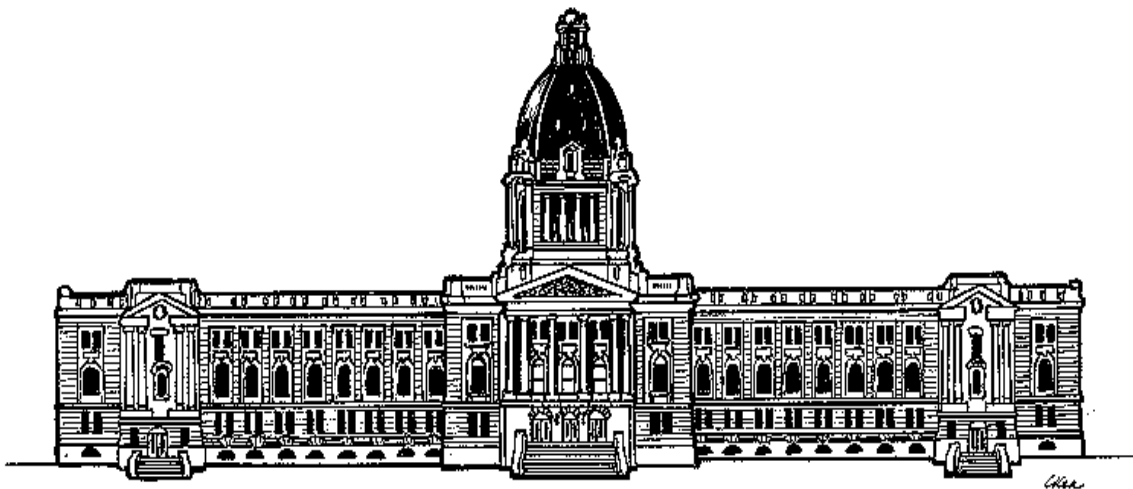




STANDING COMMITTEE ON THE ECONOMY

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Legislative Assembly of Saskatchewan

Twenty-Seventh Legislature

STANDING COMMITTEE ON THE ECONOMY

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Moosomin

Ms. Danielle Chartier, Deputy Chair
Saskatoon Riversdale

Mr. Fred Bradshaw
Carrot River Valley

Ms. Jennifer Campeau
Saskatoon Fairview

Mr. Larry Doke
Cut Knife-Turtleford

Mr. Bill Hutchinson
Regina South

Ms. Victoria Jurgens
Prince Albert Northcote

[The committee met at 19:00.]

The Chair: — Now the hour of committee moving forward, I will call the committee members to order and welcome the minister and his officials. Tonight we will be discussing the consideration of estimates for Highways and Infrastructure, and I will begin first by inviting the minister to introduce his officials and make his opening comments.

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

Subvote (HI01)

Hon. Mr. McMorris: — Thank you, Mr. Chair. It's a pleasure. This is, I guess, my first time, as a full set of estimates from the Ministry of Highways and Infrastructure, to have myself and the ministry with me. So on my right is Rob Penny, who is the deputy minister of Highways. To my far left is Ted Stobbs, who is the ADM [assistant deputy minister] of regional services. To my left is Jennifer Ehrmantraut, who is the ADM of ministry services and standards; and just in the table behind is George Stamatinos, the ADM of planning and policy.

I do have a few remarks. Actually they're really quite brief because I knew the critic would have just an awful lot of questions for the three hours. And I wanted to make sure that he had a full three hours to ask his questions, so my remarks are relatively quite brief.

This year's provincial budget includes \$576 million for the Ministry of Highways and Infrastructure. Since coming to office, we've put \$3.7 billion into the provincial transportation system. And this marks the sixth consecutive year the Highways budget exceeds half a billion dollars, and it puts us well on our way to meeting our commitment to invest 2.2 billion over four years. This year's budget positions us to continue work on major multi-year projects and support the Saskatchewan growth plan. At the same time, it allows us to continue tackling the infrastructure deficit.

I am sure the members are interested in specific details of our plan for the coming years. We've had the opportunity to answer a number of questions in the House over the past number of weeks from the opposition. I'll be looking forward to getting into further detail on some of those issues, but I think if you looked at the investment over the past six years, and especially this year moving forward — notwithstanding the major budget back in 2008 with the flooding and 2011 with flooding — this year could be another challenging year as we move forward, although I think for the most part we're ready for it. I think there's been lots of preparation work done prior. So I think we're in good shape as we move forward. But I'd be more than happy to answer any questions that the committee would have of myself or the Ministry of Highways and Infrastructure.

The Chair: — I thank the minister for his opening comments. The committee is now open to entertain any questions. Mr. Belanger.

Mr. Belanger: — Thank you very much. And certainly I

concur that we are scheduled to be here till 10 o'clock. And I can assure you that we have tons of questions and points that we want to raise in the three hours that were allotted.

But I want to take the opportunity to welcome your officials and to indicate that the plan that I have for the evening is I'd like to begin in the North and work my way to southern Saskatchewan and even go so far as to look at the Weyburn challenges as well as the Estevan challenges. So just to give the officials a heads-up as to what I want to speak about, and primarily of course I would want to focus on the North in the first part of the presentation that I have and then kind of work in the central part of the province and, as I mentioned, in the southern grain belt as well.

First of all I think what's really important is that there's no question that, you know, we pay attention to things like the CAA [Canadian Automobile Association] worst roads poll. I understand there was 3,000 votes that were cast. And I think you got it wrong the other day in question period when you said there's two weeks left in the voting, when in fact voting had, quite frankly, ended that Friday. So, for the record, I think you're off base on that one.

But nonetheless I want to point out that it is a serious issue in northern Saskatchewan and for one northern road in specific, Highway No. 123, the Cumberland House road. Out of the 3,000 votes cast province-wide, it received the greater number of votes by far as being the worst road in Saskatchewan.

So that's one of the reasons I think, for the people that may be listening to this particular aspect of the Assembly where we get to question the minister on his priorities and his spending patterns, I think one of the points that I want to raise is that the North and the northern roads are really, really important to the economy overall. And while our first hour is spent on the North, we certainly have other issues we want to raise when it comes to southern Saskatchewan.

I guess the biggest point I would raise is that in northern Saskatchewan — I'll pick one good example before I get into the Cumberland House issue — is the community of Beauval. Last year I presented petitions here to implore the minister to do something about the main highway that runs through Beauval. I don't have the highway's number handy, but I'm sure your officials can find them fairly quickly.

But the mayor of Beauval had met with me on a couple of occasions in which the mayor said to me, look, we have a great number of vehicles going through our community. We're the focal point of the Northwest where we have tons of vehicles travelling through our community. And I think the number that he used — and I could be corrected on this — is 500 vehicles per day. A huge amount of the 500 vehicles per day are semi-trailers that are hauling some very, very serious chemicals. I think one of the chemicals that they haul is hydrochloric acid needed at the Key Lake mine. And as these vehicles are flying by the community of Beauval — and it's a community of about maybe 11, 1,200 people — the road itself is in dire need to be expanded and to be improved.

Now the mayor has asked me to present the petitions. And the

intent behind presenting those petitions is to let you know as the Minister of Highways that there are some serious, serious problems on that stretch of highway that runs from what is commonly known as the Beauval Forks as it heads east towards Pinehouse. And of course Pinehouse is the route you take to the Key Lake mine.

Now at the actual location of Beauval, the road is falling apart. There was TMS [thin membrane surface] that was put in a number of years ago. There are people that walk along the main highway as, you know, as their place that they do their exercise. There's a number of vehicles turning in and out of Beauval. And then as you go just past the community of Beauval, you come up to two bridges that span two parts of the same river. So the river starts off as one, then it breaks into two. And you have two bridges that span both of those, the fork and the river. So what happens here is you have a huge, huge amount of problems if you're ever to have a spill — the threat to the public safety of the community of Beauval, the threat to the river system, the threat just to the ecosystem in general.

So what the mayor has asked to do is a couple of things. He wants to make sure that as we are hauling, he succinctly puts it, as you're hauling in chemicals to take out the resources, namely yellowcake, and as you haul the yellowcake out, can the government at least make sure that the transportation of those very dangerous products be done safely? And the question and obviously the position that I take as the MLA [Member of the Legislative Assembly] is absolutely. I think we have an obligation to do that.

So the petition that we served you last year, this is one more reminder that we have to do something about that particular area because you have a large population next to a very poor highway that is hauling chemicals through that particular community and also through two bridges of a very important river system, and it goes through First Nations land as well. There's probably about, maybe 3 or 400 hundred people that live just on the other side of the river. They are members of the English River First Nations. So there's two communities, a huge amount of people, two rivers systems that cross, and if you look at the actual road condition itself, it's in very, very poor shape. So that's one of the reasons why we brought the petition in, is to have the minister know that this is a serious, serious matter.

So without going down further in terms of describing the actual route itself, the mayor has asked for widening of the highway so there are passing lanes. He's asking for having a properly lit area along the main highway. He's asking for a walking path so that his public, the people that walk along the main road, can walk and walk safely along the main road. And he's also asked to do very, very extensive work on the bridges to ensure that there isn't a spill of serious, serious consequences if acid falls into the river system or if worse yet, you know, if the yellowcake leaches out from an overturned semi.

So that's kind of the situation in Beauval, and I just wanted to get your initial comments.

Hon. Mr. McMorris: — Well thank you for the question. It had a number of different aspects through the question for sure. And I understand — and I've been through Beauval myself

quite a few years ago — but I've travelled some of those roads, not on a frequent basis, and know that definitely they have some issues, and especially one highway like, I mean, you just mentioned the Highway 165 through Beauval.

I think I want to start with the piece that hit me the most when you were talking about hazardous goods, and you were talking about different, you know, chemicals being hauled up and then of course yellowcake coming back. I want to just touch on the fact of how important the transportation of hazardous goods is for our government and for the Ministry of Highways and Infrastructure. And it isn't isolated to northern Saskatchewan; it's across the whole province. We know that highways are a major infrastructure for transporting these goods. We want to make sure that they're transported as safe as they possibly can be. There have been some stories in other jurisdictions. I think overall we've had a pretty clean record here in Saskatchewan. Having said that, touch wood that we don't have anything as we move forward.

[19:15]

It isn't just necessarily transportation of hazardous goods. It's even the storage of hazardous goods. I know there was a story in the news tonight about an anhydrous ammonia leak from a satellite tank, not necessarily a transportation of it, but storage of it.

So I think it's important that the people across the province realize that hazardous goods are on our highways and are going, you know, through some of our cities and around some of our cities and through some of our towns. There are strict regulations to ensure the safety of that transportation of those goods from through Environment, through the Ministry of Highways, through a number of ministries to make sure they're transported safely.

Any time you put something on a road, there is chance of error and chance of a mistake. And I don't believe that it's any greater in the northern communities as it would be in any of the southern communities. I know I've heard from Estevan, so that's the extreme southeast. We've heard from Beauval which is in the, more of the extreme north, not completely north but top half, that they have those concerns. That's why we put in regulations, rules and regulations in legislation on safe transportation. And again for the most part I think we've been fortunate with . . . And it's not fortunate. We haven't had an incident in the province, and that's positive.

You also mentioned about people on, walking on the highways, and pedestrians on the highways. And that's also a concern. We for the most part design our roadways for traffic. We try and take into consideration pedestrian traffic, but we try and keep them away from the motoring traffic. I mean dividing, that is probably by far the best circumstance. And I think we need to look, as we move forward, you know, some of those situations, I think we've already dealt with some of those situations, maybe not to the communities . . . I shouldn't say not. Not that we've completely dealt with them, but we've consulted with communities to look at those issues as we move forward and, you know, how we safely have pedestrians and traffic intersect, or not, hopefully, not intersect but on separate pathways. Because we know that when you've got vehicles travelling at

highway speeds and pedestrians, you know it's a dangerous situation. So we want to make sure that they're separated or speeds are reduced or there's crossings that are well-lit and marked. You know, those are the type of things that we want to look at as we move forward.

The last piece is, what I would say is . . . And it's not to take away from the concern that the mayor from Beauval is raising through you and through petitions. I'm not taking away from that at all. But when you look at some of the traffic counts that we have around the province, there will be certain areas that will say, you know, we need X, Y, and Z in this area because our traffic count is high. But they don't necessarily realize the count around the province because you've got to look at it around the province.

And not that 500 vehicles through a community is anything to, you know, kind of to turn away from and not take consideration of, but we have communities that are facing huge traffic counts that have, you know, for example dangerous goods again transported we think very safely, and always need to be on top of that, but through and by their communities that are an awful lot higher than 500. Not that we just go on traffic count alone, but let's . . . You know, you have to put it in perspective when you look at the whole province and the economic development that's going on in the province not only in the North but across the province. You know, you have to put that into perspective as you move forward.

Mr. Belanger: — Yes, there's no question that we can . . . And I would concur that we must do all we can to continue the growth of our province overall. And what I don't want to do in contrast is to diminish the pressures that other sectors have. Obviously we're going to be talking about the southern parts of the province very quickly, but I wanted to dedicate the first part of the hour or the first hour to the northern Saskatchewan issues so that you have very, very good information as a minister as to what challenges that some of these communities are facing.

Now we know in northern Saskatchewan that the Key Lake mine employs a lot of people. They generate a lot of revenues not just for the province, but they employ a lot of southern Saskatchewan people — Regina, Saskatoon, Prince Albert. There are tons of people that work at these northern mines — McArthur, Key Lake and, before that, Cluff Lake. And now you're hearing of other potential mines opening up or doing great.

And I want to for the record say that we've always supported the uranium mining sector. I mean as a government, we invested, we supported, we initiated the creation of, particularly at that time at Cluff Lake, the first uranium mines of the North. And you see that kind of activity expanding and moving. And that's the exact argument that mining companies are making to the northern people as well: we're creating opportunity; we're creating employment.

Now what the northern people want in exchange for the millions and over the years the billions of dollars being extracted out of the North, not just in employment but profits for the mining sector, resource revenues for the province . . . So I guess from our perspective, if I'm making my argument northern based, good examples of that argument that I'm

making tonight is that as you're hauling out the resources out of the North to create opportunity in the South — that's what this is about — to create profits for the mining companies because they invested into those particular mines, the people of the North are asking for one thing: the safe transportation of the dangerous chemicals into the mine sites as they go through our communities and the safe transportation of the finished product, in this case yellowcake, as you haul the resources out of our area. At the very least, we need to have a decent highway system, decent bridges, safe, well-lit areas that go through our communities. That's what they're asking for.

Now I'm not being overdramatic here, but what they're hauling out of those northern communities and through places like Beauval is yellowcake. It's a uranium product. And what they're hauling in as part of the process to get the yellowcake developed I believe is hydrochloric acid.

So my only argument is . . . I'm not trying in any way, shape, or form to diminish the argument that you make that there are other areas of the province that are facing the same pressures. And you may argue that there are maybe 500,000 vehicles that are going through certain communities now. We can make that argument obviously. So compared to Beauval's 500, you know . . . And I notice you're careful not to degrade that amount because it's all very important. My argument is that based on the amount of resources you're taking out of northern Saskatchewan, the people like the mayor of Beauval is saying, at the very least we should have safety of residents as you're hauling these chemicals in and hauling yellowcake out, safety of the vehicle traffic coming into our community. You've got to do something to make sure there isn't any spills in our rivers because you have two bridges that you cross.

So all these arguments that are being made, the simple point is, from the perspective of Beauval's highway, it's probably I would say maybe not more than 7 or 8 kilometres that the mayor has indicated is a major problem. As you enter the community of Beauval and as you exit the English River First Nation's reserve land on the other side of the river, that's where the problem is. The bridges are in poor shape. The road is very narrow, breaking up. It's not well-lit and the highway itself is in poor shape.

So I am sure that if there's a similar condition, a similar road, a similar threat to the ecosystem, a similar threat to the people somewhere, anywhere in the rest of the world, I think that the government would respond, especially if it's hydrochloric acid you're hauling in and uranium yellowcake you're hauling out.

So in no way, shape, or form am I arguing that there are other pressures elsewhere. But I can guarantee you there's not a lot of hydrochloric acid flying through some of the other communities that you may think about when you make a reference to Beauval. And I can almost certainly guarantee you that there isn't yellowcake being transported down those main streets of some of the communities that you made a reference to.

So my argument is, Mr. Minister, these are very unique chemicals for a very successful part of our economy, and that's mining for uranium. There's a huge potential for problems and threats to people's lives, to the ecosystem, and in this case particularly to the community of Beauval because of a 7 to 10

kilometre stretch of highway that is in very poor shape. If you won't fix it at least for the people of Beauval, can you at least fix it for the mining companies and the economy of Saskatchewan? That's my point.

Hon. Mr. McMorris: — Again you've raised a number of different aspects kind of through your question and preamble. You started out by saying, you know, you're raising these issues to make sure that I'm getting good information. And I can assure you from the people that I have sitting around me and other people within the Ministry of Highways and Infrastructure, I am getting very good information.

I know that there will be people that don't necessarily work within the Ministry of Highways and Infrastructure but are mayors, for example of Beauval, and other industry representatives that will certainly provide information. But I can tell you in the six years that I have had the opportunity to be the minister of two different ministries now and some Crowns, I have been blessed with really good information. So I'm not coming here to get good information. I get good information each and every day when I get briefed from the staff within the Ministry of Highways and Infrastructure and any other organization that I happen to have the responsibility for.

There's a couple things that I need to touch on. I think the first I'll touch on, on the yellowcake piece, certainly you've mentioned it a number of times in the two questions that you've asked. I don't know how much you know about yellowcake or the people that are talking to you about yellowcake. And not that it is a commodity to be taken lightly. It is not high on the list of dangerous substances. In fact yellowcake leaves the North and goes through Beauval. And you would say that, you know, boy we have to put up with this. It goes through many communities as it's for the most part trucked and sometimes railed all the way to Ontario through community after community after community.

I don't know if we can make our decision that we should invest a whole bunch because yellowcake is going through Beauval, which it goes through — I'll pick a number — 300 or 400 communities on the way to where it's processed further. It's processed . . . I don't know if you've had the opportunity to tour the uranium mines. I have and understand how it comes out. And it's processed at the mine site to take the radioactivity for the most part out of it — it's low in that, you know, in the list of dangerous substances — and then transported to a further refining and development in Ontario. But all of that is done by ground. It's not flown. It's not shipped by water. It's all taken by ground. And on that route from Beauval all the way down and then to Ontario — I should know the community that received . . . the refining facility that was at one time planned for Saskatchewan but certainly was not accepted by Saskatchewan at that time — was then shipped to Ontario.

[19:30]

So I certainly understand, you know, there are dangerous substances on the highways and on the rail system. Yellowcake is one of them on the lower aspect. There is certainly acid — you've identified hydrochloric acid — and that's transported through our province and through many, many provinces. It's used more than just within the uranium mines. It's used in . . .

and other dangerous chemicals. And I'm no chemist. I'm not going to get into the details of hazardous goods and which ones should be, you know, more protected than others. I mean we already have people that deal with that.

You know, we want to make sure that the people of our communities, people on the highways are safe. But having said that, we also realize that the way to transport some of this will be through ground transportation — in fact the vast majority — so we put rules and regulations, legislation in place to make sure that is transported safely.

You touched also on the fact that, you know, if it was anywhere else, there'd be more money spent, and it's northern Saskatchewan and we just want to get our share. And, you know, the resources are being taken out, and we want to make sure that money is going back. And I can understand that. I've heard it not only from the North, but I've heard it from other communities in the Southeast where there's huge oil resources coming out. The province is making money; we should have better roads and highways in this area or that area. And I hear it around the province.

What I will say regarding the investment into northern Saskatchewan for infrastructure is that about 7 per cent of our highways budget, and I'm not . . . Yes, it should be probably higher. I can argue that too. And we argue it at the . . . And I hope you did when you went through as a minister at treasury board and through budget finalization.

But we know that about 7 per cent of our budget is for the North, goes into the North. About 3.4 per cent of the provincial population is serviced by that, so about 7 per cent of the budget for about 3.4 per cent of the population — not saying that there doesn't need to be more — and we hope that 3.4 per cent of the population increases. But on proportionate spend, it isn't . . . I would say that yes, more could be done. But it isn't that they're less than, proportionately per population, other — not urban but rural — communities.

I know you could go to Redvers, Saskatchewan and they would say, when you look at the resources coming out of here, and we need to spend more on our roads, look at the resources coming out . . . And the proportion would vary from the 7 to the 3.4. But having said that, we put, you know, \$238 million approximately, 46 million more than the former government over the last six years — an increase of 24 per cent from where the former government was.

You know, we're continuing to invest more. We can always identify other pressures and more pressures up there for sure. But I think those are important statistics to also listen to and then to take back to constituents that are saying, we don't get our fair share. We could do more, for sure, but 7 per cent of the provincial budget, 3.4 per cent of the population.

Mr. Belanger: — One of the things I think is important is the unique challenge you're going to face around Beauval, and this is where it gets really important. And I believe in showing your cards at the end of the day. When you say to me in the committee meeting that you are getting very good information, in fact the phrase you used, you've been blessed with good information. But, Mr. Minister, if something of significance

happens around Beauval where a spill occurs or an accident occurs that has some huge ramifications — and I'm going to use that quote that you've been blessed with good information — that you knew the problems that could occur on that particular stretch.

That was my point. After all the preamble I had, that was exactly my point, is that as a minister you knew the problems that could have happened and the threat that could have occurred on that particular road. That was what I wanted off you. So at the end of the day, if something of significance occurs on that stretch during your watch and you knew of the risks — because as you indicated to me, you're blessed with good information — and, Mr. Minister, that could create some significant issues and some significant problems for not only yourself but to the government as well.

Now the whole notion of the argument of what you spent in northern Saskatchewan, four versus seven, if you look at the northern part of the province, there are significant benefits taken out of the North. There are significant benefits taken out of the North. Uranium mining is just one of them. And I tell this to the people of Saskatchewan: the North is rich. Not only are you taking out electricity through some of the hydro dams in the North, there's gold exploration. There's uranium mining. There's forestry. There's tourism. And the list goes on and on and on. So I don't buy that logic, nor do I buy the position that we're putting in more than the population warrants.

The roads that have been announced lately — particularly the road, I think, the connection between two northern mines — that's meant for economic benefit of the province and the mining companies. There's no strategic investment into any particular community as it relates to the mining sector. And people of the North, and as a northern MLA, we understand that. We say, great that they're having better transportation system for extracting resources. Now how about the rest of the communities of the North that want to see benefits, long overdue benefits, from the economic activity of the North?

So I know it was with great fanfare that there was an announcement made of a new highway in northern Saskatchewan. I didn't even have to guess; I knew where the road was going. I knew where the investment was going. It was going between two northern mine sites. Fine. We support uranium development, as we've said that, but at the very least — and that's my exact argument — is that as you extract the resources out of the North for the common good of everyone . . . Because we're doing more than our share.

We talk about Redvers. We congratulate them too, but the North is putting more than their share. And these are some of the points that a lot of mayors and chiefs make, is that at the very least, as you're extracting your resources and hauling them out on beaten up roads, shouldn't you do it more safely? That's how accommodating sometimes my constituents are. Some of them would like to put up roadblocks. I don't encourage them to do that. There's ways that you can negotiate your way through these things.

The forestry companies get upset. And I think the mining companies are getting more upset because all they want to do is develop an economy, create jobs, invest in their sector, and

extract the resources out of the North. Their goal is fairly straightforward. But they get the grief when governments don't respond to things like proper investment into the infrastructure.

Mr. Minister, you're not putting anything in the North when it comes to highway construction that is of any significant value to the people overall. If you're doing it for the mining companies, my argument today is, at least recognize the challenges up at Beauval where there are some significant threats to the ecosystem, to the health of the public, and to the safety of the residents.

What is the mayor asking for? Not 500 kilometres of well-lit highway. He's asking for 7 or 8 kilometres of road that is repaired to a decent standard for the safe transportation of some dangerous chemicals back and forth, some proper lighting along that main route, strengthening the bridges and walkways for his people. I don't think that's an irresponsible ask that the mayor has. I think it's a very responsible thing that he's doing.

So the whole notion of the fact that you're getting good information and that you're aware of the situation, Mr. Minister, something has to be done about that particular stretch. There are some significant threats there. And I would ask you to once again re-examine where the priorities are when it comes to the safety of our northern communities as they haul out resources and as they haul in dangerous chemicals to extract all those resources.

Hon. Mr. McMorris: — I'll certainly stand by my answer in the last question, that yes, I'm getting very good information. I guess what I would ask the critic, when he was the minister of Highways and Infrastructure, what did he feel about the information that he was being given through ministry staff as he was the minister of Highways and Infrastructure at that time? Did he feel it was sub-grade or not adequate?

It isn't necessarily the information that we are giving. We certainly know there are needs around the province, and as the Minister of Highways and Infrastructure, I want to make sure that goods get transported around the whole province safely and efficiently, that people are safe in the communities that they live in as well as on the highways that they drive on. And that isn't based on good information or bad information. That, I would think, would be the feeling of any Ministry of Highways official, Highways minister, as well it is with any other minister of the Crown whether it was Health or whoever else it might be.

So I don't quite understand the basis of that first kind of conjecture that that's what you wanted to hear from me, and if something happens I'm going to pay for it because I said I was getting good information from the ministry. I don't quite buy that premise, and I don't understand the premise, because as a former minister of Highways, you know, I don't know what you were thinking through those five months that you were the minister.

You know, we'll certainly look at the issue around Beauval for sure as we continue to look at every community that raises concerns. We need to continually. It's not a static plan. It's an ongoing plan where we look at how we can improve things as we move forward.

On the transportation of goods, we know that NRT [Northern Resources Trucking], which is a huge employer of people from the North, is the transportation company for most of this product that's going north and south. They have a very stringent acceptance program or licensing program before people can drive their vehicles because of the goods that they're driving. And I guess, for the most part, I have no reason to doubt the qualifications and the due diligence that NRT puts on its drivers and through its business to make sure that those goods are transported safely.

[19:45]

The argument . . . And you know, not that we can get into an economic argument and decisions aren't based only on economics, but if you look at a very, very key industry coming out of the North — whether it's forestry, or mining such as uranium — and you look at the overall economy compared to the investment back into the North, I don't know if you want to go too far down that line because I think you would find that most governments, including when you were in government, put more into the North, overall investment per capita, than the portion of the whole economic picture of the province.

And I guess my final comment, as again a former minister coming from the North and a minister of Highways and Infrastructure, these situations didn't happen in two years or five years or six years. These have been going on for a very long time. I think you'd have to admit that. You know, a bridge going through Beauval didn't decay in four or five years; it would be a process. And I think many . . . I think we could probably find clips where they would be concerned that governments didn't invest enough in the North previous to 2007. We certainly heard it, and maybe that wasn't necessarily what you heard. But this is, you know, this is definitely a concern.

Moving forward, we work and we'll meet with each and every group — I have — that have come from the North. I hear their concerns. We try and look for solutions. We argue hard for increases in budget. And as I said, in the last six years, our budget has increased 24 per cent over the previous six years of the NDP [New Democratic Party] government. It's not that we're ignoring it. We're putting money in.

But I find it interesting, the line of questioning. Not the line of questioning, I think it's very appropriate, the line of questioning, to say we need to do more in the North, but just the way you are questioning. The member is questioning myself as far as, we did everything right, and I can't believe that you're doing everything wrong. That's certainly the tone that I think your questions are taking. And quite frankly, you know, I guarantee that we're not doing everything right, but I'll also guarantee neither did the former government.

Mr. Belanger: — Thank you very much for the answer. I want to shift gears a bit in terms of, further down the road, in terms of the project near Green Lake. One of the arguments that we had often within the government is the whole notion of economic roads versus people roads. And I guess I can sit here and argue with you all night on the northern economic infrastructure strategy in which you wanted to talk about how we invest into northern roads to make it fair and proper, that we

do things in the right context. And part of that process involved close to \$70 million to the community access roads. But I really don't want to waste time on there because you and I will debate all night, and you won't admit you're wrong and I'm not going to admit that I'm wrong.

So I think our best bet is to focus on what the needs are now. And I don't agree with you one single bit that the North takes in more than it hands out. The North punches far above its weight in contributions to the provincial economy, far above its weight. And that type of a position I think is not fair at all to the North. But that being said, I just wanted to make sure you're aware of the Beauval situation.

Now as I work my way to Green Lake a bit, there is also a 20-kilometre stretch just north of Beauval. The former mayor of Green Lake, Fred McCallum, he indicated to me that there were some commitments made on that road as you come off Highway 55 and where 155 begins. I travel that on a pretty regular basis. It's roughly maybe 20 kilometres as you hit the junction between 155 and 55, and there was some commitments to that road and all of a sudden the commitment dried up. What kind of dollars was originally scheduled for improving that first 20 kilometres? And the more important question is, what happened to that commitment to fix that section?

Hon. Mr. McMorris: — If I can start by just answering your preamble, because I can't let it go, and then we'll get into the detail of the highway that you mentioned. You first talked about when, I think, you looked at highways as economic highways and economic roads and people roads. And that's certainly one way to look at it.

But I think quite often, it's kind of the chicken or the egg. Do you put roadways in for economic development and when there's economic development, people come? And that's certainly, when you talked about the 914 highway, well it's just between two mines. Well I think it's a lot more than just between two mines. Absolutely it will be between probably two mines, which I think will create a whole lot of economic development. But following economic development is people development, people roads. They'll look at it as a second roadway into the North, as well as an opportunity to get to economic development. I mean, people would travel these roads for jobs. It's extremely important. Yes, it's part of getting product in and out, but it's also part of getting people in and out.

So I don't think you can say it's an economic road or a people's road because I think they combine. You know, without economy, there won't be the people. And I think we've seen that. Certainly the economy is much stronger now than it ever has been. And so is the population. So it's not one or the other. It's a combination.

And just one other point, and then I'm going to get to answering the issue on the roadway that you brought. But you said we could sit here and argue for most of the night. And you're not going to admit that you're wrong, and I'm not going to admit. It's not a right and wrong issue to me. It's not a right and wrong issue.

I have said in my preamble that we've got more work to do,

absolutely. We've got more to learn and we've got more to do. But I won't take kind of a condescending attitude that everything is terrible in the last six years compared to how wonderful it was in 16 years. Yes, we've got more work to do. And I will admit that. I haven't heard it from the member opposite, that would say, yes we didn't do everything right over those 16 years and, yes we could have done a whole lot more. Because I'm certainly saying it now. We've got more work to do. We haven't done everything right in the first six years. We've done more than what was done in the past, with more work to do. I'm just going to get a little more information on the roadway that you talked about.

The highway that you're mentioning, in particular the section that you're talking about south of Green Lake, is a TMS road surface — in other words, a thin membrane surface — which is an issue again, not just going north of Green Lake but certainly an issue. I think roughly about 5000 kilometres of TMS in the province, that has been an issue again, and it's not geographically distinct. It's not just in the North and it's not just in the South or the East or the West. There are TMS highways across the province that have had issues.

What I would say is this one on the northern highway strategy is a very high priority, may even be number one. I believe it's number one. And we need to look at that as we move forward because when you look at the highways kind of south and north of it, it is a small section that is TMS, compared to maybe a stronger grade of highway north and south of it, and it's a smaller section.

So, you know, it's something that we need to look at into the future, and again, the ministry is very aware of it. I'm aware of it through the ministry. We go through a budget process every year and make the decisions. So we know it's probably one of the highest, if not the highest, priority roadway for the northern highway strategy, and it's something . . . Again you may cite the CAA. We get information from a lot of different avenues, whether it's CAA, but a whole lot of avenues, whether it's mayors, and through the work that the ministry does, and we know it ranks up there.

[20:00]

Mr. Belanger: — Well just for the record, I travel that every week when I head home, and the 20 kilometres north of Green Lake . . . Well it begins in Green Lake, but I would say the first 10 kilometres are in very bad shape. There's a lot of heaving. So as vehicles hit the heaves, there's not just one heave; they're hitting those heaves steady. And that was the section that needed to be replaced. And I know that mayors and I know New North and the northwest transportation committee, they've all done the extensive work in identifying that particular section that's very problematic. So for the record, it's starting to break up. The section is heaving fairly significantly, and there doesn't seem to be any action on that particular section of highway at all. I have no idea what the long-term plan is, but I would hope that you would take an immediate stock of what's happening on that first 20 kilometres north of Green Lake and you will see exactly what I'm making reference to.

Now as we head down 155, of course we've dealt with the Beauval situation. And number three on the list was Highway

908 — on the CAA list — which is the road that runs from Ile-a-la-Crosse junction into the community of Ile-a-la-Crosse. It's a 19-kilometre stretch that I drive every day, and that highway, it's also a TMS. And there was work done to repair the road from the community to the airport, and that road's in fairly good condition. But from the airport on to the junction is another section that's very, very bad. I think it's only about 12 kilometres, if my memory serves me correct, and maybe a bit more than that. But that highway again is also heaving and breaking up, and it's a significant problem because Ile-a-la-Crosse has a population of 1,700 people, but they also have the regional hospital. And as people are transported in and out on ambulances from the neighbouring communities, that highway does create some significant risk and problems for the patients themselves.

So I was invited by the EMT [emergency medical technician] folks to ride in the back of the ambulance and I declined. And there's a reason why I declined. Because I know how uncomfortable it is to ride in the back of an ambulance on that road. That's another section, there's about 12 kilometres of road that needs to have some kind of attention put on it. There just simply is nothing being done to fix that particular highway.

And we're getting complaints from all the neighbouring communities. And I know you and I mused about it in the Assembly, where you thought maybe I got my folks to phone to put Ile-a-la-Crosse on the list of . . . third on the CAA polling. I didn't do any of that; people done that on their own. Because it's important to note that they are just quite frankly very, very concerned about that particular highway and the condition that it is.

Now as we work our way further north into Dillon, Turnor Lake, these are communities . . . Again they're very large communities by our standards. There's populations of over 1,000 in both those First Nations communities. And they have been really quite frankly complaining about the road system for years. Now on Dillon, I think it's Highway 925, Buffalo River First Nations or Dillon . . . I've got a video on my phone. A friend of mine and I travelled to Dillon and he was videotaping the road. And I wouldn't mind if the minister had a look at that video; it's only about five minutes. Maybe when we have a break I'll show it to you. This highway, the Dillon road . . . Out of all the highways in my particular constituency, I think it's a dead heat between the Patuanak road and the Dillon road as the worst highways ever in the history of Saskatchewan.

I want to share with you that video, Mr. Minister, so you can see for yourself the situation that people are driving on. And you have the neighbouring communities of Michel Village and St. George's Hill; they also use the same highway. It's the only link that they have and the road itself is in terrible, terrible shape. Turnor Lake, it's only got a 30 kilometre stretch and, you know, the big thing with Turnor Lake is that the road was fixed before. And the road itself is in a heck of a lot better shape than the Dillon road and the Patuanak road. But they'd like the project completed, in which they would have even TMS put on that particular road because it's all local traffic.

So over a period of time, the people of the North would be very patient. I think I want to make that point to you as well. They would be very patient if they've seen progress made on some of

these particular highways. That's the point that I'm trying to make tonight, is that it's not 1,000 kilometres that the Northwest is asking for. It's 20 kilometres here, 10 kilometres there. And over a period of time, if you can commit 10 to 20 kilometres on the longer term strategy for roads like the Dillon road, like the Patuanak road, I think overall people would be pleased with that progress.

So the point I was making earlier with the fact that the northern people are accommodating, they're patient, that's the same principle that we have when we're asking for commitments for roads. So all these issues, whether it's Turnor Lake or Green Lake or Beauval's road or Canoe or Dillon or Patuanak or the Ile-a-la-Crosse connection, these are roads in my constituency that had some attention and some progress. But the fact of the matter, since 2007, there's been very little activity on those particular highways.

So I'll wait for your response on that. Then I want to shift gears as we are into our second hour.

Hon. Mr. McMorris: — Thank you for your patience. I think when you started you said that you were going to start north and move our way south. But you started at Beauval and moving your way north, so I don't know if . . . Do we go right around till we get back to south or . . . Anyway.

I think just to answer generally to a couple of questions and then maybe try to kind of refine it down to specific roadways. What I would say is that there are . . . When we come through a winter that we've had, or really any winter that the province sees every year, you go through the freeze cycle and then thaw, and freeze, thaw, until we get past the thawing cycle completely. There's a lot of shifting in our roadways.

I'm not saying that, you know, the roadways that some of the people are driving on throughout the province, but in the North, that there isn't, you know, some pretty uneven terrain, some heaving, definitely potholes. You know, those conditions have existed since we've been building highways in our province.

And I think I said once during question period, I had the opportunity to be in Phoenix a couple of years ago and look at their roadways, or maybe even earlier this year because I was the Minister of Highways, and thought, boy, wouldn't it be nice if you just had to worry about heat and not the freezing and thawing, and how level things would stay. Because they do. That's not what we have here in Saskatchewan. So there's a lot heaving; there's a lot of potholes that we're seeing now that we tend not to see at other times.

That's why it's important that we have a, you know, a maintenance preservation, road preservation or road maintenance money going in. \$131 million will be going into addressing some of those. It's not necessarily and it can't be really a full rebuild or a full capital project. It would be through vote 16, \$131 million that goes into preserving the roadways that we have, to fixing them up after the freeze-thaw cycle that we have to make sure that they're better to drive on.

And you know, I appreciate the fact that, you know, you didn't want to take an ambulance ride. I wouldn't want to either and it isn't necessarily because of the road; it's because maybe they'd

actually find something wrong with me and admit me. But certainly the roadways, you know . . . I've had some complaints.

I actually had a phone call from a constituent a number of years ago, when I was the minister of Health, questioning me on the grade of shock absorbers that we put in our ambulances and could I look into the type of shock absorbers that we put into our ambulances because it is a rough ride. So you know, it happens across the province. Again, not only isolated to the North but throughout the province.

This is probably one of the worst times of the year that I think that people when, you know, what rises to their minds are the roadways just because of where we are in the cycle of our weather conditions and seasonal conditions. So having said that, we are working with \$131 million to put into capital, to preservation or maintenance that will hopefully address a number of these issues.

[20:15]

Another issue when you get to specific roadways in the North, I would say that a committee was struck to have input from the North as to what they felt were the roadways that were important to move on. We have a list of roadways that have been identified. And we appreciate that, the work that has been done — I don't know if you want us to get into kind of how they rated them — and we take great advice from them. But that isn't the only advice we get. As you had mentioned, you may think we should go with CAA's rating system. I would tend to go with the local area rating, whether it's the area transportation committees or other committees that have been struck, with their advice.

Having said that, you know, we asked for their advice, but we can't always deliver on every . . . not every, but we can't deliver on necessarily the list that they put in front of us because of a limited budget . . . you know, a larger budget than the province has ever seen in the past. And there will still be committees that are struck that would say, you just didn't do our road. And we simply, you know, with the budget that we have, can't do every road.

And I would say just publicly that we want to thank all those people for the work that they do because it's extremely important work. We can't make those, I can't make those decisions from Regina. And I get great, great information as I said from the Ministry of Highways and Infrastructure, who also get good information from these committees that are struck because they tend to be on the ground even more than what the Ministry of Highways and Infrastructure is.

Mr. Belanger: — Well I would point out, Mr. Minister, that I've laid out from the perspective of Green Lake north and Green Lake south and back to Green Lake north some of the challenges that we face in a number of the communities. I've identified the risks around Beauval directly related to the mining sector. I've identified the main link, 155, near Green Lake where the heaving has gotten so, so bad it's compromising public safety, Turner Lake, Canoe Lake road challenges — that's 965 — Dillon, Patuanak, the Ile-a-la-Crosse connection. These are the seven or eight areas that I've identified through

this process, and I think I've described fairly what some of the pressures are related to all these particular roads.

Now I guess the proof's in the pudding, from my perspective as an opposition member, as to whether any of these issues will be dealt with in a consistent and fair manner. I think, as I mentioned at the outset, the people of the Northwest are not asking for hundreds of kilometres to be repaired. They're asking for 10 kilometres here, 10 kilometres there, a commitment over a period of years, such as Dillon or Patuanak's case, to do 10 kilometres on their road. The people will be patient. We just have to see evidence that your department and your ministry is quite serious about fixing these particular roads.

We had very little action on them in the last number of years. Your predecessor in particular, Minister Elhard, we went through the process of how you allocate money for highways. He explained to me that ministers don't just arbitrarily make announcements, that there's a process that you have to go through. And that process means putting together a proposal. It goes through treasury board, then it goes to budget finalization. It goes through cabinet. So even if, on a really good day, you're having a really good day and you make a commitment, you still have to go through the proper process to make a commitment as a minister.

Well as a minister, I went through the proper process. We identified close to \$70 million for community access roads. Cumberland House was on that list. Beauval was on that list. There was a number of other communities on that list. But then, all of a sudden, the money was gone. Now I'm not going to debate where the money went, but the \$70 million was not followed through, and that's why I asked specifically about Green Lake. There was commitments made on that particular stretch of highway and yet nothing was followed through. Cumberland House I believe had 12 to 14 million committed to them to fix the very, very bad spots. Now where that money went, I don't know as well.

So there was part of the northern economic infrastructure strategy that's called NEIS, and the NEIS had a component in there that talked about \$70 million to the northern community access roads. Now upon election in 2007, the Sask Party, for whatever reason, decided to end or terminate that commitment.

And I can remember the story of one particular mayor. I think he was the mayor of Cumberland House calling the Minister of Highways's office to say, what happened to our money? And the mayor, who's no longer the mayor, indicated to me at the time that he was told the money was never there.

And this is the reason why I went to great pains to ask the minister at the time, Minister Elhard, to explain what the process is to get allocation to your highways budget. And Minister Elhard was gracious enough to explain to me how that was done. Well I knew how it's done. I just wanted for him to confirm it. So the fact that the . . . When one of the assistants in his office told the mayor of Cumberland House that the money was never there, was not true. You don't just make announcements because you want them. You've got a proper process that you have to go through.

So I guess the question I would ask, the \$65.5 million I think it was, and there's some other initiatives attached to that, but what happened to that particular pot of money that was slated for community access roads under the NEIS program that was announced in 2006 or 2007?

Hon. Mr. McMorris: — Well that's a very interesting question because . . . And I can certainly go back to my previous life as a Health minister, and I heard it many, many times that money was committed. Yes, we've committed money. Especially in 2006 and 2007, there was a lot of money committed that were for out years that were never budgeted for. You can't budget for two years in the future. You can't go through treasury board for two years in the future and say it's there. It was never there. You said . . . Sorry, the member opposite said there was \$65 million budgeted.

Mr. Belanger: — Right.

Hon. Mr. McMorris: — It was never budgeted. It was committed. You said it was going to be there, but there was never anywhere that the money was put into a bank account so that it was there. In fact you put it \$1.8 million in the next year after you'd committed for it. Why didn't you put the \$65 million in? You put \$1.8 million. And do you know what they put in in 2007? You put in — I've got to back up here — you put in \$2 million.

Our first year of government, to follow through on that program, put in \$11 million for this NEIS program. You can't say that the money was there. Where did it go? You never put it in. I heard for many times that there was money for the North Battleford hospital. I have looked in every department and every cupboard of Health, and the money was never put there.

We were going to get around to it. Yes, it was going to be there. It was never there. I don't know, and I don't want to call the member's accounting, his financial accounting into question, but if you say you're going to put . . . I can say I'm going to put a couple of hundred thousand into my bank account in five years time, but if I don't do it now, it's not there. You said you were going to put \$65 million in, but it never went into a bank account.

You know, I can read off what we put into the program in the three years that the members opposite, yourself was a minister and part of the government, of what you put into it. And I can read off what we put into it. I don't think you want us to do that.

Mr. Belanger: — Absolutely, I want you to.

Hon. Mr. McMorris: — Okay. You want us to. Sure. The first year, \$1.8 million, after announcing \$65 million. Your commitment was \$65 million. The actual expenditure was 1.8. Second year, \$2 million. Election year, election year, 6.8. Post-election, 11.5. So the full amount, the amount that we put in in 2008 equalled the three years previous. It surpassed the three years previous of your commitment.

I can go through it — 3.9, 3.1, 7.2, following through on a commitment that you made, far out . . . exceeding the dollar value. No? Well the member's saying, no, it isn't. We've got the actual number. You can say what you want to say. We've

got the numbers that prove completely different. We know what you put in in 2005. We know what you put in in 2006. You can say whatever number you wanted to commit, but we know your actual amount. And you're going to compare that with the expenditure under our government? I'd be very glad to hear it.

Mr. Belanger: — Well first of all the big point I would make is in your opening comments you mention that your government is committing to \$2.2 billion over X amount of years. And you just contradicted your point just now. The fact of the matter is you know that many times you're allowed to make multi-year commitments, and any government that's worth their salt, goes to a four-year time cycle in which they allocate certain amounts over a specified period, and you're allowed to make multi-year commitments. As you alluded to in your earlier point, you said, we want to commit \$2.2 billion over the next 5 years. Why not say 4.4 billion over the next 10 years and make it even sound better?

So on one hand you're talking about multi-year commitments in billions of dollars, and you turn around and you criticize us for making a four-year \$65 million dollar budget as being ludicrous. Well that's completely contradictory to what you just said in your opening statements. Governments are allowed to make multi-year commitments towards highway construction projects as you are doing under P3s, sir. You're doing that for the next 20, 30, 40 years. And in those days, our government went on a four-year budget cycle, and we determined how we're going to spend our money over the next four years, and we had every right, every obligation. We took every step to make sure we followed through with our commitment on that \$65.5 million.

Now furthermore, as you've indicated on a number of fronts, it takes time to develop capacity to get the job done. It takes time. You're not going to do all that roadwork in one year. You know that yourself. You can't commit to doing 5,000 kilometres of road rebuild in one year because you don't have the capacity. You could have the money, but you don't have the capacity. So it does take time to ramp up the spending and to follow through the commitments.

So I'm not going to sit here and let you dictate to me how you budget multi-year commitments to highways. I know how it works; you know how it works. The fact of the matter is \$65.5 million is allocated for northern highway infrastructure, and that includes the total portion going towards northern community access roads, a recommitment to the North. And when you guys took office, you took that money and put it somewhere else. The commitment was made to places like Cumberland House. It was made to places like Beauval. It was made to places like Patuanak. It was made to places like Wollaston Lake. You remember Wollaston Lake where your government made a press release? I think you flew in three or four ministers and made the announcement boldly predicting by 2012 that road would be completed. What happens? You took the money out and you didn't follow through with that commitment.

So, Mr. Minister, you're absolutely in your purview as a government and as a minister to make multi-year commitments to highway construction. You know it and I know it. And in your preamble, you admitted it that you allowed to say 2.2 billion over X amount of years. Well if you're allowed to do it,

you must have the budget for it. You must make the commitment for it. So I point out, sir, the money was there. You took it and you put it somewhere else.

[20:30]

Hon. Mr. McMorris: — Well that's really interesting again. The difference is, between a commitment and following through is the difference between 9 seats and 49 seats. That is the difference. We made a commitment of \$2.2 billion, and in the first two years we're over halfway to that commitment.

Let me compare that to the \$65 million that your government committed. Your government committed \$65 million over four years. In the first three years of your government, you spent 1.8, 2 million, and 6 million. That's a — point 8 — that's a total of \$10 million out of 65 in the first three years. And let me guess what you were going to do on the fourth year. You were going to fulfill that commitment with \$55 million because that's what you were short. Absolutely, that's what you were going to do.

Mr. Belanger: — We would have got the job done.

Hon. Mr. McMorris: — Oh we were . . . sure, we would have got it done.

Mr. Belanger: — We would have got it done.

Hon. Mr. McMorris: — Yes, that's right. He's even admitting it. We would have got it done, even though the record shows 1.2, two point whatever — 2.002 — and \$6.8 million dollars in the first three years of a \$65 million commitment. But we were going to get it done. We were going to spend \$55 million in that fourth year if we could have ever got elected.

Let's contrast that with what our government has done. It's not back-loading, it's not paying very little in the first three years of a commitment and trying to fulfill it in the fourth year, which you never would have done. It's a \$2.2 billion commitment with the first two years over halfway there, over halfway there. And I think if you look at the past record, the four years previous, other than Wollaston Lake . . . And I will admit, absolutely Wollaston Lake was a commitment that we haven't followed through on, and I will admit that. And I have said it in the House and I've said it to the media, we haven't followed through on that.

We haven't followed through on it. It was a commitment that was made in 2008 and we haven't followed through on it. But I'll also say, what the expenditure was for those four years far outweighed what our commitment was. So there's a big difference between making a commitment and then following through with the cash, and I will put our record up against your record any day of the week.

Mr. Belanger: — Well, Mr. Minister, I'm glad you admitted that you're allowed to make multi-year commitments. And it's totally contrary to what you said a few minutes ago. But that being said, that being said, there was some solid commitments made by our government when it comes to northern community access roads. And you ask every chief and every mayor, and especially Wollaston Lake, when they know that that commitment was broken in a heartbeat.

Now we had a lot of people out there that were, quite frankly, excited about the possibilities of northern development as a whole. Mining companies were quite enthused by all the projects that were identified as necessary for the northern economy. And I go back to my earlier point when you made the reference that it doesn't matter if it's a people road or an economic road, we do them as the same. And that's fair. But the problem is, you're not fixing either one of them, the people road or the economic roads. That's my argument when it comes to the North. You've got to do something because people are wrecking their vehicles. There's people's lives being put at risk, ecosystems being put at risk, our economy being put at risk. These highways in the North need constant attention.

And I noticed, when you made the reference about what you're spending in the North, my argument back to the people is, what part of that budget is new construction? What part of that budget is any kind of the commitments we talked about, whether it's Wollaston Lake or Cumberland House or Beauval or Patuanak? What part of those communities is check marked under your budget? Not one of them, any of the communities that I've listed. Not one. And yet we're continuing to extract resources out of the North.

And I know the North will not be pleased to hear that you said today that we put more into the North than we take out. That's absolutely false. That's not true. The North commits a tremendous amount to the South. There is huge potential in the North yet to be untapped. But what we're contributing now to the provincial economy as a whole . . . I go to any town and city in, almost, in the province of Saskatchewan, somebody is working in a northern mine. So the effects in support of the northern people and the northern resource base is felt throughout the province 10 times. And all the northern people are asking is for their roads to be fixed. And even if it takes you time, they're willing to be patient. But on all three fronts, you had no action.

So again I submit to you that these issues — whether it's Cumberland House, whether it's Turnor Lake, Green Lake — they're not asking for hundreds of kilometres. They're asking for 10, 15, 20 kilometres to be repaired. For what reason? For safety. For what reason? For the economy. For what reason? So they stop wrecking their vehicles. For what reason? Because they just want to see part of the revenues coming out of the North to just show some positive benefit to their region. That's all they're asking. And above all else, they're willing and prepared to be patient.

And I think that's a pretty darn good deal for the province when you look at the overall requests from northern people. It's not a whole heck of a lot they're asking for. They're simply asking for some decent roads, some strategic investments. And if it takes you time, they'll give you time, but they want some signals. And that's the point that I want to raise when it comes to the North.

I want to switch gears a bit if I can, in terms of an important case that we dealt with. You may or may not know of this individual, but he's from Wapella. And the gentlemen's name is Chris Reid. And Chris Reid and his family were on a CTV [Canadian Television Network Ltd.] story in 2010 where the provincial government subcontracted a company to complete

the No. 1 Highway. This was in 2006 when we were in government. And over a period of a few years, problems persisted. And now Chris Reid and his family have spent thousands — I think it's \$50,000 — on environmental studies on his land and on his house because Chris maintains, and his family maintains, that a diesel spill by a private contractor on their land ruined their water supply. And as they pulled in the water into their house, they also pulled in the diesel that was spilled on their property. And that ruined their home and threatened their family's life or health.

Today now, Chris and his wife and his family are just . . . been fighting this issue for the last seven years. And they're tired. Now right now they're asking, they're asking for this government, and for you as a minister, to pay attention to their particular file.

I'm planning on visiting the Reid family. I'm going to go to their farm. They're going to show me around. They're going to show me where this spill happened, and we're going to be taking that trip within the next couple of weeks. I'd like to invite the minister with me so we're able to see first-hand the damage done to the home and to the property and, more so, the threats to the family's health.

So I guess the first point I would ask is that the Reid family would like this issue settled. They've been fighting. They're tired. They've done all they can. At the end of the day, they're out thousands of dollars. Their home has been severely compromised in the health perspective. Their land has been contaminated and, after seven years, there's no answer. So their first course of action is they'd like this issue dealt with.

The second point that I would make is that I'm planning on visiting this family, and I'd like to invite the minister with me. So on those points would you care to respond to what the Reid family has to say?

Hon. Mr. McMorris: — Thank you for that question. This is an issue that's been going on for a number of years. I believe it dates back to 2006, and it's been going on for a number of years. I think there's been certainly a lot of work back and forth. I think it's really important that we kind of maybe even fast-forward from 2006 to where we are today, which is it's before the courts. A claim has been made which is before the courts, the Court of Queen's Bench. It would not be appropriate for me as the minister or for any minister to inject themselves into a claim between, you know, a ministry or government ministry department and an individual.

And so as much as I have been, I think, for the most part been very open in my years in Health when anybody came in to meet with — or in Highways — to meet with any group that came in, there is some legal precedents, a lot of legal precedents, a lot of legal precedents that would say it would not be appropriate for me as a minister to inject myself into a situation or a case that is before the courts.

[20:45]

Mr. Belanger: — I can appreciate that as a minister you're not going to comment as this case is before the courts, which gives me the opportunity to explain the case to you so you have full

knowledge.

The fact is that this is a Saskatchewan family that had a diesel spill on their property. And that diesel spill infiltrated their water system. And by them using their water of course the contamination spread throughout their home. They have been battling this issue for a long time. They have a lot of burden placed on them not only from the financial perspective but the threat to their family's health as well.

The most amazing thing about this particular family is that they have not given up their fight. They have been on CTV, as I mentioned, in 2010. Your government was aware of this in 2008. And since 2006 this has been going on, and that's when the contamination occurred, of which you could claim that we were in government. Now certainly from my perspective, I want to do the responsible thing. I want to go and visit the family and have them explain to me what challenges that they face because this is a Saskatchewan family. The gentleman, Mr. Reid, had to work two jobs, leave his family on many occasions just to pay for the environmental cost to argue his point that this was directly attributed to a spill on his property as they were fixing up a road near his property.

Now that contamination of his property was significant. And I'll tell you, this issue is a very, very tough issue on his family. It's very, very traumatic. And what is worst is that he's fighting his own government to try and remediate the problems caused by a spill on his land that he did not cause. I think it's incumbent upon the government, in particular a ministerial responsibility, to do all they can to fix up that problem created as a result of the highways activity in that particular area.

So the Reid family have invited me, and I know they'd love to have the minister there as well to see what happened, for them to explain. And that's what they want to do. They want to explain their position, their part, and of course their hurt, their particular challenges now. And it's amazing what this family has gone through, amazing because they have persevered, yet it's amazing in the sense that the trauma that was caused to them is fairly significant.

And I'm asking you, as the minister of the Crown whose responsibility lies within the Ministry of Highways, to settle with this family and get the issue resolved. They are struggling with this matter. It's causing great, great strain on many fronts. So I think if you follow through any environmental laws or any of the processes for contamination — whether it's a Saskatchewan Environment official, whether it's the RCMP [Royal Canadian Mounted Police] — when there's damage done to property, you've got to follow certain protocols and processes. None of those protocols and processes were followed, and to me I think that denotes a certain degree of negligence. And allowing the process to unfold as it has over the years, that to me I think also denotes a certain stubbornness to try and deal with a Saskatchewan family.

I can point out to you that this family is really, really hurting. I think if you have the opportunity to visit the family, you can hear first-hand some of the issues that they've raised. There is no question that with the Reid family, when I met with them, the strain was fairly significant. They were on TV. I'm not breaking any confidentiality rules. Their story was on CTV in

2010, and they gave a fairly significant account of what happened.

Chris Reid and his family, his wife, have five children. His wife has battled cancer in the past, and they have a child with lupus, and yet they have this battle to deal with as well. So I'm taking the time to go and visit with the Reid family to see first-hand how we could help them. And I don't think doing the process of courts, you know . . . The question that I'll ask is, is there a time limit on responsibility? And I don't believe that there is in relation to damage done on people's property. This family's done what they can to help accommodate a construction project, a highways construction project, and now they're having some significant problems.

So that's what the court case is all about. I know you can't comment, but I want to share that with the people of Saskatchewan and those that are listening. The Reid family are wonderful people. They're great people. And I sit there, and I'm amazed at some of the work that they've done. Both the mom and the dad and the children have gone through all this, and yet their resilience and their strength as a family is amazing. They're not going to give up. They're not going to quit.

But wouldn't it be nice if the government said, okay we're going to stop fighting with you and settle this and settle this in a classy fashion and work together to resolve this issue? That's what I want to go and see if there's any hope of that being achieved when I visit with them, and of course make the offer to you tonight to join me and possibly asking the officials to settle this issue.

So since we can't speak specifically about this case, as you indicated, how many other lawsuits has your department and government have against it in relation to any construction projects?

Hon. Mr. McMorris: — I will answer kind of the preamble, and then I will get into the particulars that you asked, how many other lawsuits the Ministry of Highways and Infrastructure has against them.

And I am far from a lawyer, and I'm never going to pretend to be a lawyer. We have three on our side, and that's enough I think. Anyway what I would say is that it would be very easy . . . And this is a general statement. This is not a particular statement on any case that is put before this committee, such as the one that you've stated. So I'm not talking about any particular case.

But I think it is the responsibility of any government, as it has been in the past, to defend itself against claims. Some claims are absolutely legitimate, and government, you know, is negligent and has to pay. And there are claims where government isn't responsible. And it's up to, it really is the responsibility of the government — or any other business — but government to defend itself.

And I'm not going to . . . Again I'm not speaking about any in particular claim. It would be easy for, you know, the opposition to say, well there's this situation and they have all these different circumstances around . . . Government should just back away and pay this family so that they don't have to go

through the whole process, the court process. And you know, that would be a very easy stance to take.

I think there are times where, you know, governments, depending on the case, settle out of court so it doesn't have to get to the court system. There are others where they don't feel negligent at all — and this is not just government but this is business and this is just the way the legal system works — where they don't feel negligent at all and defend themselves, and the ruling is that perhaps the claimant didn't have basis. It wouldn't be responsible for a business or a government but especially for a government, which is then expending taxpayers' dollars, not to defend itself if it didn't feel responsible.

I understand these are very, very difficult situations. Absolutely. And there are many, many of them out there when you go across all of government — not only the Ministry of Highways and Infrastructure — and it doesn't always have to get to a court case. Again I will kind of revert back to my days in Health where we've had patients come in that said, you know, certain things, and things weren't right. And often they were right and, you know, we would try as a government to cater to and make the situation right. But I can remember a couple of cases where there wasn't basis, and it wouldn't have been responsible as a minister or as a government just to simply concede.

You know, I'd be very interested to hear from your perspective. Being in Executive Council, would you concede to every claimant or every accusation that was made against government? You can't do that. It's easy to, you know, to certainly tug at the heartstrings, and I understand that. And there are cases where, you know, government isn't as compassionate as it should be. But there are cases where government has to protect the taxpayers' money because that's ultimately . . . We're entrusted with that responsibility.

So you know, that's a broad statement to a very difficult situation. I'm not commenting on any one situation in particular, but I can tell you over the, you know, the short time that I've spent in Executive Council seeing things that have weighed out on both sides . . . And I think the member opposite probably has experienced that too. I don't know whether he'd admit it today or not, but I think that is the case of most people that serve in Executive Council that interface with people across the province on many different levels. I really do believe it's the responsibility of all of us that are elected to serve the people as best as possible, but not only serve but protect taxpayers' dollars to make sure they're spent correctly as well.

[21:00]

Let me turn and get the exact number and maybe — well maybe not detail because I can't give detail — but talk on the final part of your question, which was how many court cases is the Ministry of Highways and Infrastructure involved in for construction. So further to the question on how many are before the courts, we have two that are really associated with construction. The Reid one would be one, and I won't go any further than that. You've introduced it onto the public record, but I won't any further. So we have two that are in construction.

Mr. Belanger: — Just in terms of . . . I'll make one final comment because we did meet with the Reid family, and they were on CTV in 2010. And the point I would make in relation to your earlier comment about, you know, the government has an obligation to defend itself and the taxpayers' money, that perspective, I would make the final plug that the Reid family wouldn't likely pursue a simple nuisance suit for these many years. They wouldn't. It's been eight years they've been fighting this.

And the other point I would make is that they're travelling, you know, on a constant basis, trying to find some resolution to this. So after eight years — and that's one of the notes I made in relation to the continued fight; I find that amazing — the fact of the matter is that they wouldn't pursue a simple nuisance suit for that many years. There was indeed damage created to their property and contamination of their land and, as a result of that, their family's health was compromised.

But I am going to go visit. And I again ask the minister if he would entertain travelling, separately or with me, to go and visit the Reid family. If that opportunity were to present itself, would he attend a visit with me?

Hon. Mr. McMorris: — Again, I don't really care to get drawn into this situation because it's before the courts. So my answer would be, to visit the site, would be no. It's before the courts. That just would not be appropriate for the minister. I will make a more general statement. So the answer on a specific case as far as . . . Really what you're asking me as the minister, will you interject? And no, I won't. I mean as soon as you start visiting, there'll be people say, well what's your opinion, is it right or wrong? And that's just not appropriate for a minister when it's before the courts.

I will say on a more general statement, as I did in my preamble to the answering the question as far as its responsibility to the Crown, I don't know if too many court cases are settled on the length of time because they were more persistent and lasted for two years or four years or eight years, or if it was 10 years, then they should be awarded a victory. I mean that's not how it goes. It's not on the length of time; it's on the evidence that's provided. So you know, again my sympathy will absolutely go out to the family, any of the families that feel that they've been done wrong by any arm of government. Absolutely. But again it just would not be appropriate for government or for any ministry official or minister to inject themselves into something that is before the courts.

Mr. Belanger: — Just in terms of the two current lawsuits that you have against the construction part of the highways operation, are you at liberty to explain what these suits or who is suing your ministry?

Hon. Mr. McMorris: — You know, I think . . . And I need to clarify. Whatever information I can release, we'll certainly release. And I'm not going to release it here on the floor unless I know it's appropriate. Nor do we have any really much detail. You've raised the Reid case. We don't have a lot of detail on the other case that is easily accessible, nor do we feel that any of us are comfortable releasing it on the floor of the House. If there is an opportunity, if once checking with legal counsel to see what we can say or what we can't say, on any of these

cases, we'll certainly provide that information to you. And I'll commit tonight to providing that information to you, if it is appropriate, through legal counsel. But we will not provide anything that would jeopardize the Crown's chances as we move forward or the Crown's case as we move forward. I mean there is legal precedent there. Again as I said, we've got three lawyers in our caucus. That's enough, and I certainly won't pretend to be one. But we'll certainly check with legal counsel as we move forward.

Mr. Belanger: — So I'm assuming that if you have been served notice of a lawsuit or something of that nature from a legal perspective, that it may have been filed in court already, so there's probably, it's probably public record. So I'm assuming again that there's probably the option of explaining which court cases that you're involved with where there is a lawsuit against your particular ministry. Now that's the first question.

The second question I would point out is in relation to your overall ministry, not just on the construction side. Is there any other lawsuits generally from your Infrastructure portfolio or your highways, the overall highways operation? You mentioned two, and then you mentioned in the construction section. Overall has there been any other lawsuits against you? And if they are filed in court, then obviously they're public record. So if you're able to share them tonight, I'm sure the public record would allow you to do that.

Hon. Mr. McMorris: — So what we have, and we don't have the details. And again I'll commit that we will release what we feel we can legally. It's one thing to be before the courts and it's part of the public record. But there's a lot of information that isn't part of the public record that the Crown may have. And I mean that just would not be appropriate. We'll release what we can legally. There are about 24 total claims, counting those two, that are before the courts.

Mr. Belanger: — Okay. Then that's fair enough. On the 24 claims, you indicated that you'd give me a list. Is that correct?

Hon. Mr. McMorris: — We'll disclose what we can.

Mr. Belanger: — Now the other point that I raised to you last fall, last fall I raised to you a situation. I wasn't specific on the contractor because there's a lot of good contractors and a lot of good subcontractors. And last fall I'm pretty sure it was you that were asked the question: when the Department of Highways contracts to a general contractor to do X project and that general contractor does not pay their subcontractors, and there's quite a few subcontractors out there, what recourse does that subcontractor have? And on that front, are any of these current lawsuits you talk about, the 24 lawsuits, are any of them from subcontractors who were not paid fairly or compensated properly from the general contractor? And are we getting any of those particular cases in court now?

Hon. Mr. McMorris: — Well I will answer the question very quickly. As far as the 24 claims that are against the Ministry of Highways and Infrastructure, none fall into the category that you've asked for.

Mr. Belanger: — But in the instance where your department

would get involved — where a contractor were to say to you, Mr. Minister, I'm a subcontractor that was not paid for the services rendered to the general contractor — what options would the department employ to protect the subcontractors who may not have been paid fairly or wish to appeal payment that they received for, you know, for a number of reasons? What's the normal process a subcontractor would go if you folks were approached?

Mr. Penny: — I think, yes, we remember we addressed this in the supplementary estimates in the fall in these type of things. And really what the . . . This is an arrangement, a business contractual arrangement between a subcontractor or, you know, one contractor and the other that we're not privy to. Like we have . . . Our contract is with the prime contractor. So we're not privy to the business arrangement that may or may not have been made between the subcontractor and the contractor.

So as the project would go on, that subcontractor may have a claim against the prime contractor. And that subcontractor then should give us notice of a claim that he has been . . . that he has a dispute with the prime contractor. And as long as we haven't paid out the contractor in full — so it's within the time when, from the end of the contract, it doesn't come in like a year later — that we will hold back the value of that claim that's in dispute from the prime contractor.

But it's between the prime contractor and the subcontractor to settle that dispute either out of court or, if it's necessary, for them to take it to court to settle it because it's a contractual arrangement between two businesses, not with the government. But we will hold back the money from being paid to the prime contractor.

As an example, we have many contracts that would be a grade, base, and pave. And in a lot of those cases, the paving contractor is the prime contractor and the grading contractor is a subcontractor. At the completion of the grading phase of the contract, we still have a considerable amount of money to pay for the prime contractor for doing the base and paving. They may have a 200, \$250,000 claim on dispute of quantities that were actually moved on the job. And as long as they give us notice, we'll hold back making that payment for that \$250,000 to the prime contractor, and they've got some time to settle that out.

[21:15]

The current operating procedures, and it's in the contract I believe, is that . . . [inaudible interjection] . . . No, it's not in the contract? It's just a policy. Okay. I'm sorry. I've been corrected that it's usually within 90 days. They have to settle that out within 90 days. But typically what we've been operating on is actually giving them almost a year to actually . . . to make that settlement.

So we're currently rewriting our policy to actually state that they have a year to settle that agreement before we release it because . . . Or in some of these cases, if there's no incentive to settle it through the court system, we could be holding back that money forever if it never gets settled. So we've got to have a time frame to give those two parties the incentive, settle the claim. And so they should be taking it to court.

We don't want to be sitting . . . We're not, as Minister McMorris said, we're not lawyers so we can't sit there and judge a business arrangement between two contractors as to what they may have said or may have written into the contract.

Mr. Belanger: — No. I certainly appreciate the process itself in the sense that you don't want to get involved between a contractual agreement between subcontractor A and the prime contractor. I appreciate that. I'm not debating the merits of that position at all.

My argument is that in the instance I'm speaking of — I don't want to mention names; I'll just say company A was a subcontractor — and this gentleman had done some work as a subcontractor to a prime contractor from out-of-province. Well that prime contractor went out of business. So the subcontractor was left holding the bag on some money that he was owed. So the guy is, the guy that got . . . The prime contractor is gone. He's out-of-province, and this is a Saskatchewan-based subcontractor, a new generation contractor that really was going to make a solid investment into building roads.

So my only point is, between policy and a contractual stipulation, there's a significant legal difference there when you talk about dealing with subcontractors. We have to make an effort to protect our subcontractors in our province that when they're making negotiations and deals with out-of-province contractors, that we do all we can to protect Saskatchewan's interests if it's a subcontractor.

Now whether we move it from 90 days to a year, I don't know. I'm not sure what the solution is. But we ought to have discussions with the contractors association and some of the subcontractors as to what we can do to protect our interests. Because if I'm a subcontractor, want to do road work, and I don't have the bonding or the experience to do the main job, then I have to work with the general contractor — right? — or the prime contractor. Well there's a lot of trust and faith in that I'd be paid for my work. And if there's a dispute, and Highways doesn't get involved with the disputes and all we have is 90 days, you can see where the problems might start occurring.

So I guess the question I would have for you in relation to your point about the 90 days versus one year: how many situations is the Department of Highways involved when it comes to a dispute between subcontractors and the prime contractor? Is it 30 per cent of the contracts or 10 per cent of the contracts or is it much higher than that?

Hon. Mr. McMorris: — So you know, thanks to my deputy minister that answered the question very, very well as far as the process that's in place and the steps that are, you know, that are gone through. It's a process that's been in place for a very long time, you know, the whole bonding piece, the whole disagreement, if there's a disagreement, the process that goes through. The ministry holding back is part of it; the bonding is part of it. There is quite a process and I think that's been described very, very well.

I think your question was, how many times, how many of these actions are there? That would be a question that we just simply cannot answer because these are agreements, are contracts entered into between private companies. You know, it would be

. . . There's just so many different examples that government isn't privy to a subcontractor-contractor agreement.

You know, I think we probably even might have mentioned the last time we talked about this, on a hospital, for example. There could be a major contractor, the contractor that would subcontract 2 to 300 different subs. And the subcontractor may subcontract, you know. So there are so many different levels. And you know, even in Highways and Infrastructure, there would be a contractor that would sub and may sub again. And there are disagreements, but are worked out.

And some get as far as court cases. Very, very few would. But when they do — and you're asking for a number — very few. You know, and again we've got a great history of Highways and Infrastructure here, and they don't know of a lot of cases like this — not that there aren't — but a lot of cases. Most get worked out between contractor and subcontractor. The bonding company obviously has a major role to play. And every so often when it doesn't seem to prove out, the court systems are involved, but that would be very, very seldom.

And I don't think it matters . . . I don't think it matters necessarily the origin of the company, you know, whether it's a provincial, national, or international. What I would say is that perhaps as you move forward you could identify the odd national or international company that may fall into this category that were never operating in the province before, because the demand wasn't there. The growth wasn't there.

We're seeing companies come into the province that are wanting to operate and we want to make sure that they're reputable, absolutely. But I think there is a greater . . . well I know there is. I know there are more companies from around Canada, across Canada I should say, and around the world that are looking at Saskatchewan as a place to come because there's work. There's an opportunity to bid on contracts. There are many jurisdictions that are struggling internationally and even nationally that are really looking at Saskatchewan as a place to be, not only on a population base, but on a work, on a contract base.

So if we identify one, I don't think that's generic to all. We want to make sure that the due diligence is done on the company, that the qualifications are there, that the reputation is there. So I wouldn't say it's germane to . . . it's because it's an out-of-province company. I don't think I'd want to go there. I think because we can cite cases where it was a provincially owned company that have had trouble with its subs, and it's a provincially owned company. So it isn't . . . I don't think the origin is necessarily the issue as much as, you know, we want to make sure that the process is fair for both through the ministry with withhold and the bonding company who has the major responsibility in this area.

Mr. Belanger: — Okay. Thank you very much. I would just like to shift gears here to the SaskBuilds concept. Last year, I think the difference between this year's budget and last year's budget is roughly \$5.5 million less this year. And we also notice that SaskBuilds is also incorporated into the Highways and Infrastructure budget, and the total that is allocated for SaskBuilds is 6 million. So I guess I would very quickly ask you to explain the concept behind SaskBuilds. Is this just

primarily for highway construction projects or is there other projects being considered under the auspices of the SaskBuilds program?

Hon. Mr. McMorris: — Thank you for that question. I had the opportunity last week, actually the pleasure, of being in estimates for two hours on SaskBuilds. So we went through that budget estimate already. That doesn't relate to Highways. I am the minister responsible for both, and I have no problem saying a few words on SaskBuilds, but I'm not going to get into the budget of SaskBuilds. That's not what we're here to talk about today.

What I would say though is that with the huge infrastructure demand within the province, not only in Highways and Infrastructure but Health and Education, Post-Secondary, Municipal, there are so many different areas that there is growth in the province and as a result want for infrastructure. That's why SaskBuilds was developed, to oversee all of the infrastructure spend for government, develop a 5-year and eventually a 10-year capital plan that will direct the province forward. We've seen it done in other jurisdictions. I think it makes sense here. It isn't contingent or necessarily even related to the budget of the Ministry of Highways and Infrastructure because, again, SaskBuilds is a provincial . . . is an organization or a corporation that oversees all of capital for government. So although the numbers are very, very close, that's more of a coincidence than we've taken money out of Highways to put towards SaskBuilds. That is not the case.

Mr. Belanger: — Well the entire budget for SaskBuilds is coming out of Highways and Infrastructure, so one would assume that part of the SaskBuilds concept or dollar allocation would also be looking at the concept of Highways' P3 [public-private partnership] thinking. Is that a fair assumption to make when you look at highway construction overall?

Hon. Mr. McMorris: — No. I mean, your premise of the question that the money for SaskBuilds came out of Highways is wrong, so I don't know. Do you want to restate the question? I'll try and answer it. Again, I'm not going to get into the mandate of SaskBuilds. Your critic had two hours to ask me questions on it last week. We answered every question that they put forward. My job here is to answer questions on the \$576 million that is going to be put into highways this year through the Minister of Highways and Infrastructure.

Mr. Belanger: — Okay. Again I'll ask the question in a different fashion then. In terms of P3 highways concepts, are you currently working on that process within the Department of Highways?

[21:30]

Hon. Mr. McMorris: — So as I said on the outset is that, you know, I'm here to talk about the \$576 million that Highways has put forward. You asked about, is Highways looking at a P3. Highways may be asked for technical advice as far as a build, a roadway that needs to be built that SaskBuilds will be looking at as a P3. It's not necessarily Highways' responsibility.

We in Highways have, you know, a strong budget at 576 million. If we can build more highways and SaskBuilds looks at

a way of a P3 and we've moved projects forward, we're, you know, we're totally in favour of it. You know, as the Ministry of Health or the Ministry of Education, if they can move some of their projects forward through SaskBuilds on an alternative financing option, they're going to do that, as we're going to do it through the Ministry of Highways and Infrastructure.

We will be asked for technical information that will help make the case, as we move forward, for SaskBuilds, but anything that is dealing with the term P3 will be driven through SaskBuilds, not necessarily a ministry. A ministry's responsibility is the project, and it would be SaskBuilds that would be driving that forward.

Mr. Belanger: — So you're saying to me that as the Minister for Highways and as the Minister for SaskBuilds, that you're able to separate your responsibility to each of these organizations or each of these departments in such that if SaskBuilds wants to put a P3 highway, you're going to turn around and say, okay as the Minister of Highways now, we're going to offer technical advice, but we're not going to take responsibility for that?

Like it's kind of confusing as to how you're answering that question. The bottom line is if you're the Minister Responsible for SaskBuilds, which is talking about a P3, and the Minister of Highways, you're going to marry both portfolios. That's my point. The fact of the matter is that your Ministry of Highways is going to be developing the SaskBuilds concept, and you're not going to just be talking about highways. You're talking about schools and you're talking about hospitals and a number of other P3 projects for the province of Saskatchewan.

So that's what's the confusing part here because the bottom line is, if all you're saying to the people of Saskatchewan tonight is that as Minister for Highways we're only going to be offering technical advice to my other ministry, which is SaskBuilds who is promoting the P3 concept, I find that hard to believe. Your SaskBuilds concept was to promote the development of P3s, and a big chunk of that P3 mandate that your government is undertaking is highway construction. Am I right or am I wrong?

Hon. Mr. McMorris: — I said earlier that I spent two hours answering every question that the opposition had regarding P3s. I'm here to defend and gladly defend a \$576 million budget of Highways and Infrastructure. You want to ask me about the \$238 million over our years or 46 million more than the NDP spent on northern highways, I'll do that. If you want me to talk about, and I can go through many, many pages that talk about the \$576 million that we're spending on highways, I can certainly do that.

If you want to get into a discussion on P3s for the next 26 minutes, I'll fill that time too. I spent two hours defending and talking about the budget of SaskBuilds, and it went very, very well. And you know, I've got no problem talking about what SaskBuilds does, except that we're here to defend \$576 million on highways and infrastructure.

I can certainly talk about, on highways and infrastructure — once I get to the tab — about the \$86.3 million to start and finish 280 kilometres of repaving, such as Highway 16 from Dalmeny to east of Lanigan, such as Highway 13 from Griffin

to east of Weyburn, such as Highway No. 6 south between Naicam and Melfort, Highway 55 east of Togo access to Highway 903. I'd be more than glad to talk to you about that \$83.6 million.

I'd also be more than glad to talk about the \$81.8 million to start and complete local capital projects because that's part of the 576 million, such as grading on Highway 15 east of Highway No. 11, such as Highway 22 from Southey to Earl Grey, starting work on Highway 42 from Tuxford to Eyebrow, grading and paving on Dalmeny access road and Highway 305 from Highway No. 11 to Highway No. 12. We could talk about that.

I could also talk about — which is part of the \$576 million — \$25.5 million on the MREP [municipal roads for the economy program] program which goes to SARM [Saskatchewan Association of Rural Municipalities], which is an increase of \$2 million which goes to SARM. And we could talk about that \$25.5 million, which is administered by SARM — made great decisions, a lot of it into bridges and culverts and constructing roads within the RMs [rural municipality]. We could certainly talk about that because that is part of the \$576 million being spent by Highways this year.

I could talk about the \$34.7 million on rehabilitate and bridge repair and culvert repair that the ministry is doing. And I know of a couple close to where I was driving yesterday, down in the Qu'Appelle Valley: one at Fort Qu'Appelle, one at the area between Echo Lake and Pasqua Lake — bridge repair. That's \$34.7 million, and I certainly don't have any problem talking about that.

I could talk about the \$14.4 million to complete the St. Louis bridge because that's part of the \$576 million. We could also talk about the \$63.6 million for major projects supporting the growth plan including the Estevan truck bypass. You said you were going to start at the North and end up in the South, and from my recollection, you've got 21 minutes to talk about the South out of three hours. Because we sure could talk about the Estevan bypass. We could talk about the passing lanes that are going in on No. 10 Highway between Balgonie and Fort Qu'Appelle and the expenditure there and the contract and everything else. We could also talk about the continuing work on the Regina west bypass and issues like that. That's what we're here to talk about.

I know you're trying to bring in . . . And I know as the opposition you're dead set against anything that says P3 even though your federal party is in favour of it, but your party isn't, seem to be kind of the outliers. We know that there have been a number of P3 projects in British Columbia that certainly the Liberals have started, but I think probably the former NDP government may have had a role in that as well with Partnerships BC [British Columbia]. I know you want to get into that discussion.

That isn't the \$576 million that I'm here to defend. I defended the \$6 million that's going into SaskBuilds last week through the critic. I didn't hear any questions during question period after. I'm here to defend, you know, all the work that we're doing, such as The Battlefords Highway 4 twinning connection, \$11.6 million through the urban highway connector program,

the Yorkton west truck route for \$14 million — these are major accomplishments that have been done — twinning on Highway 11, the planning and investment of \$187 million cost-shared with the federal government.

So there all sorts of things that we can certainly talk about, and we've had a good discussion on the northern issue. You were talking about moving from the North to the South. I'd be more than glad to talk about some of the investments we're making in the South as well as what we have talked about in the North. I'm sure you should be able to find areas in the South that we're not investing enough in, and I may agree with you.

But that's what I'm here to talk about is the investment in highways and infrastructure. You're trying to draw me into a debate or a discussion on SaskBuilds. I mean I could ask the Chair to say that here's what I'm here to defend. I'm trying not to do that. Let's keep it on highways and infrastructure.

Mr. Belanger: — Thank you very much. I want to ask, of the figures that you mentioned, how much of last year's \$581 million budget was not spent last year?

Hon. Mr. McMorris: — So of the \$581 million, all but about 33 million was spent. And it wasn't spent not because — and that's a double negative — but not because the money wasn't there to move forward. It was because usually of contractor progress, which for the most part is around weather conditions. Sometimes there's some extenuating circumstances, you know, in bridges or whatever, but for the most part it's all related to weather conditions.

What I would say, last construction year was a pretty darn good construction year. It was a good summer, not like it was in 2011, and we're a little concerned with 2013. I mean we're already, in about two and a half more hours, into May. Normally we would have more construction started by this time of the year, and weather is dictating that. Having said that, we could have a very warm and dry summer season, construction season, where they'll catch up for the time that we're missing in April, May.

So there was about \$33 million held over, again not because of lack of projects or lack of initiative from government, but generally when money is held over it's because of the construction season and the weather conditions. And I can, you know, touch back on 2011 and even years previous where that carry-over was certainly much higher. I think we again . . . and compliments to the ministry staff — and maybe lots of overtime and maybe even the odd sleepless night — about how much work they put out because you don't want to put more work out than you have budget for, but you don't always know what the construction season is and the progress of contractors.

So I would say this year we were as close to spending all the money that we had through the 2011-12 budget as we have been in many years. Having said that, there was roughly about a \$33 million carry-over.

[21:45]

Mr. Belanger: — Now of that \$33 million carry-over, what happens to that money? Is it committed to projects, and they're

simply allowed to do the project the year after? And the other question I have is based on just practice over the years. Have your department officials basically looked at the late start of the season because of the current weather situation we're encountering? Is there an option to even give us a ballpark figure as to what you might not spend this year? Is there any kind of estimate that you could give us tonight?

Hon. Mr. McMorris: — The carry-over would go directly into this year. I mean it was already committed. Contracts have been let but that maybe the work wasn't completed. You know, I can think of the example of No. 11 Highway between Saskatoon and Prince Albert where there are 13 kilometres yet to be done. You know the contractor doesn't get paid for those 13 kilometres until they're complete, so that money would come out of this year's budget which was already part of, that might be part of the 33 million for example. That's carried over and put into the spend this year.

Just to ask . . . The question on how much are we going to carry over into next year because of the late spring, I mean we just don't have that number and wouldn't have that number because again there are so many variables go into it. And the number one variable is the weather conditions. And you know, we can have a part of the province that is doing very, very well. And I don't know if I've ever seen, you know, a week where we've got highways closed because of water running across, highways closed because of snow and ice and, not that we had to close a highway, but a grass fire that was causing smoke that was affecting, not necessarily on a highway, but traffic on roadways — all within a week.

So what I'm saying about that is you can have a very, very dry part of the province and get all the work done there and all the contract work done there. You can have an area where it's extremely wet and not get the work done there. You can have a contractor that's in both that has to shift equipment. There are so many different variables that go into how the work gets done through a season.

And it's not necessarily . . . We used to say it on the farm: you never lose a crop in May or in April or May because it's just too far in advance. The same as . . . Well maybe not quite the same but I come from a farm background, so I'm going to use that analogy. It's the same in highways. You don't know what you're going to carry over in May because there's just far too many variables and — for lack of a better term this year — water to go under the bridge.

Mr. Belanger: — I guess the other point I would raise in terms of . . . I notice the committee Chair is looking at me, so I'll ask the Minister of Highways a specific question. As the Minister of Highways, if you've got a, for what you would deem as a crackerjack P3 concept proposed for Highways, who would you consult with?

Hon. Mr. McMorris: — Well I mean that wouldn't necessarily come to the ministry or the Minister of Highways. Of the \$576 million that we have to spend, for example I could talk about the . . . But I've already done that. We could talk about the various expenditures.

When we have a section of highway that's going to be worked

on, we put out an RFP [request for proposal] process not unlike what was done in the past. So of the budget that we are here to talk about tonight, we put out an RFP process. It goes through the regular process like it has for, I don't know how many years, but quite a few years. That's how we would proceed with the expenditure.

And I guess it really wouldn't be the \$576 million, but that's really the capital expenditure, although there is some of vote 16 that we would contract out through RFP, such as grass cutting. That would be in vote 16. So that all goes through an RFP process, a tendering process. Yes, tendering would be the better term, tendering process. That's how we allot both vote 16 and 17, not all vote 16 of course because we do a lot of the repair work and a lot of that work, maintenance work such as road clearing.

And I really do need to talk just a little bit about this, about the absolute amazing job that Highways and Infrastructure has done, and especially the workers that have worked, oh man, I can't imagine how much overtime that they've worked this winter. I don't think we have seen in this province a winter like we've seen this year. And the men and women . . . From the men and women that are operating the trucks to repairing the trucks, to the people that are working on the highway hotline, to the people that are out making sure that our roads are safe when they put out a, you know, a do not travel advisory. Or you know, a road closed, those aren't taken lightly, you know, and there's more input than just Ministry of Highways.

But the amazing work that the staff — the men and women from the Ministry of Highways and Infrastructure — have done this year, I can honestly say in all the years that I can remember, I don't ever remember a year like this that highways have been impacted so much by weather conditions, which has a direct impact on vote 16, you know, but more importantly a direct impact on the intangible of the commitment that people have within the Highways ministry to make sure that people are able to travel our highways, which we have the most of per capita, are able to travel those highways in a safe manner.

I don't know if we've ever had a year where we've had as much ice as what we've had or some of the whiteouts that we've had. And you know, the men and women of Highways and Infrastructure that operate all the equipment and dispense all the information have done just an amazing job. And I've said it when I spoke about it in my reply to the speech, from the budget speech, but I really would be remiss, even though there isn't a question about that, I would be remiss if I didn't again thank them publicly through this committee structure for all the work that they've done because quite frankly it's been an unprecedented year.

I've said to a few people that I've only been the Minister of Highways for six . . . no, eight, nine months, and no minister has been responsible for as many closed highways as I have. In fact I think you could probably add up the last 20 years combined and it wouldn't come close to what we've experienced this year. So I don't know if the Premier's watching, but perhaps it would be a good omen if I was moved out of Highways and Infrastructure, and we wouldn't have near as many highways closed next winter if we want to extrapolate.

But having said that, great work. And again, I want to thank on behalf of government, and not just government but the people of the province, what great work they do.

I told this story when I replied to estimates, running into two guys walking out of a Subway, getting into their trucks at Balgonie, and just pulling up and thanking them. And the one guys goes, well thank you very much because, you know, it wasn't a very good morning. We were out plowing roads and it had been a very difficult 24 hours. And he was listening to a phone-in show where there was nothing but criticism.

And I really felt sorry for the person. I don't know how many hours he'd worked in a row, how many weeks they'd worked in a row, or months they'd worked in a row, all to try and ensure the safety of the motorists here in Saskatchewan and people travelling through the province. And then to get criticism like that would've been very difficult.

Yes, maybe there's always more we can do. But I can tell you that the commitment of those people has been unprecedented — unprecedented absolutely — I believe in the history of the province. So thank them very, very much.

Mr. Belanger: — Mr. Chair. I think the loving has to stop because you have 90 less staff members as compared to last year. You're firing half, a lot of your staff members. So I don't know . . . When you extol the virtues of your staff as being professional, dedicated, and hard-working people, I concur. But then you say, you're firing 90 of them, staff this year. So, Mr. Minister, I think you've got to stop loving your staff to the extent where you're firing them all. It's akin to what the Minister of the Environment said the other day. We're worried about their occupational health and safety, for the fire towers, so we're firing them all too. It just doesn't make sense from our perspective as to, you know, the amount of staff that you're letting go. And on a continual basis, you see the FTE [full-time equivalent] complement in your department going down year after year after year.

And to me I think the words ring rather hollow when you talk about the quality of staff. There's no question that you do have good staff. But coming from your government, firing 90 people this year alone, you know, I would suggest that it's totally contrary to what you said just now. If you're going to have respect for the staff, you don't fire them as a sign of respect and appreciation. That'd be my first point.

Now the second point I would ask or I would like to point out is again on your RFP process. As you announce a highway project, and you got a crackerjack proposal that was a P3 concept, who would you consult with to determine whether that should go through the regular process or through a P3 process? Who would you talk to?

Hon. Mr. McMorris: — Boy oh boy, that preamble, I just, I cannot leave alone. Number one, you could not be further, you could not be more wrong. You said 90 people were fired. Not one person . . .

Mr. Belanger: — Well 89 . . .

Hon. Mr. McMorris: — How many? Not one person was

fired. Not one person was fired. So make sure you get your terminology correct because you could not be further from the truth. And I know where you're coming from because I heard your leader yesterday talk about 47 people in the hallway which is absolutely wrong. And you want to come out and make claims. It's absolutely wrong. There is workforce adjustment. Not one person was fired. Not one person was fired.

And most importantly, not one person on the maintenance crew was even gone through workforce adjustment. There's the same amount of staff in that area as there were last year. So make sure if you're going to use terminology, that you're correct. And maybe you want to follow after the leader and what he did yesterday. But you could not be further wrong, Mr. Chair. I mean there was no . . . Let this go to the public, not one person was fired, and not one person was taken off of the road maintenance crew that was there last year.

So if you want to make those claims — and I realize what time of night it is, and I know where you're trying to get to — but, Mr. Chair, I cannot let that go uncontested because, quite frankly, talk about a disservice to the men and women of Highways and Infrastructure. That statement right there is disrespectful, Mr. Chair, absolutely disrespectful. There wasn't a person fired. There was adjustments, absolutely, within the ministry. But when you look at the people that were on the front lines over the last six months, seven months of winter, it's the same number working just as hard or way harder because of the conditions as what was there in the previous years. It's really quite offensive, and I will stand up and defend them every day of the week, Mr. Chair, because they did a great job. And I know you're trying to play politics with it, but it's completely inappropriate. I see the time is 10 o'clock.

The Chair: — Having arrived at the agreed upon time, I would ask for a motion to adjourn.

Mr. Doke: — So moved.

The Chair: — Mr. Doke. I recognize the minister.

Hon. Mr. McMorris: — If I could just . . .

The Chair: — I think, Mr. Minister I should actually . . . Are we agreed, then, we adjourn? The motion is carried?

[22:00]

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried. I recognize the minister.

Hon. Mr. McMorris: — Thank you, Mr. Chair, I just want to again thank the officials that are here with me tonight for the three hours of estimates on the \$576 million. I want to thank those officials very, very much as well as all the others that work in the Ministry of Highways and Infrastructure, not necessarily on the front line, but do a lot of work on the construction and the engineering and all the work that goes into making sure our highways are as safe and well-designed as they are. And particularly the group that are around me tonight, they have been invaluable because my learning curve has been very steep over the last 8 or 10 months. So I want to thank them very

much for the work that they do.

The Chair: — And thank you very much to the minister and his officials for appearing before the committee and to the committee members for your participation tonight . . . [inaudible interjection] . . . All committee members. This committee stands adjourned until tomorrow afternoon at 3.

[The committee adjourned at 22:01.]