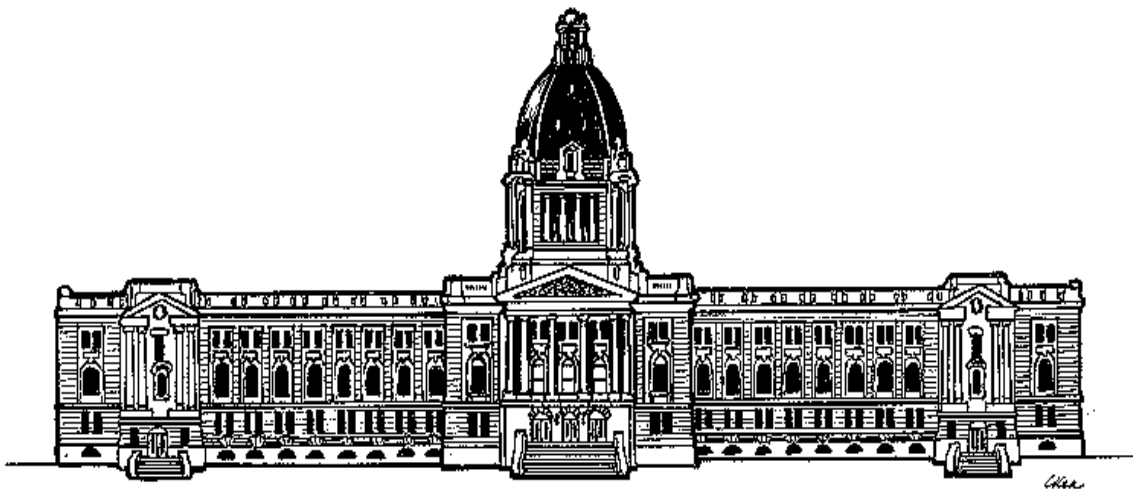




STANDING COMMITTEE ON THE ECONOMY

Hansard Verbatim Report

No. 39 – May 3, 2011



Legislative Assembly of Saskatchewan

Twenty-sixth Legislature

STANDING COMMITTEE ON THE ECONOMY

Mr. Lyle Stewart, Chair
Thunder Creek

Mr. Len Taylor, Deputy Chair
The Battlefords

Mr. Rod Gantefer
Melfort

Ms. Nancy Heppner
Martensville

Hon. Darryl Hickie
Prince Albert Carlton

Ms. Sandra Morin
Regina Walsh Acres

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 19:14.]

The Chair: — Welcome. Seeing as though it's now 7:15, the chosen hour for the committee to begin its meeting, I will call the committee to order. Good evening everyone. I would like to welcome you all to the deliberations of the Standing Committee on the Economy. On the committee we have Mr. Taylor on the opposition side; Mr. Gantfoer, Ms. Wilson, Ms. Heppner, and Mr. Hickie, on the government side.

We're here now to consider Bill 167, *The Saskatchewan Grain Car Corporation Amendment Act, 2011*, and following that we'll be considering the estimates and supplementary estimates for the Ministry of Highways and Infrastructure.

Bill No. 167 — *The Saskatchewan Grain Car Corporation Amendment Act, 2011*

The Chair: — Committee members, the Assembly has referred Bill 167, *The Saskatchewan Grain Car Corporation Amendment, 2011* to our committee. This is what we will now be considering. By practice the committee normally holds a general debate during consideration of clause 1. Before we begin, Mr. Minister, would you please introduce your officials to the committee. And once again, could I ask officials other than the minister to please introduce yourselves the first time you speak for the benefit of our Hansard people. Mr. Minister.

Hon. Mr. Reiter: — Thank you, Mr. Chair. To my right I have Bob Mason who's the president of the Saskatchewan Grain Car Corporation; on my other side I have Mr. Kelly Moskowy who's the vice president; and directly behind me I have Jason Wall, my chief of staff.

The Chair: — Thank you, Mr. Minister. Before we begin, we'll now consider clause 1, the short title, *Saskatchewan Grain Car Corporation Amendment Act, 2011*. Mr. Minister, if you have any opening remarks you may proceed.

Clause 1

Hon. Mr. Reiter: — Thank you, Mr. Chair. In light of the short time frame available and the amount of debate that was in adjourned debates, I think I'll forgo opening comments and entertain questions.

The Chair: — Thank you very much, Mr. Minister. Are there any comments or questions on the Bill? Mr. Taylor.

Mr. Taylor: — Thank you very much, Mr. Chair, and welcome to the minister.

The Chair: — Excuse me, Mr. Taylor. Before we go ahead, it's extremely warm in here and if there are no objections, I'd suggest that we should remove our jackets if we feel more comfortable that way. Seeing no objections, please help yourselves to get more comfortable.

Mr. Taylor: — Thank you, Mr. Chair. And thank you, Minister, and welcome to you and to your officials.

Before my first couple of questions, just a comment or two.

Number one, we've been assigned a half an hour today to deal with this Bill. I think I have questions that will exceed that by a considerable amount, and as a result I expect we'll be back again to finish the discussion on Bill No. 167. So just starting off that way. This was discussed with the Government House Leader before the scheduling had taken place. And I find this is odd to get a half an hour scheduled now and more time later, but that seems to be the way the House leaders have negotiated this. And I hope that was communicated to you.

Secondly, I want the officials and the public and the minister to know that I'm very supportive of the Saskatchewan Grain Car Corporation. I think that the corporation has done a fine job of meeting its mandate over the years and serves the farm, in particular grain farmers, extraordinarily well in the province. So anything that I may say in my questions, please don't take it to mean anything other than some questions of the minister, as opposed to my feelings about the corporation which, as I said, I believe has done a great job in the service of Saskatchewan producers.

So my first question on Bill 167 takes me to the minister's second reading speech. I had hoped that he would have a few opening remarks tonight that might clarify things a little more. But I just want to go right, right off the top. When the minister introduced this Bill he said, and I'll quote:

The changes to *The Saskatchewan Grain Car Corporation Act* are clearly driven by responsibilities and funding changes introduced in the 2011 budget document. The Bill is without question a budget Bill.

Would the minister please clarify this in greater detail? I ask this question because I can't see a reference in this Bill to budget anywhere. I've been through it a hundred times. The minister tried to ensure that the very first sentence out of his mouth was without a question this is a budget Bill. Would you clarify that for all to understand clearly?

Hon. Mr. Reiter: — Certainly. What I was referring to there was the fact that the Saskatchewan Grain Car Corporation will be taking over administration of the rural shortline sustainability program. There is not currently provisions in the grain car corporation Act to allow that. The amendments that you have in front of you will certainly allow that program to be administered by the Grain Car Corporation. Without those amendments, they wouldn't be able to administer that program.

Mr. Taylor: — The minister did not say that in his second reading remarks, nor do I actually see in the Act itself anywhere where this takeover would occur. The Act simply changes the powers of the corporation. Could the minister please explain and clarify as clearly as he possibly can how this Act allows for that takeover to occur.

Hon. Mr. Reiter: — The proposed provision in section 12(g) it references:

subject to any orders or directives of Treasury Board, provide financial assistance by way of grant, loan, guarantee or other similar means to persons for the purpose of allowing those persons to acquire railway

rolling stock, plant, equipment or other assets that will benefit the railway industry.

As of right now, there's no way for the Grain Car Corporation to do any of those items from a financial perspective, including grants.

Mr. Taylor: — That will certainly be the basis of some of my questions going forward, but the minister indicated in his remarks this was a takeover of another program. I don't remember exactly what his words were here just a few minutes ago — a takeover, another program. I don't read that in (g), takeover of another program. Could the minister please clarify this so that I can understand it?

Hon. Mr. Reiter: — It's not only a takeover; it's an enhancement and changes to an existing program. The funding will be increased. In my opening remarks in the House that you referenced I also talked about asking the Grain Car Corporation to investigate other ways that we can assist the shortline industry. As you mentioned in your opening comments, the shortline industry in Saskatchewan has been a good news story. It enhances economic development in rural Saskatchewan. In most instances, the shortlines tend to be owned by a large number of producers. They're farmer-owned and assist the agriculture industry.

And on top of that, the benefit, the other benefit they provide to the province of course is the more heavy weights, the more heavy trucks we get off our highways, the less wear and tear on the highways and the lower the costs that the Ministry of Highways incurs. So it tends to be a good investment.

Mr. Taylor: — Well I certainly see where the letter (g) that the minister referenced in the Bill does indeed change the way in which the government can do certain things. I fail, however, to understand how being able to provide financial assistance by way of grant, loan, or guarantee actually provides for a new way of — a new and innovative way, as the minister said in his speech — of providing assistance to the shortline rail industry. But more importantly, the minister said without question this is a budget Bill. It is driven by funding changes introduced in the 2011 budget. I don't believe it does that. The budget provided additional funding which we will deal with when we get to Highways estimates — funding that was already being provided. And in fact the minister has announced how that funding is going to be spent already.

This Bill doesn't change the money that was allocated in the budget. There's a \$200 million increase in the budget for shortline railways. The \$700 million budget, the grants have been announced for the year. This Bill, if it did not pass, would not change anything in the provincial budget, would not change anything in the way this year's funding is being handled by your department. How is this a budget Bill?

Hon. Mr. Reiter: — Well I will respectfully disagree with you and I'll also correct your figures. You refer to 700 million and 200 million. It's 700,000 and 200,000. And again, as I mentioned, the Grain Car Corporation will be taking over and enhancing the sustainability program and moving forward. As I also mentioned in my opening remarks, I've asked them to investigate other ways to benefit the shortline industry in the

province. And I guess, as we do on many things, we can just agree to disagree.

Mr. Taylor: — This is why I'm asking for an explanation, so that not only I, but those who are paying attention to this legislation, know what we're talking about. The minister went out of his way, very first sentence, to make it clear this was a budget Bill. Without question this is a budget Bill, he said. But if this Bill did not pass, it would not change anything in this year's budget. Taking over a program, providing a new way of funding, these are program changes that if a government wants to enact them, it can simply do that, through legislation obviously, but not legislation that's tied to the budget.

I want to give the minister one more chance to try to explain how this ties in to this year's 2011 budget so that we can clearly understand whether or not this is a budget Bill because a budget Bill has very specific ... It means specific things in the parliamentary setting.

Hon. Mr. Reiter: — As I mentioned earlier — excuse me, Mr. Chair, I'm having problems with my throat — as I mentioned earlier, the Grain Car Corporation, moving forward, is going to have an enhanced role in providing assistance to shortline rail in the province. Included in that will be the administration of an enhanced rural shortline sustainability program. Without these amendments to the Act, there is not legislative authority for the Grain Car Corporation to do so. Therefore in my view these amendments are required in order to meet the budget.

Mr. Taylor: — Well I'll come back to this in a second. Let's just clarify this. I've got the news release of April 21st in front of me. There are one, two, three, four, five, six, seven, eight, nine, ten grants that are allocated this year totalling \$700,000 to this year's grant recipients. Southern Rails Cooperative based out of Avonlea, \$40,000: what's that going to do?

Hon. Mr. Reiter: — There's a number of things it could do. I don't have the details on each individual shortline, on what the grant will be used for, but I can certainly provide that to you at a later date.

Mr. Taylor: — I wish you would, and for all of the others, all 10.

Hon. Mr. Reiter: — Certainly.

Mr. Taylor: — Perhaps the minister can answer this question. He's going to provide me with the details of each of these 10 grants. On a general basis, which one of these, or which ones of these 10 grants will fall under the administration of enhanced shortline sustainability program that the minister was just talking about?

Hon. Mr. Reiter: — I would assume if you're referring to the shortline sustainability program, all of them will.

Mr. Taylor: — All of them fall into it? So the change in administration that the minister is talking about affects all of these? These grants could not be made without this legislation passing, is that what the minister is saying?

Hon. Mr. Reiter: — No, that's not what the minister is saying.

Mr. Taylor: — Please clarify.

Hon. Mr. Reiter: — You know, you're splitting hairs here is what you're doing. I very clearly said that we were enhancing that loan, or that sustainability program. And moving forward, we will also be looking at other programs to assist the shortline industry in the province. Without the amendments to the Act, we wouldn't have that opportunity.

Now I find this unusual because for hours in the legislature over the last period of weeks you and your colleagues, in adjourned debates, have went on endlessly about these amendments, including in some cases some ridiculous comments such as your colleague from Regina Dewdney talking about adjusting the wheelbase of hopper cars. Now I find it interesting, I would like to know where he dreamt that idea up because when you adjust the wheelbase on a hopper car, I'm not sure how he thinks you'd adjust the base of the railway track to fit.

[19:30]

You also went on incessantly about supposedly decades ago that the Grain Car Corporation apparently, according to you and your colleagues, incurred some bad debt that had to be written off to the tune of \$36 million under, as you like to call it, the Devine administration. I was a teenager when the Devine administration was elected, so I had no idea what you were talking about. And I asked my officials to do some investigation.

Well it turns out that the \$36 million that you railed on endlessly about, it turns out they tell me that, what that was, was the remaining principal from the initial loan that was taken by the NDP [New Democratic Party] government to purchase the cars in the first place. So your line of questioning frankly amazes me. I have no idea where you're going with that and frankly, I don't think anyone else does either.

Mr. Taylor: — The minister . . .

The Chair: — You'll have to excuse me, Mr. Taylor, I should interject at this time to introduce two additional members who have joined the opposition side of the table. Ms. Morin and Mr. Belanger. Sorry for the interruption. Go ahead Mr. Taylor.

Mr. Taylor: — Thank you very much. Yes, the minister is trying very hard to change the subject here. And I don't blame him because while there was a considerable amount of debate in the Chamber, part of the debate is a result of two things: number one, the fact that the Grain Car Corporation is important to the people of Saskatchewan; and number two, the minister's second reading speech left us wondering what indeed the Bill was supposed to be about. We've spent a great deal of time going through the Bill and trying to understand exactly what it will do and what, when it does what it does, what the implications are for the people of Saskatchewan.

The reason I'm asking about is this a budget Bill, is trying to understand why the minister, in his very first sentence, went out of his way to indicate that this was a budget Bill. A budget Bill in the parliamentary system means that it gets voted on at the time of the budget — that it relates to the budget, and the budget can't pass without it.

In our current circumstances, a non-budget Bill introduced this late in the session carries over to the next session. It does not pass, not necessarily pass without agreement of the members of the House.

So if this Bill is doing something that the government wants to do quickly, it calls it a budget Bill. I want to clarify exactly how this is a budget Bill because when I read this Bill, there's a change in philosophy, there's a change in programming, and there's a change in the way in which the government wants the Grain Car Corporation to function. But it's not a budget Bill. It's not related to budget. And if we want to spend time for the public to understand exactly what it is that the government is attempting to do, then we're going to take the time to do that. And it means the Bill does not pass before this legislature rises.

So will the minister please attempt to ensure that I understand why this is called a budget Bill since, if it does not pass, it changes nothing in the operation of the Grain Car Corporation for this year based on budget documents that have been brought forward into the Chamber today, or this month.

Hon. Mr. Reiter: — I've attempted to do that several times now, and I believe that in my comments in the legislature, I very clearly laid that out. And for me to keep repeating myself, I think would probably be pointless.

Mr. Taylor: — Well I won't be the only one judging. Obviously there are people watching. There are people who care an awful lot about shortline rail. There are people who would like this Bill to pass because they believe it enhances the shortline rail abilities and enhances the ability of the province to provide funding. But I don't believe that those who are supportive of the shortline rail system fully understand what's contained in this very short piece of legislation and how big a change this is to the way in which government operates.

Just for example — and we will get into this probably at our next sitting — but just for example, the whole concept of loan guarantees has not existed previously in legislation regarding the Grain Car Corporation. This expands and extends liability to the taxpayers of the province and doesn't necessarily guarantee the success or even the enhancement of funding of shortline rail. So I'm going to ask some questions about that at a later time.

The premise of this, of my remarks are right now is that the minister has not explained this Bill to the people of Saskatchewan — not in public, not in news releases, not in the Legislative Assembly itself — and I want to know why the minister has failed to address the important policy changes that exist in this Bill and instead has simply argued that this is a budget Bill that allows for enhanced funding, that's going to provide some additional funding to shortline rail. It's a complete . . . providing complete misconception about the intention of government on this Bill.

Hon. Mr. Reiter: — Well I'm not sure where the question was in all that, but once again I would just say that I disagree with you. I think I very clearly laid out in the House why I believe it to be a budget Bill. And your point on people that are watching and people in the shortline industry is well taken because people in the shortline industry are very interested in this.

People in the shortline industry have a lot of respect for the Saskatchewan Grain Car Corporation, and I think are very much looking forward to this Bill being passed and are looking forward to the sustainability program being run by the Grain Car Corporation and also any future programming that could be done to assist that industry in this province.

Mr. Taylor: — The news release that the minister put out April the 21st, again announcing the \$700,000 in shortline infrastructure grants, indicates in the third-last paragraph: “This is the fourth year in a row the grants have been announced,” indicating that nothing has changed in four years about the ability of the province to provide funding for shortline rail. In my speech in the legislature, and I have them here, I referenced a number of other funding announcements that governments have made — your government last year, previous NDP governments in 2001 and 2003.

So the provincial government has had the ability to financially support the Grain Car Corporation for a long period of time. The minister just said a few moments ago that his second reading speech clearly indicated why this was a budget Bill, and yet the quote that I read him is all that was there about the budget. And I’ll repeat it again, the changes, this is the minister speaking in the House: “The changes to *The Saskatchewan Grain Car Corporation Act* are clearly driven by responsibilities and funding changes introduced in the 2011 budget document.”

There’s no reference to loan guarantees in the budget document. There’s no reference whatsoever to changing the Grain Car Corporation from a transporter of grain to adding commodities and other products. The changes that this Act puts on the table are not related to the budget whatsoever. The delivery of the program that’s been in place for years doesn’t change, but the minister says he has clearly outlined why this is a budget Bill. Nothing in his speech and nothing that he’s said tonight gives me reason to believe that this is a budget Bill.

Hon. Mr. Reiter: — Well you made a number of points there, and I’ll address the ones that I recall. First of all, your comment about commodities and other products, much of that wording change is for clarification. If you look at the existing provision under 12 (b), it already talks about entering into agreements and refers to any other purposes that the corporation considers advisable. I believe it already allows them to haul commodities other than grain, and I think if you check into the matter you’ll find that under the previous administration, your administration, the cars were used for hauling commodities other than grain.

As to your point about the loan guarantee, you’re absolutely right. That’s not in the existing provision, but I find this fascinating because you and your colleagues again in adjourned debates railed on endlessly about these supposed loans and loan guarantees that happened many years ago when there was no legislative authority to do it.

Mr. Taylor: — And, Minister, we made reference to quite a number of changes that are occurring within government today about loan guarantees in all sorts of other areas. This government is moving away from GRF [General Revenue Fund] transparent funding and into an indirect, non-transparent loan guarantee way of funding things. This is not as you

describe it in the second reading speech as new and innovative financing. This is old-term financing that has created problems for the people of Saskatchewan in the past, and I don’t believe that those you’ve talked to about this Bill understand or know that. It’s not just the grain car Bill, it’s a lot of other things that this government is taking us into. But that just further convinces me that, pardon the language, the minister is trying to hide something here by calling this a budget Bill.

Hon. Mr. Reiter: — You know, you’re trying to position this that somehow there is some nefarious plot behind this, which is absolutely ludicrous. The point of this is to allow the Grain Car Corp., who has expertise in this area, to move forward in assisting the shortline industry in this province. The shortline industry in this province has had numerous successes including — and I will certainly give previous administration, your administration credit for some of that — some of those shortlines were started under your tenure. And there’s been success stories and they’re a win-win situation, as I mentioned earlier. They’re good for economic development in rural Saskatchewan. They help our producers. And certainly they help highways. For all the grain that’s taken off of highways and moved by rail, it certainly is a benefit. I mean there’s less wear and tear on our highways and less cost there.

There is no nefarious plot, as much as you’re trying to position it that way. This is purely to assist a growing and successful industry in our province.

Mr. Taylor: — If that’s the case, then why in your second reading speech, which is the only place that the public, the media, and members of the legislature can understand the intent of a piece of legislation from the minister’s words, why did the minister then not refer to section (g) at all in his speech? Not once did he say that the Grain Car Corporation now:

subject to any orders or directives of Treasury Board, [can] provide financial assistance by way of grant, loan, guarantee or other similar means to persons for the purpose of allowing those persons to acquire railway rolling stock, plant, equipment or other assets that will benefit the railway industry.

And while we’re at it, why won’t he tell us that the Act also allows the Grain Car Corporation, after they’ve provided loan guarantees, they provide the corporation with the power to transfer, sell, or otherwise dispose of its rolling stock?

In other words, if there’s nothing nefarious here, why did the minister not tell us what’s in the Bill?

Hon. Mr. Reiter: — The Bill is public. We’re debating it right now. If you wanted more public debate on it, I would suggest, instead of droning on endlessly in the House, that we could have had more time in committee. You could have asked more questions. I guess if you want to split hairs about my speech in the House, you’re certainly entitled to do that. But if you’re going to nitpick every word I said, I would suggest to you that there was a great deal of the adjourned debate, the comments you made and your colleagues made, that were bordering on the ridiculous, and we could certainly debate that as well.

[19:45]

Mr. Taylor: — Well I'm sorry. If I were to spend just a few minutes on each of the sentences in your speech, we wouldn't be here very long. The trouble is, as I said, the only place that anyone can fully understand the intention of government is at second reading. Second reading is the Bill in principle.

When we debate a Bill in the legislature or in parliament, second reading is where you debate in principle. Government's introduction is to provide intent. The courts judge future challenges to legislation based on not just the language of the Bill, but on the intention of the Bill, and you get that from the speeches in the Chamber, the minister's being the most important.

The minister referred to the support that the shortline railway has from various farm organizations and argued that this is a budget Bill. That was it. I do not know the intention of this legislation from the minister's speech. I read the Bill, and I see significant change to the way in which government will operate, and the way in which the program itself functions in relation to the public of Saskatchewan and the GRF.

And I want to know why the minister would not inform the public that this Bill is actually a change, significant change in the way government will handle and allow to function an important corporation, Treasury Board corporation of the people of Saskatchewan.

Hon. Mr. Reiter: — Again I disagree with you. I feel that it was very well laid out in my speech. Again I have no idea where you're going at now or during your comments. In past days in the House, you made comments in the past about that now with the changes — you or your colleagues did — that now with the changes, that it would allow the government to dispose of the cars if they saw fit. Well I'd suggest you maybe should do your research. That could be done under the existing provision. There is no intent to do that. The intent is to use the Saskatchewan Grain Car Corporation to assist the shortline industry, which is a success story in this province for our agriculture sector, and we look forward to more successes and again with the help of the Saskatchewan Grain Car Corporation.

Mr. Taylor: — I know . . .

The Chair: — Excuse me, Mr. Taylor. Thank you, Mr. Minister, and Mr. Taylor. We've gone beyond the half hour that's allotted for debate of this Bill this evening. I understand from Mr. Taylor that he's asking for more time, and that will be at another, on another day.

Do you have any concluding remarks, Mr. Minister?

Hon. Mr. Reiter: — No I don't. Thank you, Mr. Chair. Excuse me, Mr. Chair. I would like to thank the officials from the Grain Car Corporation for being here. Thank you.

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

Mr. Taylor: — Yes. And again as I said off the top, I'm very supportive of the Saskatchewan Grain Car Corporation. Nothing that I was saying in my remarks today, or will in the

future, changes any of that or is meant to throw any disrespect or disrepute on the corporation itself. I thank the minister for his additional input today, and I will be addressing more that's in the Bill at a future time. I thank you all for your attention tonight.

The Chair: — Thank you, Mr. Taylor. Mr. Minister, do you have the officials in the room to proceed with the consideration of estimates for the Ministry of Highways and Infrastructure?

Hon. Mr. Reiter: — I do, Mr. Chair, if you could just give us one minute to get situated.

The Chair: — I'll just ask members to stay in their chairs while we do this, please.

General Revenue Fund Highways and Infrastructure Vote 16

Subvote (HI01)

The Chair: — Are you and your officials ready to proceed, Mr. Minister? Are you ready to proceed, Mr. Minister?

Hon. Mr. Reiter: — Yes I am.

The Chair: — We're here to consider the estimates and supplementary estimates for the Ministry of Highways and Infrastructure, vote 16, subvote (HI01) central management and services; vote 17, subvotes (HC01) and (HC02); and the supplementary estimates vote 16, (HI15) and (HI10). Mr. Minister, would you like to introduce your officials and if you wish, make any opening comments?

Hon. Mr. Reiter: — Thank you, Mr. Chair, I would. Seated with me to my right is Rob Penny who is the deputy minister. To my left is George Stamatinos, assistant deputy minister of planning and policy. Behind me I have Ted Stobbs. Ted's the assistant deputy minister of regional services. Next to Ted is Jennifer Ehrmantraut who is the assistant deputy minister of ministry services and standards. Next to Jennifer is Jason Wall, my chief of staff; and beside Jason is Barb Tofte who is the acting director of corporate support. And seated behind them are two ministerial assistants, Jarret Coels and Ashley Anderson.

The Chair: — And before we begin, could I once again ask officials other than the minister to introduce themselves the first time they speak for the benefit of our Hansard people. I now invite questions from committee members, and I'd also like to introduce another member who has joined the table on the opposition side, Mr. Vermette. Mr. Vermette, do you have a question? Oh I'm sorry, Minister, did you have an opening statement to make?

Hon. Mr. Reiter: — I would like to.

The Chair: — Please go ahead. I overlooked that line.

Hon. Mr. Reiter: — Thank you, Mr. Chair. I do have an opening statement I'd like to read into the record.

The 2011-12 provincial budget comes at an important time in Saskatchewan's history. It's important because our time has come. It's our time to lead the country in economic growth, in population, and in employment. This is no longer next year country. It's this year country.

This year's budget builds the Saskatchewan advantage by enhancing our quality of life and creating the conditions needed for further economic growth. It does this through further tax reductions; enhanced programs in health, education, and social services; debt reduction; and a balanced budget at a time when other governments in Canada and internationally are seeing more red ink.

We will also keep our promises on the education portion of property tax and municipal revenue sharing, meaning we will have fulfilled all our commitments from the 2007 election.

Investing in transportation is an important part of building the Saskatchewan advantage. It's important because transportation impacts virtually every sector of our economy. And it's important because we need to continue to reduce the significant infrastructure deficit that was left by the previous administration.

This year's highways and infrastructure budget is \$556 million. This is the second largest budget in the province's history. In fact each of the four largest highways budgets have come during our mandate.

In addition to this year's budget, we accelerated twenty-three and a half million dollars in funding for the municipal roads for the economy program into the '10-11 fiscal year to allow rural municipalities to get a head start in their planning for the upcoming construction season. This year's budget also includes a capital budget of \$285 million, the largest capital budget in the province's history. All told, we will improve 1400 kilometres of provincial highways this year.

Some other highlights, Mr. Chair: aviation also plays an important role in energy, mining, agriculture, and tourism, the delivery of health care, and law enforcement services. Through the community airports partnership program, grants are made available for upgrades to municipally owned airports. This year we will also increase this program by 40 per cent to \$700,000. Over the last three years, 17 communities have received grants from CAP [community airports partnership]. By the end of this year, we will have provided \$2.2 million in funding to this program, leveraging more than \$4 million in upgrades to airport facilities over four years.

We continue to provide support to both urban and rural municipalities so they can respond to their own infrastructure challenges and maintain their communities as attractive places to invest.

Municipal roads for the economy program provides funding to improve roads that are seeing increased traffic as a result of economic growth, develop Clearing the Path routes, and repair or replace bridges and culverts. This year's funding of twenty-three and a half million dollars was made available in February ahead of today's budget. This will allow RMs [rural municipality] to get a head start on their planning and

effectively lengthen the construction season.

We also provide support to urban municipalities through the urban highway connector program. This program provides funding for the operation, rehabilitation, and maintenance of urban roads that connect to provincial highways. This year we will provide \$8 million to cities and towns for the operation, maintenance, rehabilitation, and upgrading of urban connectors. Some of the projects we will be cost sharing with our urban partners include repaving Highway 17 in Lloydminster between 25th and 36th streets; widening Highway 6 at the CN [Canadian National] tracks in Melfort; and repaving on Circle Drive from Millar Avenue to Avenue C in Saskatoon.

In addition to the investments I've just outlined, the ministry has been reviewing the underlying policies collaboratively with SUMA [Saskatchewan Urban Municipalities Association] and the Ministry of Municipal Affairs to identify recommendations for program changes. We've received some initial recommendations, and we're taking these and consulting further with SUMA and individual municipalities. It's my hope we will have a revised policy in place that responds to the concerns of the urban sector later this calendar year.

In Saskatchewan's North we will invest \$50.3 million this year to build, operate, and maintain the transportation system in northern Saskatchewan. This includes new work, work-in-progress, and ongoing maintenance in the region. We will continue 15 kilometres of surfacing on Highway 155 north of Beauval, the project ranked number one by the northern transportation advisory committee. We will continue repaving of Highway 2 from north of the Twoforks River to south of the Potato Lake access south of La Ronge.

I'd like to provide you with some details of our capital program for the year. Our capital budget is \$285 million, the largest in the province's history. As with our overall budget, the four largest capital budgets in Saskatchewan's history have come during our mandate. This investment will make significant improvements to all components of the provincial transportation system. It will allow us to continue to reduce the infrastructure deficit by repairing and replacing bridges and repaving highways that are beyond their service life. It will allow us to make safety and capacity improvements to the major highways that connect us to other provinces. It will allow us to continue to upgrade rural highways and expand access to primary weights.

[20:00]

When we came to office, Saskatchewan was facing a significant infrastructure deficit. Bridges, culverts, and pavements across the highway system were aging and deteriorating. In addition to injecting much-needed money into the system, one of the first things we did as government was to strike a better balance between investing in the new infrastructure our growing province needs and repairing and rehabilitating existing assets. We have many bridges and culverts in the system that are 40 or 50 years old. These aging structures present safety concerns and cause gaps in primary weight routes. This year we will spend forty-five and a half million dollars to repair and replace bridges and culverts. That includes \$11 million towards the St. Louis bridge. We will replace or rehab 25 bridges across the province and undertake numerous culvert replacements. This year's

investment in bridges and culverts brings our four-year total to nearly \$145 million. We'll also continue our aggressive repaving program, investing \$76 million to repave 400 kilometres.

In addition to providing much-needed rehabilitation to the system, we're also making important investments that will grow our economy and our communities. Gateway corridors are the major interprovincial and international routes that connect us to our export markets. This year we will invest \$46.4 million in projects that will make these key parts of the national highway system safer and more efficient.

We will also introduce two new important initiatives to enhance safety on the provincial transportation system. The first deals with twinning and passing lanes. As our economy and population grows, so too does traffic on the provincial highway system. These are places on the provincial highway system where safety concerns have arisen because of increased traffic, but traffic volumes don't yet warrant full twinning which can cost well over \$1 million per kilometre. But our current policies regarding the use of passing lanes haven't been looked at in decades. For this reason I asked the engineers in the ministry to review these policies and we are now looking closely at possible passing lane candidate highways, including Highways 6 and 39, 7, 10, and Highway 16 east of Saskatoon.

Another area we'll address is community and tourism access roads. The rural highway strategy has served the province well in ensuring our highway upgrades are targeted and prioritized on a business case basis. But it's become obvious that the rural highway system rankings do not respond to the needs of community and tourism access roads, most of which are TMS [thin membrane surface] roads in poor shape. We have allocated \$10 million in this year's budget for a new community and tourism access road program. Upgrading our rural highways continues to be critical to growing our rural economy and communities. We still have in this province about 5400 kilometres of thin membrane surface highways. At 7 to \$800,000 per kilometre, it would cost about \$4 billion to upgrade all of them. Obviously we can't do them all at once.

Working with stakeholder groups like SARM [Saskatchewan Association of Rural Municipalities], SUMA, the area transportation planning committees, the Saskatchewan Chamber of Commerce, and industry, we put in place the rural highways strategy. Through the rural highways strategy, rural highways are assessed according to rational and consistent criteria, ensuring that we are making the very best investments supporting our rural economy and communities. This year we will invest \$91 million to upgrade 160 kilometres of rural highways. Including this work, we will have upgraded 770 kilometres over four years.

This is the last budget of our current mandate, and we're proud of our achievements. First and foremost we have kept every transportation commitment we made in the 2007 election. By keeping our promises, I firmly believe our government has made transformative and significant improvements to our transportation system. By the end of this fiscal year, we will have invested \$2.2 billion in transportation, exceeding our election promise of 1.8 billion over four years. These efforts are helping to ensure our roads are safer, our transportation system

keeps our economy booming, and that Saskatchewan is the place to be. Thank you.

The Chair: — Thank you, Mr. Minister. Once again I remind officials, other than the minister, to kindly introduce yourselves the first time you speak for the benefit of our Hansard people. We will now invite questions from committee members. Mr. Vermette.

Mr. Vermette: — Thank you, Mr. Chair, and to the minister and officials giving us an opportunity here to ask some questions. And I guess I'll go right to the northern Saskatchewan as . . . And I know there was an advisory committee that came up with, I guess, a plan. There was different individuals were asked to sit on this advisory for roads in northern Saskatchewan. I guess the idea was to come up with your so-called rollout plan that you guys were going to use, the five-year rollout plan I think you did for the province. You talked about that for the North, and I know there was excitement and people thought . . . And some of the mayors and individuals that took part in that committee to give, you know, recommendations and I guess identify some of the roads that need it as a priority, and I know that they're very disappointed, from the ones I have talked to, and shared with me that they don't feel that things have moved along quick enough.

They put a lot of work, a lot of time, a lot of meetings, and I know from the individuals I have talked to, they're not very pleased and not happy, especially with I guess the amount of dollars that we talk about, that the budgets . . . And you look at the money that this government has and the money that, you know, does come out of northern Saskatchewan. And people would like to see . . . It's economics, and if that's what we're going to talk about, and the advantage and all that stuff, that's great and, you know, people are happy to see the province doing well. Northern Saskatchewan, the leadership up there, they like to see that too.

But I know that people are getting frustrated and I've been in meetings where some of them are very frustrated and they're starting to, I guess, make a plan and they're going to make a plan how they're going to deal with this. They're not pleased, they feel neglected, ignored. And it shouldn't be about politics. It should be about, if it's economics that drive things . . . I keep hearing questions come forward from, I guess, different ministers over time and, you know, they talk about the booming economy.

But I want to strictly look at some of the roads, and I know there was projects that were announced by previous governments as a priority, and announcements that were made, commitments, promises, and I've been through this for the last three years and we've gone over some of these questions and I go back to it, you know. Some of the projects, they're still not moving forward; yet they are a priority to the leadership and the community members for safety. They have to travel on these roads.

And I think about Cumberland House, Highway 123, there was a commitment and a project that needed to be done and never went anywhere. It died out or was cancelled. And I think about Highway 135. It sounds like there was some discussions further, you know, and I hope that will continue, but it doesn't look too

promising and sound too promising. You're going to the end of your four years and you look at the record revenue you have had, just about 40 billion in that time. And really northern Saskatchewan has seen very little road improvements under your current administration, and I have to be . . . So when we're looking at this, and I think I talked and sent . . . I know I served petitions on all these roads, Highway 102. So when I look at some of the roads, and I guess at that point I should, I put quite a bit out there. And maybe I'll let you comment on some of those, and then I can respond.

But I just want you to know that the frustration from some of the leaders, I mean we want to make sure if a project is a good project and it's good for the province and the people, you know, wonderful. And if people are seeing roads being built in their areas, wonderful. There's nothing wrong with that. We are happy people are seeing improvement for safety. But let's not forget about communities that may not support your current administration, not to forget about them just because they've made a decision. They still have community members, families, and workers that want to travel on these roads in safety, and I remind, I guess, yourself and your department to make sure that you're doing what you can to remember that. And northern people want to have safe roads to travel on, and it's a right, and they shouldn't have to feel any different.

So I'll let you comment on some of the, I guess the highways I've talked about and see what your comments will be. Thank you.

Hon. Mr. Reiter: — Sure. You have covered a lot of areas, so I'll just point out what I'm going to do. I'm going to address as many of those points as I can remember. If I miss some, if you'd like to bring them up again, please do. While I'm doing that, I'll just let Assistant Deputy Minister George know I'll make these comments. I'm going to ask him to comment then on the processes that the northern transportation advisory committee followed as well.

To begin with your, you know, your point about roads in bad shape, it's well taken. It's not just the North. There's roads in bad shape all over the province. You know, as I mentioned, you're talking in this case generally, I guess, some maintenance, but to a large extent capital. Our capital budget this year is far and away the largest capital budget in the history of the province, significantly more. I know you weren't sitting in the House at the time, as I wasn't, but under the previous administration, it's significantly higher than the capital budgets there. But again the infrastructure had been left to deteriorate over a lot of years, and we're in the process of trying to play catch-up.

Your points on the economy in the North again are well taken as well. I believe the North is extremely important to the future economy of this province. Some of the information I've been provided by ministry officials — you know, your point on the revenue taking out of the North and dollars being put back in — I'm told that population of northern Saskatchewan is approximately three and a half per cent of the Saskatchewan population, the contribution to the provincial gross domestic product is about 3 per cent, and the percentage of the highways budget spent in the North is just over 9 per cent. So I think you can see from that, while I can appreciate it's, you know, it's not

just a northern issue that people would like their roads being fixed sooner; it's everywhere across this province. And we can't get to them all at once, so we're trying to do it as strategically as we can by having, you know, well laid out criteria, doing it in a logical, methodical manner.

Your point about it not being about politics is exactly right. I agree with you on that. It shouldn't be about politics. It should be, it should be about safety. It should be about economic growth. It should be for all the right reasons. So again while I can appreciate some of your constituents would certainly like to see roads being rebuilt quicker, I can assure you it's not just your constituency. It's most constituencies across the province.

With that I'd like to ask George to comment on the northern transportation advisory committee.

Mr. Stamatinos: — Thank you, Minister. For the record it's George Stamatinos. I'm the ADM [assistant deputy minister] of planning and policy division with the ministry. If I might take a few moments to provide a little bit of background, a little bit of the history to the northern transportation strategy, I think it would be helpful in the discussion and some of the questions that the member may have of the minister.

I might just start by saying that the strategy was originated back in June of 2009, when we invited approximately 12 organizations to work with our ministry to construct the strategy as it appears today. And if I might just take a moment, I'd like to just share with you who those member organizations are. Three of them are northern area transportation planning committees that we have. They consist of the north-north east transportation planning committee, there's a north-north west transportation planning committee, the Athabasca Basin transportation planning committee, the Canadian Association of Petroleum Producers, the Prince Albert Grand Council, the Council of Saskatchewan Forest Industries, Métis Nation of Saskatchewan, Saskatchewan Aviation Council, the Prince Albert Grand Council, Saskatchewan Mining Association, Tourism Saskatchewan, and the Meadow Lake Tribal Council.

We've met with that group I believe now seven times to help us. First of all, they did help to construct the strategy. We presented to them a number of considerations in terms of criteria that could be used to develop a ranking process and an evaluation for the 54 sections of roads that we have looked at in the North. I can just share quickly with you what some of those considerations are. There's 16 criteria that we looked at with the committee. We looked at things like — and I'm just going to just give you a sense rather than go through each of the 16 — but essentially we looked at engineering economics and analysis.

We looked at socio-economic function, the socio-economic function of the road. We looked at highway safety considerations — I'll give you a sense, like at traffic accidents and highway conditions — the provincial economic activity, the contribution and the activity that occurred in support of northern industry, community access considerations to serve some of those communities that have single access in and out of their community.

We looked at the local socio-economic activity. There've been a

number of, certainly at least one where — probably more — that have asked to come and meet, talk to our committee, to represent directly to us what contribution their local highway makes to their economy and also to, I guess, to some of the social aspects of their community. And . . . [inaudible] . . . encouraged partnership, if there's any kind of partnership we can have with our northern communities, our northern partners, whether it be just to help us do some consultation, to help us with working to some capacity-building process with the community. There's always those kinds of opportunities.

[20:15]

What we've actually done, and I don't mean to digress, but what we try to do also is to model the northern transportation strategy after our rural highway strategy, which we've now had in place for three years. And it's worked very well for us, and we'd like to have a kind some similarity and transparency between those two processes.

Essentially just, if I may, I'd like to share with you some of the achievements of the work that we've done with our committee. We have successfully ranked the 54 sections in categories of the first 10, next 10, etc., etc., all the way down to 54. And we've made that . . . sort of we shared that information with those folks that work with us on the development of that strategy.

We are in the process now of developing a ranking process for our 17 northern airports. I want to be sure that we don't forget the folks that don't have road access, that some communities are totally reliant on air. And we want to make sure that we treat them in a very similar manner, a sense of fairness, that they have the same kind of access as do those people in those communities that have access by road.

At our last meeting we also shared with the committee members that were present that we would start to look at an enterprise approach to how we do investments in the North, and we would encourage and invite other fellow ministries — whether it be Enterprise Saskatchewan, Energy and Resources, Municipal Affairs, First Nations and Métis Relations — we feel that would be a more comprehensive way, but we can gain some synergies by involving a number of ministries in the process of developing a plan for our northern communities whether it be through transportation or other means as well.

So I hope that provides a quick overview, Mr. Vermette. And now maybe, Mr. Minister, you have any closing comments?

Hon. Mr. Reiter: — Thank you, George. And I guess just to wrap that up, again I would reiterate, you know, I can appreciate the concerns that your constituents have expressed to you. But again, it's not just northern Saskatchewan. There's highways concerns across the province, and there has been for many years.

Mr. Vermette: — Okay, thank you for the, I guess, the information. It's helpful. But I guess I'm going to go back to this. When you talk about the size of northern Saskatchewan, probably I guess the size of it would be somewhere about 45 per cent. If we look at the Athabasca member and myself, we're probably talking about 45 per cent of land in the provinces in our two constituents. So it is large.

And if you're going to start looking at projects, some of our roads, and you compare to the South, and I mean, we have roads that you have to travel on for hundreds of kilometres to get to some of our communities. And fortunately the roads aren't too . . . they need a lot of work. And I mean you look at the transportation that's using it, economics with the mining industry. And there is a lot of tourists. There's a lot of different reasons to make sure these roads are good.

And I look at the size, so when we compare, and we look at the revenue coming in, we do pay attention to it, wondering, okay well if we have 45 per cent of, I guess we'll say the land that . . . communities . . . the size of the North, I guess we just want to make sure that as far as you want to say fair, we just want to make sure we're getting the roads that our community members need to travel on. We want to make sure that they can travel on safe roads, and our industry use the roads that they have safe roads to travel on as well.

But I want to for the record be very clear. I wouldn't mind getting copies of the information that you shared with us. That would be nice and handy just to see the rollout plan if we could get copies of that. That would be nice if you could provide that.

And I just want to talk about a few projects that I want to make sure for the record, make sure that I have talked about them and asked you questions. And I'm going to refer to the Wollaston Lake road, all-weather road. This road has been moving . . . and I know from the leadership and from community members, they're frustrated. It's a safety issue on the ice road. We know we've had accidents. We've had a death: a teacher, coming out of there. And unfortunately, you know, that's the conditions they have to travel on.

And I know that the previous administration supported doing an all-weather road into Wollaston and, you know, budgeted for that and moving . . . And I have to be honest, it's unfortunate it's taken this long because by the time you get done one side of it — I think, to be honest with you — and clear and ready to go, you're going to have to start over, just with the growth because of the length and time that this project has gone on. So I guess we say, and they feel, from the individuals I've talked to, that this road has slowed to a snail's pace. And you know, I say that not to be disrespectful.

The community looks at it for safety. It's a large community. There's opportunity — economics, tourism, and a lot of different things — that would open up if there was an all-weather road there. They've made their case very clear. I think it's been a strong case. They need the road. I don't think that's an issue with your department. It's been identified. So obviously I just want to make it very clear that they're frustrated with the length of this, and it needs to move forward. So for the record, I just wanted to make sure, as the leadership and community members asked me to bring this forward, I've got a chance in estimates to bring that forward. So you can make comments on that after if you want to on that one.

I guess we look at Wollaston Lake and how many people travel out of there, and I know that they're going to get to the point here where they're going to start . . . The ice road will end, and I was talking to one of the gentlemen that travel on there quite a bit. Soon their road will . . . They will, you know for safety,

stop travelling on it.

But I want to go on now. And I'll go on to, I guess, Highway 135, Pelican Narrows, the paving. For the record, I know that project was supposed to go ahead with 7 kilometres of paving, and I'd like to know whereabouts that project is. That's Highway 135 through Pelican Narrows. There was 7 kilometres was supposed to be paved. And I know you guys were having discussions, and I just want to be clear on that. Where is that as far as a project moving ahead, or whereabouts is it on your list that you've gotten from the advisory? And I know it was committed to. So I just on . . . That one would be important.

And then the last thing, I want to talk about Southend, Highway 102 to Southend. I know there's been a petition about paving, and I've said that earlier. But also, you talked about airports. And at some point I wouldn't mind finding out . . . Southend has an airport, but it's privately owned. And I know that there's concern from the community about the airport. I've had individuals share their concerns about safety for that community to take people from the community in ambulance. The road conditions, sometimes it's a 6-hour trip in and out with an ambulance, and it's just too much for someone who's critically ill or going into labour. Sometimes it's pretty sad to see the conditions, and the air ambulance cannot land there. That runway is too short and it looks . . . and it's privately operated. So I'd like to see if you have any comments on that. And I know they're going to push for it, and I know it's a priority for community members for safety.

So I'll leave those three with you of the Wollaston Lake 135 and Southend airport, if you can make some comments on that.

Hon. Mr. Reiter: — Sure. I'm going to ask Assistant Deputy Minister Ted Stobbs to make some comments in a minute. First on Wollaston Lake, I just want to make a couple of comments first. You mentioned the safety aspect, and I share your concern there. Safety obviously is the most important priority and is extremely important to the ministry. The problem again we have is there is so many roads right across the province that do need work, that do need to be rebuilt. If it was a case of selecting good projects versus bad projects, this job would be, for all of us would be very easy, but it's not the case. There is many highways across the province that need rebuilding and, as we mentioned earlier, we're trying to do it in the most logical, practical, well-thought-out way possible.

With that though, for the specifics on Wollaston Lake, what's been done there and what's planned for this year, I'm going to get Ted to address that.

Mr. Stobbs: — For the record, my name is Ted Stobbs, and I'm the assistant deputy minister for regional services. Wollaston Lake, we have made some progress. As you know, we've done clearing of our centre line right from kilometre zero or from Highway 905 all the way to Wollaston Lake, as well as we've cleared the right-of-way for about 36 kilometres and that prepares us for the construction of the grading contracts.

We've completed 10 kilometres from Highway 905 towards Wollaston Lake, and we recently let a contract for another four kilometres, which we expect to begin here early this construction season, probably late May, early June. The

contractor for that contract is Silvertown Contracting Ltd. and it's a, I believe it's a \$4 million . . . sorry, two and a half million dollar contract that was let out.

Hon. Mr. Reiter: — The Wollaston Lake one, if you'd just give us one moment to confer, Mr. Chair, and we'll come back with the . . . On your question, sir, on 135 to Pelican Narrows. Mr. Chair, if we could, I'll get Ted to address Highway 135, Pelican Narrows, and then I'll have some comments on the Southend airport. Ted.

Mr. Stobbs: — Yes, Highway 35 through Pelican Narrows, we've had discussion with the community. And the community certainly supports the project and we understand that. There was a band council resolution that was passed supporting what we were planning to do. We have proceeded with completing the design work for the work. It's about a \$3 million project. My understanding is that the project went forward to INAC [Indian and Northern Affairs Canada], and INAC is now considering it and that it's in their process of determining whether or not they will support the project as it stands.

Hon. Mr. Reiter: — Thanks, Ted. Now on to the airport. You had referenced that it was privately owned. You know, we have no plans as a ministry to take over that airport, but I would suggest possibly what you could do is contact my office. I'm not sure of the ownership structure, if there's opportunity for change, but possibly there's something that could be done to have the airport qualify under the community airports program. I'm not sure. But I'd certainly offer to have you speak to people in my office, and we can certainly provide information to you on that.

Mr. Vermette: — Okay. Thank you for that. And I just want to get clarification why you're waiting for INAC, what INAC has to do with the road through Pelican.

Mr. Stobbs: — There's some land issues with the project. So what's been put forward is instead of a purchase of land, we've agreed to lease the land for what we need for the right-of-way and some of the other works. I believe there's a sidewalk that's going to be attached to this highway. So it's a consideration of how that lease would be structured and the approval process that's required by INAC and the federal government because of that.

[20:30]

Mr. Vermette: — Okay. I guess I'm actually ready to finish up on it. And I guess I just want to make it very clear and for the record that a lot of people in northern Saskatchewan, and I say this, feel frustrated that they aren't getting their fair share of roads, and they look at it for safety. It isn't that they're not saying they aren't getting their share of the resources, and I'm not going to say . . . What they're frustrated with is very clearly their roads. And they feel that their roads should be safe to travel on. You've got one road going into some communities. There's not three ways to go in or four, like some communities are fortunate, for safety. They've got one road. And they want a safe road, and they want a good road. So I just say that I watch the, you know, the frustration sometimes.

And you look at . . . Well I travel on the roads myself quite a

bit. I don't fly into any of my communities. I drive there. The roads are not that good to travel on. I mean you hit those trucks, and you see them, and sometimes, I'm telling you, it's pretty scary. You get some pretty close calls, and we've had a lot of loss of life, a lot of accidents. And I just want to say, people are frustrated. All they're expecting from their government is a fair, to be dealt with fair, not to be for any other reason than that, for safety for their families, for their going back and forth to their jobs.

I just want to make it very clear and I don't want to talk about so much the resources when I say that. I talk about economics and the reason we say that because there is a lot of opportunity with tourism and the mining industry, but it can't always be economics alone for communities that have been up there for hundreds of years. If that's the case then those communities are there. There's culture, there's value, there's pride in one choosing to live in northern Saskatchewan. They make a choice and they're very proud of that. But what they ask from their government is to be treated with respect and dignity and to have some things that southern Saskatchewan have, like safe roads to travel on.

Yes, I know there's a lot of areas to cover and a lot of roads in our province. I understand that. They just want to make sure that they don't get left behind. And sometimes they feel frustrated. And we could talk about, you know, infrastructure that was inherited and that was in terrible condition. I understand that. I've heard that many times since I've been here. But there has never been record revenue, billions of dollars coming into coffers. And people want to see northern Saskatchewan having some of that wealth on their roads for safety.

So I just ask you to consider that when you're making your decisions. Thank you, Mr. Chair.

The Chair: — Mr. Minister.

Hon. Mr. Reiter: — Your concerns about safety certainly are well taken and again I would just reiterate that it certainly isn't only in the North. It's roads all over the province. As I mentioned in my opening comments that I read into the record, we have a huge infrastructure deficit. We can't rebuild all the highways at once, but in the meantime, and I know you and I have had discussions about this in the past, our ministry staff certainly make every effort that they possibly can to do a proper job on maintenance on all the roads in the province, keep them as safe as possible.

And moving forward as I mentioned, the last four budgets for Highways have been the four biggest budgets in history and I see no reason that in the future that'll change. But again we won't be able to . . . We didn't get in this situation overnight and we won't be able to get out of it overnight.

The Chair: — Questions from other members? Mr. Belanger.

Mr. Belanger: — Thank you very much, Mr. Chair. Just two or three questions. I thank my colleague from North Battleford for allowing me a few minutes to ask a few questions.

You mentioned one particular project in our region, 155 north

of Beauval. You mentioned a 12-kilometre section of road to be improved. What's the total cost of that project?

Hon. Mr. Reiter: — If you'd just give us one minute — 6.6 million.

Mr. Belanger: — Okay. Now of the . . . And you mentioned another project south of La Ronge. What's the cost of that project?

Hon. Mr. Reiter: — Mr. Chair, that's Highway No. 2, and I am told that there is two different sections will be done and that'll total \$6.8 million.

Mr. Belanger: — Okay. Now I just want to clarify. The project north of Beauval, that had been announced previously, right?

Hon. Mr. Reiter: — That's right, and I'm told the stockpiling for that of aggregate was completed in 2010.

Mr. Belanger: — Okay. But that project was announced. I can recall as a former minister that I announced that project in 2006 or early 2007. It was supposed to be a total of 34, if my memory . . . I have my notes in my office. I just kept a couple of those notes. But just to clarify the project. If the minister wants a copy of my notes, I could get them to him.

The Chair: — We can have copies made, Mr. Belanger, if you'd like.

Mr. Belanger: — [Inaudible] . . . the committee. I'll get it at a later time. Okay?

The Chair: — Certainly.

Hon. Mr. Reiter: — There's been some spot work, I guess if you will, over different years. And I'm just going to get Ted to elaborate on that.

Mr. Stobbs: — Yes. I'm not exactly sure of the announcement that you're talking about, but we have done a lot of work on Highway 155, going back to year 2000. So there's lots of little spot paving work. I know that there was an announcement about \$2 million worth of work that was to be done along with the northern economic infrastructure strategy that we had in the past. And this particular project would have been on top of all that work that we have done.

Mr. Belanger: — Now I just . . . My final comment because we have a lot of documentation just in terms of dates and announcements and all that, I understand from the Northwest, the Chair . . . not the Chair, sorry, just from the northern transportation committees that are out there, that you're about to announce a major P3 [public-private partnership] partnership for the Far North. Is there any kind of information that you'd like to share with us as committee members in terms of a potential P3 partnership to be announced at a later date prior to the next election?

Hon. Mr. Reiter: — If I could, the program you're referring to, the federal government has a program, P3 Canada Fund, I believe they call it. And the ministry's been working doing due diligence to see whether that Athabasca Basin project, whether

that would fit. There is no sort of, as you refer to though, sort of an imminent decision coming on that yet though. We're continuing working on the due diligence. You know, I'm not sure of a time frame, but some work has been done, including environmentally. And I'm just going to ask Deputy Minister Rob to detail that for us if he would.

Mr. Penny: — For the record, Rob Penny. I'm the deputy minister of Highways and Infrastructure. Yes, part of the due diligence that Minister Reiter was talking about — and it wouldn't make any difference whether we were doing it for P3 Canada or under a traditional design-bid-build — we would need to do the environmental due diligence of doing all of that. So that's what we're undertaking, some of those environmental impact assessments on various components of some of the Athabasca Basin roads just so we have all of the i's dotted and t's crossed if and when the opportunity arose for us to proceed forward.

But as Minister Reiter said, no decision has been made to actually proceed or certainly not for any announcement yet. But we're just doing all of the environmental, which will include some community involvement and workshops, public open houses, those types of things, to complete the environmental impact assessment.

Mr. Belanger: — And I understand that the meetings are being held today and tomorrow in the Athabasca Basin. Is that the correct time frame?

Mr. Penny: — I don't know the exact dates, but I do know that they are undertaking those right around now or in the next week or so, yes.

Mr. Belanger: — I'll just close with this comment in relation to the Far North. I understand and appreciate the environmental impact statement that takes a long time to develop. You know, you look at the caribou migrating routes and the impact on the land in general. Those are all things that the Athabasca Basin people are quite, quite concerned about. Then you also have to make the connect to the northern mines, and also how do you do the best cost-saving effort to bring transportation opportunities for everything from the economy to food to fuel. The list goes on.

So I understand it's a fairly complex process. It takes a long time. And I think Wollaston Lake went through that and took about three or four years. And when INAC's involved, it takes a long time as well.

So I just want to point out that the impending P3 partnership that people are getting excited about, that there is no announcement coming this fall, that really much of the work that's being concentrated on is the prerequisite environmental impact work that has to be done prior to any project moving forward. I just want to clarify that. Is that correct?

Mr. Penny: — Yes, that's correct. We're doing all of that pre-work that would be necessary in any event. And it's not only as you said, the caribou and the ungulates. We also have to be careful of any of the sediments that might be created. It might impact fisheries on any of the streams that are going through there, or even we don't want to introduce invasive

species of grasslands or grasses that aren't native to the areas. We want to make sure that we document all of those things so that when we do build the road that we're not impacting what would be natural habitat in the area.

[20:45]

Mr. Belanger: — And my final comment, Mr. Chair, and I share it with the minister. Many, many years ago an elder from Turnor Lake, his name was Louis Morin, passed away. And as a young MLA [Member of the Legislative Assembly], he'd tell me, we need to get the road to Turnor Lake fixed, as many other people would say about their particular road in the Far North as well. So when I came to Regina and I got Turnor Lake's road on the list — it wasn't prioritized yet, but it was on a list — I went back home and I told him, well at least now Turnor Lake's on the list. And he said to me, you can't travel on a list.

So I would just encourage you to keep the northern communities that we speak about, my colleague and I from Cumberland, primarily when it comes to northern Saskatchewan, that it's not just about extracting resources. It's about safe and, quite frankly, friendly travel for many of the people that don't have a mine in the back of their community — places like Turnor Lake, places like Dillon, Canoe Lake, Patuanak, Pinehouse, the list goes on. So the northern communities are quite anxious to see some action on their roads. Thank you very much.

The Chair: — Ms. Higgins.

Ms. Higgins: — Thank you very much, Mr. Chair. Mr. Minister, I just have a couple quick questions. And one of them specifically, or the main one specifically is in regards to a letter from a constituent in Moose Jaw, a Mr. Arthur. He wrote a letter to you, to me. I think it even went to the member from Thunder Creek and also the MLA for Moose Jaw North. But it really lays out his concern and questions about the signage, how signage is done.

Mr. Arthur cut across, coming in from Alberta, he came across and wanted to travel some former roads that he was more familiar with in central Saskatchewan. So he came in, entered the province from Alberta at Kindersley. I could go the whole path for you if you like, but I'm sure you have a copy of the letter somewhere. It came in on I think the 21st. No, the 17th of April it was sent.

Anyway he had a very difficult time kind of weaving his way through the west central part of the province and questioned the lack of signage for Moose Jaw in particular or even the . . . His question, I guess, is how on earth is the signing done? He ran across multiple signs for Saskatoon or Regina or Davidson, but not until he could actually see the lights of Moose Jaw did he see a sign for Moose Jaw. So he had a bit of frustration.

So I said to him I would ask you about the signing policy: how flexible it is, how rigid it is, and if there's a possibility of doing something. And I realize that Saskatchewan has many miles of roads that people travel. So maybe it's time to look at something of more regional maps at major intersections or something a little more all-encompassing than just individual signs to Saskatoon and Regina.

Hon. Mr. Reiter: — If you could just give me one moment while I confer with the officials.

Mr. Chair, I'm going to get Assistant Deputy Minister Ted to comment on the signing policy in one second, and then I'll have some suggestions I'll close with then. Ted.

Mr. Stobbs: — Yes, in Saskatchewan we follow the national standard for destination signing. So typically we always sign for the next major centre. Now that could be Saskatoon or Regina or Moose Jaw in this case. And it depends on what highway, you know, he's travelling on. But also included with that signing would be the next community that's up. And typically we'd also include a third community which would be the next major town or the next town at the next intersection of the highway.

So it's standards that are well-applied across Canada. We've had them in place for many, many years. I don't think that we are any different than any other province that would, you know, across Canada. And certainly I think that the signing is appropriate. But I guess if you're looking for Moose Jaw on a highway that doesn't have it at the end of its route, it won't have Moose Jaw on there.

Hon. Mr. Reiter: — I think, if I could, and we don't have it here, I guess, but I can certainly provide . . . The ministry has a signing policy. I can certainly provide that to you. And you know, in this specific case, this letter, my officials tell me we did just get it recently, so I haven't had an opportunity to respond yet. Of course if you were cc'd [carbon copy] on that, I'll cc you on the response as well.

Ms. Higgins: — I would love to have a copy of the signing policy, just to have a look at it and see if that would . . . if I'd be able to get a hold of that, or if you could pass along a copy.

Part of Mr. Arthur's comments also were that . . . I mean when you look at the whole Central Butte, Riverhurst, the whole Diefenbaker Lake and the promotion of tourism, you know, isn't there a way we can do this in a more appropriate fashion? And I know I have seen . . . Well I've received complaints from my local RMs because some of the regional parks that may not be directly on the main highway, Department of Highways will not put a sign. You know, if you've got to do two turns, then you're out of luck according to the Highways' policy. Like, if I have to turn off Highway 39 onto a grid and then turn onto the road that goes into the regional park, I'm not on the road that the park is located on so I can't get a sign? And it's a bit of a frustration. You almost have to know where you're going to get there, and the sign confirms it at the end in some cases.

Hon. Mr. Reiter: — We do do some signing for regional parks. Specifically though, we're just not able to address your concern right now. But I wonder if what we could do, again we'll forward the sign policy to you. As far as the regional parks, are you mentioning this generally? Or if there's a specific one in mind, if you'd provide us with a name, we'd be happy to look at that. We can follow it up with you as well.

Ms. Higgins: — Okay. No, I will. Thank you very much.

Hon. Mr. Reiter: — Is there a specific one, or is it more

general?

Ms. Higgins: — Well there is. The one I had talked to the RM about was Dunnet Park at Avonlea. So if you come down Highway 39, because the park is not on 39, you could not have a sign showing you where to turn off of Highway 39. You would have to be on the grid, already turned off, heading towards the park before you would be able to put a sign in place. So it was just a concern that, I mean, to get people to go to the park, to kind of advertise the park a bit, it was . . .

Hon. Mr. Reiter: — If we could then, in that case, I'll have our officials look at that. We'll follow up with the RM and follow up with you as well then.

Ms. Higgins: — Thank you very much.

The Chair: — Mr. Taylor.

Mr. Taylor: — Thank you very much. And thank you to my colleagues who have raised some very good questions tonight. My first opportunity to ask questions of the Minister of Highways and his officials, so I want to welcome the officials and the minister here tonight and thank you for the good work that you do throughout the year. The Department of Highways is one of those, or the Ministry of Highways is one of those ministries whose work is very visible throughout the province. And for the most part, I think the province is very pleased with the efforts that you are making.

Just a quick sort of introductory question because the minister kind of referred to funding a couple of times. Isn't it true, Minister, that no matter how much money you put into the highway system, there's always some job that doesn't get done? There's always more work to do.

Hon. Mr. Reiter: — I guess, you know, earlier in my comments I spoke to for instance the TMS highway in the province and the billions of dollars that could be spent on that alone. You know, at times it may seem like an insatiable demand, and I think that's where it's important that, as I mentioned, we certainly try to prioritize in as fair a manner as possible. And then of course you get into what level of service that you're financially able to provide. So certainly as I've mentioned many times, we have a huge infrastructure deficit. We have many, many — as your colleague mentioned earlier — many kilometres of road in this province, and you can't rebuild them all at once. So we're trying to do as much as we possibly can with record investment, but it takes some time, and we're asking people for patience.

Mr. Taylor: — The only reason that I mentioned that is in your opening remarks, Minister, you quoted the Throne Speech from two years ago that no longer is this next year country; it's this year country. And just interesting that in the highways community of Saskatchewan, there is always a next year country. There's always a project that needs to be done next year.

Hon. Mr. Reiter: — I think what I was referencing in this case in regards to highways is just the fact that with record investment, with record capital investment, what we're doing is a huge, significant amount of work, twofold. One is to

obviously, you know, repair and replace existing infrastructure, and second is new infrastructure that's needed with the growth, the growth in population of our province. So I think the reference there is mostly I guess the dramatic changes that are happening in the province and the record capital investment we're taking for infrastructure for the province.

Mr. Taylor: — Right. And of course the minister also means his government is fortunate enough to have record revenues as well to allow for those additional expenditures.

I want to address an issue that the minister did not raise in his opening remarks but an issue that I think is front and centre for every Saskatchewan resident, and that's flooding that's taking place in Saskatchewan and the stresses that this is putting on Saskatchewan residents in probably about 75 per cent of the province in one way or another.

There's no way that we can predict flooding, and no way really at this point I would guess that you can estimate what sort of recovery is going to be required by the ministry, either in terms of assets or resources. Can the minister give us an outline as to how the ministry is currently looking at the flood situation in the province and what planning concepts are being discussed throughout the ministry for dealing with damage that has occurred and will be seen soon throughout the province?

[21:00]

Hon. Mr. Reiter: — I'll just confer with my officials for a moment.

On the flooding front, what we attempted to do in advance, I guess, you know . . . You mentioned the difficulty in predicting flooding, and you're absolutely right. But what we did try to do, our ministry staff worked with the Saskatchewan Watershed Authority to try to predict high-risk areas of the province that were more susceptible to flooding damage. And then with the advance work, what we did was we tried to prepare supplies — barricades, trailers, steamers to open blocked culverts, those sorts of things — to keep water running freely, put plans in place to deploy staff from what were considered low-risk areas for flooding to high-risk areas for flooding so that we'd be prepared if and when the flood did occur. Also our staff worked with municipalities to arrange detours.

But again it's very difficult to know exactly what's going to happen. As you know, it's difficult to predict the weather and how quickly the thaw would take place. So to your point on the dollar amount, it is early and it is, as you alluded to, it's difficult to put an actual dollar figure on it right now. And there's a lot of work going on now as we speak. And I'm just going to ask my deputy minister, Rob, to sort of bring us up to date on where that is right now.

Mr. Penny: — Yes. We have all of our crews sort of working all over, certainly the east part of the province and in partly in the southwest part of the province, as well as water still coming down out of the Cypress Hills. But we're in kind of in three stages of this flooding situation. We're still in a lot of the areas, particularly to the east where water is still going through the system, and so we're still in sort of a mitigation mode and trying to accommodate traffic through a lot of these areas either

through detours or through some of the highways where water continues to overtop of our, top our highways.

In some of the areas where it's just recently starting to recede, we're actually in emergency repairs to make sure that it's still safe where the waters receded, where some of the highways have blown out or aren't in the best of conditions. So we're applying gravel or temporary patches in those cases with our crews.

And in the third stage, in some of the areas where we're actually starting to get into recovery, we're starting to take an inventory of the repairs that are going to be necessary in the long-term repairs, whether it's a replacement of a culvert or a bridge or a major replacement of the roadway. Because knowing how the federal disaster assistance program works, we have to use private forces. It can't be done with our own force. It has to be using private forces to be able to be eligible for the federal funding. So we want to take that inventory so that we can then engage the private sector to do those repairs so that we can maximize the amount of revenue back from the federal government under the disaster assistance program.

Mr. Taylor: — Okay. I have other questions along those lines, but now that you've raised the federal program, what qualifies for the federal program? When you're doing the inventory with the federal program in mind, which, what type of damage, what type of road would be covered under the federal program?

Mr. Penny: — Well major repair work certainly, like in 2010 the washout on Highway 1 near Maple Creek. All of that is claimable under the federal disaster assistance because we've had to replace that major piece of infrastructure for that work. If we had to replace a bridge or a major culvert or rebuild a road because of the damage caused because of the event, those would all be covered by the federal disaster assistance program.

Mr. Taylor: — Maybe the corollary of that then: what isn't covered by the federal program that the provincial ministry is going to have to have a look at and have to provide some repair work for?

Mr. Penny: — Well again it's if we use our own forces, it's not technically covered under the federal program, but we have to . . . I mean we can't engage the private sector to, like for each of these cases because they happen so instantaneously, and we have to make sure that the movement of people is safe over the highway system so that immediately afterwards, if there's a big hole in the highway, we have to replace it, repair it so that the traffic can get through it. But the major permanent repair we would hold off on until we could get the private contractor to do the permanent repair.

Mr. Taylor: — Maybe I'm being a little bit misunderstood. Your answer is very helpful and I appreciate it. But I'm thinking there is a lot of damage in the province, not just on provincial highways but would be on rural grid roads, would be on . . . I'm not sure whether heavy-hauls would be affected, if the flooding damage has affected that, but certainly rural grid roads, approaches to major provincial roads and highways, roads that are not the specific responsibility of the province of Saskatchewan. Are we talking about any assistance being inventoried, either of a provincial or a federal nature for, to

make it simple, a rural grid road, an RM grid road?

Mr. Penny: — Well the RM individually would be responsible for their own road and to do that. And they're part of a lot of the discussions through SARM as an association, providing a lot of that information for the individual rural municipalities on the processes that they have to take place. As well, as I understand it, through the Saskatchewan Watershed Authority they've engaged a number of engineers to assist a lot of these rural municipalities, not only in the pre-mitigation work, which the \$22 million that the government provided in advance for some of the advance mitigation work, but those same engineers are available to do some of the inventorying and the damage assessments on a lot of the rural roads on behalf of the rural municipalities.

Hon. Mr. Reiter: — I should just point out as well too, while Rob has a sound understanding of that, most of that work is done through a different ministry.

Mr. Taylor: — That's really where . . . I was trying to get an understanding first because of course my question, while we're dealing with the estimates of Highways, is ultimately when I understand this fully, trying to develop the proper question to ask.

What it all comes down to, I guess, at the end of the day, is the flooding in Saskatchewan going to have an impact on the Ministry of Highways' budget? The estimates we're looking at today, will they be impacted in any substantial way by the flooding activity that's occurring in the province?

Obviously there's money that's going to be spent to repair the roads. It could be federal. It could be the ministry of protection, Public Safety and Policing through the disaster relief program, or it could be additional work assigned by the Ministry of Highways either for repair of its own work or contracted out.

Hon. Mr. Reiter: — I'm just going to get Deputy Minister Rob to address that.

Mr. Penny: — As far as whether it's going to affect this year's budget, again going back as Minister Reiter said, it's too early to really see what the total impact is going to be on the damages to the road, whether it's going to have a really, really significant impact to our overall budget or not. Because we haven't had the opportunity to do that detailed evaluation as we go through it.

So we will be doing that evaluation, determining how much it's going to be. If it's like somewhat similar to last year, we will be, we will have to pay for it out of our own normal appropriation, and then our cost will be aggregated with a number of other costs from other ministries and other jurisdictions, whether they're rural municipalities, to make up one submission that's made by CPSP [Corrections, Public Safety and Policing] to the federal government under federal disaster funding assistance. But then that will generate the revenue back to the province.

[21:15]

The Chair: — Minister, members, would this be a good time for a very short break? Five minutes, please. We'll be back in

our chairs at 9:20 to resume.

[The committee recessed for a period of time.]

The Chair: — Thank you, members. We'll resume consideration of estimates for the Ministry of Highways and Infrastructure. Mr. Taylor.

Mr. Taylor: — All right. Thank you very much. Just to pick up where we left off, and again I appreciate the explanation from the deputy minister, especially about making payments early, getting the work done, amalgamating, and making a single application with funding coming back to the province. Obviously this means an expenditure of funds from the current budget. How is this funding treated by the ministry and then understood by the Provincial Auditor? The funding would be considered expensed by the Ministry of Highways, but if the revenue came back in a different year, it would simply come back as revenue to the GRF. Is that not correct?

Hon. Mr. Reiter: — To your question about if the federal money flowed back in subsequent years, and that's exactly right. It wouldn't flow back directly to the Ministry of Highways; it would flow back to GRF. For the time being, what we're attempting to do with the flood work is managing it within the existing budget until we get a handle on sort of the dollar amounts that are involved.

Mr. Taylor: — Okay. That's actually where I wanted to go next. So, Minister, you helped me segue nicely into the next part. Essentially it is . . . Despite the fact that it is a historic budget as far as the spending is concerned, the money is carefully allocated and we heard that from the North, the description of the process. I think at one point the minister used the words of rational and consistent criteria as being used to decide how projects get done. So the amount of funding, because projects are very expensive, you know, you need a sharp pencil to figure out where the money's going.

So here you've got unusual circumstances, flooding, in which expenditures are going to have to be made quickly. Will this expenditure, and whether it's for emergency and temporary work that's being done right now, or whether it's for permanent repairs that will be done before the fall, will this have an impact on projects that are currently planned for the year? I would say planned in the sense that funding has been allocated and expected to be expensed.

Hon. Mr. Reiter: — Again I guess I would say that it's too early to tell. You know, you're referring to the projects, I'm assuming you're referring to capital projects. My understanding from the officials is, in a flooding situation like this, depending on the type of work that needs to be done, we of course as you're aware — the Chair mentioned earlier — we have votes 16 and 17. There's capital and there's operations and maintenance. So depending on the type of work that needs to be done, it could be taken out of either of those. But again the short answer just is that it's too soon to tell.

Mr. Taylor: — Okay. On April 21st in the Regina *Leader-Post*, there's an article in which the minister is interviewed. He's talking about the highway investment announcement for the year, the \$556.2 million investment. The reporter asks, what

about the floods. The minister indicates that work will also be done to ensure flooded roads are quickly fixed regardless of the budget. And then he's quoted as saying, "When a highway is flooding, it becomes an emergency situation so we're certainly not going to quibble over budgets when you make emergency repairs."

I'm just thinking about not just emergency repairs but the permanent repairs that some of these roads are going to require. And it could be RMs who are asking the province to help get a grid road back functioning. I'm sure there will be provincial assistance in one way or another there. Perhaps the minister can clarify. But I'm anxious to know that, whether it's emergency repairs and whether it comes from capital or operations, you juggle these funds to make sure you get the work done . . . I applaud the sentiment. I just want to make sure that we understand how the funding is going to be done initially and what sort of an impact — because some inventory will have to have been done already — what sort of impact that might have on some of the projects that people are anticipating having done this year.

[21:30]

Hon. Mr. Reiter: — I think there's sort of two parts to your question. I want to address an earlier part first. You referenced to a municipal grid road — and I'll look to my deputy to add, if he likes, with this — but with a municipal grid road, that would not fall under this ministry's expenditures. That would be a situation . . . Obviously it's municipal expenditure. If it qualifies for the provincial disaster assistance plan, then they would apply through it through that avenue. It wouldn't apply to Ministry of Highways.

As far as your, you know, your reading my quotes in the paper about the budget amount, I think what I was referencing there is when you have an emergency, you have literally a road disaster. And probably the most extreme example of that that we've had in recent times is what Rob alluded to earlier is with Highway No. 1. You have a situation there where obviously we're not in a situation to say, jeez, we didn't know exactly this was going to happen in the budget. You need to fix it. I mean you need to get traffic moving again. We don't know what the exact costs would be. And that's where we're at right now with many of these highways where, you know, work's being done. We'll tabulate at a later date and see exactly where we are as far as expenditures.

But your point about sometimes it's temporary fixes, sometimes it's permanent fixes, I think Highway 1 is probably a good example of that, again in the Maple Creek area. Because what you had in that case was last year part of that fix ended up being temporary, and there's work is going to go on this year again to make the permanent fix, which in this case now it goes into another budget year. We had an opportunity to look at it, get some estimates on it, and make the permanent fix. So every situation's different, but the point I was trying to make in that article you were quoting is just simply, when a disaster hits isn't the time to be quibbling about the budget. We're fixing roads right now that are affected by flooding, and we'll tabulate it as soon as possible.

Mr. Taylor: — If there are significant dollars required, would

the minister be seeking additional funds to top up his budget for this year at a later point in the year? Have you thought it through that far yet, or do you see a likelihood of the current allocation being sufficient?

Hon. Mr. Reiter: — I think, again, it's too soon to tell. We'll be doing the work. Our officials will be tabulating it and keeping me up to date. Again, it's too soon to tell. We don't know the sort of dollar amounts that'd be involved, but you know, while I don't expect it, I wouldn't rule it out.

Mr. Taylor: — And are you expecting to perhaps put a financial support package together for RMs should the . . . I can see rural municipalities coming forward to request assistance if the funding through Public Safety or the Saskatchewan disaster relief program is insufficient, they might come looking to Highways for some assistance. Can you bring some equipment in? Can you do this, can you do that? Are you looking at any kind of a support program that might assist rural municipalities to fix some of their roads?

Hon. Mr. Reiter: — Again, and I think you're aware of this, my background is in rural municipal administration. So certainly I have a great deal of sympathy for what many RMs in the flood areas are going through right now. You know, a number of them made good use of the \$22 million mitigation fund. And as I mentioned earlier and you just alluded to, there is a provincial disaster assistance plan that they can apply for.

There's been sort of no work done in this ministry as far as any extra program or any extra plan. I would suggest that, you know, those sorts of discussions go on between the municipalities and the provincial plan, which is handled by a different ministry.

Mr. Taylor: — Okay. There's also a case where perhaps some roads — I'll use one example here in a moment — are actually being damaged as people are trying to mitigate some flooding circumstances. The example that's been brought to my attention is just outside of Bulyea, Highway 220, the road into Rowan's Ravine Provincial Park. I guess they've been hauling gravel down that road like crazy the last little while to help mitigate some of the flooding at the marina, and the road is now almost impassable because the road's been soft. This is not the time on that road to be carrying heavy, heavy loads. But had they not pulled that gravel, that road is travelable for this summer. Apparently it is not now, and that's going to have to require a fair bit of maintenance or repair of some kind. How do you treat that sort of thing?

Hon. Mr. Reiter: — I'll just confer with my officials about the specifics of that road.

If I could, can I just get a clarification from you? I'd taken from the beginning of the question that you were going to ask about damage to an RM road, but you said 220. So it's specifically Highway 220?

Mr. Taylor: — Yes. Yes, and it's the access to the provincial park there.

Hon. Mr. Reiter: — Okay, thank you. My officials tell me, as you alluded to, that that was used to haul sand, I believe to save

the infrastructure at the marina because of the flooding situation.

So it raises, an interesting problem of course is, are you going to let the marina be damaged or destroyed or are you going to, you know, allow the work to be done which in turn is going to do damage to the road which from my understanding, as you mentioned, is the road is in very bad shape right now?

So with that in mind, obviously our ministry felt you need to save the infrastructure in the provincial park. And I'm going to get Ted now to address what the plans are for repair to the road.

Mr. Stobbs: — Typically when we encounter a road where there's damage because of haul on it, especially in the springtime — and we have got more than just Highway 220 that's had some damage to it because of loadings and truck traffic and so on on the highways when they're soft — is that we'll go in there and we'll do what we call just a temporary repair while the subgrade is still kind of soft. And the whole idea there is just to make sure that it's passable for traffic to get through on an interim basis. And then once the subgrade starts to dry out and strengthen a bit, then we can get back in there and do more permanent repairs.

And in this particular case, we will be restoring that highway back to a dust-free surface so that the tourist traffic can get into that park. I believe there's another route in there on Highway 320, but it's . . . As you know, Highway 220 is used by many people in the summertime to get out there and certainly people that own cottages and other things that are out in that area. So there is a plan that we will restore it back to its dust-free surface, and it's just a matter of time to do that.

Mr. Taylor: — Okay. I'm assuming that's not a cheap fix, that there's fair bit of cost involved. It's considerable amount of roadway that would be under repair. And as I understand it, the marina was lost anyway.

Hon. Mr. Reiter: — I'm not aware of whether it was or not. Again I guess, in hindsight if that is the case, it's easy to say, well you shouldn't have done it. But, you know, certainly if they didn't allow the hauling, it would have guaranteed the marina would have been lost. So when you're dealing with an emergent situation, sometimes ministry officials need to make decisions.

Mr. Taylor: — Okay. Is this recoverable expense?

Hon. Mr. Reiter: — I see Rob nodding, so I believe it would be.

Mr. Taylor: — As long as . . . Okay. Never mind.

Other, what I consider to be unplanned expenses. Just want to take a look at a couple things because I am interested in the funding of emergency circumstances. I drive into Regina every week, drive home every week. I'm on the highway going north out of Regina frequently. So of course I'm over Highway 11 between here and Chamberlain. And I've watched the road deteriorate quite a bit around Findlater. And I've now seen all of the bump signs go up. I've seen the extra tracks on the road where the big trucks are bouncing across the highway. I've now

seen the repair crews out. I've seen some significant pieces of pavement removed and some new stuff laid down. And I see there's still more work to be done.

What can you tell me has been happening to that major piece of significant Saskatchewan highway, tremendous amount of traffic, what I would consider or always have thought to be a well-built road? What would have caused all that waving? And was this an anticipated fix this spring? Or is this an extraordinary expense as well?

Hon. Mr. Reiter: — We're seeing this year, because of the unprecedented amount of precipitation, we're seeing probably more damage, more potholing in highways than is normal. And spring is the normal season for that kind of damage to show up. As far as the specifics on Highway 11, which incidentally I drive that route every week as well, I'm well aware of what you're talking about. I'm just going to confer with my officials and get some more details on that piece of highway.

[21:45]

In just a minute, I'm going to ask Ted to comment on the specific work that will be done in the area you're talking about. But I'd just like to reiterate again that, you know, during the spring season typically is when the Ministry of Highways sees these sorts of problems develop. But I think, I think what we've had with the huge amount of moisture this year, we've seen it just exacerbated all over the province where there's this type of damage done. Probably the most noticeable part is in many highways all over the province is the potholing is probably worse than normal, and again spring is a bad season.

But as far as the specifics on No. 11, where there will be some work done this year, but for your specific stretch, I'm going to get Ted to talk about the work, the repair work we'll do in that area.

Mr. Stobbs: — There's probably a number of things that we'll be doing in that area, and it depends on what the type of failure that we find out on Highway No. 11. So again like what the minister has said is that last year we had a lot of moisture, and again over the winter we had quite a bit of snowfall that led to a lot more moisture this year, and because of that our subgrades are quite weak. And you know, as our pavements get a little bit older they start to show their age, especially in years where we have lots of moisture and weak subgrades.

The type of patching or repair work that we would do for that stretch of highway is that if there's extensive failures that are reaching down, you know, through layers of our asphalt and our granular base and sub-base, is what we would do is a deep patch. And that involves bringing out a backhoe and digging out the failure and replacing it with good material and of course then laying pavement on top of that.

There's other types of failures that we will notice on Highway 11, and that's more of a shallow failure so it just might be in the top lift of the pavement, and you'll see probably lots of that in that stretch. And in those cases what we will do is we'll go in there and we'll put a bit of a tack in the hole and then put some asphalt mix in the hole and of course compact that into the top layer.

Other types of failures that we'll see is cracking. And if there's lots of cracking — and we certainly see that as a pavement ages — what we'll do is we'll seal coat it. And of course seal coating involves the application of some asphalt and then some engineered gravel, I'll call it, laid on top of that and then rolled in with some compaction equipment and then swept afterwards. And that will seal the surface again so that we don't have moisture seeping back into the structure.

So there's a variety of type of treatments and it really depends on the type of failure that we encounter.

Mr. Taylor: — Well it does seem like there's multiple types of failure along that. Just this year it just seems to indeed be worse than all the years that I've been driving. The other thing that I've noticed that same stretch, basically Chamberlain to Lumsden, a lot more depression where the truck tires are. I worry about that only because we get lots of rain and the potential of hydroplaning for smaller vehicles is more likely. Do you do anything about that?

Mr. Stobbs: — We do. So what you're describing is the dual wheel marks, I guess, from the semi traffic. Certainly that's evident in some locations across Saskatchewan, and what we will do there is we'll actually do what we call a micro surfacing. So it fills the ruts with asphalt and it's a real thin asphalt type of treatment that does that without leaving a lip, I guess if I can call it that, on the outside of its edges. So it just fills in the ruts itself.

Mr. Taylor: — So when is a decision made to move in and do something, either work like this or the type of repairs that are currently being done along Highway 11?

Mr. Stobbs: — Well the decision is made depending on whether we classify it as an emergency, something that we have to respond to right now, or in the case of rutting, it could be planned work for the year. So all those examples that I give you about deep patching and patching potholes and seal coating might be what we would consider emergency work. So these things are happening immediately. We need to react to them in immediate time to make sure that, you know, the travelling public is safe on their travelling roads. Whereas, you know, the rut filling is more of a planned work, so we would identify that as needing to be completed in the year or in the following year and plan for that work accordingly.

Mr. Taylor: — I would assume then that the rutting work hasn't been planned, so that's a next year project — just an assumption.

Okay. More specifically and specifically relating to the estimates in front of us that I consider to be emergency work, I can't imagine the repair work that's currently being done on Highway 11 was planned last year. So do you have an idea of — because the crews are out there now; they're working — do you have any idea of what that repair work is going to cost us in this year's budget?

Hon. Mr. Reiter: — The specifics in this project, we don't know yet the dollar amount. It's difficult to tell because, as you mention, the work hasn't been done yet. This type of repair

work, there's a certain amount allowed for in the budget every year because there's issues like this that spring up around the province. But I think I'd see where you're getting at with this sort of an actual dollar figure. Again, and I'm sorry I keep repeating myself, but it is the case where it's just simply too soon to tell. There's so much of this repair work that needs to be done yet.

And again, as I mentioned earlier, there's been more moisture this year so that we see more potholing and more problems with the roads. But we see a significant amount of that every spring.

Mr. Taylor: — Okay. Just trying to keep my eye on the dollars, you know. It's the Scottish part of me says, keep an eye on the dollars.

While we're talking about dollars and Highway 11, you've referenced that project is proceeding. I'd just like to know, the twinning to Prince Albert, Highway 11 twinning to Prince Albert, can you give us some idea now of — because we've got a little extra time to talk about it outside of question period — what is the timeline for the work on 11? And to put my second question out so we can do it all at once, is it on time and on budget?

Hon. Mr. Reiter: — I'll just make a broad comment first, and then I'll just confer with the officials and try and get some more specific details for you. But generally speaking I think we're relatively close on schedule in spite of some difficulties, I might add, specifically last year with the extreme rain. But the general target would be that next construction season it would be completed. But I'll just clarify that and get some more specific details for you right now.

Mr. Chair, I'm just going to get Ted to give a breakdown of where we're at as far as construction-wise.

Mr. Stobbs: — Last year you would have seen us constructing the roadwork between Rosthern and Hague, and that was substantially completed, but not quite. We didn't quite get all the pavement done. We ran out of season. And so this year we will complete that section and have that open for traffic. We're hoping it's sometime in July that it'll be open for traffic. The work will include finishing the pavement, building what we call crossover. So we're still going to have portions of Highway 11 north of Rosthern, of course, operating as two-lane until you get up around Macdowall, and then it gets into four-lane again. So we'll finish that piece off.

You may have noticed that we started construction of the subgrade around Duck Lake in the wintertime. So there was some real sandy material from Duck Lake north that we were able to work in this, and the contractor elected to work this winter. And he made substantial progress on that. In fact I think he got about 75 per cent of the subgrade in. And when I'm talking about subgrade, it's the earthwork or the stuff below the pavement, kind of that, that we build first. So 75 per cent of that was completed around Duck Lake. There's two sets of lanes because we're bypassing the community. And we started construction north of Duck Lake in that provincial forest, which is also pretty sandy material.

What we plan on completing this year is the rest of that grading

all the way from Duck Lake to Macdowall and around Duck Lake and then from Duck Lake to Rosthern. We will also commence, and we're planning to complete, the paving of around Duck Lake, and then from Duck Lake to Rosthern, as well as there's some paving around Macdowall that needs to be completed and that will be completed this year.

So what you're going to see at the end of the construction season is all the roadwork. You'll see the road in place, as that's what we're planning, except there'll be the section through the provincial forest that will have to be paved next year. And so we'll put a contract out, we're hoping this winter, to crush the aggregate and be well positioned to pave that last piece through the provincial forest in 2012.

Mr. Taylor: — Okay. Thank you very much. And on budget, how are you based on the original estimates of costs from, you know, from the planning stages to today?

Mr. Stobbs: — We're doing very well on budget and don't expect any overexpenditure at all.

[22:00]

Mr. Taylor: — All right. Thank you very much. I was noticing in the article that I quoted earlier, the April 21st article, the minister indicated that a wet summer last year hampered construction but 86 per cent of projects were completed. That tells me 14 per cent of what was in the works last year wasn't completed. That's all being planned to be done this year and is it . . . How does this budget process work? The money was allocated last year, but the work will be done this year. So can you just explain how this is accounted for, how my friend the Provincial Auditor will review this?

Hon. Mr. Reiter: — Right. I'll again sort of at a high level make a comment about that. And I'm not sure if Ted or Rob want to do a follow-up, but essentially what happens is in the Highways ministry when a project like that is approved, the appropriation is made for that particular project. So if you have a situation where, you know, it was planned that the project would be completed in that calendar year and it wasn't, then there'll simply be a carry forward of the remaining appropriation into the subsequent year.

Mr. Taylor: — Everybody's nodding their heads. Is that correct? Okay. And the contractors, despite perhaps increased costs because of carry-over, are obligated on their original contract price?

Hon. Mr. Reiter: — That's correct, yes.

Mr. Taylor: — So the subject that we've had a couple of exchanges in the Chamber, we've now got an idea of the plan on Highway 11. Highway 39 at Estevan, Minister, you've indicated is in consideration for funding after Highway 11 is finished. So obviously nothing visible will be done on Highway 39 this year. Nothing visible would be done next contract season. I think in the House yesterday you indicated that next year you'll complete the review of the passing lane and twinning process. Because we have a little more time here than we do have in the Assembly itself in question period, could you elaborate on what your thoughts are with regards to the

Highway 39, and I think at the same time keeping in mind the additional industrial work that's now been announced at Boundary dam?

Hon. Mr. Reiter: — Certainly. As I mentioned in the House when I referred to when the decision would be made, the reason I referred to it last year is I've consistently . . . I haven't said when it's going to be complete. When 11 is completed, what I've said is that as No. 11 nears completion, those decisions will be made because we want to make them with the most current data available. You're talking about new industries that'll affect the traffic on there. Obviously you want to have time to review that and as much as possible project what the future is going to hold as far as traffic and truck traffic on all the highways in the province. As I mentioned, there's a number of other high-traffic areas as well.

When I talked about, you know, the potential for passing lanes, we'll have instances where there's high-traffic highways in this province that there may not be enough traffic to warrant twinning, but it's still certainly more traffic than we're used to. There's safety concerns. Safety needs to be the paramount factor in this case. So what we're considering at this point is because our passing lane policy hadn't been looked at for, I don't know how many years, so I've asked the ministry to have a look at that and see what the potential is there. And I think that possibly there will be some potential for some sort of combination of twinning and passing lanes in different areas.

There's a number of high traffic highways, as we have debated in the House, Highway 16 east of Saskatoon, Highway 7 west of Saskatoon, Highways 6 and 39, and a number of others as well. So you know, to your point on timing, I think it just makes sense that with No. 11 being the twinning priority right now, that we wait till that nears completion so we can make the decision on the next major projects with the most current data available.

But these sorts of decisions, they're not going to be made because of politics. They're going to be made for the right reasons. They're going to be made because of concern for safety. They're going to be made with an eye to economic development. And I realize that there's people in every area that would like to see projects like this go ahead, but obviously expenditures, we need to . . . You've alluded to yourself, keeping an eye on the expenditures. That's what we're attempting to do.

Mr. Taylor: — It just reminds me of my comment earlier. It doesn't matter how much money you have to spend; there's always a project that can't be funded this year. So one other question with regards to 39. We talked earlier about federal funding on an emergency basis. The federal government also provides funding for support on our main roads — Highway 1, 16, 11, and also there's that international boundary piece. I understand from some newspaper reports in Estevan that there's consideration being given to having the federal government provide some financial support because of the connection to North Portal and the United States. Can you confirm or deny talks with the federal government and some support of funding for Highway 39?

Hon. Mr. Reiter: — I'll just confer with my officials for a

minute.

There's a couple possibilities that you may be thinking of. My officials tell me that on previous years there was a fund called the Border Infrastructure Fund from the federal government, but that program is expired, I'm told.

You may also be hearing about, under the Building Canada Fund, the federal program which you'd be familiar with, a bypass at Estevan has been approved under that. But as far as specifically any ongoing program right now that would be available from the federal government for that particular project, whether it be international or national, our understanding right now, there is no program available. The infrastructure programs that the federal government had recently are all generally accounted for. But as you're aware in past years, federal programs come, they run their course. Others come in the future, but as of right now, there's none that my officials or I are aware of.

Mr. Taylor: — With the election yesterday and Prime Minister Harper's comments subsequent to that election, he indicates he wants to recall parliament and get the current budget passed as quickly as he can. That means that the federal efforts for the next 12 months or so are known at this point in time. There's nothing in the new budget that was before parliament that would have created a new program or additional spending in conjunction with provincial governments.

So we're not looking at the possible creation of a federal financial support program for Highway 39 in the time frame of your decision making with regards to provincial funding for either twinning or a combination twinning-passing lane program.

Hon. Mr. Reiter: — When federal programs come ... Certainly the most recent federal programs have helped us accelerate projects, and Highway 11's a good example of that. It's been accelerated. It'll be done much quicker than when it was first announced. But as far as any federal programs, again as you're aware, that certainly is up to the federal government. Again I think we've made very good use of the most recent programs. And if some new programs are announced, whether it's now or sometime in the future, you know, our ministry officials, I think like I said, have done a good a job of utilizing those. And if some are announced down the road, we'll certainly make every attempt to utilize those as well.

Mr. Taylor: — I'm gathering from what you're saying, you won't be waiting on the feds before you make any decisions with regards to funding Highway 39 or any other connector. It could be Highway 4 south of Swift Current. It could be additional support work on Highway 6 south of Regina entering the United States.

Hon. Mr. Reiter: — As I mentioned, we've utilized federal funding with the recent programs to accelerate some projects. And you know, it gave, simply there's more money available so you can do more work. But just because there isn't a federal program there doesn't mean work's going to stop. We'll still prioritize projects, and we'll move forward. We have a lot of work to do.

Mr. Taylor: — Okay. And now that we know who the federal government is going to be for the next few years — we don't know who the specific ministers may be in the new cabinet, but obviously the ministers of Highways, Transportation meet on an annual basis — provincial, federal ministers. There's been talk about a national transportation program. Is there any chance, in your opinion, that the new government would support a national transportation program of some sort that we might have been advocating for or supporting the concept of in the past?

Hon. Mr. Reiter: — As you know, I mean, the election's very recent; it was last night. And I have no idea who the federal transport minister will be. I've had good working relationships with past ones, but I think it'd be premature for me to be speculating. You know, I don't even know when the next ministers' meeting will be. Obviously I'll make every effort to be there, but it would be premature for me to speculate on that one.

Mr. Taylor: — Okay. While we're on the issue of the main low-numbered highways, let me just ask a couple of questions with regards to Highway 4 North, North Battleford to Glaslyn. I know the ministry has had numerous requests over the years because of the number of deaths that have occurred along there. But now the communities in that area are renewing their interest in further upgrading of Highway 4 North from North Battleford to Glaslyn primarily because of the closure of the OmniTRAX shortline rail from Meadow Lake south to Speers.

[22:15]

We're now seeing, I'm told — and I don't know if there's been any recent counts, if there's been any recent highway counts — but I'm told there's as many as 40 super-Bs a day travelling between Meadow Lake and North Battleford because that railroad is no longer active. The road's being damaged, but the safety issue has increased. Lots of car traffic going north, particularly this time of year as the lake country or cottage country opens. But more importantly, we're seeing more and more housing development up around the lakes for people who work in The Battlefords. So that piece of road between Cochin and North Battleford, tremendous amount of vehicle traffic added now with the amount of truck traffic.

Is the ministry reviewing anything at all with regards to Highway 4 North, either in regards to repairs, upgrading, or additional capital expenditure there because of the extra traffic, primarily extra truck traffic?

Hon. Mr. Reiter: — I'll just confer with officials, have them take a look at that specific piece of highway.

I'm just going to have George exchange seats with Ted and make some comments on this. There's been some work done on that. Communities have, my understanding is, have met with the area transportation planning committee. They've done some consultations with the ministry, and I'm just going to get George to elaborate and give you some detail on that.

Mr. Stamatinos: — Thank you, Minister. If I may, again I'd like to share with you a bit about the rural highway strategy. This particular section of roadway has been represented as an important project by the, I believe it is the north central

transportation planning committee, as one of their priority projects. It has also been identified as a priority by the RM of Meadow Lake as well as some of the industries in that area, particularly the mills — Tolko Meadow Lake and also the pulp facility as well, as well as NorSask lumber. So it is an important route.

A little bit about the rural highway strategy: as I shared with some members from the two northern constituencies, the rural highway strategy was a predecessor to the northern transportation strategy. It has certainly the elements of that particular processes that allow folks to come and make representations to us. If I just might for a moment maybe share with you some of the members on the rural highway strategy. We have SARM and SUMA both represented on the committee. We also have the Chair of the 11 chairs committees that we also have in the province. We have SEDA, Saskatchewan Economic Development Association. We have the chamber, Saskatchewan Chamber. We have Tourism Saskatchewan. And importantly, we also have industry represented. We have one representative that has the difficult task of representing four sectors of our industry economy — forestry, oil and gas, manufacturing, and mining. We have Enterprise Saskatchewan as well.

And if I may again, it was this group that was so helpful in helping us to construct the strategy, and they also have been actively involved in helping us to manage it. So not only did they construct it with us, but they've also managed on an annual basis. They work with us, and as we update and refresh the information that goes into the ranking process, and it's worked very well. We've done three years of rankings with the strategy folks. And part of that process is to encourage, again much like the northern transportation strategy, is to also encourage partnerships and also to invite representatives from communities that want to speak in favour or to bring new information we may not have available to supplement our database in the committee's rank in projects. And we've had representations, and I believe we've had so many. I've had over 20 groups . . . [inaudible] . . . And I believe the Highway 4 group from Glaslyn did come and speak to our group. Certainly the RM of Meadow Lake has spoken to us about that particular project.

It ranks well, you know. And we're looking at in the next couple of months or so to refresh our ranking list. So we're hopeful that with the new information that's available, with the interest that's been demonstrated by the local municipalities, some of the communities, especially the industry groups, that that project will rank well enough that it can be considered certainly in near-future programs. I'm not sure what else I can tell . . . Maybe, Minister, you may want to sum up that piece.

Hon. Mr. Reiter: — That's fine. I guess, based on what George has said, your point's taken there. There is a lot of traffic on that road, a lot of heavy traffic, and I think it does rank well. I can't give you an exact date of when work would start, but as George mentioned, it obviously is an important project.

Mr. Taylor: — I appreciate that. I'm running out of time on my questions here, but this is an important one. You had indicated the project is ranking high. Could you outline what you mean by the project? Because obviously there are a number of

different proposals, presentations, and thoughts, and I'd like to know what it is, what the nature of the project is that you're ranking high as opposed to the wish list that might be out there. I don't know who the proponent is that you're ranking.

Hon. Mr. Reiter: — Just to clarify then, you're asking what specific section of highway?

Mr. Taylor: — I'll clarify even further. A number of people have talked about twinning Highway 4. Is that what we're talking about? I don't expect so. So I just want clarification as to what specifics the ministry is referring to.

Mr. Stamatinos: — What we're referring to is widening the road and putting a new structure on it to carry, particularly to carry the heavy loads from inbound timber traffic to the mills. And there is an interest in having that road improved. So that's the way we understand the representation to have been made by the groups that have approached us.

Mr. Taylor: — There is already work being done between Glaslyn and Meadow Lake. My comments were quite specifically about between Glaslyn and North Battleford.

Hon. Mr. Reiter: — Sorry, just to clarify again. Then the work you're talking about, which is going ahead, you're talking north of Glaslyn. But the specific area you're talking about right now is between North Battleford and Glaslyn. And you're asking whether there's any work plan there?

Mr. Taylor: — Yes. Yes. Because the increased traffic coming out of Meadow Lake that is causing the extra work between Glaslyn and Meadow Lake, that increased traffic runs all the way to North Battleford because the only place to load to railroad cars from Meadow Lake is North Battleford. So all that traffic is running into North Battleford, through North Battleford to the railway line, and it's creating no end of havoc.

The bottom line is in regards to the railcar Bill that we talked about earlier tonight. The minister said he's very supportive of getting trucks off the road and more shortline rail activity happening. The opposite is what has happened here. We've had rail traffic that's moved onto the highway, and that high-traffic piece of road from Glaslyn to North Battleford is now going to require provincial repair sooner than probably otherwise anticipated or planned because of the additional truck traffic. So I'm just wondering is there any thinking or planning being done now to help to alleviate both safety and maintenance problems?

Hon. Mr. Reiter: — As far as your earlier question about the twinning, I'll go back to my answer on twinning earlier with some of the other highways in the province. Any high-trafficked areas, as No. 11 nears completion, will be looked at and considered. So no decisions have been made there yet.

As far as any sort of imminent construction project though for that stretch of highway, there's none planned right now. But obviously your point's well taken. With extra truck traffic, it's going to do more damage, and likely it would cause a construction problem sooner than it would have otherwise, obviously. But there's no imminent construction project planned for that stretch.

Mr. Taylor: — Okay. There is one other way to manage this, and of course that has to do with supporting the RM of Meadow Lake and others who would like to see that now-abandoned rail line restructured and put back into use.

One of the challenges though . . . There's many challenges, but I think there's quite a few people that are engaged in thinking about it, and I know the minister is supportive of development in shortline rail lines. But one of the significant challenges here, and I think it's one of the reasons OmniTRAX gave up on the line or has given up on using the line, is that the rail line does run from Meadow Lake to Speers.

[22:30]

CN operates the line from Speers to North Battleford. But because they've got the loading dock in North Battleford, they refuse to unload cars in Speers, transfer them to North Battleford, and then move them on the line so it's rail car to rail car.

We need to have somebody lobbying or putting some pressure on or trying to influence CN to either sell the line from North Battleford to Speers, or to allow loading at Speers to attach back to the CN line in North Battleford. Without that, the shortline — it's a long line for a shortline, from Meadow Lake down to Speers — is probably not financially feasible.

If my scenario is correct, and the minister checks it out and finds it to be correct, would the minister be willing try to influence CN to deal with that train-to-train loading at Speers or the use of the line into North Battleford for loading there?

Hon. Mr. Reiter: — My officials tell me it's a somewhat complicated situation there with a number of different parties involved. And a number of discussions, I think, have been held in the past. Because of that, and I haven't been fully briefed on it, what I will commit to doing is — as you mention, I am very supportive of the shortline industry in the province — and what I will commit to doing is having my officials contact the RM [rural municipality], the group there that's attempting to buy the line, seeing what type of assistance that we can offer to them, and what kind of role we could play in possibly some sorts of negotiations. And I'll look forward to them reporting back to me and seeing what sort of assistance I can offer.

Mr. Taylor: — I appreciate that. Thank you very much. In the interests of time, I've got just a couple more subjects, I'll try to do these quickly.

I've been asked by folks over by the Weldon ferry to ask a couple of questions or to get some additional information. This is the approach to the Weldon ferry on Highway 302. This road has been damaged for some time. Studies were done four or five years ago. The minister has recently committed to them, to the individuals there, the RM, the RM of Prince Albert, that the minister has committed that they're studying a number of options and that once these options have been finalized, a schedule for tendering the restoration work will take place.

Could the minister give me . . . First of all, question number one: can the minister give me a better understanding of what sort of a timetable we might be on here? I have now seen the

pictures and had the approach described to me. It's obviously a very dangerous approach. It's really the only access point into the forest there. There is a great deal of concern if there was an emergency of any kind in the forest, either moving people out or moving emergency equipment in would be a real challenge. And so since the minister's committed to reviewing the options and determining a schedule for tendering, can he provide me with a little better understanding of what sort of timetable the RM could be looking at here?

Hon. Mr. Reiter: — We've had concerns about this raised from a number of people, private citizens, the MLA, and it's a challenging situation for our folks. I'm just going to get Ted to do a brief description of what the difficulties are and what our plan is moving forward.

Mr. Stobbs: — The slide area that you're . . . or the approach, I should say, that you're talking about to the Weldon ferry is situated on a slide that goes into the river, the Saskatchewan River. And so what we're doing right now is we're undertaking some geotechnical work and making sure that we're doing our due diligence because one of the things that we're concerned about is that we're not certain we can build on the same location because of that active slide. And as recently as last year it slid some more on us, and because of the wet circumstance we had last year. But certainly we're continuing with the geotechnical work that we need to do to make sure, that when we do find the solution, that it's going to last.

When it comes to the timetable, we're expecting that report to be completed as early as this month, and from that we'll look at what options we have to deliver the work this year. We previously talked about the flooding and reimbursement of some money through the disaster financial assistance arrangement with the federal government, and this would be one of those projects that we would put forward as being, you know, impacted by flooding from 2010.

Mr. Taylor: — I appreciate that answer. One of the things that the RM folks that I have heard from, one of the things that they've raised is a lot of this review work was completed a number of years ago. They wonder why it's taken so long to get to this point of saying, okay now we're going to finally study it and proceed. Why has it taken three or four years?

Hon. Mr. Reiter: — Just get Ted to continue with the explanation on that.

Mr. Stobbs: — You're right that, you know, the circumstance has been evident for two or three years to us. We did conduct some initial investigations of the slide area. And from that initial investigation it was concluded that we need to really do some deep digging on the geotechnical side to ensure that we do get the right answer because it is an active slide and we've certainly seen it change in character over the last couple of years. So it didn't look too bad, you know, if you went back a couple years; it was just a little bit of the road that had slid. And if you take a look at it today — and I think you referred that you had some pictures there — that it's quite significant now. So it just goes to show you that we need to make sure that we're doing our due diligence and understanding how that slide works and making sure that when we do build something there that it's going to last.

Mr. Taylor: — I very much appreciate that answer. And it is an area that I will continue to monitor as well.

One last area of questions, and then we can call it a night and we can call it the end of our discussion of estimates. I'm interested in knowing what's happening in operations with engineering services. I understand that . . . Well I'd just like a bit of an explanation from the minister. Are there changes taking place within engineering services?

Hon. Mr. Reiter: — If I could just ask for some clarification, you said on engineering? So what services . . . I'm not clear on what . . .

Mr. Taylor: — Well I perhaps assumed that you would know what I was talking about because I'm told that there are discussions about phasing out staffing, engineering staffing within the ministry. There's nothing happening there?

Hon. Mr. Reiter: — No.

Mr. Taylor: — That really makes my line of questioning very simple because I was under the impression there were changes occurring within the ministry as far as the engineers employed by — not contracted by — employed by the ministry.

Hon. Mr. Reiter: — We're certainly not phasing it out. I'll get Rob to make some . . . you know, he's dealing with it hands on. I'll get him to make some general comments, but no.

[22:45]

Mr. Penny: — Okay. Anyway we are looking, as part of the overall public service renewal and wanting to reinvigorate things, we're looking at focusing on core business being more citizen-centric, all of those things. So I mean, and over a period of time for actually several years as the budget has increased, a lot of the additional work with our budgets that we've been doing, we've been hiring engineering consultants. But we haven't . . . And as engineering staff has left the organization, we've supplemented those services with hiring engineering consultants to do the work.

But I mean, we're an engineering organization. We still set the engineering standards. We still set the engineering outcomes. We still manage engineers. We're still engineers, and we'll still be delivering work with our engineers on staff. But if we need to deliver work and the staff is there and there's engineering consultants that are capable of doing that job out there, rather than hiring new staff, we'll be hiring engineering consultants in some of those cases. And we've been doing that as our budgets have been ramped up over time, but we're not getting out of the engineering business. I mean, that's our core business is engineering highways.

Mr. Taylor: — Okay. I appreciate that. Just a little more clarification. It's almost like a change from staff to contract based on attrition. If an employed engineer leaves for retirement or for other reasons, there's a pretty good chance that that function or those dollars allocated to that FTE [full-time equivalent] would end up in a contracted engineer?

Hon. Mr. Reiter: — I'll just make a comment, and then I'll get

Rob to elaborate on that again. I think what you're seeing mostly is a case with more capital money in the budget than in past years. The existing engineering staff within the ministry can't do all the work, so as new work is coming on stream, we're using engineering consulting firms to do that. That's where the bulk of the extra contracted work you're seeing is from. As far as the specifics, again I'll get Rob to comment on that.

Mr. Penny: — Okay. Well I mean in certain parts of the project management, what you're saying may be partially . . . But I mean that does not mean that we're going to be, at every time an engineer retires or leaves, that we're going to contract out that work. We are going to always be a knowledgeable owner. We will always do an amount of engineering within our own staff. We also set all the engineering standards, so we have all of our technical standards branch, our engineers to look after the bridge engineering, the servicing engineering, all of those kinds of standards that we need to have as an organization. So those will always be done in-house because that is again a core business of the owner of the asset.

Mr. Taylor: — All right. It brings to mind comments that the Premier made in Premier's estimates in the Chamber this afternoon and the mandate letter that the minister would have got, all the ministers got. The government mandated a 15 per cent reduction in staffing across the board. The Premier today said in estimates that we're on track, we're on track for the reductions. How is that 15 per cent mandate being dealt with within Highways?

Hon. Mr. Reiter: — I'll just generally comment at first. I'm very pleased with the fact that it's been done with attrition. But as far as specifics in what areas, I'll get Rob to address that.

Mr. Penny: — Well there's been a number of different areas, but some have been through attrition and some have been through redefining and leaning some of our processes so that we take out some of the underbrush so that even through attrition, we haven't had to hire more people into it. The other part is by, and because we hire a lot of seasonal work for a lot of our summer activities, and it's through utilization of those people. So like again, if we reduce FTEs, it's not one person for a whole year that we necessarily lose. It could be, you know, three people for four months of the year that we just, we manage their time differently so that they're not putting in much time to . . . With 1,500 employees, if you manage your time, you can still reduce the amount of government time that's actually being used. So we've been using it through managing the utilization of the manpower.

Mr. Taylor: — Okay, can you be a little bit more specific as to what areas of work? Is it field work? Is it office work? Is it . . . I'm not sure what else there is, field work and office work?

Mr. Penny: — Sure. Actually all areas within the ministry, it's just not front line. We've reduced management levels. We've reduced, you know, all of those through again, all through attrition though. No one has lost employment with the ministry; it's all through attrition. And then we, by redefining their jobs, taking out some of the stuff that they don't necessarily . . . You know, it's leaning it out, taking out some of the non-core business that they have to do, have them focus on doing the

core businesses — redesigning, as I said, their jobs. And it could be administrative staff, it could be management, it could be front-line field people. Depending on where they go and how we can manage them, we're still getting the job done with fewer people.

Mr. Taylor: — Okay let's just jump back to the engineers again for a minute. Somebody is lost through attrition, some increased workload comes along, an engineer is contracted to do some work. Is that engineer lost through attrition but replaced by a contract worker considered a reduction in FTEs?

Mr. Penny: — Yes.

Mr. Taylor: — But yet there's still a salary paid to an engineer for the same job.

Mr. Penny: — For the portion of time that that engineer, contracted engineer is working for us.

Mr. Taylor: — Okay, that's pretty clear. I attended, along with the minister, a meeting of the Saskatchewan Heavy Construction Association a few weeks ago. One of the issues that was raised there was labour shortage. They have outlined, the Heavy Construction Association, their membership is looking 15 years out and are seeing that finding the labour to do all of the work that they think that they see are going to be done — whether it's highways or infrastructure, any of the work that the heavy contractors are doing — they were talking about how the labour shortage that they're experiencing today is only going to get worse unless there's some concentrated efforts made to address the labour shortage issue.

I know that this is probably an issue that finds itself resting with Advanced Education and Employment, but most of these people are your contractors. I'm just wondering if they've approached you, if there's any thinking that's being done within the ministry, if there's any assistance that the ministry can give the contractors with support with other agencies in government to help them address a labour shortage that they say is only going to get worse.

Hon. Mr. Reiter: — We have a very good working relationship with the Heavy Construction Association, as you know, meet with them reasonably frequently. I've had just sort of broad, general discussions on this topic with them. But certainly, as I said, we meet with them frequently. And if they'd like to discuss in more detail, I'd be happy to. As you mention that, you know, if something's done in the training end, it would be under Advanced Education, it wouldn't be under this ministry. But certainly I'd make myself available to the association to discuss that and possibly even act as a conduit to Advanced Education.

Mr. Taylor: — I think that's the sort of thing that they would find most welcome. Also at that conference, there was discussion by the ministry about the e-tender process, moving towards tendering online. I understand there's been a delay in moving that forward. Can the minister explain or clarify what delay there might be in that respect?

Hon. Mr. Reiter: — Mr. Chair, my understanding is this is a phased-in project of which we're only one party to. And I'm

just going to get Ted to elaborate on where those are right now.

Mr. Stobbs: — The e-tendering project that is being brought forward is actually a phased project. So the first phase was just getting all our tendered documents and contract specifications electronically and available to the contractor. And that phase of the project has worked well, so we have lots of contractors that are downloading the tenders now and downloading all the contract specifications and everything — all the plans and so on that goes along with that.

The second phase is going to be to have the contractor actually submit a bid through e-tender and that process is being managed by Government Services. We are participating in that. And I understand that there is some delays in that, and that they're working through a solution now to try and get that to resolve any problems they're having to the end.

Mr. Taylor: — Thank you. I didn't know it was being done through Government Services, and that may be the stress point. And I'll follow that up there as well.

There is one key part of this. I understand the first part does work really well, getting your documents off. One of the challenges though if there's ever a contested tender, it usually has to do with the signature or the bond, that sort of thing. What's being done to assure an online tender has the signature, or the signature and the bond in place to avoid any challenges between contractors?

Hon. Mr. Reiter: — There are other jurisdictions, I understand, that are using this. I'm sure they've worked their way through those technical difficulties. But as we mentioned, Government Services is handling this, and my officials aren't aware of how those specific concerns are dealt with. I guess it's still in the formative stages.

[23:00]

Mr. Taylor: — Okay. Has Government Services given you any indication of how much time they're going to take to work through this? As you indicated, it's a phased-in project. We're now sort of stuck at this point. They're just working on it but, you know, we have to trust each other around this place. Are you trusting Government Services to take care of this, or are you keeping an eye on them?

Hon. Mr. Reiter: — I'm glad you mentioned trust. So from that I can assume that you trust me, and I'll raise that in the House every opportunity I get. You know, we're looking at Government Services as the lead on this. We don't know of a specific time frame, but certainly our officials can follow up.

The Chair: — Seeing as how we've now put in in excess of three hours on these estimates, does the minister have any closing remarks?

Hon. Mr. Reiter: — I just would like to thank you, Mr. Chair, and the members for their questions and the committee members for their patience and also all of our officials that have been here tonight for putting in some very long hours, not only tonight, but in preparation for tonight as well. It's very much appreciated. Thank you.

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

Mr. Taylor: — Thank you, Mr. Chair. And I also want to add my thanks to yourself, Mr. Chair and the committee members, thank the minister and his officials for being here. And I just want to expand the minister's thank you to the officials, not only the hard work preparing for tonight but also dealing with these difficult circumstances in the province right now, the extraordinary weather that's causing us grief. I think we all have to be grateful for the effort that they're putting in and the long hours. Thank you very much.

The Chair: — Thank you to all committee members, officials, and those who tuned in to watch us on television tonight for a very long evening. I'm sure there are thousands. Thank you and good night. I'd now ask for a motion to adjourn. Ms. Heppner.

This meeting now stands adjourned.

[The committee adjourned at 23:02.]