms. Heppner:** — Yes, it's just been asked.

**Mr. Yates:** — Then I'll read the answer.

**Hon. Ms. Heppner:** — Okay. I'd be happy to answer it again but in the interest of time . . .

**Mr. Yates:** — Absolutely.

**Ms. Morin:** — Thank you very much. Okay. Unfortunately my colleague didn't know what I just asked, I didn't know what he was going to ask, and hence we have the confusion.

I want to move now to environmental support, (EN14). So the budget allocates just under \$700,000 for something called strategic planning and performance improvement. The minister said on March 29th that there are funds in the budget to help implement the new so-called results-based environmental regulatory regime. Is this the funding that you were talking about for that?

[14:00]

**Ms. Gallagher:** — Lin Gallagher, assistant deputy minister with Environment, just to respond to your question there. Is the strategic planning and performance improvement group . . . Certainly it does support the RBR [results-based regulations] model. It includes work that would be around the strategic planning risk assessment. We talk about performance improvements, so it includes setting up performance measures for the work that we do as a ministry.

Why we say it supports a results-based model is certainly you have to know if you're achieving the results that you set. So we've established a focus in the ministry to work on those areas.

**Ms. Morin:** — And how many people will be hired to do this?

**Ms. Gallagher:** — Eight staff people.

**Ms. Morin:** — Thank you. And will there be any funding spent on outside contracts or anything to that effect?

**Ms. Gallagher:** — Yes. We are still using consulting work we started last year to do the actual environmental scan. It's actually more cost-effective for us to do the scan using external parties.

**Ms. Morin:** — So we've got eight full-time positions that are going to be hired. We've got some outside contracts. And who are those outside contractors that are going to be used?

**Ms. Gallagher:** — Sorry. We're just trying to figure out the status of it because we are going through RFP [request for proposal]. So we won't be in a position to answer who the successful contractor is because it'll go to an open bidding process.

**Ms. Morin:** — Super. Thank you very much. When the contracts have been designated, can you please have that, Madam Minister, could you please have that information forwarded through the Chair as well, please? Thank you.

Now is this one-time funding or is this ongoing funding for this program?

**Ms. Gallagher:** — We're required to do an environmental scan to support the work that we do around strategic planning. So the ministry does this work on an annual basis.

**Ms. Morin:** — So we can expect to see this type of line item then for future budgets as well, I'm assuming.

**Ms. Gallagher:** — Every year we have to reassess our budget, but either it's done in-house or it would be a line item that we would see.

**Ms. Morin:** — Thank you. Now under the allocation of Aboriginal relations, there is a substantial cut in the budget, obviously, and we know that the agreement between the FSIN [Federation of Saskatchewan Indian Nations] and the ministry was terminated on budget day. So I'm just wondering if you could just expand on how the government is going to meet its duty to consult with First Nations people in light of this decision to reduce funding in this area.

**Hon. Ms. Heppner:** — The reduction is the funding to FSIN. I do want to point out though, the bilateral agreement that was in place still exists. The agreement is not tied to the funding, so the agreement that we had still exists. We've increased the staff in that particular branch to a total of nine. And as I stated during my representation at estimates during my last appearance, there's more money spent on this than appears in just this line item because consulting and working with First Nations is part of our day-to-day business. It's just what we do.

This is a particular line item, but there is resources that are committed on a daily basis which would be, I would say, impossible to pull out to get a total dollar figure on that within

my ministry. On top of that, there is a \$3 million consultation fund within the ministry of FNMR [First Nations and Métis Relations] which will continue to be there. It's in this year's budget, and that will help First Nations with capacity to work with us on duty to consult issues.

**Ms. Morin:** — Thank you, Madam Minister. Obviously there again we have yet another disagreement in terms of what now takes place with the partnership agreement that was in existence for 16 years. I have a letter here from the FSIN Vice-chief Lyle Whitefish. And I can see that the government members are getting tired of hearing about this, but unfortunately it's a situation that is real. It's a situation that is of great concern to not just the opposition members, but also many people within the province, not the least of which are the First Nations and Métis communities.

And when I look at this letter from March 30th that was written to the minister regarding the telephone conversation with the deputy minister on March 24th, which is budget day, terminating the funding to this partnership agreement that was in existence for 16 years, besides many other things that are said in the letter, this quote is something that is completely contrary to what the minister just said and it says:

As you can surely appreciate, such above-noted telephone conversation took me by complete surprise. The decision by the Ministry of Environment to terminate funding essentially terminates our agreement. At no time have either you, or representatives of the Ministry, indicated that any major decisions regarding our agreement were being contemplated. As such, I would have expected your office to respect our long standing relationship by the very least, engaging the FSIN in discussions.

So we have the FSIN vice-chief who was responsible for issues around the environment saying that he's saying that it essentially terminates the agreement and yet the minister is saying that she believes the agreement is still in place. Without the financial resources necessary to be able to partake in the agreement and provide the necessary feedback that is requested by the Ministry of Environment on various issues, how do you foresee the agreement still being in place and working effectively?

**Hon. Ms. Heppner:** — As I said, the bilateral task force is, that agreement is still in place. What is changed is the funding. The task force existed before any funding was attached to it. It existed for five years without any funding attached. And so while the funding is no longer there, the bilateral task force still remains.

And as far as capacity issues go, as I said, there's a consultation fund through FNMR and the funding does not . . . Well I'll read a section from the agreement, 3.2, it says:

It is agreed that any of the FSIN advice, perspective, and knowledge described . . . will not be used to meet the Ministry of Environment's legal duty to consult, unless there is specific written agreement between the ministry and the FSIN.

So this wasn't specific to fulfilling the Crown's duty to consult.

The duty still remains. It is what we participate in on all the projects that come through my ministry. And duty to consult funding still exists to the amount of \$3 million through FNMR.

**Ms. Morin:** — So what was the concern then with the partnership to find it necessary to terminate it without having prior conversation with the FSIN as to what the concerns were?

**Hon. Ms. Heppner:** — Again, Mr. Chair, as I've stated, the protocol agreement is still in place. It has not been cancelled.

**Ms. Morin:** — Let me reword that then. So what was it about the partnership agreement that the minister then found wasn't satisfactory, to find it necessary to cancel the funding to the partnership agreement?

**Hon. Ms. Heppner:** — As I said, Mr. Chair, the duty to consult, our understanding is with individual First Nations. We will continue to do that. And as I just read in the section, the work did not qualify as fulfilling our obligation to duty to consult. We are committed to the Crown's obligation on duty to consult and we will continue to do that, and capacity still remains with the \$3 million consultation fund through FNMR.

**Ms. Morin:** — Mr. Chair, my colleague, Mr. McCall, would like to jump in for a few questions.

**The Chair:** — Thank you, Ms. Morin. Mr. McCall.

**Mr. McCall:** — Thanks, Mr. Chair. Madam Minister, officials, good afternoon. So last spring — if I can get some clarification, Madam Minister — last spring you renewed the protocol, did you not? You were signatory to a renewed protocol, were you not?

**Hon. Ms. Heppner:** — The protocol agreement was signed in 1994. That remains. The funding agreement is an annual agreement that was signed last year, and it remains in place for one fiscal year.

**Mr. McCall:** — So last year the funds were forthcoming under last year's budget, were they not?

**Hon. Ms. Heppner:** — Yes.

**Mr. McCall:** — Okay. So what changed from last year to this year?

**Hon. Ms. Heppner:** — The FSIN was proposing to use the staffing positions. That's what the funding was going for, was for staff. They were proposing to use those staffing positions for the internal operations of FSIN and not necessarily on collaboration issues with our ministry.

**Mr. McCall:** — So there's a rather lengthy submission that was submitted on Bills 121, 122, 123 that I'm sure was a product of those particular staff positions that asks, you know, a great number of questions on those Bills and the process surrounding those pieces of legislation. How is that not flowing from the work of the protocol?

[14:15]



**Hon. Ms. Heppner:** — I'm unable to speculate as to who put that particular document together. I don't know if it was one of the, if it was one or any of the staff that we had been paying for. And as to that document, it was actually a document that my ministry had requested as part of our discussions and consultation on those particular Bills.

**Mr. McCall:** — For a document that your ministry requested, it certainly takes a fairly interesting tone in places as to the forthrightness of your ministry and co-operating around consultation on Bills 121, 122, 123.

I guess if I could back up a bit, Madam Minister. If you could, is it possible for you to table with the committee the agreement, the funding, the year-to-year funding agreement that you signed last year?

**Hon. Ms. Heppner:** — Sure. I don't have it with me, but we can get it to you.

**Mr. McCall:** — Thank you, Madam Minister. So in terms of the submission that was made, it has some pretty serious concerns about the manner in which the FSIN was engaged around these particular pieces of legislation, and takes a fairly critical tone in terms of what's being proposed on a policy basis.

And it's hard not to arrive at a conclusion where this is policy analysis that's being conducted and, you know, subsidized in part by provincial dollars. And it's hard to escape the conclusion that the province, in the person of the minister, doesn't like what's coming forward in terms of advice so the funding gets pulled. Is that what happened in this case, Madam Minister, or what happened here?

**Hon. Ms. Heppner:** — Absolutely not. We had been working . . . We had a lot of these discussions earlier when we were discussing the Bills. We had initiated discussions with FSIN in the summer of 2008. We requested their input on the results-based regulatory process. When the Bills were in place, we requested their input on their position on those Bills. And we didn't ask for blanket approval from the FSIN. We asked for their input, which is exactly what they gave us.

And if you look at the timeline of their input, it had nothing to do with budget consultation. I'm sure you'll know — you were part of the government — budget discussions start the year before. They are finalized far before budget day. And budget day was March 24th. The phone call was made to FSIN about the budget decision. We received their document before that.

But these decisions were in place long before that. This was, in absolutely no way, in response to anything they had or had not said. We asked for that document. It was requested of them. And we didn't ask them for a rubber stamp approval on our process. We asked for their input and their position, which is what they gave us. And we are thankful that they are involved in this process.

But to say that a funding decision was based on us not liking their response is, I have to say, a bit far-reaching and absolutely not true.

**Mr. McCall:** — Well in terms of your rendition of the budget decision-making timeline, there's a meeting that is identified in the submission that's made by FSIN on Bills 121, 122, 123 that took place between the FSIN, yourself, and Minister Hutchison where there was certain undertakings made, from the perspective of the FSIN, and then in the evening the officials came back with a different understanding for the FSIN to take away.

And certainly the submission outlines the chronology of misunderstandings before that. So the minister can try and say that this situation is somehow separate and apart from the timeline of making a budget, but that certainly doesn't jibe with the timeline outlined by the FSIN.

I guess I'd ask the minister to clarify for myself and for the committee and for those following these proceedings, is it the assertion that the funding that had gone into this agreement for a decade-plus is no longer required because there is money in a consultation fund under the First Nations and Métis Relations ministry?

**Hon. Ms. Heppner:** — Can you repeat the question, please.

**Mr. McCall:** — In different places previously, Ms. McKillop in response to questions raised by my colleague David Forbes and just now what the minister is saying, it seems to me that there's a proposition being put forward by the minister that there's consultation funding available through the First Nations and Métis Relations ministry and as such this funding that had been available through the protocol is somehow redundant. Is that the position of the minister?

**Hon. Ms. Heppner:** — No, because the two are not linked. As I said, I just read a section, 3.2, saying that that agreement is not considered part of consultation. This funding isn't consultation money. The funding was there to work together. As I've stated, FSIN had wanted to use those positions for policy things within their own organization. There is \$3 million in consultation funding through the Ministry of FNMR.

**Mr. McCall:** — Was that request made in writing by the FSIN concerning this change in orientation by the staffing positions?

**Ms. McKillop:** — Jennifer McKillop, director of Aboriginal affairs, Ministry of Environment. That proposal was tabled by the vice-chief at the bilateral task force meeting in August of 2009, and there had been discussions around the partnership agreement and FSIN's desire to move that direction in meetings. And so I believe there is a written proposal as well as meeting notes to that effect.

**Mr. McCall:** — In the interests of clarity, would the officials and the minister be able to table that with the committee?

**Ms. McKillop:** — Yes.

**Mr. McCall:** — Thank you. So in terms of the discussion that went into providing advance notice of the \$282,000 being cut, was there any advance notice given to the FSIN in advance of the phone call on budget day by the deputy minister?

**Hon. Ms. Heppner:** — No. It's an annual agreement. Any new

funding would have come in the new budget and that would have been . . . we would have had discussions about that. This is not ongoing funding. It's not automatic funding. It's a year-to-year funding agreement and had the funding been there in '10-11, we would have had those discussions going into that fiscal year.

**Mr. McCall:** — Can the minister provide for the committee the amount of that funding over the past decade, year by year?

**Hon. Ms. Heppner:** — Mr. Chair, as we don't have the last 10 years of records with us, I'll commit to get that information to the committee members through the Chair.

**Mr. McCall:** — I'd thank the minister for that undertaking. And I guess the question I have is that if there's . . . Certainly it is a year-to-year funding situation, but if you take disagreements on policy matters on the one hand with the fact that this is ongoing funding — and we'll see about the level of funding, but I'm imagining that it wouldn't be too far off the budgetary amount allocated for the previous year — you can see how the FSIN would feel somewhat sandbagged by this minister in terms of this funding cut in this budget.

I guess in terms of a further question on the involvement of the Ministry of the Environment, one of the exploratory tables that has yet to arise out of the duty to consult process concerns environmental stewardship. Certainly that's the kind of work that was underwritten in small part by the funding that had been provided previously under the protocol. Is it the understanding of the ministry that those funds will somehow arise out of the exploratory phase of the duty to consult process in terms of environmental stewardship being examined in the round tables, whenever they may arise from First Nations, Métis Relations?

**Hon. Ms. Heppner:** — Any issues or questions about funding on the round tables would probably more properly be directed to the Ministry of FNMR as they are the funding body for those. That is my understanding. The funding isn't coming from our ministry to fund those discussion tables.

**Mr. McCall:** — But there's a reckoning made of the, you know . . . Certainly you've referenced the \$3 million that's allocated on an annual basis for the duty to consult process overall, and the fact that one of the specific exploratory tables deals with environmental stewardship undoubtedly has some sort of anticipation at play on the part of the Ministry of the Environment. Is there not some kind of planning undertaken by the Ministry of the Environment for the year's coming activities for that table?

**Hon. Ms. Heppner:** — We're obviously in talks with FNMR as to their planning, but as a funding decision or any funding through this budget, there is no funding in this budget for those tables. The funding comes from FNMR.

**Mr. McCall:** — So you've got the cuts of the capacity money under the protocol.

**Hon. Ms. Heppner:** — As a clarification, that's not capacity on duty to consult, that \$290,000.

**Mr. McCall:** — It's capacity generally that certainly fits some

of the aegis of the environmental stewardship, which is something that's been part and parcel of that agreement for the past 16 years since it's been signed. I don't think it's too much of a stretch to include it as having an impact on the question of environmental stewardship and the relationship between the province and the FSIN.

Anyway, I guess at this point I'd cede the floor back to my colleague, the member from Walsh Acres.

**Ms. Morin:** — Thank you very much, Mr. Chair. Just a little further on this particular topic. So the government received the document, the submission from the FSIN with respect to the Bills 121, 122, 123 on March 1st. We've already established that. And the phone call cancelling the partnership agreement came on March 24th, without any prior discussions of the fact that that was a concern to the ministry in terms of what the minister is now referring to, as it was only for staffing positions.

Why wouldn't that have been expressed to the FSIN previously, that the minister would have liked to have seen that money used for other purposes if it wasn't something that was satisfactory to the ministry — or the minister I should say — with respect to having that \$291,000 go to staffing positions within the FSIN regarding their ability to research and investigate issues with the First Nations in Saskatchewan?

[14:30]

**Hon. Ms. Heppner:** — Mr. Chair, I'm sure the members, committee members are aware budget information is rarely if ever released prior to budget day. There are confidentiality issues. And there were discussions between officials and FSIN; FSIN is completely aware that this is an annual agreement and any funding would be contingent on the budget. The budget did not contain funding.

So there was an awareness all along that this is not an automatic, that funding would depend on what was or was not in the budget. And on budget day, when we are able to tell people what's in the budget, they were told that this funding was not in the budget.

They have made other funding submissions to the ministry, things that we have looked at and will continue discussions on. But as far as this item, it seems to me that the opposition members are asking us to tell people what's in the budget before budget day. That's not what is done.

**Ms. Morin:** — Madam Minister, no one's under the illusion that the budget can be released before budget day. I mean that's fairly clear to absolutely everyone.

But what I'm asking you is simply this. This is a partnership that had been in existence for 16 years. This is a partnership where they had seen ongoing funding since 1999. So what I'm asking is, at any point in time were there discussions with the FSIN about the concern that the funding was going to staffing positions so that the minister could make her concerns known or that the FSIN could then either justify what was being done with those positions or that the FSIN could then make the adjustment that the minister would have preferred to have seen with that allocation of money?

**Hon. Ms. Heppner:** — I want to clarify because I'm not sure if it's semantics. But there's been statements made that the protocol agreement that's been in place for 16 years no longer exists. That is not the case. The protocol agreement that has been in place for 16 years remains. It is still there; that is not gone.

What is gone is an annual funding allocation which is determined every year, separate from the year before. It is not an ongoing allocation. It is not an automatic allocation and it didn't begin with the beginning of this protocol, as was stated earlier. This protocol was in place for I believe five years without any funding attached to it. The funding is not attached to the protocol agreement. The protocol agreement exists today.

And also stated earlier, if there is questions about these staffing positions and other funding that may or may not be available, the FSIN, as Jennifer had pointed out, had made a presentation and a request for these staff positions to be used for other things last year.

**Ms. Morin:** — I'm sorry, could you just elaborate on that because there was a little bit of periphery discussion going on. So you're saying that . . . First of all, let me start it with this. I've already established the fact that the protocol agreement was established in 1994. It was funded since 1999, which means that it had seen funding for pretty much of a decade. And therefore you'll have to forgive both the FSIN, myself, and others who would likely anticipate that that would be considered funding that there would be on an ongoing basis. And I understand that the agreement says that it's a year-by-year funding. I'm not debating that. I understand the minister has correct information on the fact that it's funded on a yearly basis.

The minister had just stated now that there was a discussion with FSIN about the usage of those funds. Could you please just clarify on that discussion or expand on that discussion for me so I can understand what that discussion entailed?

**Hon. Ms. Heppner:** — Mr. Chair, Jennifer had said there was a proposal for staffing and funding which would change the staffing that we were paying for, was presented at the meeting last year at our bilateral task force. And we have already committed to a request from opposition members to table that through the Chair. That's what we were discussing.

And as far as the presumption that there would be ongoing funding, I have also stated that ministry staff had discussions with FSIN and it was made very clear to them that there is no automatic funding renewal, that that funding would be contingent on this year's budget. They were made aware that it is not an automatic renewal funding year to year.

**Ms. Morin:** — Thank you. When were they made aware of the fact that there wasn't automatic renewal? I mean, given that they are able to read, and they obviously knew what was in the contract themselves and knew that it wasn't something that was an automatic, I'm just wondering why that conversation would even take place. So when did that conversation take place?

**Hon. Ms. Heppner:** — On a number of occasions in discussions with ministry staff, they had requested a multi-year agreement. And we had said that we were not going to be taking

that approach, and that the funding that was in place was an annual funding agreement which would have to be discussed on an annual basis.

**Ms. Morin:** — Thank you, Madam Minister. So just to get back to the question I've asked before which is, was there any discussions at any point with the FSIN about the usage of those funds, given that that seems to be, that or one other reason seemed to be why the funding to the agreement was cut in this year's budget?

**Hon. Ms. Heppner:** — As I said, Mr. Chair, the discussion about this funding, the staff that it was going to, has been discussed. There is a proposal presented by FSIN, and we have committed to the Chair to committee members to get that information to committee members through the Chair.

**Ms. Morin:** — Okay. Well then I'll put it this way. Does the minister feel that it was made clear to the FSIN that the funding that was allocated to this partnership agreement was not being used in the way that the minister would have liked to have seen it being used? Do you feel that the FSIN knew that?

**Hon. Ms. Heppner:** — Mr. Chair, there obviously, as I have stated during this meeting, there were discussions about staffing. There were proposals from FSIN and the work that we are doing. To answer the member's question, I can't speak for what FSIN believes or doesn't believe.

**Ms. Morin:** — Thank you. I think that's about all I'm going to get in terms of . . . I've asked the question a number of times whether the minister has made it clear to them, clear to the FSIN that the funds being used were not what the ministry wanted to see being used for. Clearly the minister has stated that one of the two reasons that the funding was cut to the partnership — the funding for the partnership, not the partnership; I do understand that — was because of one of two reasons. And one of them is that the funding was being used for staffing positions. If the minister cannot tell me when or if those conversations took place, I guess we'll have to leave it at that. And I will no doubt be getting that information from the FSIN after we conclude this meeting because they're watching right now.

So the government's new environmental protection strategy will obviously result in dramatic changes to the way things have historically been done. The government may argue that those change are positive, but nonetheless one assumes those changes will, that one assumes those changes will be significant or the government wouldn't be doing this. Now how can the government reduce funding for Aboriginal relations at a time of such dramatic change to environmental legislation?

**Hon. Ms. Heppner:** — I'm imagining that the member's asking about consultation on the various new initiatives that the ministry is undertaking. I will restate for the record the funding, that it wasn't cut; it was just not renewed. That's two different things. The funding that was not renewed to the amount of \$291,000 was not for consultation purposes. Consultation will continue. There's a \$3 million fund through FNMR in order for First Nations to work with the Crown on consultation issues.

**Ms. Morin:** — Madam Minister, there is a cut in the Aboriginal

relations funding that's outside of the cut in the funding to the partnership agreement. So can Madam Minister please explain how . . . again since there are such dramatic changes to environmental legislation, why there would be a cut to Aboriginal funding, Aboriginal relations funding when this is a time that that would probably be very important in terms of insuring that the relationship and the understanding is clear?

[14:45]

**Hon. Ms. Heppner:** — Mr. Chair, on the line item for Aboriginal Affairs, the '09-10 budget was just over \$1 million. The '10-11 is \$855,000. There is an increase of \$124,000 for internal transfers. We added two FTEs [full-time equivalents] to that particular branch. There's the elimination of the grant to FSIN, and there's a small amount — \$23,000 — which is part of the efficiencies exercise within the ministry which includes travel.

So the cut in that or the reduction in the Aboriginal Affairs is, for the most part, due to not renewing the funding for FSIN and efficiencies such as travel. But there's also, accompanied with that, an increase to account for additional FTEs that we've put to that branch.

**Ms. Morin:** — So what you're saying, Madam Minister, is that you are going to be offsetting the relationship through the round table with the Ministry of Environment with two more full-time positions within the ministry? Is that correct?

**Hon. Ms. Heppner:** — Just for clarification, what roundtable is the member referring to?

**Ms. Morin:** — The partnership agreement with the FSIN.

**Hon. Ms. Heppner:** — Thank you for the question. They are actually not connected. The two positions that were a result of an internal transfer will be part of a client service area. They're going to be regionally based. The purpose of those two positions are to work with local tribal councils and First Nations directly and also to work in a liaison position between First Nations and industrial proponents who work through different processes including the results-based regulatory system and other project proposals.

**Ms. Morin:** — Thank you. The partnership agreement contained two clauses — well obviously many more than two clauses — but two clauses in particular that I want to touch on, one of which was that it was going to be funded on an annual basis. The other one which was that it called for . . . it had a clause in it for 60 days notice for the agreement to be terminated. So I'm curious as to why you would take advantage of the clause which has the funding allocation on a yearly basis and decide to simply terminate the relationship.

And I know what the answer's going to be already because you're going to say the agreement hasn't been terminated. But in effect, that's what the FSIN is saying, that they feel that the agreement has been terminated because they're no longer receiving the funding necessary. So how do you square that circle, if you want to call it that, when they feel that they've been given no notice and now they don't have the funding to be able to appropriately do the work that they feel is necessary to

be able to continue on with this partnership agreement?

**Hon. Ms. Heppner:** — Just for clarification again, the 60-day notice on termination is on the funding, not the protocol agreement. As the funding, the phone call was made on March 24th. The funding agreement was in place until March 31st of this year because it is an annual agreement. There was no requirement for the 60-day notice because we weren't ending the funding, say halfway through the year.

We notified them that at the end of this fiscal year . . . They got the money for the entire fiscal year. There was no termination of funding the year in which they received their funding so the 60-day notice didn't apply. The next year of funding would have been a separate agreement because it is annual funding as the member just pointed out, a clause in the agreement that the funding was annual. If at any time during a fiscal year it was decided on either part that there was going to be a cancellation, 60-day notice is required. However there was no cancellation within the fiscal year in which that money was allocated. The 60-day termination clause does not apply.

**Ms. Morin:** — Well isn't it unfortunate that that wasn't their understanding. And quite frankly, I guess what it amounts to for them — and seems like for the outsiders looking at this situation, I know as well — is that it's just a matter of respect, Madam Minister.

So in light of the fact that we have this situation, I'm going to have to ask one more question because I'm just looking at this letter that I received yesterday. And I'm sure the minister has it in her possession as well because if I received it, I'm sure you did. It's actually addressed to you, dated April 29th, from the FSIN in which the FSIN is quoted as saying:

The province has no regard or respect for the interests, concerns and the inherent and treaty rights of the First Nations people in Saskatchewan. Furthermore it appears your government views the inherent and treaty rights of First Nations people as a hindrance to Premier Wall's growth agenda and that the government will proceed by attempting to ignore the provincial Crowns, constitutional and legal obligations to the First Nations people in Saskatchewan.

What are you going to do to respond to this letter in terms of how the FSIN feels about the relationship with your government currently?

**Hon. Ms. Heppner:** — Mr. Chair, thank you for the question. And it is the position of our government to continue to work with FSIN and individual First Nations and tribal councils. We will continue to work on duty-to-consult issues. As I said, there's funding in place for that in this year's budget. The Crown has an obligation to fulfill our duty to consult. My ministry is impacted more than any other on that issue.

As I said, we've increased staff within the ministry in order to do that, working directly with First Nations and others and in conjunction with industry, obviously, to make sure that we can move Saskatchewan forward on that. But we will continue to work with FSIN and First Nations. And, as I stated earlier, the protocol agreement that has been in place for 16 years

continues, and we will continue to work with them.

**Ms. Morin:** — Thank you, Madam Minister. I'm running out of time here, so I guess I'm going to move along to a different area here. Can someone please tell me, or the Madam Minister please tell me, what the cost has been for the Legislative Secretary assigned to the Ministry of Environment and where I might find that within the line items?

**Hon. Ms. Heppner:** — The Legislative Secretary's expenses would have been through the — what's the proper name of it? — executive line item.

**Ms. Morin:** — Executive management.

**Hon. Ms. Heppner:** — Yes, that's the one, thank you. Going into this year, any expenses that he may incur would be in there, but it's not a separate line item within our budget. It's housed in that line item.

**Ms. Morin:** — Can Madam Minister please tell me how much that position would have incurred in terms of costs?

**Hon. Ms. Heppner:** — I don't have a number for this year. It remains to be seen what his expenses will be. I can't say what it will be going into this year.

[15:00]

**Ms. Morin:** — How about then we do it this way? Can Madam Minister tell me what they were for last year and whether the Legislative Secretary is going to be preparing a report for Madam Minister or reports?

**Hon. Ms. Heppner:** — I can get the exact information for you. It wasn't much, I think it was between 3 and \$5,000. The report has already been submitted. We had done an announcement earlier. The Legislative Secretary was working on gathering information on an MMRP [multi-material recycling program] for our province. That work has been done. We've already announced that we're putting funding aside for the committee work to work towards that and with a proposed implementation date of 2011.

**Ms. Morin:** — And one final question.

**The Chair:** — Just a quick question.

**Ms. Morin:** — Okay. And what were the cost implications for preparing that report? Do we have that information? Or is it something that you'd like to be able to get back to me as well?

**Hon. Ms. Heppner:** — I can track down that information for you.

**Ms. Morin:** — Well thank you very much again, Madam Minister and officials, for answering my questions today. And I wish everyone a good weekend.

**The Chair:** — Okay. Thank you, Ms. Morin. Thank you, Ms. Minister, and officials as well. We'll move on to the votes now. Central management and services, subvote . . . [inaudible interjection] . . . No, no. This is it. I was told this is it.

**Ms. Morin:** — [Inaudible] . . . told that it's not.

**The Chair:** — Mr. D'Autremont, can you please approach the Chair please? We'll take a two-minute recess for the members of the committee.

Thank you. For the committee's sake, we'll take a five-minute recess because this is going to take a little bit longer, I think, to get the two House leaders together. So we'll report back here at I guess maybe five or so after 3. And we'll come back and reconvene again.

[The committee recessed for a period of time.]

**The Chair:** — Thank you, Madam Minister and a couple of officials and the members of the committee for returning. This is just the formal procedural part of this now. I guess we're going to take an adjournment on vote no. 26 for the Environment. And on that note, Ms. Morin.

**Ms. Morin:** — Thank you, Madam Minister and officials, for answering all my questions again today, and I look forward to our next encounter.

**The Chair:** — Thank you, Ms. Morin. Thank you, Madam Minister, and your officials. And for committee members, we'll take a five-minute recess, return at 3:15 for Enterprise.

[The committee recessed for a period of time.]

### **General Revenue Fund Enterprise Saskatchewan Vote 83**

#### **Subvote (ES01)**

**The Chair:** — Okay, thank you and welcome back, members and officials. Members, on the agenda now, we are here to discuss estimates for vote 83, Enterprise Saskatchewan operations (ES01), as outlined on page 57 of the Estimates booklet.

Mr. Minister, would you like to introduce your officials please and give us maybe a brief opening statement.

**Hon. Mr. Cheveldayoff:** — Thank you, Mr. Chair. Joining me in official capacity this afternoon, Chris Dekker, the interim chief executive office of Enterprise Saskatchewan, to my left; to my right, Denise Haas, the chief financial officer; behind me to my left, Tony Baumgartner, vice-president, sector development; directly behind me, Angela Schmidt, vice-president, competitiveness and strategy; next to Angela, Ernest Heapy, vice-president, regional enterprise; and to my right, in the back, Andrea Terry Munro, comptroller and director of corporate services.

Thank you very much for the opportunity to appear before the committee this afternoon. I look forward to an interesting discussion. I do have remarks prepared as an opening statement, Mr. Chair. I want to thank you for the opportunity. And indeed Enterprise Saskatchewan is an interesting organization, and I want to highlight some of the operations in the last couple of years.

Enterprise Saskatchewan has been operating for about two years now as the province's economic development agency. Under the guidance of our board of directors, the agency has been very busy. We are identifying and pursuing business opportunities. And of course the board of directors is a private sector group of individuals representative of different areas of the economy that come together and advise Enterprise and also provide information that goes up to cabinet through the economic development or economic subcommittee of cabinet.

We are working closely with business and industry to identify challenges and find solutions that will ensure our economy is operating up to its potential. Enterprise Saskatchewan is doing its part in a fair and balanced and responsible way to respond to the budget that was tabled very recently.

Changes for our agency include reductions in funding reductions and some FTE reductions as well. For example, enterprise regions funding has been reduced in the neighbourhood of 25 per cent.

Enterprise Saskatchewan will continue to work closely with enterprise regions and provincial partners to provide . . . [inaudible] . . . tools, training, and data sets. Even though there has been a cut in funding, 11 of the 13 regions are still actually getting more money from the provincial government than they received under the old REDA [regional economic development authority] program. Overall there is \$1.3 million more in funding provided now than under the REDA program with west central and Saskatchewan east, the only two enterprise regions receiving less money than was previously funded. The program is relatively new. Most of the enterprise regions are in a position where they are valued by stakeholders within the region, including municipalities who should be encouraged to be involved in the enterprise regions or their initiatives.

Some other highlights of responsibility for Enterprise Saskatchewan is Saskatchewan Trade and Export Partnership, STEP. I know that members will be somewhat familiar with STEP. It's a real success story within our province and is responsible for coordinating a vast amount of the trade that takes place that is so important to our economy. STEP will receive some \$2.963 million in annual funding this year, along with \$325,000 to assist the agency to further grow exports of Saskatchewan products.

As far as WEPA goes, the Western Economic Partnership Agreement, there was a deferral of funding in the 2010-2011 budget. It'll be deferred this year and applied over the next two years. This will not impact our ability to continue the WEPA program as we have unused WEPA funding from previous years to support the program. This has been a program that's been in place for a number of years. And members I'm sure will be aware of the many areas where it's helped our economy.

As far as a reduction to the full-time equivalents, the FTEs, ES [Enterprise Saskatchewan] will reduce FTEs by five, which will be handled through vacancy management and attrition. There will be no direct job loss, and it will be keeping in the program as outlined in the budget across government.

To highlight Saskatchewan's economy and some quick points, Saskatchewan is expected to have the third highest economic

growth rate in 2010 according to the average of nine major forecasters. Many are saying that we will lead the country but, in an average overall, we should be in that second or third place.

Job growth in Saskatchewan was the best in the nation in 2009. New Brunswick and Manitoba were the only other provinces to have positive job growth in 2009. On average in 2009, Saskatchewan had the lowest unemployment rate in Canada at 4.8 per cent. We were the only province to have an unemployment rate below 5 per cent in 2009.

We did get through 2009. And as we move into 2010, there are a number of positive indicators released lately that point to a turnaround in a strong economy. Public and private capital investment in Saskatchewan is projected by Statistics Canada to increase by some 5.5 per cent in 2010 to a record \$15 billion. Saskatchewan will have the third highest growth rate in Canada and exceeding the national average of 4.4 per cent.

This year new investment in the province, the \$15 billion is projected to be double that of what it was in just 2004. So we've had a substantial, substantial increase. The first quarter of 2010, investment in non-residential construction increased by some 5 per cent, the second highest percentage increase among provinces. Urban housing starts in the first three months of 2010 increased by some 176 per cent when compared to the first three months of 2009, with Saskatchewan having the highest percentage increase of any province.

Exports, certainly a very positive story for our province, are up in the first two months of 2010 when compared to the same period last year, up some 14.7 per cent — again the second-highest percentage increase among provinces. Wholesale trade was up 5.5 per cent, seasonally adjusted between January and February 2010, the highest increase amongst provinces. New motor vehicle sales were up 33.6 per cent in 2010 from February 2009, and again the third-highest increase in the nation. Population in Saskatchewan was at its highest level ever on January 1st, 2010. There are now 1,380,018 people living in our province, the highest ever. And we look forward to the next set of statistics which we anticipate the increase will continue.

A very competitive business climate is provided by Saskatchewan and certainly contributes to these positive economic numbers. Several reports recently released says Saskatchewan has amongst the most competitive business climate in the country. According to the Fraser Institute, the *Canadian Provincial Investment Climate* report, Saskatchewan ranks second amongst the 10 provinces in regard to its overall investment climate. Alberta was number one, but we're chomping at their heels. We're getting close.

CFIB released a report in January 2010, and it was *Prosperity Restricted by Red Tape* was its title, which includes a survey that shows the total cost of the regulatory burden in Saskatchewan. And it showed that it decreased by some 20 per cent in the 2005 to 2008 period of time.

And the cost as a percentage of GDP [gross domestic product] decreased by some 46 per cent. There's still a long way to go. But when I was asked by the media, I gave credit where credit

is due. The trend to decrease, that began in 2005. And the government at the time, I think, saw that and took measures to address that, and we've increased the rate in which that's done. And we look forward to further decreases on the regulatory burden for Saskatchewan companies and allowing them to invest more of their time and their money into growing their company and creating more jobs.

KPMG released a study, a 2010 competitive alternative study in which Saskatchewan cities scored very well, the province's four major cities in the top 20 per cent of the 112 city comparison — something that we can all be very proud of. In the overall rankings, Moose Jaw was number 11. I know Mayor Hagel was very excited about this. I was in Moose Jaw just a week ago for the business awards, and Mayor Hagel, a former member of this House, was very excited about the positive economic growth happening in his city. Regina was 12th. Prince Albert was 13th, and Saskatoon was 21st. And holding back Saskatoon a little bit was the increase in housing prices and business prices and, you know a very, very hot economy there as well. But to have four cities in the top 21 of the KPMG study, that bodes very well for our province.

Enterprise Saskatchewan's accomplishments, just to very briefly summarize . . . increased annual sales cap for provincial labour-sponsored venture capital funds, another untold story about what happens in Saskatchewan, just hundreds of millions of dollars that are invested through the labour-sponsored venture capital fund to funds that are operated in a very, very positive way. Golden Opportunities in Saskatchewan works, enabling Saskatchewan residents to make the choice with their dollars, and they receive a tax credit for doing so. But putting that money to work in our province is a very effective way, and it's a model that is looked at with envy across the country.

Implementing the enterprise regions program, certainly had an opportunity to announce the remaining few of those regions this summer, and they're off and running and taking advantage of the regional characteristics that they have to contribute to an overall positive economy. Establishing 18 sector teams — you know, I'll be the first to admit, a very ambitious goal looking at all major sectors of the economy in Saskatchewan, but we've received terrific input from each and every one of those sector teams.

Evaluation of a potential for value-added expansion of the nuclear industry under the Uranium Development Partnership, I was involved in that partnership when I had other responsibilities as minister of Crown corporations and at that time Minister Stewart did yeoman's work as far as the UDP [Uranium Development Partnership] goes and officials as well — very, very pleased with the overall program and the report on the program, very extensive, wide consultations across the province.

Establishing the Entrepreneurship Council; recommending to government careful consideration of the impact of utility rate increases including impact on competitiveness; pursuit of investment, labour, and tourism attraction opportunities at Toronto job fairs; establishment of the Youth Economic Engagement Strategic Issues Council; appointing seven business leaders to the Regulatory Modernization Council; recommending no change to the small business income tax rate

or structure or the corporate tax structure. We introduced the R & D tax-refundable credit of some 15 per cent. And participating, planning, and organizing the Saskatchewan pavilion at the 2010 Olympic Games . . . I had an opportunity to attend the games and to be at the pavilion, and I can tell you that it was something that makes each and every resident of Saskatchewan proud, and I congratulate those that were involved in that.

We implemented targeted tax incentives for value-added mineral production facilities — some good news there as far as companies that are choosing in a competitive market to come to Saskatchewan and to expand the type of work that is done here.

I could go on and on, but I think I've provided a summary of some of the exciting things that Enterprise Saskatchewan is doing. And, members, I look forward to your questions and to further elaborate on these points.

**The Chair:** — Thank you, Mr. Minister. And just for a procedural standpoint here, so everyone's aware — in the committee and Minister and your officials — we'll take questions on this vote 83 for consideration of estimates. Then I'll make an adjournment, a procedural adjournment. Then we'll move on to 144 consideration for the next little while for any questions. Then from there we'll do another procedural adjournment. We'll move on to supplementary estimates 43.

That's just a procedural do. If you want to have all your questions now, you're entitled to it. And let me know if you're finished so that we can go through the process. But procedurally I have to make that statement just so you know that if I do an adjournment, it's not to step away from the table. It's a procedural matter only.

Mr. Yates, any questions?

[15:30]

**Mr. Yates:** — No, that's fine.

**The Chair:** — Okay. Mr. McCall.

**Mr. McCall:** — Thank you very much, Mr. Chair, and thank you to the minister and officials. Welcome this afternoon. As it has been stated, I'm filling in for Mr. Taylor who's got commitments in North Battleford. He sends his regards of course and had left me with a number of questions to put to the committee this afternoon and to the minister on this important topic.

I guess the first question would be the reduction of expenditure in the regional enterprise authorities. The minister had said that it was about 25 per cent. It goes from \$25.5 million down to about 15.2 — about 40 per cent by my reckoning.

Certainly there has been an important task set before these authorities. Do you have any concern that, given the desire that the local authorities have the capacity to do the jobs set out in front of them, do you have any concern about the capacity that they've got, given the funding cut they've sustained in this budget?

**Hon. Mr. Cheveldayoff:** — All right. Thank you very much for the questions, Mr. McCall, and thank you. And Mr. Taylor did inform me that he may not be able to attend today, so thank you for filling in for him. And I extended the invitation to him that any further questions, of course I'd be happy to entertain from him.

The numbers you're quoting, I think we're on page 58 of the Estimates, vote 83, the . . .

**Mr. McCall:** — Actually to clarify, I'm quoting from page 57 under program. So perhaps I'm mixing that up a bit, Minister, but page 57, program expenditure, 25.5 to 15.2.

**Hon. Mr. Cheveldayoff:** — Right. Yes, that's the entire program budget being reduced in total from 25 to 15. But you also prefaced your question with enterprise regions, which are being reduced from \$5.2 million to 3.95, which is a 25 per cent decrease.

To further answer your question, any time that an entity has to absorb a decrease in funding, there will have to be adjustments made. And as I indicated in my opening remarks, that last year the enterprise regions received almost a doubling in their funding. So even with the 25 per cent reduction, the vast majority, 11 of the 13 are further ahead than they were a couple of years ago.

I'm consulting with each of the regions. They're notifying me of their plans on how to incorporate the 25 per cent reduction. It is a challenge, but it can be done, and they're doing so in a very professional and methodical way. So I don't see any long-term problems from that.

**Mr. McCall:** — Thank you, Mr. Minister. It's my understanding that some of the regional authorities have been somewhat challenged in attracting executive directors. Does the minister have any sort of a status report in terms of the authorities being fully staffed up? And if there are problems with attracting executive directors, what specific measures are being taken to remedy the situation?

**Hon. Mr. Cheveldayoff:** — Thank you very much for the question. And it's a good question in that it's so important finding that right individual to head up the organization. And to be frank, some were able to find that right individual right away. Others, it took a little bit longer and there has been some turnover in a couple of regions.

But you know, for example in Moose Jaw region I just had a chance, as I indicated, to be out in Moose Jaw last week and to talk to Deb Thorn, and you know, the wonderful work that's going on there. And I'm finding that that is indeed what is happening across regions.

There are some that are finding that they may have not hired the right individual and that there's been some turnover. But right now there's only two vacancies and searches are under way in northwest and northeast, and both groups are quite confident that they will find the right individual. I encourage them to take their time to, you know, to go through an elaborate process to ensure that they've got the right individual because it has long-term impacts and can be so beneficial if you get that right

person.

**Mr. McCall:** — Thank you to the minister. With regards to the sector teams, I was wondering if you could give a bit of an update on the status of meetings and the recommendations of, first the sector teams, and then perhaps we'll drill down a bit into the strategic issues councils. But as regards to the sector teams, you referenced their tremendous input to date. Is that uniform across the board? Are there sector teams that are having some challenge in terms of getting up to speed? Is there uniformly tremendous input being provided out of the sector teams?

**Hon. Mr. Cheveldayoff:** — Well thanks very much for the question. And the sector teams, the 18, are very important in the whole structure of Enterprise Saskatchewan. They provide recommendations to the board which are then . . . deliberate on them, and those that are favourable are passed on to cabinet and to the economy committee of cabinet as well, which I chair.

All groups have been meeting and they have a variety of numbers of meetings. And you know, just looking in the range, the majority of them look like they have met six to eight times, some as many as ten times. Numbers of recommendations that have gone forward continue to come on a regular basis. There's some 59 recommendations that have gone through the sector teams and through the Enterprise board, and then there's some 46 recommendations that are works in progress and will be coming to the Enterprise board on a regular basis. So total number of recommendations would be 105.

And again these recommendations . . . These sector teams are tasked with identifying barriers to growth. We've canvassed individuals from across Saskatchewan to represent both geographically and different areas of their particular sector and asking them to use their knowledge to advise government in a direct way.

I can say that I've been very pleased with recommendations that have come forward and the chats that I've had with the sector team Chairs. They indicate that their committees are doing good work, and overall I'm very, very pleased with all of them.

**Mr. McCall:** — And again, I'm not counselling an approach of look busy, do something, but in terms of the sector teams that have yet to produce recommendations — and again, I'm working from answers that were provided to written questions tabled by my colleague, Mr. Taylor — certain of the sector teams have of course not produced any recommendations. In a general sense, does that provide the Minister with any pause for concern, or what are the Minister's thoughts on that state of affairs?

**Hon. Mr. Cheveldayoff:** — When I look at the numbers that have come and look at the totals and then look at each individual sector, there's two categories: those that have put forward recommendations but that have not gone to the board yet, or are a work in progress. And when I combined that with the number of recommendations that have gone to the board and cabinet, indeed there's recommendations, when you combine those two categories, from each and every sector team.

Some are larger numbers than others. The energy group for



example has put forward six that have gone to the Enterprise board and three that they continue to work on. You know, arts and culture is one that they're working on right now; alternative energies and environmental industries, four that they're working on right now. So between those two groups, there's representation from all the sector teams.

That might be a bit of an update to the information that you have there.

**Mr. McCall:** — I guess I should have clarified off the top. The information I'm working off of here is as of October 1st, 2009. So for example, as of October 1st, 2009, we'll pick the arts and culture sector team for example. It had six meetings and zero recommendations. Is that . . .

**Hon. Mr. Cheveldayoff:** — Well there's one recommendation that's waiting to go before the Enterprise Saskatchewan board right now.

**Mr. McCall:** — Okay. I guess the question that brings to mind is . . . For example within the film and television industry and its interaction with the arts and culture sector, you know, has been a very vibrant part of that particular part of our economy. And I know for a fact over the past two years there have been considerable challenges in that sector of the economy. Is the minister not concerned about the agility of the process, in terms of the sector teams being able to provide intelligence as to what's happening on the ground, get the recommendations into the mix, and then bring them forward to the decision makers?

**Hon. Mr. Cheveldayoff:** — Well I'm totally comfortable with the process in that they are encouraged and, you know, we rely on their expertise to bring the recommendations forward. And I suspect with the attention that's been given this area, there probably will be more recommendations going forward.

**Mr. McCall:** — Okay. I guess the other sort of, in terms of the methodology of the sector teams and the way they do their work, it's difficult to get them responding retroactively to things of course. But in terms of, say the decisions around the closure of SCN [Saskatchewan Communications Network], this is something that's you know critical infrastructure for that sector. Is there a way that this government engages something like the arts and culture sector team on those kind of decisions so that all the information is on the table when this government is making its decisions, let alone the Enterprise board or what have you?

**Hon. Mr. Cheveldayoff:** — Well we use the sector teams as a resource, and certainly when asked and when called upon, the sector teams will provide advice to departments or to ministries on an ongoing basis.

**Mr. McCall:** — So if they had been asked, they would have been able to provide advice on a decision like the future of the SCN or what have you.

**Hon. Mr. Cheveldayoff:** — They're there as a resource and can provide information, but what they are tasked to do is to identify barriers themselves and to come up with well-thought-out ways that use proper due diligence to come up with recommendations that can come forward.

**Mr. McCall:** — Okay. In terms of, I guess moving . . . unless Mr. Dekker has anything to add there, feel free . . . [inaudible interjection] . . . Okay. I guess, moving on a bit in the questions here, in terms of the repeal of the Labour Market Commission and the transition to the efforts of the strategic issue councils, how is that process going? How is that transition proceeding? Is it where the minister thinks it needs to be? If you could give us a bit of a status update in that regard.

**Hon. Mr. Cheveldayoff:** — Yes, I'd be happy to do that. We just went through committee on the repeal Act, and we had a chance to talk about the situation there. And you know, very, very quickly we were going to be announcing the strategic issues council here for labour. And we feel that this group will be able to provide a top-quality level of service.

And you know, the changes were made mostly for budgetary reasons. You know, the council was costing us about \$900,000, I think from memory.

**A Member:** — The original budget.

**Hon. Mr. Cheveldayoff:** — The original budget. And substantially reduced budget, but we feel that this format, that the strategic issue council, you know . . . Youth engagement and entrepreneurship also follows this format and have been providing very good information for us. And we look forward to having the labour one up and running very quickly.

[15:45]

**Mr. McCall:** — Jumping around a bit, back to the broader theme of the sector teams, certainly forestry is undergoing a pretty volatile or a pretty hard circumstance right now in terms of the economy and what we see across the forest fringe. And again I may be working off old information here, so if we could get an update. How many meetings has the forestry team had, and how many recommendations have they put forward to Enterprise?

**Hon. Mr. Cheveldayoff:** — Well again thank you very much for the question. And rather than just give you the numbers update, I wanted to get a little more information here as well.

You're correct that the information that I do have here is a little more up to date than the October one that you have. The forestry sector team has had six meetings. They've made two recommendations going forward, and they have one that they are working on that will be addressed by the Enterprise Saskatchewan board so for a total of three recommendations.

One of them here is that government eliminate the application of fuel tax for all resources — forestry, minerals, mining, energy — using stationary equipment and off-road vehicles to remove Saskatchewan's competitive disadvantage. So that is something that, you know, has gone forward to the board, and cabinet has been advised that this would be an area that would be beneficial to our economy. So that's the type of recommendations that have come forward from forestry.

**Mr. McCall:** — Again in terms of the PST [provincial sales tax] exemption and the agility of the Enterprise system being able to respond to the market conditions and at the same time

navigate budgetary process on the government side, I guess the status of that particular recommendation awaits, I'm imagining, next year's budget or . . . The minister's nodding the affirmative I see.

**Hon. Mr. Cheveldayoff:** — Yes, it's been brought before the Enterprise board. It's received a positive recommendation from the Enterprise board. From there it goes to the economy committee of cabinet, which I chair as well. And then I bring those recommendations before the cabinet table and also through the Treasury Board process as well. So it will be up for the Treasury Board process the next time around.

**Mr. McCall:** — Okay. On the biofuel sector team, they've recommended a mandate for biodiesel. We understand that certainly the sector team and producers are looking for that, mandates to come forward. The federal government has stated they would like to see a provincial mandate. Other provinces have a provincial mandate. What is the status of that recommendation, and when can we expect to see a mandate coming forward from this provincial government?

**Hon. Mr. Cheveldayoff:** — A very, very topical question, it's a question that has made it through the Enterprise Saskatchewan board and received a positive recommendation towards cabinet. So we are working on the biofuels mandate, and I look forward to having information coming to cabinet very shortly.

We're consulting with the industry. We're very aware of the challenges that they face with the Canadian dollar and the situation of the competitiveness and the ability of American-based ethanol to come up at quite a competitive rate. So we will be taking all those factors into consideration and moving forward on that very quickly.

**Mr. McCall:** — I'll get to ethanol in a minute, but does the minister have a more specific timeline in mind for go, no-go decision on a biodiesel mandate?

**Hon. Mr. Cheveldayoff:** — It'll be coming for consideration very shortly within the next couple of months.

**Mr. McCall:** — Next couple of months, okay. You'd referenced ethanol, and certainly there is a mandate in existence for ethanol at 7.5 per cent. There has been some talk from producers around the competitive value of that mandate and perhaps a desire to see it moved to 10 per cent. Is that under active consideration by the sector team and by the Enterprise board and then on through the machinery of government?

**Hon. Mr. Cheveldayoff:** — Yes, we're having extensive consultations with the ethanol industry as well right now. I've met with almost all the ethanol producers in the province, the small ones and the large ones like Terra Grain and Husky as well. And part of the discussions that we do have is the percentage of blend and the . . . We monitor what's happening in other provinces and are certainly consulting with the ethanol industry extensively to hear about, you know, where they are at and what would benefit them and some of the challenges that they have, again mostly currency related and, you know, concern for that.

**Mr. McCall:** — In terms of the producers looking for a

decision, though, and the change to the mandate, I'm presuming the next possible window for that would be next year's budget. Would that be a correct assumption?

**Hon. Mr. Cheveldayoff:** — Well it's an important industry and, you know, we will consult with them as we are doing now. And I'm not opposed to taking something to cabinet on a more timely basis outside of the budgetary situation because of the importance of this industry to the province. So it's something that, once the consultations are concluded, I will be taking information to cabinet as soon as possible.

**Mr. McCall:** — Okay. In terms of the change in this budget to the ethanol incentive, I guess, if you could enlighten the committee as to the rationale for the change and the goals in mind that are intended to be accomplished with the change to the incentive.

**Hon. Mr. Cheveldayoff:** — Thank you for the question. I'm told that that pertains more to vote 43 and should be asked and entertained as part of the next vote and not this one.

**Mr. McCall:** — Then I guess we can certainly put a pin in it, Mr. Minister.

**Hon. Mr. Cheveldayoff:** — Pardon me?

**Mr. McCall:** — We can certainly put a pin in it, for that vote.

**Hon. Mr. Cheveldayoff:** — Okay. Let's do that.

**Mr. McCall:** — All right. I guess in terms of the . . . [inaudible] . . . Is that what my colleague is talking about there? I guess if I could turn to the mid-year progress report and there are a number of measures that are sort of flushed out in broader detail in that report, and if we could get a bit of a status report on them and how they relate to this year's budget going forward. From the executive summary there's, to quote:

The Enterprise Saskatchewan board believes that First Nations and Métis participation in the economy is essential to the future prosperity of the province. A strategy is needed to ensure that Aboriginal people have the capacity needed to participate fully in the economy, not only as employees, but as business owners.

And then later in the body of the recommendations, it's referenced again. What is the involvement of Enterprise with those endeavours to better engage First Nations and Métis people in the economy and labour force of Saskatchewan? And what are the benchmarks that you're looking at in terms of where we're at right now and where we want to go?

**Hon. Mr. Cheveldayoff:** — Thanks very much, Mr. McCall, for the question. And certainly Aboriginal and First Nations peoples play in an important role in the province's economy and certainly an important role as entrepreneurs in the province.

And I'll begin by, you know, our consultations with First Nations and Métis especially in the North, when the enterprise regions were announced, extensive consultations took place with First Nations and Métis, and they indicated that . . . You know, the original proposals saw two enterprise regions in the

North, and they indicated for specific reasons that they wanted three enterprise regions. And indeed we agreed with that and have three enterprise regions in the North which are tasked with specifically working with individuals on that.

Enterprise Saskatchewan works very closely with FNMR, First Nations and Métis Relations. They have been tasked with implementing those enterprise regions and certainly have undertaken that work. Further to that, Enterprise Saskatchewan is involved with the Aboriginal business directory, something that I have heard on several occasions that is a valued piece of work that outlines the ability of First Nations and companies to fulfill procurement requirements within the province. Right now McNair and associates is undergoing an extensive study of economic development in First Nations and Métis, and I understand that that study is nearing completion.

We have the \$3 million Aboriginal economic development fund through Crown Investments Corporation and of course the Clarence Campeau Fund. Further to that, we're finding that First Nations and Métis across the province are involved with enterprise regions, and I know in my meetings with specific regions, they play a very important role in the overall economic development of specific regions.

So they're certainly doing their part. We're trying to assist in any way possible to help them along, and again we're giving First Nations and Métis Relations the resources necessary to do the direct contact and to ensure that they can assist in any way possible.

[16:00]

And you know, in my consultations with some of the major mining companies in the province, it indeed appears to be working, and there are some successes along the way. And I would be remiss if I didn't give credit to Gary Merasty who sits on Enterprise Saskatchewan board and does not hesitate on each and every item that comes before the board to put a First Nations perspective on it and educate the rest of us on how programs can be better adapted to serve. So I think it's going quite well.

**Mr. McCall:** — Well I'd certainly second your motion on the great work that Gary Merasty does, and not just the kind of track record that he brings to the table but the way he's able to get his point across. I'd certainly agree with the minister in that regard.

Further on in the report, there's a component . . . or the mid-term report, to keep on track here.

**Hon. Mr. Cheveldayoff:** — Can I just ask, is it the board of directors progress report or which report are you . . .

**Mr. McCall:** — Yes, it's the Enterprise Saskatchewan releases major progress report for 2009-10.

**Hon. Mr. Cheveldayoff:** — Okay.

**Mr. McCall:** — And again with measures that I'm presuming will be actioned in the year to come under this budgetary allocation. So Aboriginal development, there's a

recommendation that states:

That Enterprise Saskatchewan work with government to establish an appropriate action plan to engage the Aboriginal people in the economy; and that the Government of Saskatchewan make a bold statement not to allow jurisdictional issues to get in the way of ensuring full participation of Aboriginal people in our economy.

Is that the McNair report that you're referring to?

**Hon. Mr. Cheveldayoff:** — Yes, the member is exactly correct that that is indeed what is specifically referenced and that, you know, that there is a role, an overarching role amongst all ministries that this will be implemented in such a way to ensure that there are benefits to First Nations and Métis people.

**Mr. McCall:** — Now in terms of when the McNair report comes forward, if you could for the committee outline what happens . . . the report is finalized and from there on to taking action upon its recommendations.

**Hon. Mr. Cheveldayoff:** — Again thank you very much for the question. The McNair report — I understand it's very near completion — will come to Enterprise Saskatchewan and give us an overall view of what should be done and certainly recommendations that will involve other ministries.

Then Enterprise Saskatchewan will take its role as a coordinating agency and work with all other ministries that are involved or recommended to be involved, and discussions and a game plan will be worked out, coordinated by Enterprise Saskatchewan. Certainly extensive consultations will take place with First Nations and Métis Relations, and then further consultations will take place with Aboriginal industries in the province.

Then recommendations will be put forward to the Enterprise Saskatchewan board and from there through the economic committee of cabinet and on to cabinet. So there's a direct correlation from the report through the ministries, through FNMR, and then some additional consultation with our Aboriginal industries themselves, and then again a direct route from the Enterprise board through the economy committee of cabinet and to cabinet.

**Mr. McCall:** — In terms of the scope of the committee's deliberations, is there any consideration being given to . . . And there's a specific recommendation that relates to procurement, but in terms of economic opportunity for First Nations and Métis people, building that in as sort of a foundational piece for economic development opportunities as they come on stream, certainly the minister having formerly served as a SaskPower minister is well aware of the infrastructure needs that are coming on stream there.

There are other jurisdictions that have specific carve outs or goals in mind in terms of Aboriginal economic engagements when it comes to large-scale economic activity. Those decisions are being undertaken right now, last year, the year before. But as they go forward, is that something that's being considered around the work of the McNair folks to build that in as some kind of a template for engaging First Nations and Métis people

in large-scale economic opportunities as they arise, such as the infrastructure rebuild with SaskPower, to cite one example?

**Hon. Mr. Cheveldayoff:** — Again, thank you very much for the question. And you know Aboriginal involvement plays an important role in what we do. Specifically to the McNair report, we're not awaiting or expecting a large portion of that report to talk about First Nations involvement in this particular way. But we are working on supplier development programs and highlighting First Nations and Métis participation.

And certainly we have tasked one individual within Enterprise Saskatchewan to coordinate those supplier development programs. For example, when we know of a large company coming into Saskatchewan and undertaking a large economic activity, we task that person with identifying areas where First Nations can be supplier developers and can indeed fulfill those procurement requirements. So we're being very proactive in that regard.

We have a good understanding of what First Nations can offer in the province. We have a good understanding with Enterprise Saskatchewan of these major economic development activities, and we try to play a coordinating role in making sure that that happens. And officials tell me that this has been happening very recently with some of the most up-to-date information that we have regarding companies that are looking at major economic expansions here in Saskatchewan very shortly.

**Mr. McCall:** — And I guess I should have asked this earlier on, but how much can the minister table with the committee with regards to the McNair? I should have asked this earlier on when you'd first referenced the McNair work that's being undertaken. Is it possible for the minister to table with the committee the terms of reference for the work that they're undertaking? And is it possible to get the . . . When will that report be made public, or is it possible to table that with the committee when it becomes complete?

**Hon. Mr. Cheveldayoff:** — As far as the member's question regarding the terms of reference, we see no problem in releasing those and I'll undertake to get them to you as soon as possible. And the McNair report, we're hoping to see it finalized here, as I indicated earlier, in the next month or two and then make it public at an appropriate time as well, so we'll undertake to give you that information once we've had an opportunity to digest the report and commit to some of its recommendations.

**Mr. McCall:** — Thank you very much for the undertaking, Mr. Minister. Just one last question on this theme, again arising from the mid-term report concerning procurement in the inter-ministry and Crown committee that's been formed to . . . looking at how to best respond to the Enterprise board, the environmental technologies team, the commercialization team, the construction team, all of which have made procurement-related recommendations. This is what I'm particularly interested in.

A component of the report on procurement will address Aboriginal procurement, and officials will meet with Aboriginal agencies and the provincial Aboriginal workforce council to seek their input on how to best build capacity in the Aboriginal community through procurement. I think you touched on some

of that tangentially in the remarks you'd made earlier, but I was wondering if you could address that specifically, Mr. Minister.

[16:15]

**Hon. Mr. Cheveldayoff:** — Thank you very much for the question. And I think the best way I can answer and summarize a response to the statement that you read is that we are trying to strengthen Aboriginal companies so they can take advantage of RFPs that are out there or interacting with them to find out where their inherent interest is and then trying to ensure that we can enable them to compete and to bid on projects.

I guess, and the member indicated earlier, that my earlier involvement as minister of SaskPower . . . And certainly one example is the First Nations interest in wind energy and wind energy projects and their partnerships with other companies across North America and the expertise that they bring in this area. That's something that was under consideration, and I know that, as part of my involvement on the CIC board, that it continues to be part of the consideration. And we know of the interest and the expertise that they bring in this area, and work continues to be done to ensure that those First Nations companies can put the best product forward when they compete for these RFPs.

**Mr. McCall:** — Okay. And again I'm glad that the door's not closed, but certainly we'd sat not weeks ago in this committee room and heard from some folks from Gordon First Nation that had a proposal with ATCO concerning wind energy. And they brought forward some very compelling arguments in terms of the landscape in other jurisdictions around the particular measures that are being taken to engage First Nations, in this case in energy production. And the response from the government members on the committee at that time was certainly dismissive, I would characterize it as.

So I'm glad it's not dismissed. I'm glad that it continues to be under active consideration. And I guess I look forward to the McNair report and the policy decisions flowing from that in terms of how there's a more systematic engagement of First Nations and Métis people in the economic life of this province when it comes to, particularly, large economic opportunities such as the SaskPower infrastructure build out. I guess . . .

**Hon. Mr. Cheveldayoff:** — If I may just to . . . you know, I wouldn't be dismissive at all. And I gave you one example in wind energy. I can, as I think about it more . . . certainly on the hydro-electricity, we have First Nations bands that are partnering and have expertise in hydro development as well, and that will be going on. So I would characterize this government's great interest in those partnerships. You know, when we say we want to partner the Crowns with the private sector, we include First Nations and their companies and their entrepreneurship as some of those private sector partners that we want to partner with.

And again the McNair report is an overall, an overarching report. I'm looking forward to the report to see how it addresses it. It may not address this in a very detailed manner, but at the same time there is work going on in this area, and we believe that we are making progress in this regard.

**Mr. McCall:** — I share the minister's interest in seeing these things come forward, certainly. In terms of the reporting out of the activities of Enterprise, the mid-year progress reports is one reporting instrument. Other reporting instruments are, for example, the board of directors' progress reports such as that released June 25, 2009. When is the next board of directors' progress report coming out, and what can we expect from Enterprise in the near to mid-term for reporting out of activity?

**Hon. Mr. Cheveldayoff:** — Thank you very much. The member indicates the progress report from the board and specifically highlights that as a report, and indeed he is correct that that comes out on, you know, twice a year and the next time is in June. So we expect again to be releasing that report.

But in addition to that report, Enterprise Saskatchewan does do an annual report, does do an economic indicators report, also the monthly monitoring report of the economy in the province, and they're going to be doing an additional report that talks about a quality of life report. Because, you know, as all of us know and aspire, the economy's fine but, you know, it's not all about bar graphs and pie charts. It's about how we can use this economic development to increase the quality and standard of life for Saskatchewan residents. And we feel that, you know, that has been improving, and we feel that it's necessary to provide an additional report in that regard.

**Mr. McCall:** — Thank you, Mr. Minister. You'll forgive me if I tend to jump around a bit in the questions here. I've got some things I want to, some general heading questions I'd like to ask.

So with that said, in terms of the mechanics of the sector teams meeting for Enterprise, the facilitators to June 2009 were Muriel and Stuart Garven. Is that still the case? And if that contract wasn't renewed, if not, why not? And is there a new contractor that's been retained?

**Hon. Mr. Cheveldayoff:** — Thank you for the question and the member is correct that Garven & Associates were engaged in an extensive way in the formation of Enterprise Saskatchewan and undertook to set up the sector teams and to provide guidance in that regard.

Not only did they facilitate the meetings and use their expertise in gauging and forming the committees; they also educated and trained Enterprise Saskatchewan's staff along the way to do that in-house. And their ability to do that was well recognized, and now we are in a position where internal staff are able to provide that service for sector teams.

So you know, it was a fairly large contract at the time, but we understood that it would be necessary to train internal staff up. And I'm told that those contracts continued with Muriel and Stuart Garven until the 14th of October of '09, and since that time that professional development is done in-house.

**Mr. McCall:** — Thank you, Mr. Minister. Again it's a bit of popcorn here at this point. But certainly one of the newsletters or one of the communications vehicles for Enterprise is the quarterly newsletter. And again I guess, you know, more of a technical question, who puts the newsletter together? Quarterly, I'm presuming, four each year but — there we go — and what is the cost per newsletter?

**Hon. Mr. Cheveldayoff:** — Thanks very much for the question. The publication is certainly a communication tool that we rely on quite extensively. For the most part it is done in house as far as the coordination and the compiling of the publication. Private writers are engaged from time to time, and private sector photography services are engaged whenever it does make sense.

So we find that it is a publication that we get a lot of feedback from. And one of the most valued partnerships, I guess, that we have and tools of distribution is the partnership with *SaskBusiness* magazine that the insert is in the . . . or the publication is an insert in that magazine and certainly is well read by that audience. But at this time I don't have the circulation numbers, and I don't have the exact cost of it, but we will undertake to get that to you very quickly.

[16:30]

**Mr. McCall:** — Thank you, Mr. Minister. If I could refer to . . . And again, thank you for the undertaking. If I could refer to volume 4, winter 2009 of *Enterprise NOW!*, they say a picture is worth a thousand words. And I guess my question is not a thousand words, but I was wondering, there's a very lovely picture of the minister on the front page of it. I was wondering who took the picture? How much did it cost? What are the details on that?

**Hon. Mr. Cheveldayoff:** — Well I would strongly disagree with the member saying that it's lovely but . . .

**Mr. McCall:** — It's getting late in the afternoon.

**Hon. Mr. Cheveldayoff:** — It was done one afternoon where I had to run over to Taylor Field and to pose for that picture. It was thought that being the new Minister of Enterprise, it would be important to profile the new minister and some of my ideas around Enterprise Saskatchewan.

Exact costs of the photography, I'm not sure, but I know it was very, very modest, and the taking of the picture and the publication was in keeping with profiles of Enterprise Saskatchewan board members as well. We felt necessary to educate the public on who the board members are, what areas that they represent, and some of their ideas about Enterprise Saskatchewan.

**Mr. McCall:** — And again not to belabour the points and certainly it's a fine-looking picture, Mr. Minister. I'd be happy too if I was out on Taylor Field with a Rider jersey on my back and the sun in my face. I'm always happy when I'm in my constituency, I should state that, but extra happy I guess being on Taylor Field.

I guess the question I have is the constituent has . . . Certainly there's a constituency newsletter that you send out electronically where the same picture is reproduced at the head of the newsletter. Is there any kind of exchange of, does your constituency pay for the courtesy or the privilege of using that picture? Is Enterprise reimbursed in any way, shape, or form for that? Or was it just a good picture, so you slap it on the newsletter?

**Hon. Mr. Cheveldayoff:** — The member brings up a very important point and indeed, when a picture is used and paid for by public dollars, it's important that if it's used for other purposes as well that financial compensation be made. And there was a financial compensation. I believe the photographer was asked what he would feel the value of that picture would be, and then compensation was made for that picture and a release was given so I could use that for purposes outside of government-specific, but MLA and of a personal nature as well. But very good question.

**Mr. McCall:** — Thank you, Mr. Minister. One last question under this heading on this vote. I thank the patience of committee members. It's apparently not only late for me, in the afternoon on the Friday of the week, but perhaps my committee colleagues as well.

But just to the \$3 million that you'd referenced under First Nations and Métis being available for First Nations and Métis economic development under CIC. This isn't specifically an Enterprise initiative so . . . I'll ask the question anyway. Is that new money or is that a continuation of the existing First Nations and Métis Fund dollars that are available through CIC and that have been available since 2006?

**Hon. Mr. Cheveldayoff:** — I'm told by officials that it is new money.

**Mr. McCall:** — Will it be administered through the First Nations and Métis Fund or will it be administered by a separate agency?

**Hon. Mr. Cheveldayoff:** — I'm told the financial governance model has not been finalized yet, and CIC is consulting with FNMR, but no final decisions have been made on how that will go forward.

**Mr. McCall:** — Okay. I guess at this stage of the game, I have some questions related to ethanol that we'd made a start at earlier, but if it's more appropriate to proceed to the vote at this time, Mr. Chair, we're willing to let the members do their thing.

**The Chair:** — Okay. Thanks, Mr. McCall. I think what we'll do, we'll actually adjourn the discussion on this particular vote for consideration.

**General Revenue Fund  
Lending and Investing Activities  
Enterprise and Innovation Programs  
Vote 144**

**The Chair:** — We'll move on to the next item for consideration, which is going to be the lending and investing activity vote 144, Enterprise and Innovation, loans under *The Economic and Co-operative Development Act*, (EI01). So on that particular vote, Mr. Minister, if you have any statements on that particular vote, feel free to give them now, and opening preambles, and then we can go to questions if there are any.

**Hon. Mr. Cheveldayoff:** — I had quite a long opening statement, and I think I covered most things there. So I will just go directly to questions, and there seems to be concurrence from members about me doing that.

**The Chair:** — We'll see what happens here. Mr. McCall or Mr. Harper, any questions in regards to vote 144?

**Mr. McCall:** — Why yes, Mr. Chair, there are. Again I think we left off concerning the change to the ethanol incentive, or had we? No? Okay. Backing up, backing up . . . [inaudible interjection] . . . Pardon me?

**A Member:** — That's vote 43 . . . [inaudible] . . . This is 144, different vote.

**Mr. McCall:** — Well so many votes, such little time. There we go. Okay. I guess what I'll do is we'll leave this off . . . Perhaps we've come to the end of the string in this regard, Mr. Chair. I'll leave the remaining topic areas for the next consideration of estimates.

**The Chair:** — Thank you, Mr. McCall. Okay. So what we'll do now is we'll adjourn discussion then on vote 144.

**General Revenue Fund  
Supplementary Estimates — March  
Enterprise and Innovation Programs  
Vote 43**

**Subvote (EI03)**

**The Chair:** — Moving on to, for consideration, Enterprise and Innovation programs, investment programs (EI03) that were in the March '09-10 supplementary estimates.

In this case, we will now move on. I'm sure there's no statement from the minister — not to take your thunder away, sir — but I think if we move on to questions, we'll probably have a quicker expedited process. So if that's okay with the minister, moving right to questions. Or do you want to make a statement, sir?

**Hon. Mr. Cheveldayoff:** — Yes. No, we can go directly to questions.

**The Chair:** — Okay. So on vote 43, I think this is where Mr. McCall has a question or two for sure.

**Mr. McCall:** — Again this is concerning ethanol incentives. So again the change with the ethanol incentive, what was the rationale behind the change? And what do the governments hope to accomplish with the change?

**Hon. Mr. Cheveldayoff:** — Thanks very much for the question. The ethanol industry is something that is very important to Saskatchewan and, you know, we have been engaged in supporting the industry, both the previous government and this present government. Subsidies began in 2002, when our industry was in the neighbourhood of 12 million litres, and Pound-Maker was the first entrant into that.

At that time the statement was made that the subsidy should continue for about 10 years and that a mature industry would be about 400 million litres. Presently we are at about 340 million litres in Saskatchewan, between three or four smaller producers and a couple of bigger producers. So we're getting near that, that maturity stage, but we're not quite there yet.

With that background in mind, Enterprise Saskatchewan engaged Meyers Norris Penny to provide a program review that analyzed the support that has been put in place from 2002 until now, highlighting the support from previous government and from this government. And Meyers Norris Penny noted that:

While the . . . program has been successful in meeting the objectives of Saskatchewan's original biofuels mandate, it is likely that changes to ethanol and biofuels policy will be necessary to stimulate future growth and to ensure the industry continues to mature and innovate towards economic self-sufficiency.

So with that report in mind, we felt it necessary to consult and to engage with the industry as much as possible and to see how that subsidy can best be directed to ensure that it benefits Saskatchewan's ethanol industry.

**Mr. McCall:** — To clarify it, did this recommendation or this change in the incentive, did that come forward from the sector team?

**Hon. Mr. Cheveldayoff:** — Certainly consultations took place with the sector team and with the Chair of the sector team and various consultations before the Treasury Board process. But of course in budgeting and Treasury Board, consultations aren't as extensive as you would like them to be. And again we continue with those consultations after the Treasury Board process.

**Mr. McCall:** — But I guess to maybe state the question in a different way, the change didn't come forward as a response to a recommendation from the sector team.

**Hon. Mr. Cheveldayoff:** — Not specifically, no.

**Mr. McCall:** — In terms of the impact of the decision, has this created difficulty for any of the producer players out there in the market in Saskatchewan right now?

**Hon. Mr. Cheveldayoff:** — Much like the enterprise regions, any time that you reduce a subsidy it is going to have an effect. But, you know, that's why we continue to consult with the groups and ensure that any changes that are made going forward are done so in a way that have the least negative impact with the companies.

**Mr. McCall:** — In terms of the, for example, the plant at Unity, the minister's referenced other sort of components of the sector that are arguably more mature and have had a chance to get their legs under them, but certainly Unity has come on stream fairly recently and had made a lot of their calculations based on the old regime. So in terms of being able to weather the change in the incentive structure, I'm interested to find out the minister's take on the impact of the change in the incentive to the Unity plant in particular, and whether or not this has been something that has hurt them, or if there isn't some remedy that should be coming forward from the government in days and weeks ahead.

**Hon. Mr. Cheveldayoff:** — Well the ethanol companies are in two groupings in the province, and the smaller groupings would be Unity, Weyburn and Pound-Maker in Lanigan. And certainly those smaller companies, we're very concerned that they

continue to be viable. And the consultations that are taking place right now are information being forwarded from those companies of the impact of any change to that subsidy, and more importantly their recommendation going forward on how any public money that goes into that industry can best be directed to ensure that there is the sustainability there.

So we got two groups and they're one of the smaller groups. They're in the 25-million litre range. And we know that, you know, people have put, invested their dollars in that operation and want to see it continue for a long period of time, as do we.

**Mr. McCall:** — But is there a specific timeline attached to changes that might be made to ease the predicament that these smaller producer facilities find themselves in with the change to the incentive structure?

**Hon. Mr. Cheveldayoff:** — Well we have committed to the industry that we will undertake extensive consultations for as long as it takes and ensure that any permanent changes that are made will be done so in a way that reflects those consultations. So we're not as concerned about a short-term timeline to implement any changes, but more concerned about extensive consultations, some of which weren't able to be undertaken during the budgetary process.

**Mr. McCall:** — Okay. I guess with that, Mr. Chair, I've concluded my questions for this segment of the proceedings.

**The Chair:** — Thank you, Mr. McCall. And seeing no other questions and understanding that the . . . At this time we're going to move on to the vote to vote off this particular estimates and supplementary estimates.

#### **General Revenue Fund Enterprise Saskatchewan Vote 83**

**The Chair:** — Operations, subvote (ES01) in the amount of \$21,823,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Program, subvote (ES02) in the amount of \$15,213,000, is that agreed?

**Some Hon. Members:** — Agreed.

[16:45]

**The Chair:** — Carried. Enterprise Saskatchewan, vote 83, \$37,036,000. 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, 2011, the following sums for Enterprise Saskatchewan in the amount of \$37,036,000.

Mr. Stewart.

**Mr. Stewart:** — I so move.

**The Chair:** — Is that agreed?

**Some Hon. Members:** — Agreed.

[Vote 43 agreed to.]

**The Chair:** — Carried.

[Vote 83 agreed to.]

**General Revenue Fund  
Lending and Investing Activities  
Enterprise and Innovation Programs  
Vote 144**

**The Chair:** — On to vote 144, Enterprise and Innovation Programs, loans under *The Economic and Co-Operative Development Act* (EI01) to be voted in the amount of \$4,000,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Enterprise and Innovation Programs, vote 144, \$4,000,000. 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, 2011, the following sums for Enterprise Saskatchewan in the amount of \$4,000,000.

Ms. Wilson.

**Ms. Wilson:** — Yes. I so move.

**The Chair:** — Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Vote 144 agreed to.]

**General Revenue Fund  
Supplementary Estimates — March  
Enterprise and Innovation Programs  
Vote 43**

**The Chair:** — Vote 43, Enterprise and Innovation Programs, investment programs (EI03) in the amount of \$1,100,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Enterprise and Innovation Programs, vote 43, \$1,100,000. 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, 2011, the following sums for Enterprise and Innovation programs in the amount of \$1,100,000.

Ms. Ross.

**Ms. Ross:** — So moved.

**The Chair:** — Agreed. Carried.

**The Chair:** — Thank you, Mr. Minister, and to your officials. I believe Mr. Harper and Mr. McCall will make a statement as well. Very enlightening for us to hear what Enterprise is doing for the province of Saskatchewan and how your particular group are working to move our Saskatchewan forward. Thank you, sir.

**Hon. Mr. Cheveldayoff:** — Thank you. If I may comment, an oversight on my part, when we moved from vote to vote, one official changed. Ron Kehrig was here as the sector manager, bio-fuels and bioproducts sector development. So I thank Mr. Kehrig for being here and apologize for not making that introduction earlier.

**The Chair:** — Okay. Thank you. Mr. McCall.

**Mr. McCall:** — I guess I'd add to the thanks, Mr. Minister, your officials, for a good discussion. And on behalf of my colleague, Mr. Harper, and certainly Mr. Taylor, thank you. Have a good weekend. We'll see you again.

**Hon. Mr. Cheveldayoff:** — Thanks very much.

**The Chair:** — Thank you everybody. This committee stands in recess until 7 p.m. tonight. Thank you.

[The committee recessed for a period of time.]

**The Chair:** — Well welcome everybody to the committee tonight. If I could just indulge the members of the ministry and the minister, if you wouldn't mind please. First of all, members of the committee, we didn't quite get a vote done this afternoon in regards to Enterprise Innovation.

We did the supplementary estimate, not the actual estimate for the budget year. So if I could proceed please, with the indulgence of the committee.

**General Revenue Fund  
Enterprise and Innovation Programs  
Vote 43**

**The Chair:** — Investment programs (EI03) in the amount of \$9,547,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Enterprise and Innovation programs, vote 43, \$9,547,000. I will now ask a member to move the following resolution:

Resolved that there would be granted to Her Majesty for the 12 months ending March 31st, 2011, the following sums for Enterprise Saskatchewan in the amount of \$9,547,000.

Mr. Stewart.

Is that agreed?

**Some Hon. Members:** — Agreed.



**The Chair:** — Carries. So thank you for the indulgence of the ministry and Mr. Minister for that.

[Vote 43 agreed to.]

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

**Subvote (HI01)**

**The Chair:** — So welcome back members and officials. Tonight we are here now to talk about the estimates for vote 16, Highways and Infrastructure, central management and services (HI01), outlined on page 95 of the Estimates booklet.

So right now, Mr. Minister, if you could just indulge me for one second, I'll also just take the time to introduce the committee members. We have some chit ins. Mr. Yates and Mr. Taylor again; Mr. Harper on the opposition side. Mr. Stewart; Mr. D'Autremont is here for Mr. Duncan. Mr. Chisholm is here for Ms. Ross and Mr. Hart is for Ms. Wilson. So we've got quite a different look than this afternoon.

To begin, Mr. Minister, can I ask you to introduce your officials and maybe, if you like, as well make some opening statements.

**Hon. Mr. Reiter:** — Thank you, Mr. Chair. To my right is our deputy minister, Rob Penny. Rob is actually fairly new. He just started on January 1st. He comes with extensive experience from Highways in Alberta and is doing a bang-up job. To my left is George Stamatinos. George isn't so new; he's been here for a long time. He's our deputy minister in charge of policy and programs division.

Behind me is Terry Schmidt. Terry's the assistant deputy minister in charge of operations. Also Ted Stobbs who's the assistant deputy minister in charge of corporate services, and Jennifer Ehrmantraut who is the acting director in the corporate support branch. And also further back, Mr. Chair, is Scott Simpkins, ministerial assistant; Ashley Anderson, ministerial assistant; and Doug Line, our chief of staff.

With that, Mr. Chair, I would actually have a brief opening statement that I'd like to read into the record, Mr. Chair. Since coming to office, our government's energies have been focused on three overarching priorities: providing for sustained long-term economic growth, ensuring the security of citizens, and keeping our promises.

This focus extends to our management of the transportation system. Because our province is so dependent on exports, the provincial transportation system has an incredible ability to create or sustain economic growth. At the same time, in order to be efficient, the system must transport people and goods safely. For these reasons our government has made numerous and significant commitments to the people of the province regarding our highways and roads.

Budget 2010-11 positions us to advance all of these goals. The Highways and Infrastructure budget for this fiscal year is \$551 million. That's the second largest budget in provincial history, second only to last year's budget. It provides for a capital

construction program on provincial highways of \$250 million, also the second largest in provincial history.

This allocation will allow us to continue work on major multi-year initiatives that foster economic growth and improve traffic safety. These include completing the Yorkton truck route that will provide access to the new canola crushing plants, year two of construction on the Lewvan interchange, and continued work on the Regina west bypass. Both of these projects will improve traffic flow and allow for the new development of Regina's west side and support the global transportation hub.

And we're continuing work on twinning Highway 11 with a goal of completing the corridor by the end of 2012. We will support economic development in rural Saskatchewan by completing or commencing work on 470 kilometres of rural highway upgrades under the rural highway strategy. All of this work will be done to a standard that can support primary weights.

We will further support the rural economy by providing \$23 million to the municipal roads for the economy program. We will continue to ensure rural communities have access to a range of transportation modes by continuing the community airports partnership and the short-line rail sustainability program.

We will also support our urban municipal partners by investing a total of \$10 million in the urban highway connector program. This program provides participating communities to access provincial funding for the ongoing operation and maintenance, rehabilitation, and capital enhancement of urban highway connectors.

Last year we worked in partnership with northern leaders, First Nations and Métis communities, and industry to develop the northern transportation strategy. We will begin to implement that strategy this year. All told, we will invest \$41 million to build, operate, and maintain the northern transportation system, a 7 per cent increase from last year.

We will upgrade 15 kilometres on Highway 155, the number one ranked corridor on the NTS [northern transportation system], and we will ensure the sustainability of northern transportation by repaving 17 kilometres of Highway 2 south of La Ronge and undertaking six major bridge replacements.

Sustainability of the system is a major priority. While there's a demand for capital enhancement across the highway system, we simply must strike a better balance between upgrades and maintaining infrastructure assets. To that end, we will invest more than \$200 million to preserve, operate, and maintain the provincial transportation system. That includes \$126 million for surface maintenance. We will also invest \$76 million to continue or commence 600 kilometres of repaving on provincial highways.

We also have a significant number of bridges and culverts in the system that are at or beyond their service life, and so we will invest \$32 million in our bridge and culvert strategy including repairing or replacing 42 major structures. We will also invest \$4 million to continue work on the new St. Louis bridge.

Overall the ministry's 2010-11 budget provides a suite of strategic investments that advances government's and the ministry's goals of economic growth, enhanced safety, and keeping our promises. It continues work on projects that provide us with more efficient access to national and global logistic systems and supports the growth of both rural and urban communities. It enhances safety on the system by ensuring that roads and structures are maintained in a timely manner, and it continues to fulfill the transportation commitments that we've made to the people of Saskatchewan. By the end of this fiscal year, we will be just \$100 million shy of fulfilling our promise to invest \$1.8 billion into the transportation system over four years.

With that, Mr. Chair, I'd be willing to entertain any questions.

**The Chair:** — Good. I think we have some questions from Mr. Harper, if I'm not mistaken. Go ahead, sir.

**Mr. Harper:** — Thank you, Mr. Chair, and welcome to the minister and her officials here this evening. It's nice to have you here.

I'm going to start out with some questions in regards to the highways in northern Saskatchewan on behalf of my colleagues who were unable to be here this evening.

First of all, my colleagues wanted me to point to you and through you to your officials that they are very pleased with the level of service on the regular maintenance programs that the workers from the Department of Highways provide to the northern roads. They think they do a bang-up job. But there are of course concerns about the conditions of those roads on an ongoing basis and the need for, I suppose, improved upgrades or additional upgrades to those roads in order to maintain them in a reasonable fashion so people have the opportunity to travel in all-weather conditions.

As you know, Mr. Minister, unlike southern Saskatchewan, communities in northern Saskatchewan usually only have one road — one road in and one road out. The luxury that we have in the south here of having, in many cases, a good all-weather road in all four directions from our community, that's not a luxury that northerners so enjoy.

So with that, Mr. Minister, one of the questions that was put forward to me by my colleagues is the condition of Highway 102 from Southend. It, as I understand it, is in significant need of a major upgrade, and is there any potential of that happening within the next foreseeable future?

**Hon. Mr. Reiter:** — Mr. Chair, in response — and thank you for the question — the northern transportation strategy . . . And a number of leaders in the North are sitting on that committee. They've done an excellent job of ranking projects according to priority. For example Highway 155 was the highest ranked one in the northern transportation strategy, and that project will be started this year.

Now as far as where varying highways sit, including Highway 102, some of those are ranked in segments, not the entire highway. So I'm going to ask Assistant Deputy Minister George Stamatinos to just elaborate a little bit more on that, on

the northern highway strategy, please.

**Mr. Stamatinos:** — Thank you, Minister. Just a few points about the strategy itself. We've been working with approximately 10 northern stakeholder groups, leaders, including the three area transportation planning committees in the North, some representatives from industry, mining, forestry, with . . . [inaudible] . . . the P.A. Grand Council, Meadow Lake Tribal Council, the Métis Nation to develop a set of priorities for the North in terms of transportation infrastructure.

We've met about five times and coalesced around a set of principles, a set of criteria that we've been applying to develop priorities for the investments that are required to serve the needs of our northern region. And we've done a pretty good job, I think. We've developed certainly a map that identifies the, I guess, tranches of investments we can make — 1 to 10, 10 to 20, 20 to 30, etc. — and have received the broad support of the committee members.

That information, I believe, was released at the northern round table meeting. It was about a couple months ago with some northern leaders, and it was well received in the sense that there is a plan in place to advance some work.

The other piece of the strategy I think is noteworthy is, we're just entering a new phase in the development of the NTS which will now integrate the northern airport system within the highway system as well. And we're starting that work actually in two weeks. We're going to sit down with our group of folks to develop and discuss how that might be done.

As Minister Reiter just mentioned, this year we are proceeding with some investments on Highway 155 north of Beauval, and that was actually the highest ranked tranche of projects from 1 to 10. Highway 55 was very prominent in that list, and we will be doing work on that road consistent with what was discussed with our committee members under the NTS. So we're hopeful that that work will be started this spring.

The other piece — you did ask about Highway 102 — Highway 102 also figures into the strategy. There are sections of 102 that rank in the top 10, that's the section just south of Missinipe to La Ronge. And there's also two other segments of 102 that also rank fairly well as well. There's a piece just north of Missinipe, and there's a piece that's just south of Southend. So they do figure in nicely in terms of how the strategy was developed. It's no surprise. That's a very important route not only for the residents of the North as they access the Athabasca region, but it's also an important route to the industry interests in the Athabasca Basin area, whether it be Cameco, Areva, all the mines that rely heavily on resupply and things of that nature during the summer months.

So what I can tell you is certainly Highway 102 does figure prominently in the strategy, and as we move along with our work with the committee, we'll have a better sense of where that particular project will fit into the investment plan that the government will be developing.

[19:15]

**Mr. Harper:** — Thank you. And I think that those in the North

are probably quite pleased to hear that there is a plan and a long-term vision to address the needs in the highways. I want to take my hat off to those individuals who worked I'm sure quite hard at developing a priority program because I would . . . My experience in northern Saskatchewan, it would be tough to rate one highway over the other. Because of the need being so great on all of the highways, it'd be hard to determine which would have even a greater need.

My concern — and as it is my colleagues from the North having my same mind — because I have had the opportunity of driving over 102 on a couple of occasions, and my biggest concern there was a safety factor. I would call it a narrow, winding road with poor visibility as far as being able to see oncoming traffic. If you happen to do it on a hot August day as I did, it's a cloud of dust if you pass anybody and if you get in behind a unit moving down the road going to one of the mines, you're there and that cloud of dust is very thick. And I suppose because of the bush cover, it doesn't disappear too quickly.

So it's really a safety factor. So I would understand the priorities and I would understand that perhaps the reasons for priorities, but certainly where would have safety ranked within the formula used by the committee to rank highways in northern Saskatchewan on a priority basis?

**Hon. Mr. Reiter:** — A couple of points first of all to the member. He mentioned the work that the area transportation planning committee did. And you're absolutely right. My hat goes off to them as well. It's a great deal of work and they put a lot of time and effort into it and we certainly appreciate that and I'm glad to hear you mention that as well.

There's a number of factors that go into the rating. As you can imagine, it is a very difficult job for the committee. Safety is a component when those are evaluated and in a minute I'll ask George again to explain what part of the strategy that is. But I also want to mention that while there's numerous highways around the province that need to be reconstructed, in the meantime our ministry people are working as diligently as they can to continue with maintenance to ensure safety as much as possible. So with that I'll get George to mention where safety falls under the strategy.

**Mr. Stamatinos:** — Thank you, Mr. Minister. Safety certainly is one of those factors that kind of weaves through all of the work that we've done to develop the strategy. But maybe if I might just take a moment to share with you some of the elements that we have considered in terms of how we developed our priorities.

Picking out first the most important one — safety. We've called it highway safety consideration. We've allotted three separate elements to that that look at, for example, the number of accidents that occur on a particular segment of road. By the way, there are 54 segments of roads that are considered under the strategy of all the roads. That's how we segmentize them, and we've assessed priorities for all of them.

So access is one. Certainly the condition of the road, as you mentioned, Mr. Harper, is important. So if it's the geometrics, how wide it is, how rolling it is, the sight distance, bush cover, all those sort of things are factored in. Is it a dangerous goods

road? Like if we're transporting dangerous materials, it will obviously receive more points, or more consideration than other highways. We go far beyond that, of course. We look at things like engineering economics. Because it's important we develop our northern region, we want to make the very best investments to support the growth of that region in terms of the benefits we can receive from an investment in the transportation infrastructure.

And we do it in two ways. We do that as a benefit cost, as some of you will know, and we also look at what's called net present value. So we look at short term and long term because those two calculations give you different results. So we blend the two.

The other piece is socio-economic factors and considerations like, how is it classified relative to the southern highway system? What is the traffic level on that road? And how is it ranked by the local area transportation planning committees in the North? There's the three committees and we value their input into that process.

We also look at how many trucks are using that particular road and how our colleagues over at Enterprise Saskatchewan have rated it from a provincial . . . how that road contributes to the provincial economy.

We also look at whether there is year-round or seasonal access for that particular route. We value, for example, the communities that rely on . . . I think someone mentioned some of these routes are the only access road into a community, and that's an important consideration. So we look at what the population of the community. We look how isolated it is relative to major centres that it connects to. And we also, we also look if they only have seasonal versus year-round access, where it's an ice road, for example, or served by a barge service or things of that nature.

And two other things. You know, certainly as a ministry we've always valued partnerships whether it be with communities, industry. And with the group that we've asked to participate on this, on this process with us, we consider partnerships, whether it be from a community . . . It could be in kind, it could be hard money, hard cash, I mean. It could also be an industry partner who wants to be part of, throw in some resources to improve the condition of the roadway.

And lastly is how that road contributes to the local economy. We hear that often in many of the projects that we have put in place, is that the contribute to the local economy that that road makes is important. So we invite folks from communities or industries to come and meet with the group that we've put in place, I guess to pitch their case of why their road is important. And we provide some serious consideration to the arguments that they make and the business case they make for improving the rank of that project.

**Hon. Mr. Reiter:** — I think if I could just add to that. We'd mentioned the importance of the committee and the work that they're doing, and even though there's much more work for them to continue to do, I just come back to the fact that the highest rank highway so far in the North is 155, and work is starting on that this year.

**Mr. Harper:** — Thank you, Mr. Minister. When the committee was doing this assessment and using their various yardsticks to measure the priorities of our highway, was your department, your officials involved there to also assist the committee to identify perhaps sections of certain highways that were more in need of attention than others? For example, on Highway 102 for example, is there particular sections or particular areas of that highway that present a more serious safety issue than others? And would that then mean the ability for those areas to be addressed before the entire highway is addressed?

**Hon. Mr. Reiter:** — Mr. Chair, our officials of course do do a lot of work with the committee. The committee sets their criteria. A lot of the legwork evaluating the projects for all the projects in the North are done by our officials. The works then goes back to the committee.

If you'll notice, George mentioned earlier that Highway 102 is broken down into segments. It's for a number of reasons including where other roads connect to it, those sorts of things. Safety is one of the criteria, so safety's looked at in the sense of each one of those segments. But also in addition to that, even once the roads are evaluated and set on the list, our ministry officials continuously look for hot spots. Obviously maintenance is a big part of safety and when they look for hot spots . . . I'm just going to get Assistant Deputy Minister Terry Schmidt to explain the role the ministry plays in that case and the actions they take to deal with it.

**Mr. Schmidt:** — Thank you, Minister. Yes, as the minister mentioned, in addition to assessing the transportation system not only in the North but in the rest of the province for capital upgrades through either the northern transportation strategy or the rural highways strategy, we also assess as well the safety of the system. And so annually we will look for areas that have accident rates or don't have a safety record that is, you know . . . It's got higher accident rates than normal. And we'll do assessments on those and then through the safety improvement program or through our operational programs, we'll look to bring in safety improvements at spot locations to address those.

So for example on Highway 102 and 905, almost on an annual basis, we will identify areas and . . . For example, last year and I believe this year as well there is some blasting of rock outcroppings that are planned adjacent to some areas to improve the sightlines around some tight curves or in areas where rock is very close to the edge of the road, where if a vehicle would leave the road it could be a problem. So work continues on those spot locations as well to improve safety.

We also apply dust treatment along sections of 102 at critical intersections, on curves, and also strategic locations to allow passing opportunities to occur. As you mentioned, the dust can become quite a problem there when it's calm. So we are monitoring the whole system for safety concerns and we try to address those on an annual basis as well.

**Mr. Harper:** — In the evaluating process, was part of the mixture, I guess, would be consideration given to distances maintenance staff would be located from, along a road or from a road or from a particular highway? We'll just use 102 for the example. Was that part of the formula to determine priorities of the roads?

**Hon. Mr. Reiter:** — In answer to your question, the locations of the maintenance areas around the North are strategically located so that they can handle regular maintenance. They can handle blading of snow. They can handle work in the summer. So no, in answer to your question, no they're not considered part of the criteria.

**Mr. Harper:** — So that the availability for a maintenance crew to get out and to address a snow-covered road after a storm and the distances involved, that wouldn't be part of the consideration of whether a road should be upgraded a year or two earlier than another road?

[19:30]

**Hon. Mr. Reiter:** — The location of the crews, again, is done strategically so that it can handle what our people feel to be in an adequate time, handle all types of maintenance including snow removal, including blading in the summer, all those things. So no, it would not give one road a priority over another one.

**Mr. Harper:** — What's the status of the Wollaston Lake road?

**Hon. Mr. Reiter:** — In response to the question on the Wollaston Lake road, to date the ministry's completed the centre-lying clearing from kilometre 37.6 to kilometre 102 which is Wollaston Lake. The right-of-way clearing from kilometre zero — that's at the junction of Highway 905 — to kilometre 37.6 is also completed. There's work currently under way in the construction of the subgrade from kilometre zero to kilometre 10. There's been a number of contracts that have been issued to Points Athabasca Contracting, was completed on April 21st, 2008. That was for right-of-way clearing of 35 kilometres. Again the same company completed a contract on March 20th, 2009, again for centre line clearing of 32 kilometres.

Hard Rock Construction was given a contract which was completed on March the 20th of 2009 for centre line clearing of 25 kilometres. There was a contract to Athabasca Contracting, which was carried over to this year, for the grading of 10 kilometres. Current status on that contract, work's approximately 60 per cent complete. There's 10 kilometres of partially completed subgrade in place, one permanent culvert installed, and the work is scheduled to recommence in the middle of May.

**Mr. Harper:** — Has the right-of-way been cleared all the way from Points North to Wollaston Lake? Is the right-of-way clear all the way?

**Hon. Mr. Reiter:** — The centre line has been cleared all the way. The right-of-way clearing, though, is just at kilometre 37.6.

**Mr. Harper:** — And what level of activity do you see taking place on that particular road this summer?

**Hon. Mr. Reiter:** — As I mentioned earlier, the last contract I mentioned, Athabasca Contracting, they'll continue with work there. There'll be 10 kilometres should be completed. They're anticipating that it'll be completed as of September 30th.

**Mr. Harper:** — You're suggesting that an additional 10 kilometres will be completed this construction season?

**Hon. Mr. Reiter:** — It would be a total of 10 kilometres.

**Mr. Harper:** — Oh, a total of 10 kilometres. So there won't necessarily be 10 kilometres constructed in this construction season, this construction season being 2010?

**Hon. Mr. Reiter:** — It will be a total of 10 kilometres.

**Mr. Harper:** — That includes the construction from 2009?

**Hon. Mr. Reiter:** — Yes, it does.

**Mr. Harper:** — And how much construction was done in 2009?

**Hon. Mr. Reiter:** — My official tells me about 60 per cent of the grade was completed in 2009.

**Mr. Harper:** — Sixty per cent of the grade to Wollaston Lake?

**Hon. Mr. Reiter:** — Of the 10 kilometres.

**Mr. Harper:** — Oh, 60 per cent of the 10 kilometres, in other words, 6 kilometres.

**Hon. Mr. Reiter:** — Well it's 60 per cent of the grade though.

**Mr. Harper:** — Okay, on the entire 10 kilometres, on the entire 10 kilometres.

**Hon. Mr. Reiter:** — Right.

**Mr. Harper:** — Okay, okay. So then what you're saying is you expect that same 10 kilometres to be completed this year.

**Hon. Mr. Reiter:** — Not true. What the member isn't understanding what I'm saying is that there's 10 kilometres will be built and completed this year.

**Mr. Harper:** — You're saying a total of 10 kilometres will be done this year.

**Hon. Mr. Reiter:** — That's right.

**Mr. Harper:** — And you're saying that 60 per cent of the grade on 10 kilometres has been already completed.

**Hon. Mr. Reiter:** — That's correct.

**Mr. Harper:** — So then what you're saying is that the other 40 per cent will be completed this year?

**Hon. Mr. Reiter:** — I didn't realize you were that much of a math whiz, but yes, that's the case.

**Mr. Harper:** — Wow. So then there's going to be no additional construction, no additional kilometres under construction this season.

**Hon. Mr. Reiter:** — That will be the project for this season. It

should be completed about the end of the September.

**Mr. Harper:** — Okay, thank you. Is the federal government participating in funding the cost of doing this particular Wollaston Lake road?

**Hon. Mr. Reiter:** — Not at this point. The work that's being done right now is strictly provincial.

**Mr. Harper:** — Has there been any overtures to the federal government for financial participation?

**Hon. Mr. Reiter:** — Thank you for the question. There's been discussions ongoing between my officials and the federal government under the Building Canada Fund. While there has been nothing definite at this point, we're hopeful that possibly somewhere down the road we could do something. If that is the case, we would certainly use that money to accelerate construction on this project much in the way we did on Highway No. 11. That project has ramped up enormously because of the extra funding from the federal government. So that would be the hope that, if things work out that at some point down the road, it would be used for that.

**Mr. Harper:** — So since there's going to be no additional kilometres under construction this year, it obviously doesn't rate high in your department's priority list. So I assume then that the community will have to continue to rely on a winter road, ice road. This is what they relied on in the past.

**Hon. Mr. Reiter:** — Obviously until that project's complete, communities will have to rely on the ice roads in the winter. They'll have to rely on the barge in the summer, just as they have for many years including when you folks were in government. Until the project can get completed, yes, that's the case.

**Mr. Harper:** — So the barge system — that was going to be my next question — the barge system still operates and services Wollaston Lake in the summer months?

**Hon. Mr. Reiter:** — That's right.

**Mr. Harper:** — And do you have a time frame or does your department have a time frame in which you would expect to have the overland route to Wollaston Lake completed?

**Hon. Mr. Reiter:** — It's hard to put an actual time frame on that. You know certainly it's our intention to keep working on that as we are this year, but until we see how developments go with the federal government, like I said, it would be our hope that that would ramp up the construction schedule on it. Until we see how that shakes out, it's difficult to put a time frame. As you can tell, it's a slow construction process in the North. It's expensive and we're continuing to work on it. So that's why we're looking for ways to speed that up.

**Mr. Harper:** — Would it be unfair for me to ask you if you would be able to suggest a time frame of five years or ten years for the completion of the overland route?

**Hon. Mr. Reiter:** — Just not prepared to do that at that time. Like I said, you know, you can see what happened with

Highway 11 when that project was initially announced. I believe it was for 14 years, and we've ramped it up enormously. That'll now be done the end of 2012.

So you know I'd hesitate to put a time frame on that now, you know, suggesting that perhaps the federal government wouldn't be involved and then they are and those numbers could be thrown out the window. So I'm just not prepared to do that at this time.

**Mr. Harper:** — Presently there is an overland route from Points North to Stony Rapids which serves to provide a reasonable cost of freight being moved overland on a regular basis. But that road is . . . Well it's not one that the light of heart or faint of heart should travel.

And has there been any improvement on that road in the last construction, last year's construction season? And do you anticipate work to be done on that road in this construction season?

**Hon. Mr. Reiter:** — The operations and maintenance on that piece of road are contracted by the ministry to the Athabasca Economic Development and Training Corporation. Again, as you are aware from this discussion and previous question, there is no construction per se planned on there, but the operations and maintenance are done by them.

Over the last couple of years, we have invested some money in safety on that road. We've flattened some hills. We've padded some muskeg and rocky areas to improve the roadbed. That was also done by the Athabasca Economic Development and Training Corporation.

**Mr. Harper:** — Thank you, Mr. Minister. I know your predecessor took the opportunity to travel that road. I'm just wondering, have you had the pleasure of having the opportunity to drive over that road?

**Hon. Mr. Reiter:** — I haven't yet. The plans are to be there in the next few months, hopefully over the summer.

**Mr. Harper:** — Yes, I would encourage you to do so, because it's an interesting drive, and I think one that you'll find that you'll have many memories from afterwards.

**Hon. Mr. Reiter:** — I take it you've done that yourself then recently?

**Mr. Harper:** — Yes, three years ago I guess it was. About three years ago.

**Hon. Mr. Reiter:** — I'm glad to hear you got out of Regina.

[19:45]

**Mr. Harper:** — Well, Mr. Minister, if you do ever have the opportunity of experiencing some of our highway systems in rural Saskatchewan and you get lost, just give me a call. I'll be able to give you directions out.

Mr. Minister, obviously northern Saskatchewan continues to rely on the winter road network and likely will for well into the

foreseeable future. How many miles of winter roads in northern Saskatchewan was your department responsible for this last winter?

**Hon. Mr. Reiter:** — The ministry's currently responsible for 280 kilometres of ice roads. There's 184 kilometres of seasonal road, the Athabasca seasonal road, and then there's also 50 kilometres of overland road from Stony Rapids to Fond-du-Lac. So you've got just slightly over 500, but I know math interests you, Mr. Member, so according to my calculations, it's 514 kilometres total.

**Mr. Harper:** — Thank you, Mr. Minister. Seasonal roads, what do you exactly mean by a seasonal road?

**Hon. Mr. Reiter:** — I'm not sure where you're, you know, going to with that. The seasonal roads, generally we refer to that as any ice roads or roads that are built in the winter with a bed out of snow so that they're only operational in the winter months. Once spring breakup comes, they're no longer operational.

**Mr. Harper:** — So that's a road that's built not on a lake. It's built on land or muskeg or something along that line. It will only support weight in the wintertime, but wouldn't be considered an ice road?

**Hon. Mr. Reiter:** — The ice roads would be the ones clearly built on water. The seasonal roads could refer, as you mention, could refer to roads that were built on muskeg, something that's not passable in the summer months.

**Mr. Harper:** — What would the cost, overall cost of construction, maintenance of ice roads, seasonal roads, roads that are only available to carry weight in the winter month, what's the overall cost of doing that?

**Hon. Mr. Reiter:** — My officials tell me the total cost for the construction and maintenance of those for the season is about \$1.2 million. So just over 500 kilometres, you're looking at just over 2,000 per kilometre.

**Mr. Harper:** — Well would your department have any idea of the amount of tonnage that would be moved over those ice roads in the winter months? You wouldn't have anything like that?

**Hon. Mr. Reiter:** — I don't believe there's any way that we could get any kind of an accurate calculation on that, but I could certainly pull one out of the air if you like.

**Mr. Harper:** — No. That wouldn't be the first time you've tried that, Mr. Minister. But I can assure you, it likely wouldn't work.

Well thank you, Mr. Minister, for your information on northern . . . That pretty well wraps up my questions on northern Saskatchewan and the roads in northern Saskatchewan.

My next questions would be, I notice that in one of your releases here where you announced the kickoff of another construction season, and that would be for 2010, you indicated in that release that there was some 42 bridges and culverts that

were going to be either repaired or replaced. Can you tell me how many bridges will be replaced?

**Hon. Mr. Reiter:** — In answer to your question on the bridges, we have some situations where we have bridges replacing bridges. We have some situations where we have culverts replacing bridges.

There's a number of them, on Highway 1 west of Chaplin, there's a couple of bridge replacements there. There's another one at Chaplin, kilometre 2.27, there's one. On Highway No. 2, there's a bridge replacement at St. Louis bridge. On Highway No. 4 north of Elrose, there's a bridge replacement. Highway 13, there's one of them near Battle Creek in kilometre 11 and also one at Lodge Creek in kilometre 12.

On Highway 18, east of Glentworth, there's a bridge replacement. Highway 18, by McDonald Creek. Highway 20, at the Long Lake outlet. Highway 21, at Maple Creek. Highway 21, it's at kilometre 29.21. Highway 167, at Meridian Creek, there's a bridge replacement. Highway 335, there's a bridge replacement. It's east of the junction Highway 35, over the Leather River. And there's also a bridge replacement over Flotten Creek on Highway 904.

Now as I mentioned, we've got some cases where we have culverts replacing bridges. On Highway 2, at Poplar River, kilometre 30.8. On Highway 2, north of the US [United States] border, kilometre 0.8. Again on Highway 2, the St. Victor access road, kilometre 13. There's also a culvert replacing a bridge 4 kilometres east of Erwood on Highway 3. There's one on Highway 4 at Alcott Creek, kilometre 45. There's a culvert replacing a bridge on Highway 13. It's a stream east of Weyburn.

On Highway 20 at Carrot River, again a culvert replacing a bridge. Highway 25 southwest of Birch Hills. Highway 36 east of Poplar River. Highway 55, there's a couple of them: there's a creek at kilometre 10.49, and there's also one east of Pierceland. On Highway 167 at Mosher Creek. Highway 167 at Loon Creek. Highway 219, it's north of junction Highway 15 at kilometre 19.37.

Highway 334, 17 kilometres east of Avonlea. There's a culvert replacing a bridge on Highway 924 at Elis Creek, also Highway 924 at McKenzie Creek southeast of Dore Lake. Highway 927 and kilometre 23.1, there's a culvert replacing a bridge. And on Highway 980, there's two going in at kilometre 46.6 and at Midnight Creek and kilometre 49.3.

**Mr. Harper:** — Thank you, Mr. Minister. So how many locations are you replacing a bridge with a culvert?

**Hon. Mr. Reiter:** — It would be 20.

**Mr. Harper:** — 20?

**Hon. Mr. Reiter:** — 20.

**Mr. Harper:** — And the process used to determine the need to replace that particular bridge, would it be your officials would do the inspection on a bridge or how would you determine the time is right or there is a need there to replace that bridge for

safety reasons?

**Hon. Mr. Reiter:** — Well I always weigh heavily what the Highways critic's opinion is. I also rely on the officials a lot, and I have engineers all around me. I'll just confer with them for a moment.

**Mr. Harper:** — I'm glad, Mr. Minister, you're conferring with your engineers to make that decision and not with the Highways critic. Thank you.

[20:00]

**Hon. Mr. Reiter:** — The ministry officials keep a record, sort of a list of priority bridges that need to be done, need to be replaced. The bridges themselves are reinspected every two years to see if there's any dramatic change to that and whether the priorities need to change. As far as ranking it from an engineering perspective, you're getting quite technical, I think beyond both the critic and the minister. So I'm going to ask one of our engineering people, our assistant deputy minister, Terry Schmidt, to explain in a little bit more detail how that's done.

**Mr. Schmidt:** — Thank you, Minister. As the minister mentioned, the bridges are inspected every two years.

And so the engineers will inspect all the structural components of the bridge — the piers, the abutments, the stringers, the girders, the deck — all those structural components as well as the guardrails and the other safety components and barriers as well. That information is then all entered into our bridge database and, using a risk management approach, we then calculate what we call a bridge condition index for every bridge. And we are also doing the same with our large culverts as well. We were inspecting them as well to ensure that they are structurally sound.

And then using that risk management approach, we will then prioritize the bridges and culverts that need replacement and then we will program them into the next program year for replacement of a bridge with a bridge or a bridge with a culvert.

**Mr. Harper:** — So in other words you have a system or a formula you'd use when you do your bridge inspections.

A few years back, probably three or four years ago, something like that, there was a significant and I guess surprising bridge collapse in Quebec that resulted in a loss of life. Did you then change your process of bridge inspections after that incident? Has there been any change to the process or is it the same process used today as you did five years ago or 10 years ago?

**Hon. Mr. Reiter:** — That's sort a technical question, I'll again defer to our assistant deputy minister.

**Mr. Schmidt:** — Yes. Thank you for the question. That was a very catastrophic event and what we did was, when that occurred, we did thoroughly go through the report. And as soon as it occurred as well, we took action. And that was a very specific type of bridge design and bridge construction. So we went through our inventory and we had no such type of bridges of that nature in our inventory that were designed or constructed in that way. So that really wasn't applicable to the

Saskatchewan bridge inventory.

But what we did do is, that is when we started our strategy to ramp up our investment into bridges and culverts and so we started investing more money to replace more bridges and more culverts.

**Mr. Harper:** — Thank you. So how do you determine who is going to do the actual replacement of the culvert? Is there a tender sent out or is it done under a forced work account or how is it done?

**Hon. Mr. Reiter:** — In response to that, for emergency type situations we have our own bridge crews in place just as we have for many years. The difference right now is we've ramped up the amount of spending on bridge replacements by a large amount. In 2007-08, the budget for that was in the neighbourhood of \$9 million. This year it will be about \$36 million. That difference that's going into the planned bridge replacements is being done largely . . . It's being tendered out, done by contract.

**Mr. Harper:** — You say largely all 20 culvert locations are going to be tendered out and be done by an outside contractor?

**Hon. Mr. Reiter:** — All the culvert . . . The bridges that are replaced by culverts, all those will be tendered out.

**Mr. Harper:** — Thank you. So that means there's 22 bridges . . . Am I correct in assuming then there's 22 bridges going to be replaced with bridges? When I went to school, that's what it came up to. But we have a new minister here so it's hard to say.

**Hon. Mr. Reiter:** — Once again I want to tell you how impressed I am with your math skills. That's correct. There would be bridges replacing bridges with 16 of them, plus the bridge rehab, there's six more.

**Mr. Harper:** — Well in your press release, you said 42 bridges and culverts were going to be replaced, and you told me that 20 bridges are being replaced with culverts.

**Hon. Mr. Reiter:** — My official tells me that the difference there you're alluding to is six bridge rehabs where not the entire bridge will be replaced. It'll be a substantial overhaul. It'll be a rehabilitation of six of them.

**Mr. Harper:** — So then am I correct in saying that there's 22 bridges going to be replaced with bridges or have a significant overhaul for a total of 22 bridges going to have work done on them?

**Hon. Mr. Reiter:** — My official tells me, yes. There'll be 22 bridges will have work done on them.

**Mr. Harper:** — Excellent. Excellent. Now is that work on all 22 bridges going to be done by department staff, department bridge crews?

**Hon. Mr. Reiter:** — Oh, it'll be blended. Some will be by contract, some will be by department staff.

**Mr. Harper:** — How many will be by department staff and

how many will be by contract?

**Hon. Mr. Reiter:** — My officials tell me they don't have that breakdown with them here, but certainly we'd be happy to have them provide that to you as soon as possible.

**Mr. Harper:** — I would, yes, I would like to receive that information. I'd like to know how many bridges are going to be worked on by department staff and how many are going to be worked on through contract.

Those bridges that are going to be worked on by a private, outside contractor, what criteria must the contractor have in order to qualify his construction firm to be able to do bridge repair or replacement?

**Hon. Mr. Reiter:** — I am going to get my deputy minister, Rob Penny, to set out the criteria to you. And actually before I do that, I also want to mention I've asked Rob to ensure that the information you asked about — the breakdown of the bridges, which ones are by contract, which ones are by the bridge crew — will be provided to you.

**Mr. Harper:** — Thank you.

**Mr. Penny:** — As with all contracted services for any road construction, bridge construction is no different than that in that we would ask that all of the contractors must have the certificate of recognition, which is a safety certification by the Saskatchewan Construction Safety Association. So all contractors need to have that before they can bid on any of our projects.

Secondly they must qualify and receive bonding from a certified bonding company that would include a bid bond that accompanies their bid when they provide it, as well as surety that they would be receiving performance bonding and labour and materials bonding up to 50 per cent of the project for each of the cost of the project, so that if they were to default and not be able to complete the work, that we would go to the bonding company to then contract or provide those services to complete the project.

It's really the bonding company's responsibility to assure that the contractor is bondable to be able to put that money forward. Any contractor that wouldn't be able to do that wouldn't receive that bonding.

**Mr. Harper:** — Would the contractor have to demonstrate some experience at constructing of bridges or repairing of bridges in the past history before he could qualify to bid on a project?

**Hon. Mr. Reiter:** — I'll ask Rob to answer that as well please.

**Mr. Penny:** — I don't want to ask you the question back. But the contractor would have to have had some experience, but that isn't included it in his bonding or in his bid. The bonding company makes that assurance for us, or they would never issue a bond worth that much money or be able to put that much money for the contractor to do that. So a contractor may not have experience in, let's say, Saskatchewan but may have built a bridge in Manitoba. We wouldn't have that experience for



him, and we don't expect that bid to include all of that, just any of his experience.

**Mr. Harper:** — So you're saying that the bond rating company would then verify or the contractor would have to satisfy the bond company that he has the experience or he or she has the experience to be able to qualify for a contract and build a bridge or replace a bridge.

[20:15]

**Mr. Penny:** — Yes, that would be correct. They would have to do all of that, their due diligence, because it's their money that they're putting forward on that contractor.

**Mr. Harper:** — On a bridge that's being reconstructed, not repaired but totally reconstructed by a contractor, who supplies the material? Does the department supply the material or does the contractor supply the material?

**Hon. Mr. Reiter:** — When it's a contract, typically the contractor supplies the materials. That's part of the contract.

**Mr. Harper:** — And how or is there any inspection of the construction site while the construction is under way by any official from the department?

**Hon. Mr. Reiter:** — Again you're more into the engineering aspect of that, so I'll ask my deputy minister, Rob, to answer that.

**Mr. Penny:** — Oh absolutely. We would inspect the contractor's site. We would inspect actually all the materials as it's being put on so that it . . . before that it actually gets incorporated into the work. Let's say it's a steel reinforced concrete girder. That the steel reinforcement was placed as per the design that we had supplied before, you know, when it gets delivered.

And in fact in some of the cases, we may actually go to the manufacturing shop to ensure that it's being built at that thing before it's actually supplied to the site, you know, for a bridge contract. But even during the process of them constructing it, we would be on-site watching the major portions and the major components of the construction.

**Mr. Harper:** — When you say you'd have an inspector on-site, would that inspector be there full-time, or would an inspector just stop in periodically?

**Mr. Penny:** — I guess it depends on what stage of the construction it is. They could be just compacting something; he doesn't have to necessarily be there. But if it's a critical stage of the construction, we would be there to watch them actually placing the girders and those types of activities.

**Mr. Harper:** — Would the person doing the inspecting on behalf of your department, would they be considered an engineer? Would they have an engineering certificate?

**Mr. Penny:** — Yes, regardless of whether this was a project engineered and inspected by our staff or by a consulting engineering staff, we would have the final sign-off and

acceptance of the project and the critical components by an engineer. On a day-to-day basis, there's quality control and quality assurance on various components that we would have engineering technologists doing those components of the work, but under the auspices and supervision of an engineer.

**Mr. Harper:** — So the person doing the inspecting on a day-to-day basis would certainly carry the qualifications required to ensure that the work is being done properly and adequately for the motoring public of Saskatchewan to safely be able to rely on the safe construction of the bridge.

**Hon. Mr. Reiter:** — I believe even I can answer that one. Our ministry officials certainly are high quality. They'll ensure that the people who are doing those inspections do have an adequate background in it.

**Mr. Harper:** — Thank you, Mr. Minister. I think that probably concludes my questions on that particular aspect of highways. The Yorkton truck bypass which has been announced, when was the idea first conceived by your department to construct such a bypass?

**Hon. Mr. Reiter:** — It actually goes back quite some time. It starts in mid-September 1997. The city of Yorkton, the RM [rural municipality] of Orkney, and the Highways ministry made a joint submission to the Canada agri-infrastructure program or CAIP [Canada-Saskatchewan agri-infrastructure program] as it was known at that time for a Yorkton west truck route transportation study.

In March of '98, the ministry, the RM of Orkney, and the city of Yorkton signed a memorandum of understanding agreeing on the location of it. Work continued to be done, and in an independent study, the city of Yorkton commissioned engineering firm Wardrop Engineering to undertake a transportation study for the city in 2003-2004.

What accelerated that I guess is in the announcement of JRI [James Richardson International Limited] and Louis Dreyfus's intention for development. At that time the ministry commissioned Wardrop Engineering to provide an update to that 2003-2004 study, and it was to examine the impacts on the current transportation infrastructure given the current traffic characteristics.

That study was completed in June of 2006, went on till late March 2007. At that time JRI provided the ministry with its site layout plan. Work continued through that. In December of 2007 JRI contacted the ministry and on January 4th, 2008, as well to discuss the status of changes that were required to Highway 16. Those were changes that were recommended in the Wardrop study. They indicated that they were proceeding with the development, and they expected to be operational in 2010.

Again in February 2008 and April 2008, JRI contacted the ministry. They requested confirmation that the ministry would complete the improvements to accommodate their timelines. Work continued through 2008. Our department provided a timeline to the Ministry of Agriculture. Again there's numerous steps that were taken along the way that get us to the point that we're at today.

**Mr. Harper:** — When was the first design done for your department?

**Hon. Mr. Reiter:** — The survey data was collected in 2008, and the design work was done over the winter 2009 and tendered. The first phase was done in summer of 2009, and the second phase, the tender will close next week, the tender will close.

**Mr. Harper:** — Was that the very first design ever done for the Yorkton truck bypass, or was there a design done earlier?

**Hon. Mr. Reiter:** — It's part of the decision-making process on that. A number of routes were looked at, but in answer to your question, I'm advised there's only ever been one design done. That's the one that's under way right now.

**Mr. Harper:** — There's never been a road design done previously to accommodate the Yorkton truck bypass route to the west side of Yorkton? You and your officials are sure of that?

**Hon. Mr. Reiter:** — My officials advise me that while in the route selection process, which is normal in any project of this size, a number of possible routes are looked at, but as far as actual, final design work done, to the best of everyone here's knowledge, there's only ever been done on one.

[20:30]

**Mr. Harper:** — Okay, I'll accept that, Mr. Minister. The design that your department finally has agreed upon or settled on and is using for the purpose of contracting, does that design call for the construction of the bypass to use primarily existing right-of-way road right-of-ways? Or does it use a significant amount of privately owned land that the department will have to be purchasing?

**Hon. Mr. Reiter:** — Most of this is on private land so it's purchased, not on existing right-of-way. This is a new location. That's not unusual in a project like this. But what the ministry's tried to do is minimize impact on the landowners by purchasing on one side and on a quarter line.

**The Chair:** — Thank you, Mr. Minister, and thank you, Mr. Harper. I think we'll take a 10 minute recess now. It allows us to all stretch our legs and get a bit of a rest. We'll come back at quarter to nine. Thank you.

[The committee recessed for a period of time.]

[20:45]

**The Chair:** — Welcome back. Welcome back, members and Minister and officials. I was remiss when I began the session this evening. We are going to be voting on two votes tonight, I forgot to mention. Within the General Revenue Fund, is vote 17, highways and infrastructure capital, infrastructure rehabilitation, as outlined on page 102 of the Estimates booklet.

So I guess from this point on, if we'd like to let the minister talk about it briefly, or if we want to just incorporate questions now from both votes, procedurally wise I've covered off both votes.

**Hon. Mr. Reiter:** — I'll certainly leave it up to the members. I'm fine with taking questions for both votes if that's okay with you, Mr. Harper.

**Mr. Harper:** — It's fine with me if it doesn't matter to you, Mr. Minister. I'd just as soon we'd just incorporate.

**The Chair:** — That'd be great. Thank you everyone for understanding. I appreciate that.

**Mr. Harper:** — Now back to the Yorkton truck bypass. You indicated that much of the land that's going to be utilized to facilitate the bypass is private land and it's going to be purchased. How far from the designed truck route would there be a municipal road allowance?

**Hon. Mr. Reiter:** — Much of the route follows a quarter line. So the nearest existing road allowance would be in either direction, would be half a mile either way.

**Mr. Harper:** — As I suspected. Then what would the reason be for your department to decide to build a road in the middle of the section of land in, quite frankly, some prime Saskatchewan farm land, when a half a mile either way is an existing municipal road allowance that would, I would think, would suffice to be able to meet the needs of constructing a bypass on the municipal road allowance, rather than using up prime Saskatchewan farm land?

**Hon. Mr. Reiter:** — There's a number of criteria that are looked at, the ministry officials look at, when they're determining possible routes. They try to impact the least number of landowners, the least number of residents. There's also environmental, environmental impact is also very seriously considered. And there's a number of technical considerations that are considered as well. I'm going to ask our assistant deputy minister, Terry Schmidt, to elaborate a little bit on the technical considerations.

**Mr. Schmidt:** — Thank you, Minister. There's various aspects we look at in route selection, and one of them would be the horizontal alignment, the curvature of the road. We want to minimize the curves as much as we can, of course, and try to keep a straight alignment. The other one is how we will access the properties there. We want to do that in such a way that will minimize access but still provide the necessary access needed for those properties.

And a third component that was looked at there was how those roads will intersect Highway 16 and Highway 52. We want those to come in at right angles. And we also want to do it in such a way that we will, for planning for the future, that there will be opportunity there to construct ramps or turning lanes or interchanges in the future. So we do it in such a phased approach that we can construct those interchanges in the future when and if those traffic volumes will necessitate that.

**Mr. Harper:** — So how does the present route that you've chosen differ from having moved that present route a half a mile to the west and used municipal right-of-way?

**Hon. Mr. Reiter:** — I would assume there'd be a number. The criteria I mentioned earlier, it would impact on a number of

landowners and residents, environmental impact. All those things are considered before a final decision is made.

**Mr. Harper:** — Thank you, Mr. Minister. And I heard you say those are the things that are considered. My question is, what is those situations in regards to the Yorkton bypass and a route that your department has chosen to use? What was the criteria that caused your department to decide upon using this particular route that goes through the middle of a section of land, impacts the entire roadway of private land, versus moving the design a half a mile further west and using a municipal road allowance?

**Hon. Mr. Reiter:** — I'm going to just confer with my officials for a minute, but before I do, I want to point out that I think some people might be misunderstanding based on your description. This is not cutting through quarters of land. This is following the quarter line, and it would then minimize severance of properties. So and with that, I'll confer with my officials to get more details.

**Mr. Harper:** — You're taking the road allowance off of one side of a quarter of land; this is correct. But the impact upon that quarter of land and even the neighbouring quarter of lands now has a road allowance dividing them. Whereas the municipal road allowance . . . It's commonplace for municipalities, when required — the standard road allowance is 66 feet — when required, municipalities will take an easement or purchase the land adjacent to the road allowance to allow them enough material to build a road.

The same would be with the Department of Highways. That's quite standard, rather than chopping a section of land in half. I'm just wondering what was the criteria that caused your department to decide that that was a better choice rather than using the existing road allowance?

**Hon. Mr. Reiter:** — I would point out my background was in rural municipal administration. I was involved in many road projects. And the situation that you're referring to is often the case when municipalities are rebuilding an existing road. They'll use the road allowance. They'll expand the right-of-way on either side to what's needed. This is a much, much different project. This is a much more significant project. So with that again, I'll just confer with my officials and get some details for you.

Mr. Member, there's actually, I'm told, there's a number of considerations there. To move it one way on the municipal road allowance, it would put it much closer to existing residents. To go the other way on the municipal road allowance, it would move it further away from the project and would — if you're familiar with the area — it would make it difficult to connect to Grain Miller Road, which was key.

There's also some technical considerations involving the curves, which you're shaking your head about, but I will explain that. And I'm going to ask, because it's technical, it's involving the curves on the road, I'll ask Assistant Deputy Minister Terry Schmidt to address those.

**Mr. Schmidt:** — Thank you, Minister. We did have some constraints on the design on the project, and that was that one of the key stakeholders that would be having trucks coming in and

out of their facility, which was the Richardson International facility on the north side of Highway 16, was accessing their main access which was not on Highway 16, but on Grain Miller Road.

[21:00]

So we had some constraints in that we had to bring the west bypass into that intersection on Grain Miller Road. And it did come in at a skew angle on Highway 16, so we did have to realign Grain Miller Road to come in at 90 degrees. And then of course we had to realign Highway 16 further south, away from the railway tracks, so there was enough separation between Highway 16 and the railway tracks to meet federal regulations for the distance, so that you can park those big semi units without hanging over on the railway tracks.

So there were several constraints we had to work within. And to use the road allowance a half mile to the east, we could not stay on that road allowance for the full distance because about a mile south we had to start pulling off and severing through the middle of several quarters of land to allow us to come in at that constraint point at Grain Miller Road. So that was the one reason why that location was discounted.

The location on the quarter line that the minister has talked about was a direct route that we could go straight north without any of those curves, and then just bring the road in on a little curve at the end into 90 degrees, connect into that constraint point at Grain Miller Road. If we went a mile west, as the minister mentioned, again we were not located at that point at Grain Miller Road and it would have meant even more realignment on the north side to get the traffic into the facility at Richardson International. So we were working within some constraints there with the railway and the locations and things that did provide some limitations on the final selection.

**Mr. Harper:** — Where the highway's proposed to or their truck route is proposed to intersect with Miller Road, that land immediately adjacent, that quarter section that you will be using, were you able to purchase just the right-of-way or did you purchase the entire quarter section of land?

**Hon. Mr. Reiter:** — I'm told that the entire quarter was purchased for a number of reasons. First of all, just the severity of the severance in the quarter. Also it's now going to be used for borrow pits for earth for the construction, and it also leaves the opportunity available in the future for ramps or an interchange if it's required.

**Mr. Harper:** — What's the total cost of land purchases to facilitate the bypass?

**Hon. Mr. Reiter:** — My officials tell me we don't have that specific a breakdown with us here. But again, we will provide that to you as quickly as possible.

**Mr. Harper:** — Thank you. I would be looking forward to receiving it. I think for right now at least that probably concludes the questions I have on the Yorkton truck bypass.

As you know, Mr. Minister, Highway 39 is a very heavily used road, both by private passenger vehicle but also by large semi

trucks. It's, I would call it, a commerce corridor from the US into Canada and, in a lot of cases, perhaps right through Saskatchewan and right through Canada into Yukon and Alaska and so on. A lot of commerce moves down that road and thusly a lot of trucks.

And most recently, there has been a committee formed in Estevan that's calling on the Department of Highways to give some serious consideration to looking at ways and means of improving the safety on Highway 39.

And can you tell me what your department has done in regards to addressing or looking into at least the safety factor of Highway 39 with the increased flow of commerce on that particular highway?

**Hon. Mr. Reiter:** — A number of points on that. First, as the member alluded to, that highway's been a concern for some time. I've met with the Soo Line Highway Corridor Association, which is essentially representatives from all the municipalities along the highway, to discuss this. One of the things that came out of that discussion is, I've asked ministry officials to undertake a review to look at the possibility, in fact not just to Highway 39 but other high-traffic highways across the province, to see whether passing lanes are a possibility for safety. We'll be getting that review hopefully within the next few months.

And beyond that, where we're at is our priority right now for twinning is we need to finish the Highway 11 project from Saskatoon to Prince Albert. As that project nears completion, we'll be looking at 39, we'll be looking at all the other, you know, high-traffic roads across the province to determine where we would go next with twinning projects.

**Mr. Harper:** — When do you anticipate the twinning project that's presently under construction will be completed?

**Hon. Mr. Reiter:** — You're referring to Highway 11?

**Mr. Harper:** — Yes.

**Hon. Mr. Reiter:** — It should be done by the end of 2012.

**Mr. Harper:** — Have you considered perhaps putting more money into that project so that the completion of that project would be at an earlier stage and therefore be able to address some of the safety needs on other highways such as 39?

**Hon. Mr. Reiter:** — That project's been ramped up to a large degree from where it was initially announced a number of years ago. I think earlier I'd spoke to that. I believe the initial estimated date was something like 14 years down the road whereas right now it's been a big project and it's getting completed in fairly quick order.

**Mr. Harper:** — So highways such as Highway 39, basically those using that highway and travelling that highway can expect the condition to stay the same for the next number of years until your department's able to get around to addressing some safety needs there such as passing lanes?

**Hon. Mr. Reiter:** — If we're looking at the, as I said, the

passing lanes to see what, from an engineering perspective, what would that potentially do for safety. That's got to be paramount in this situation. People are always reviewing it as far as signing, as far as painting to ensure that it's kept up to standard for safety.

**Mr. Harper:** — So there's no sense, you have no sense of a time frame in which the motoring public could expect construction of passing lanes on Highway 39?

**Hon. Mr. Reiter:** — It'll depend on the outcome of the review. There's a number of highways around the province, one of them actually through my area, Highway 7, has a great deal of traffic, Saskatoon west through Rosetown, Kindersley, that area. And that also, there's a safety concern there as well. Those two highways, it's on . . . I guess, like I said, safety has to come first. So that's what initiated me asking the ministry to do a review to see whether or not passing lanes may be a logical step to help to ensure highway traffic safety.

**Mr. Harper:** — Thank you, Mr. Minister. I know that recently you've had contact from the village of Clavet, municipalities surrounding the village, in regards to a situation of Highway 16 and the crossing thereof. Recently an unfortunate incident led to the community requesting assistance from your department in regards to providing a safer crossing for the children of the area who need to cross Highway 16 in order to get to their school. What action has your department taken in regards to that particular issue?

**Hon. Mr. Reiter:** — Mr. Harper, as you mentioned, there was a tragedy at that situation. And as I said, I mean, safety's paramount to my ministry. Our ministry has worked closely with the municipality there. There's been a number of things that have happened. I've asked them to continue to work with the municipality to try and ensure that it's as safe as possible. I'm going to ask assistant deputy minister Terry Schmidt to give you some detailed breakdown of some of the steps that have been taken.

**Mr. Schmidt:** — Thank you, Minister. Ministry staff have been working both with the village of Clavet and the rural municipality over the last few years. In looking at opportunities to improve the safety of Highway 16 through the community, one of the things we have done is we have worked with them, and we have identified a route for Highway 16 when it does get four-laned to go north of the village so that it would no longer go through the community.

So that corridor is being protected for future four-laning of Highway 16 around the community. The other thing that we have done is there was at one point in time one pedestrian underpass from the community to the school on the other side of the highway. As the community has grown to the east with new residential development, we've installed a second pedestrian underpass to accommodate the increased traffic and to make a second route for the pedestrians to cross under the highway.

[21:15]

As well, we have done some improvements on the road surface as well, with some turning lanes at the intersection of what they

call Waz Road and Highway 16 to improve the safety for traffic as well. And I believe we have also installed some more fencing or are planning to install some more fencing to supplement the pedestrian underpass to channel pedestrians through those facilities.

We have had communications with the community as well since the tragedy, and we will be meeting with them to determine if there's even more that we can do. And if there is, we will definitely take steps to act upon those recommendations from the community and from the school.

**Mr. Harper:** — Good, I'm pleased to hear this. That's good action.

Mr. Minister, last fall . . . and I don't know when the contract was let; I would assume last summer. But last fall, I noticed that the contractor was working on Highway 310 from Foam Lake to Fishing Lake, I believe all the way to junction no. 5. Am I correct? Is that entire stretch of road being rebuilt, so the 310 Highway from Foam Lake to junction 5?

**Hon. Mr. Reiter:** — It's being done in two segments. The first 19 kilometres are in tender right now. The work started last year, and it will finish this year. The last 10 kilometres will be tendered in probably September for the work to be done next year. They'll start with the aggregate work, that sort of thing, over winter and then the actual construction next construction season.

**Mr. Harper:** — Did you say 10 kilometres that were tendered out last year or the work was started on? Was that 10 kilometres, did you say? I didn't hear you.

**Hon. Mr. Reiter:** — 19 kilometres.

**Mr. Harper:** — Oh 19 kilometres, that's starting at Foam Lake and going north towards the lake?

**Hon. Mr. Reiter:** — That's right.

**Mr. Harper:** — What's the cost of that project, that 19 kilometres?

**Hon. Mr. Reiter:** — The full cost for the 19 kilometres would be 11.1 million.

**Mr. Harper:** — And that 19 kilometres, that runs from Foam Lake, from the community of Foam Lake to Fishing Lake, or does it run beyond Fishing Lake? I'm just trying to . . .

**Hon. Mr. Reiter:** — As you mentioned, it starts north of Foam Lake and goes . . . Actually that 19 kilometre part of the project stops just south of Fishing Lake. There was a reason that that's the way the segment was done, and I will again ask Assistant Deputy Terry to explain that.

**Mr. Schmidt:** — Thank you, Minister. If you recall, Highway 310 really deteriorated back in 2006 and 2007 in that wet flood year. And what really impacted on that and aggregated that was a lot of material used to construct the berms were hauled on that road as well.

And so what we did was, we built the first 19 kilometres first, and we deferred on the last 10 until we had heard that those berms would be a permanent solution because for a while they were just temporary and the ministry was not assured that they would have to be removed, and we didn't want to have to haul that material back out on a new road. So until we had been assured that there was a good possibility they'd be a permanent fixture there, we delayed that north 10 kilometres just in case material would have to be hauled on there again.

**Mr. Harper:** — Was the department able to receive financial support from the federal government for the construction of those 19 kilometres?

**Hon. Mr. Reiter:** — There will be federal assistance coming on that project. The actual application isn't done by our ministry, though. When it's a disaster like that, it's actually administered by Corrections, Public Safety and Policing and it's all packaged together as one application. And it's not just the Highways ministry. They compile municipal disaster claims as well.

And if there would be any other, you know, departments affected or Crowns affected or anything like that, that application is then made to the federal government through that ministry.

**Mr. Harper:** — So you're saying then the balance of that portion of 310 Highway from the 19 kilometre mark on north to the junction of 5, that construction will take place this construction season?

**Hon. Mr. Reiter:** — No, it won't. It will go into tender. The tenders will be let probably in September, sometime in that range.

**Mr. Harper:** — Okay.

**Hon. Mr. Reiter:** — The aggregate work that's typically done over the winter will be done the winter of '10-11, and then the construction of that 10 kilometres will take place next construction season.

**Mr. Harper:** — The tender will be for construction in the next construction season?

**Hon. Mr. Reiter:** — Yes, yes.

**Mr. Harper:** — And for the entire portion of that highway from the 19 kilometre mark to the junction of 5?

**Hon. Mr. Reiter:** — That's the remaining 10 kilometres, yes.

**Mr. Harper:** — Okay. But I mean, that whole 10 kilometres will be in the package, in the tender package.

**Hon. Mr. Reiter:** — Right.

**Mr. Harper:** — Okay. Now 310 Highway from Foam Lake to Ituna, is there any intentions by your department to address the needs of that highway in the foreseeable future?

**Hon. Mr. Reiter:** — As you know, as you are aware, we have a

five-year rolling plan for highways in the province. Part of the criteria to make that five-year rolling plan, one of the elements is safety. And as you're aware, you've tabled numerous petitions in the House about that highway. Safety is always a concern. We certainly are going to attempt to address that through maintenance as much as possible, again with safety being one of the criteria.

I should mention first of all, in the five-year rolling plan, it currently is not on the five-year rolling plan. But as I said, with safety one of the criteria, we re-evaluate that constantly. But as of right now, in answer to your question, it's not on the five-year plan.

[21:30]

**Mr. Harper:** — 310 Highway from Balcarres to Ituna, or Ituna to Balcarres, is presently under some improvements. I believe it's something like 8 kilometres a year has been designated. Is that going to continue to be at that level? The improvements will be at a mere 8 kilometres a year, or do you see in the foreseeable future your department ramping that up to a more reasonable level?

**Hon. Mr. Reiter:** — Our ministry has done a great deal of work with the rural municipality in that area, entered into a partnership agreement to do some things to try to assist that stretch of road. And I'm going to ask Assistant Deputy Terry, to elaborate on that please.

**Mr. Schmidt:** — Thank you, Minister. As the minister mentioned we have entered into a partnership with the rural municipalities to upgrade and improve Highway 310 between Balcarres and Ituna. Work has commenced on the partnership.

The first year, 4 kilometres of the poor performing TMS [thin membrane surface], much of it that had been reverted to gravel. Four kilometres was upgraded with a granular structure and a seal coat. And we recently, last year, started working on another 8 kilometres, and that will be completed this year, to bring a total of 12 kilometres that will have been completed by the end of this construction season under that partnership.

**Mr. Harper:** — So how much work will be done on that portion of 310 Highway in the forthcoming construction season?

**Hon. Mr. Reiter:** — The breakdown, to your question, the breakdown is in 2007, 3.7 kilometres were done. Last construction season in '09-10, just north of there, 8 kilometres were started. Those 8 kilometres will get finished this year plus there will be another 4 kilometres as well.

**Mr. Harper:** — Okay. So you're going to finish off last year's 8 kilometres of construction plus do 4 more for this year.

**Hon. Mr. Reiter:** — That's right.

**Mr. Harper:** — Okay. Very good. Do you anticipate ramping that up some more into the future, at least until you get it completed to Ituna?

**Hon. Mr. Reiter:** — That, you know, as with all projects, that

will be dependent on where budget deliberations in future years go.

**Mr. Harper:** — Okay. Highway 22 from Southey to the junction of 20 is an interesting highway if you drive on it also. It's, as someone here earlier this evening suggested, it was a tow road — not a toll road, but a tow road — because if you drive on that particular stretch of highway after it rains, you likely need a tow.

But it is in sad state, and it also is the main artery, I guess you would say, to a major inland grain terminal located just west of Southey. Is there any plans in the foreseeable future for your department to not only maintain that road, but to improve it to the point where it no longer takes out windshields on a regular basis and it becomes safe to drive on and so on and so forth?

**Hon. Mr. Reiter:** — As you are aware, that the condition that highway's in, has been for a number of years, it's been a concern. Again as you've presented a number of petitions in the House on that, but I've also had numerous, numerous conversations with the MLA from there. He's been extremely concerned about it, has raised it with me many times.

There's not immediate plans for construction there, but as I mentioned earlier, there's other possibilities. We're always reviewing those projects because safety is a concern. We will continue to do, our officials will do what they can on the maintenance side to ensure safety and a reasonable travelling surface in the meantime. And there of course always is possibilities of partnerships with municipalities to accelerate projects.

**Mr. Harper:** — Have you entered into any discussions with RMs in the area to see if there's opportunity for a partnership?

**Hon. Mr. Reiter:** — My officials tell me there is some discussions going on with the village of Earl Grey right now.

**Mr. Harper:** — With the village of Earl Grey, but how about the RMs adjacent to the highway?

**Hon. Mr. Reiter:** — I'm told they're hopeful that the RMs will get brought into that discussion. They'll get expanded to include them, but they're not at that stage yet.

**Mr. Harper:** — Just to give you a bit of an idea, I know a gentleman who lives in Earl Grey and works out of Earl Grey, travels that road each and every day. It's not uncommon for him to have to replace his windshield in his vehicle on a monthly basis. There was a period last summer that he had to replace the windshield in his vehicle on a weekly basis. When talking to him and asking him to describe the condition of Highway 22, he best describes it as a cobblestone highway with every second stone missing.

And I realize that it's been in that condition for some time, and that begs me to wonder why, if it has been in that condition for some time, then why wouldn't that alone be enough to raise it as a priority within your department to at least make the five-year list?

**Hon. Mr. Reiter:** — When our government came to office, we

inherited a massive infrastructure deficit in highways. There was numerous projects around the province that should be done; this one's no exception. As you alluded to, the highway's been in a bad state for a number of years, going back to your administration.

Our Finance minister, I've heard him say many times that if it was a choice between good projects and poor projects, the decision would be easy. But often the choice is between good projects and other good projects, so that's why the criteria. That's why the five-year rolling plan, so the decisions are transparent. People can see; people know what to expect.

Certainly we've just this year announced the second-biggest highways budget in history. Last year was the largest highways budget in history. We are moving as fast as we possibly can to correct that infrastructure deficit, but the problem didn't happen overnight, so the solution isn't going to happen overnight.

**Mr. Harper:** — And I agree with you there, Mr. Minister. My question though, and it's a question from people living in the area, is basically to question your priorities, or the priorities of your department or ministry. Because when they travel Saskatchewan, they will see that there are roads being resurfaced that are, perhaps need to be resurfaced but not in a dire state, whereas 22 Highway and portions of 310 Highway certainly are and have been. And once again the good folks wonder why the fact that their roads, their highways have been in a serious state for some time isn't enough reason to make it a priority over other roads that seemingly are in less need of surfacing.

**Hon. Mr. Reiter:** — Again, I guess what we're doing then is debating the criteria where the five-year rolling plan comes from. There's a number of criteria, including traffic counts, a number of things. But as I mentioned, safety is a significant one. So there's always an eye to that. There's always an eye to what our officials should be doing as far as maintenance. But I'd just come back to my previous answer, you can't do all the projects all at once.

**Mr. Harper:** — So in other words, the good folks living on 310 — which you've already indicated is not a part of your five-year plan and I don't think 22 is a part of your five-year plan either — so those folks will just have to wait?

**Hon. Mr. Reiter:** — Well again, that's a rolling five-year plan. I mean it's reviewed constantly. As I mentioned, there's possibilities of partnership agreements. Our officials are talking to the municipalities in that area. And again the number of projects frankly that can be done is dependent on budget deliberations from one year to the next. So those can certainly change.

**Mr. Harper:** — Mr. Chair, that concludes my questions for this evening. Thank you very much. And I want to thank the minister and his officials for your very, very good answers and done very professionally. And I really appreciate it. Thank you very much.

**Hon. Mr. Reiter:** — If I could, Mr. Chair, I want to thank the opposition member. I certainly appreciate the questions and the tone they were delivered in. Thank you. I'd like to thank all the

committee members for being here tonight and again thank my officials for being here.

**The Chair:** — Thank you, Mr. Minister, for that. And we'll move into the vote now. Central management and services subvote (HI01) in the amount of \$21,265,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Strategic municipal infrastructure subvote (HI15) in the amount of \$46,128,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Operation of transportation system subvote (HI10) in the amount of \$86,787,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Preservation of transportation system subvote (HI04) in the amount of \$138,563,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Transportation policy subvote (HI06) in the amount of \$3,782,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Custom work activity subvote (HI09). There was no amount to be voted. Machinery and equipment subvote (HI13) in the amount of \$4,500,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Amortization of capital assets in the amount of 111,241,000. This is for informational purposes only, and there is no amount to be voted. Highways and Infrastructure, vote 16, \$301,025,000. 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 31st, 2011, the following sums for Highways and Infrastructure in the amount of \$301,025,000.

Mr. Stewart. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Vote 16 agreed to.]

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

**The Chair:** — We will now move to the next vote within the General Revenue Fund, vote 17, Highways and Infrastructure capital, infrastructure rehabilitation. Infrastructure rehabilitation subvote (HC01) in the amount of \$81,700,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Infrastructure enhancement subvote (HC02) in the amount of 168,600,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Highways and Infrastructure Capital, vote 17, \$250,300,000. 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 31st, 2011, the following sums for Highways and Infrastructure in the amount of \$250,300,000.

**Mr. Chisholm:** — I so move.

**The Chair:** — Mr. Chisholm. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Vote 17 agreed to.]

**The Chair:** — Thank you, Mr. Minister, and officials for answering questions from the committee this evening. And seeing that it's now the hour that we've decided to adjourn this committee, I'll ask for a motion to adjourn the consideration of the main estimates for this evening. Mr. Hart. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Agreed. Everyone have a good weekend. Thank you very much for coming out and to all those who tuned in tonight, good night. This committee now stands adjourned.

[The committee adjourned at 21:49.]