



STANDING COMMITTEE ON THE ECONOMY

Hansard Verbatim Report

No. 29 — April 9, 2024

**Published under the
authority of
The Hon. Randy Weekes
Speaker**



Legislative Assembly of Saskatchewan

Twenty-Ninth Legislature

Hansard on the Internet

Hansard and other documents of the
Legislative Assembly are available
within hours after each sitting.

<https://www.legassembly.sk.ca/Calendar>

STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Jennifer Bowes, Deputy Chair
Saskatoon University

Mr. Ken Francis
Kindersley

Mr. Delbert Kirsch
Batoche

Mr. Greg Ottenbreit
Yorkton

Mr. Doug Steele
Cypress Hills

Ms. Aleana Young
Regina University

[The committee met at 15:30.]

The Chair: — All right, folks. Welcome to the Standing Committee on the Economy. I'm Colleen Young, and I'm chairing the meetings this afternoon and this evening. Members joining us are Ms. Betty Nippi-Albright in for Jennifer Bowes and Mr. Doyle Vermette in for Aleana Young. And we also have members Ken Francis, Delbert Kirsch, Greg Ottenbreit, and Doug Steele joining us.

Pursuant to rule 148(1), the following estimates and supplementary estimates no. 2 were committed to the Standing Committee on the Economy on March 28th, 2024 and on March 20th, 2024 respectively. 2024-25 estimates: vote 1, Agriculture; vote 23, Energy and Resources; vote 26, Environment; vote 16, Highways; vote 89, Immigration and Career Training; vote 84, Innovation Saskatchewan; vote 35, Saskatchewan Research Council; vote 90, Trade and Export Development; vote 87, Water Security Agency. The 2023-24 supplementary estimates no. 2: vote 1, Agriculture; vote 23, Energy and Resources; vote 26, Environment; vote 16, Highways; and vote 35, Saskatchewan Research Council.

I would also like to table the following document: ECO 21-29, Ministry of Environment: Responses to questions raised at the March 18th, 2024 meeting.

Today the committee will be considering the estimates for the Saskatchewan Research Council and the Ministry of Highways. We will take an hour recess at about 6:30 p.m.

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

Subvote (SR01)

The Chair: — We will first consider the estimates and supplementary estimates no. 2 for the Saskatchewan Research Council. And we will begin with consideration of vote 35, Saskatchewan Research Council, subvote (SR01).

Minister Harrison is here with his officials this afternoon, and I would ask that the officials please state their names before speaking at the microphone the first time. And Hansard folks will turn the mikes on for you. Minister, you can begin by introducing your officials that have joined you here today and with your opening remarks.

Hon. Mr. J. Harrison: — Sure. Well thanks very much, Madam Chair. And thank you to committee members for being here this afternoon and to the evening as well. Much appreciated. It is a pleasure to appear before the committee again with regard to the Saskatchewan Research Council estimates.

And with me here for officials . . . As you probably remember last year, actually we didn't have officials because there was a snowstorm. And Ryan and Mike were stuck in Saskatoon, unable to get down here. So we tried over the phone, but I think basically it was the minister trying to muddle through on his own with support on the phone. But it worked okay. Much better this year though.

So on my left, Mike Crabtree, SRC's [Saskatchewan Research Council] president and CEO [chief executive officer]; Ryan Hill, on my right, our chief operations officer; and behind, Jocelyn Allard, SRC's vice-president for financial services.

SRC, as we all know, is the second-largest research and technology organization in Canada — an impressive feat for our province and something that we, I think, all are really quite proud of. Last year SRC celebrated 76 years of providing valuable research, innovation, and demonstration to Saskatchewan industry and beyond. Since its inception SRC has been part of many important firsts for the province that have brought many benefits. In the 1970s SRC was a leader in energy-efficient housing research, and its work formed the basis for the development of the R-2000 standard for energy-efficient homes.

In the 1980s SRC played a large role assisting the Saskatchewan oil and gas industry by enabling the implementation of horizontal wells and the use of carbon dioxide for enhanced oil recovery. SRC geoanalytical laboratories secure diamond facility, established in the early 2000s, is now the largest such facility in the entire world. Not only does it offer diamond services but it also offers geochemical and mineralogical analysis for base metals, gold, lithium, uranium, potash, and rare earth elements.

These examples provide a small glance of the important work SRC has done over its 76-year history and the positive impacts that have followed. And speaking of impacts, SRC has been measuring its economic impact within the province for over two decades now. SRC's 2022-23 economic impact assessment showed impacts of approximately \$930 million in direct economic benefit to the province with about 1,473 jobs created or maintained in Saskatchewan that are valued at an additional \$89 million. This means, for every dollar invested in SRC by the provincial government, a 46-times return was achieved in 2022-23. These impressive figures underscore SRC's pivotal role in fostering innovation across Saskatchewan industry and driving economic growth within the province.

As recently announced for the 2024-25 budget, SRC is receiving \$41.6 million, in provincial investment compared to last year's allocation of about \$40 million. This includes a status quo portion of SRC's provincial investment to continue its work in spurring economic growth across the manufacturing, agriculture, oil and gas, and critical minerals sectors, plus an additional \$21.5 million of previously approved funding for SRC to pursue its commercial demonstration of a microreactor, which I'll speak more about later.

SRC continually works to help address Saskatchewan's biggest challenges now and into the future. Through their strategic planning process, SRC has identified five large-scale industrial and resource-based projects as areas of focus. These projects, which are aligned with the province's growth plan, aim to address significant technology challenges and industry needs. They include the following key areas: strategic metals, as in rare earth elements and lithium; microreactors; advanced mining; carbon capture, utilization, and storage; and agriculture and industrial water.

Advancements in each of these five identified areas of focus requires substantial capital and engagement from multiple

stakeholders, including governments, academia, industry, and regulators. SRC is well equipped to undertake these projects as it has the networks, technical and scientific expertise, and hands-on experience needed to bring these complex ideas to life.

These projects will support economic growth in our province while preserving environmental sustainability. While these projects will take some time to fully develop and mature, we're already seeing evidence of success, which I'm excited to share today.

The strategic metals project focused primarily on rare earth elements, or REEs, which are naturally occurring minerals that are essential to the modern economy for the manufacture of vehicles, electronics, phones, tablets, and basically everything that our modern society uses. REEs also hold significant strategic function as they're used in the production of most high-end military systems and defence systems.

For over 15 years SRC has been investigating REE technologies as the industry developed. Its minerals group is now internationally recognized as a centre of expertise in rare earth extraction and processing technology. A significant part of the province's critical mineral strategy relies on the expertise and experience of SRC in this area to grow a rare earth element hub right here in Saskatchewan through our government's \$71 million investment into a first-of-its-kind rare earth processing facility.

The rare earth facility will be North America's first fully integrated commercial demonstration and rare earth processing facility with hydro, metallurgy, separation, and metal smelting stages. Nine hundred tonnes of feedstock for its monazite processing unit procured from Brazil will be sufficient to feed the facility through the first year of operation.

Earlier this year, SRC achieved a major milestone in the metal smelting unit of its rare earth processing facility. SRC has successfully automated the highly complex mixing process through internal design, fabrication, and testing. During a week-long test of the automated metal smelting process, SRC achieved results that were above expectations; 400 kilograms of NdPr [neodymium praseodymium] metal was produced — and that's an acronym for something Mike can pronounce later — that was produced with a 99.5 per cent purity and a recovery rate of over 96 per cent.

SRC achieved this during a 24-7 operation managed by only one person, compared to a process in other jurisdictions that would require several operators and a lot of manual work. All of this means that the rare earth processing facility is on track to be concluded on time and on budget, and will be operational by the end of this year.

Our government has also identified lithium development as an important area of focus. Lithium is one of the key ingredients in the development of key energy technologies. In 2023 SRC built and successfully operated a lithium hydroxide monohydrate or LHM large-scale pilot plant and from it produced battery-grade LHM. Currently Canada does not have large-scale battery-grade production; however SRC's success in demonstrating this process is a major step towards developing a secure and reliable lithium supply chain in Canada and North America.

Given its 38 years of hands-on experience with the Slowpoke II reactor and its connections with key stakeholders across the nuclear industry, SRC is uniquely positioned to play a leading role in supporting the development of microreactors in Saskatchewan going forward.

SRC's designation as the primary provincial body responsible for microreactor development in Saskatchewan marks a pivotal moment in our journey towards a sustainable energy future. With support from our government, including the \$80 million investment announced in November of 2023, SRC is poised to accelerate the adoption of microreactor technology, creating economic opportunities and securing Saskatchewan's position as a global leader in the nuclear microreactor supply chain. SRC will apply the research and knowledge gained from the licensing and deployment of an initial microreactor to support the Saskatchewan nuclear industry to better understand this type of technology and the potential for future microreactor projects and deployment in the province.

The eVinci microreactor will of course be built by Westinghouse Electric Company. Subject to licensing and regulatory requirements, we're expecting that to be operational by 2029. The location of the reactor will be determined as the project progresses through the regulatory process. The eVinci is classified as a microreactor capable of producing 5 megawatts of electricity, over 13 megawatts of high-temperature heat, or operating in a combined heat-and-power mode.

Advanced mining technologies have the potential to unlock billions of dollars in Saskatchewan commodities such as potash, uranium, diamonds, and other mineral reserves such as rare earths. SRC's experience in the research, design, and development of advanced mining technologies will help us access these valuable commodities.

Sensor-based sorting is one example of an advanced mining technology that SRC has experience with, has now become a leader in, with its sensor-based sorting service offerings for new uses and to new industries. SRC continues advancing its mineral liberation sorting centre, which helps mining operations reduce energy, capital, and operating costs along with greenhouse gas emissions.

Our government has also identified the use of enhanced oil recovery to assist with carbon capture, utilization, and storage, or CCUS. SRC has considerable expertise and experience in each of the three components of CCUS: capture, transport, and carbon dioxide enhanced oil recovery. This knowledge and technical capability will help us work towards the targets we've set out in the Prairie Resilience climate change strategy.

Through the Centre for the Demonstration of Emissions Reductions, SRC helps the oil and gas sector to identify, test, verify, and quickly deploy methane reduction technologies that are best suited for their unique needs. The centre is playing a leading role in creating environmental benefits and helping sustain primary natural resource industries in Saskatchewan by encouraging and enabling the adoption of greenhouse gas emission reduction technologies.

SRC is also focused on effective water management for agriculture and industrial use that will be needed, particularly due

to the increased consumption as our province's economy and population grows. These key projects demonstrate SRC's ambitious strategic plan which will help ensure ongoing future economic, environmental, and social impacts in Saskatchewan and around the world.

With a focus on projects that expand Saskatchewan's industrial and resource base, SRC is also supporting the development of new industries, new resources, value-added manufacturing, and the application of emerging technologies.

I'd like to note some additional examples that help provide an understanding of the breadth of work SRC does currently to assist industry. Last year SRC's collaboration with the Ministry of Energy and Resources in helium liquefaction has positioned Saskatchewan as a potential leader in this emerging market. The study on developing a commercial-scale helium liquefier underscores the economic potential and job creation opportunities in the province. The helium study will help provide companies with the information they need to make major investment decisions around establishing Saskatchewan as a regional helium liquefaction hub in Western Canada and the surrounding US [United States] states.

Beginning May 2020, SRC helped the Ministry of Energy and Resources expedite the accelerated site-closure program or ASCP, which accessed up to \$400 million over two years to see inactive wells and facilities abandoned and reclaimed. The program was completed in April 2023 and was a resounding success, a testament to collaborative efforts between government, industry, and Indigenous communities.

[15:45]

Over 8,000 inactive oil and gas wells and facilities were capped or closed, thanks to the dedicated work of 900 Saskatchewan-based oil and gas service companies, supporting an estimated 2,500 jobs, with significant support for Indigenous participation totalling over \$90 million.

SRC is leading another major remediation project that's been ongoing for well over 10 years now and is expected to soon wrap up. In 2023 work continued at project CLEANS [cleanup of abandoned northern sites], the remediation being done at 37 abandoned uranium mine and mill sites in northwest Saskatchewan.

The Lorado mill site and 22 smaller satellite sites have been fully remediated now, and SRC has permanently closed the three mine openings present at the Gunnar mine and mill site, including completing the construction of a hazardous material landfill.

This project will ultimately remediate the sites, all of the sites with positive economic, environmental, and social impacts, ensuring a safe environment for those that live and work in the area.

SRC recognizes the value of integrating a variety of stakeholders and local knowledge into the work, in creating various training opportunities for local people, and in building substantial, quantifiable capacity for the North going forward. SRC works directly with the communities of the Athabasca region, with the majority of the labour and heavy equipment being utilized from

local communities.

In closing, it's clear through the achievements of SRC that the organization continues to add value to the Saskatchewan economy. And we look forward to continuing this journey of growth driving economic prosperity and enhancing the quality of life for all who call Saskatchewan home.

And I look forward to questions from the committee. Thank you, Madam Chair.

The Chair: — Thank you, Minister. I'll now open the floor to questions from members. And I'll recognize Ms. Nippi-Albright.

Ms. Nippi-Albright: — Thank you, Madam Chair. Thank you for your opening remarks and your presentation on the SRC, what you have been doing in the fiscal year and going forward.

I'm just going to kind of start with some general questions. It was hard for me to try and keep notes of all that's going on, so I'm going to ask you questions so you can fill me in on what you've all shared thus far.

So I guess my first question was, does the minister have any new priorities or strategic directions for SRC for this year as compared to last year?

Hon. Mr. J. Harrison: — Right. No, and it's a very good question. And thank you for your comments. You know, we have really, over the course of the last number of years I laid out kind of the five areas that we're advancing in. I'll tell you what — I'm really excited about where we're getting to with the rare earth facility right now. Very, very close to commercial production. I think we've now completed construction of about 200 of the separation units, which are really the heart of the facility in a lot of substantive ways.

And those are what actually do the processing for the monazite feedstock, especially on the light rare earth side, which will mean that we are into commercial production of the neodymium and praseodymium, NdPr, very, very shortly. And that means we're going to be selling that product obviously on the market, and the Saskatchewan taxpayers are going to be seeing a return on the investment that was made early on. And you know, hopefully this will be just the start of what's going to be a very exciting industry here in Saskatchewan.

Another thing that I am really very, very excited about is the partnership that we have entered into with Westinghouse. You know, really a company I think that most people are highly aware of that has played a central role in the development of the nuclear supply chain, including power production around the world now for nearly 80 years.

We are going to be moving forward with the very first-of-a-kind eVinci microreactor which really, you know, I'm very excited about the capability and the capacity for this design to really have a huge impact around the world, and not just here but really around the world. This could have a very significant impact here as well for remote communities, baseload power for remote mine sites, for islands which are . . . You know, one of the things that we had a huge amount of interest on this project has been, maybe not surprisingly, but Filipino power companies who have the

responsibility of providing secure baseload power generation on to literally thousands of islands.

You know, having this technology available and Saskatchewan really leading the way in the development of this technology in partnership with Westinghouse is something that we are I think all very excited about at SRC.

You know, and there are a number of other . . . I think lithium is another area where we really are very excited about what the future could look like as well, as far as a future-facing critical mineral that is going to have significant application going forward. So I'd just kind of add those. Short number, there'd be . . . I could go on and on, but that would be kind of a short answer anyway to your question.

Ms. Nippi-Albright: — Thank you. I just was very interested in your response on . . . You already have 200 separation units that you've created already, and all that's happening with job creation, etc. I'm just curious, do you have a number of how many First Nation and Métis employees you have at all levels in this initiative?

Hon. Mr. J. Harrison: — Yeah, we do. And officials can kind of get to that, but we do. And I would say as well, one of the things we at the company have really worked hard to make sure that we are doing is making sure that we have very positive relationships with Indigenous leaders and communities and businesses. You know, the accelerated site-closure program was, I think, a pretty good example of that. We worked with the First Nations Centre of Excellence very closely on delivering that program, which really has been a tremendous success story.

We have been very closely engaged on the microreactor project now for a number of years. Meadow Lake Tribal Council have been very engaged with SRC. In fact I think we had a very good meeting with our tribal chief just last week. And I think it's fair to say that Meadow Lake Tribal Council have been a central part of the microreactor project, and we envision that continuing going forward.

We're working hard on the lithium, what we view as being a huge opportunity in lithium with the First Nation who have expressed a long-standing interest in this space as well. So that discussion is continuing. I think next week we're going to have our next meeting there.

But we have really endeavoured to make sure . . . Project CLEANS is another example where, you know, First Nations and Indigenous, local companies in the North have been really central to project CLEANS.

So maybe I'll turn it over to whoever wishes to go.

Mr. Crabtree: — Mike Crabtree. Another area where we've actively engaged with Indigenous First Nations is, you mentioned these cells, the 200 cells that we're manufacturing. We've worked with North West College to include a module in their welding program to train predominately Indigenous people, bringing them down to Saskatoon to train them how to do this specialized welding for these tanks because there's going to be a really significant opportunity for Indigenous employment, education, and for high-quality jobs in that rare earth space.

Hon. Mr. J. Harrison: — Yeah and I actually should have mentioned that as well. This is an area on the separation, the actual manufacturing on the separation unit. So you know, we have our kind of initial batch of 200, but really we are going to be building a supply chain on this because I think there is going to be a very significant market outside of Saskatchewan for what is proprietary, our design units, which we really did here at home.

So you know, it's a very good synergy with North West College which obviously has, you know, deep reach into Indigenous communities in northwest Saskatchewan. So that's one example. Ryan, did you want to jump in?

Mr. Hill: — Ryan Hill. In answer to your question with regards to the number of Indigenous individuals involved, it's 14 within the work group within the organization. We have representation within the organization that's consistent with the marketplace, so the job labour force that's available.

Ms. Nippi-Albright: — Thank you. Yeah, 14 people and a large initiative that you have. Just want to get back to, I was asking about numbers in terms of First Nation and Métis people that are involved, employed at all levels of the process. And you've talked about North West College that you have. I'm hoping that those that have been trained up are actually getting jobs, and not just trained and given to non-Indigenous people.

So my question is again, how many numbers in terms — and if you're not able to provide that right now, that's okay; you can table it and just present those numbers — because I want to know, in terms of economic reconciliation and engaging First Nation and Métis people in employment in all sectors of the economy is, how many are actually engaged? What are the numbers? What plans does SRC have? Do you have target measures? And what, if any, exist in terms of incentives or de-incentives for not hiring Indigenous people at all levels all across the board?

Hon. Mr. J. Harrison: — Yeah, I appreciate the question. You know, one of the things I had talked about a bit in my opening remarks was around how we measure our economic impact in the province. So you know, I think we cited a little over 1,400 direct jobs that were very much reliant on the work that SRC does. A number of those would be in the communities in northern Saskatchewan that are involved in project CLEANS.

So it's a bit challenging because our partners that we are responsible for, you know, in these kind of direct job creation and direct impacts, they would be the ones who would have the data as far as the number of Indigenous or First Nation people who are employed by their companies. We don't really keep that. I mean, they do. It would be the same story through the accelerated site-closure program, where we worked with Indigenous companies and communities in being directly engaged in that program.

So of the 1,400 direct job impacts, it would be an overrepresentation, I know, of what the population is in general. But we don't have specific data on that simply because, you know, we're not the direct employer in some of those scenarios.

Ms. Nippi-Albright: — Okay. Thank you. Just on that, when you said that we don't keep track of that, I'm wondering as, I

guess as a Government of Saskatchewan Research Council, that wouldn't it be . . . And I know this: that if you're a partner and you use the stats in whatever you're going to use it for, that you also want that information.

So why would you not have it as an expectation to say, okay, this partner, I'm partnering with you, and I want to know what your plans are in terms of Indigenous engagement at the employment level, at different levels, so that it helps inform us in whether we're meeting the overall target of employing Indigenous people within this province?

Hon. Mr. J. Harrison: — Yeah. Well I may turn it over to Ryan and Mike. They can feel free to jump in. But you know, like I said, with the companies who we're partnering with — whether it be in CLEANS or accelerated site-closure, you know — like I said, I suspect that there would be a very, very high proportion. Maybe we do track that. I'm not entirely sure.

Mr. Crabtree: — We track internally on this. But I think, if I could maybe put a little bit of context around this, I think SRC looks to engage in two ways, both of which the minister's mentioned. The first way is with regards to Indigenous and Métis personnel who are employed within the company. We obviously maintain the stats on that.

[16:00]

The other area, which is related to that, is in training and education. And we had a program that unfortunately it was suspended due to COVID, which we're just re-engaging now, which was called — inappropriate title now but it was called traditionally — the Aboriginal mentorship program, AMP. And that identified post-secondary, in some cases post-graduate First Nations, Métis people in order to bring them into the organization for a period of time, typically over the summer for very intense mentoring in their chosen area of expertise, which often was highly specialized. We chose particularly STEM candidates — science, technology, engineering, and maths — and over the period of that AMP program, the AMP program, we took 25 people through that program. So education is a key part of this.

The second area and actually in some ways the most impactful is what SRC does in terms of being a catalyst for the development of industrial sectors in particular in Indigenous and Métis areas, particularly in the North in mining operations and increasingly in provision of energy. So you may be aware that we partnered with Cowessess some years ago to build — only about I think 20 miles from here — a combined wind, solar, and battery storage. That is still in operation and is actually providing power not only for the local community, but into the grid.

These are the sorts of things where SRC can make a real difference. And if I can have one more minute to talk about nuclear — and we'll probably talk about this a little bit more later — these nuclear batteries that we're talking about, these eVincis, have two commercial purposes. The first is for mining operations in the North that are looking to generate net zero power for their mining operations, and the second is for Indigenous communities looking to provide power. These reactors replace 1.3 million barrels of diesel at \$7 a litre. So these are going to be transformative to northern communities and provide very significant opportunities for social and economic development.

So when we talk about what SRC is designed to do, that's where we look to deliver impact, if that makes sense.

Ms. Nippi-Albright: — Thank you. It's Mike?

Mr. Crabtree: — Mike.

Ms. Nippi-Albright: — Yeah. May I call you Mike?

Mr. Crabtree: — Absolutely.

Ms. Nippi-Albright: — Thank you. Mike, just thank you for all that you've shared there. So just in keeping with my line of questions, if you could just focus on the question that I'm asking because we'll get to those other questions as well.

So you talked about 25 people that you put through the STEM program. How many of those 25 were Indigenous? And how many of them are still with the organization?

Mr. Crabtree: — All of them were Indigenous, and a number of them were given positions within the organization and moved on — onwards and upwards. If I can make a comment on here, I meet AMP personnel all the time in the province. And one within FNPA [First Nations Power Authority], and the individual there says that the only reason that they are there is because of the AMP program. So these are a relatively small number of people, but are having disproportionate impact on their companies and communities.

Ms. Nippi-Albright: — Thank you. That's wonderful that was 25 people that were . . . They're all Indigenous. So was there a process that you used to verify they were in fact Indigenous and not pretendians?

Mr. Crabtree: — Oh gosh. In that they made the application, and they made their application with support from their communities, so we took that as being validation.

Ms. Nippi-Albright: — Thank you. That's good. I'll move on. So as a treasury board Crown, SRC does not currently have a commercial mandate. Last year in estimates, Minister, you indicated that "SRC really does operate in the commercial environment and really does operate in competition with companies . . ." So does the government have any plans to convert SRC into a CIC [Crown Investments Corporation of Saskatchewan] Crown?

Hon. Mr. J. Harrison: — You know, as far as kind of a machinery-of-government question, I would say I think we have a degree of contentment with the current legal status of SRC. That's not to say . . . I wouldn't preclude there being a change in that regard, but I think our mandate, our vision, our statute are appropriate for where we are operating right now. You know, that may or may not change. I wouldn't rule it out.

But you know, I don't think we've actually had a statutory amendment for probably 20 years or thereabouts. So we don't have kind of a defined plan for here, this is the year we're doing it in, but, you know, there likely will be a review of the statutory status. You know, like I said, we wouldn't rule out — kind of from a machinery-of-government perspective — change, but I think where we operate now we're pretty comfortable with.

Ms. Nippi-Albright: — So does the government have any plans to privatize SRC?

Hon. Mr. J. Harrison: — No.

Ms. Nippi-Albright: — Thank you. Okay. I should have did all my questions and separated them all in a nice pile. So I'm just going to talk a little bit about, ask questions regarding the governance issues. Why was SRC's board membership changed on January 18th and then changed back on January 21st, 2022?

Hon. Mr. J. Harrison: — Off the top of my head, I'm not entirely sure, not sure if that's pertaining to this year's estimates.

The Chair: — Ms. Albright, it doesn't pertain to the estimates that are before us this evening. So I mean, you're asking something that happened two years ago in estimates. And I mean, they didn't come prepared for that kind of an answer because that isn't what these estimates . . .

Ms. Nippi-Albright: — So I guess the question — let me rephrase that — is, there has been changes made to the SRC's board membership at some point, and then a short time later they were changed again. So can you explain some of that change in such a short period of time?

Hon. Mr. J. Harrison: — I think in this year we . . . Did we have a new board member come on this year?

Mr. Crabtree: — We had one new board member.

Hon. Mr. J. Harrison: — One new board member this year, and I think that was because we had a retirement on the board. So I mean there are, you know, changes that happen in this regard. Basically, annually we're going to have changes, but you know, people either retiring or people who come to their end of their terms or for whatever reason. You know, there's a process we go through on . . . You know, SRC will provide suggested names of replacements, and we'll have a discussion about who might be the right fit and whether they have an interest in doing it. And there's a lot of factors that go into that. So I know we did one this year though.

Mr. Crabtree: — If I could . . .

Hon. Mr. J. Harrison: — Yeah, go ahead. Yeah.

Mr. Crabtree: — If you look at our current board makeup, there are a significant number of board members. In fact most of the board members will be coming up to the end of their term in 2025 with a few in 2026. So this phasing is not ideal, but quite often you get to a point where a number of board members are changed at the same time. We try and avoid that and we try and stagger that, but sometimes that's not possible.'

Ms. Nippi-Albright: — So you're saying that in that short time period that those changes that were made is normal.

Hon. Mr. J. Harrison: — Like I said, I don't have kind of the 2022 stuff, but I mean we . . . It's not un-normal to have changes on the board. So there might have been an issue with how the order in council is issued or something. We've had to redo some order in councils if names are spelled wrong or things of that sort.

But I don't know the specific case in this. But you know, there sometimes are administrative issues around these things.

Ms. Nippi-Albright: — Okay. Well thanks for talking about the order in council appointments. So upon reviewing the order in council appointments for the past several years, I note that most board changes are made due to term expires, which you just talked about. However, these three appointments at this time period of Fitzpatrick, Kozinski, and Herman were noted as cancelled. Why was that?

The Chair: — Ms. Albright, as I mentioned, what you're asking is not part of the vote that we are discussing tonight and the estimates that are before you. They're relevant to the current board and the operations of SRC out of the budget.

Ms. Nippi-Albright: — Thank you for that. And I just wanted to . . . Let me rephrase that then. So I'm curious. For me, I'm very curious why three appointments were made and cancelled within any fiscal year . . .

The Chair: — Ms. Albright, they're not . . . there was, as they mentioned, there was one on the board this year that was changed. But what you're referring to is not part of the estimates that are sitting here before you. So I ask you to redirect your questions to deal with the vote that's in front of you in the estimates.

Ms. Nippi-Albright: — Okay. And then I'll ask this question: how often do you do governance and leadership reviews?

Mr. Crabtree: — Governance and leadership reviews. So at the board level, we do one major governance review annually, and we have quarterly board meetings where governance is discussed routinely in terms of our compliance with both our existing governance protocols but anything that is new that may have come in in terms of either from a legislative requirement or best practice. And of course, we have subcommittees. We have a governance subcommittee and a finance subcommittee to the boards. They report into the board on both finance issues and governance issues.

Ms. Nippi-Albright: — Okay. And who usually leads these reviews?

Mr. Crabtree: — So for governance it is the governance committee and typically myself and one other of the executive team would sit to lead any major governance review.

Ms. Nippi-Albright: — Okay. So when there is a perceived or actual conflict of interest, is that taken into account in your review that comes up?

Mr. Crabtree: — So conflict of interest. There's a requirement for all board members to sign a conflict-of-interest statement once a year, and that is typically signed . . . Actually we just signed it at our last board meeting for the year going forward. So that is effectively the self-declaration of conflict of interest.

Ms. Nippi-Albright: — So if you do have those, would you release the results of the review as well? Like when are those . . . Like I know the conflict-of-interest disclosures and also the reviews, do you release those reports?

Mr. Crabtree: — Those reports form part of the governance package within a board package at the appropriate board meeting. Yeah.

Ms. Nippi-Albright: — I just wanted to just say that there is . . . And why I ask this, you know, is that there's been a significant turnover in senior executives. So was this considered in the management review? And why has there been so much turnover?

Mr. Crabtree: — If you actually look at the turnover of the executive team over this period of the last five years it's actually been remarkably low, if you look at the development compared to similar organizations of a similar size. And also the company has grown significantly over the last five years both in terms of revenue and areas and sectors that we operate in. So it's always necessary to refresh the executive team based on what the objectives and goals and strategy of the company is.

Ms. Nippi-Albright: — So then is it common though to have such a high turnover with the executive in that period of time? Because you look at consistency, you look at . . . yeah, consistency, and you want people that have that corporate knowledge there to mentor new people that come in. So like for your organization, is that . . .

[16:15]

Mr. Crabtree: — The majority of our executive team have been in place for longer than 10 years and some of them for 20 years. So I'm not quite sure I recognize the question.

Ms. Nippi-Albright: — Okay. So you're talking about, there's a large number of your executive have stayed there for 10 years, then why has there been a turnover? Like, that I'm not getting. I'm not understanding that. Perhaps you could explain why there has been that turnover.

The Chair: — I believe Mr. Crabtree already answered the fact that they haven't had a significant turnover in the last five years, and yet you're asking a question that isn't relevant, as I said once before, to the estimates that are before us because it's been consistent in the last year or two.

Ms. Nippi-Albright: — Thank you for that. And I keep asking those questions just to try to get a better understanding and also to . . . These are an opportunity to ask officials the questions about accountability. Like it's not to offend anyone; it's simply to get a clearer understanding about the accountability measures and how we're best serving the people in this province in the organizations that we represent.

Mr. Crabtree: — If I can just add one point here. One of the very significant strengths of Saskatchewan Research Council is what you alluded to there which is the corporate knowledge. And so we tend to promote to our executive team from within. And a really good example of that — and I don't want to embarrass Jocelyn — Jocelyn has just been promoted into the executive team as VP [vice-president] of finance. So you know, some of the changes that you see on there is because we have been bringing people up through the organization. And that's a really, really important thing to achieve.

Ms. Nippi-Albright: — No, that's good. And congratulations,

Jocelyn. It's always good to see individuals being mentored into these key positions. And it's also wonderful to see women in these positions. So thank you for that.

So I'm just thinking about the time; we have lots of time still. So has the SRC CEO and secretary to the board disclosed his interest in Westbridge Capital, Quickthree Solutions, and 101184840 Saskatchewan Ltd., formerly Quickthree Solutions Inc.? And if so, what was the date of his disclosure?

The Chair: — Once again, Ms. Albright, the question is not relevant to the \$41.623 million of estimates that are here before you this evening. So if you could redirect and get back on track as to asking questions that are relevant to the operations of SRC and what they provide to our province.

Ms. Nippi-Albright: — Thank you for that, Madam Chair. And again this is relevant because we're looking at running a huge corporation. We have to ensure that the folks that are employed in these organizations are actually serving the people of the province and doing that without conflict of interest that's going to impede the interest of the whole province. So it is relevant.

The Chair: — It isn't relevant in the sense that Mr. Crabtree already answered your question in the fact that a conflict of interest is signed and was just recently signed by every member.

Ms. Nippi-Albright: — So then the CEO has signed it then.

A Member: — Correct.

Ms. Nippi-Albright: — Correct? Okay. Okay, perfect. So I know this is something that's ruffling feathers, but I will keep going . . .

A Member: — Not really.

Ms. Nippi-Albright: — Good, that's good. So I will move on to other questions.

So I'll just talk a little bit now, switch gears over to the rare earth minerals. Okay. So what is SRC's role with respect to rare earth minerals? And what are the government's plans for the future? And I know you shared this earlier and you've given a lot of information, but if you could just kind of break this down in terms of the rare earth minerals, that would be good.

Hon. Mr. J. Harrison: — Yeah, no. Well I'm happy to talk about the rare earth project that we have had under way now for a number of years. You know, I think I had said earlier that we are getting very close to commercial production of NdPr. And I would say as well, I mean this isn't just the . . . We are managing obviously this project through SRC, but we've actually had very productive collaboration with the Government of Canada on this as well, and I spoke about it publicly a couple of months ago.

Minister Champagne and I did a public forum along with Minister Duncan as well and really spent a lot of time talking about the collaboration between ISED [Innovation, Science and Economic Development Canada] — Minister Champagne's department — and the SRC with obviously, you know, me being minister responsible for that.

Minister Champagne and I talk about this all the time, given that this project is, you know, obviously a significant one for Saskatchewan. This project actually is a very significant one for Canada as well in that the implications, benefits, outcomes are going to have a significance that go beyond just the production of NdPr or terbium, dysprosium, scandium, you know, whatever kind of element of these 17 rare earths that are being produced.

So the Government of Canada actually just recently did an announcement a few weeks ago with Minister Vandal. And Minister Wilkinson and I did an announcement as well where the Government of Canada are providing additional resources such that we will be in a position to do the separation of heavier rare earths, those being dysprosium and terbium at this point anyway, which have — again, along with scandium and NdPr and some of the lighter rare earths — applications that have very real strategic significance for not just North America, but really for the NATO [North Atlantic Treaty Organization] alliance.

These are materials right now that are 90-plus per cent produced from single suppliers in the People's Republic of China. You know, obviously that's problematic when your defence industry is, both in Canada and the United States and Western Europe, are dependent on the supply of rare earth materials, and particularly strategic rare earths from China.

We are going to be in a position right now, or very soon, where we will be able to produce the very first plant in North America that's able to do this, at scale, production of strategic rare earths that are going to have application into the defence sector. You know, two years ago, I think it was about two years ago now, Lockheed Martin literally shut down the F35 production line. And why did they have to shut that down? It was because they had no access to scandium from anywhere but the People's Republic of China.

These are real issues. And you know, the degree of interest and investment, you know, from both our government and the Government of Canada I think reflects the fact that this is important for Saskatchewan. We want the industry to be based in Saskatchewan, which is why we made the investment. But there are implications that go beyond just the economic context here in this province, which I think we should be aware of. And I think, frankly, I think Saskatchewan people are going to be proud of the fact that we're able to contribute in this way to the Western security interests.

So you know, we are very close to commercial production. We are going to be actually producing beyond the separation units, which we talked about, at the light side. We're going to be able to produce separation units for heavier rare earths because they are different processes for how you do these things.

We are very fortunate here at SRC in that we have a team that really is the leader in basically . . . well not just North America, but I really think in . . . a global leader outside of China in this. And it's not by accident, I'll tell you. Our team at SRC, under Mike's leadership, has seen this opportunity. We have been working on this for 15 years.

And you know, I got the question from the media at one of the announcements we did around this: well why, you know, why is Saskatchewan leading on this? It's because it's not easy to do.

It's really hard to do this, and the expertise to do this does not exist. It hasn't existed outside of China. But we have been working on this with a team at SRC now for 15 years.

So when we made the decision to move forward at that midstream stage, we were able to execute on it. And it's not easy to do because a lot of this stuff is very challenging from a scientific perspective. The actual physical elements that go into a lot of these things are only available from Chinese manufacturers, which is why . . . And the Chinese are highly aware of this and deeply protective of their market position because of the strategic implications of that market position, are deeply protective of it.

So what they have done in the past really has been a combination of export controls on the physical implements of rare earth separation or market manipulation to change the economics for projects that may have been pursued outside of China. And I don't just mean here. I mean around the world. And they have been very successful frankly in doing that.

You know, one of the things we had looked at initially when we moved forward was around the physical infrastructure separation unit component. The Chinese had put in place export controls on that technology, you know, kind of in a clever way how they did it. But really it added risk, and that was the whole point, was to add risk to projects, whether it be in Italy, whether it be in North America, whether it be in the United States, whatever. I mean that was the point.

And that kind of had changed the equation for what we did. Because we have been working on this for 15 years and our leadership team have been working on this for 15 years. We were in a place to actually design and patent our own machines for doing the separation. And that's what I referenced earlier, the 200 that . . . you know, we produced 200 of these things now in Saskatoon. You know, there is the capacity to produce hundreds more. And again, this is really hard to do. We'd been working on it for a long time, but even at that it was really a remarkable job that our team did on this.

So you know, we have those elements of the rare earth projects, kind of the policy rationale. I've talked about it publicly extensively. But what we needed to do was to have a secure midstream supply chain. That would be the catalyst for both downstream and upstream applications in this.

And where there have been challenges, and where projects have collapsed and the economics have been wrecked in the past on both downstream and upstream has been where — because of the dominant position played by Chinese state-owned enterprises, really SOEs [state-owned enterprise] in the People's Republic — they have changed or been in a position to alter economic facts for a lot of companies that would be moving into this space, which really created a risk framework where they were unprepared to make what they would view as high-risk investments in the downstream and upstream because there was no guarantee that you were going to be able to actually do either the processing or value-add, or even kind of have a market for your mined material, whether it be monazite or basanite or whatever the source feed would be.

So what we have done by making this investment into the

vertically integrated midstream space is really created the catalyst for the private sector to have confidence in both the downstream and upstream space in rare earths. So in kind of non-corporate language, what that really means is that companies will have the confidence to mine monazite or basanite or, you know, whatever other source product would be sufficient for midstream manufacturing or midstream refining.

And also on the other end, for companies to know that they were going to have a source of processed rare earths that they could then turn into magnets, for example, or you know, purchase from a non-Chinese supplier if you're an auto manufacturer for another example. So really kind of that would be part of the consideration. It was a deep consideration that we went through within government about that framework for investment into the midstream, why SRC made sense in developing it. It really is kind of this unique expertise we had which is really why the Government of Canada have also made significant investments into this because of our unique positioning in this space.

[16:30]

So that's the short answer. I could go on for longer, but I'll leave it at that for right now.

Ms. Nippi-Albright: — Well thank you for that. Thank you for just sharing that and also the investments. So just getting back to that investment. So just correct me — I know you've got 41.6 million, and a portion of that is the status quo of course. And then 21.5, is that what this is about?

Hon. Mr. J. Harrison: — For this year's budget, no. The additional allocation is for the eVinci project.

Ms. Nippi-Albright: — Okay. So you've mentioned that the Government of Canada is significantly contributing to this. How much is Saskatchewan, what dollar figure is Saskatchewan, this government investing?

Hon. Mr. J. Harrison: — On the rare earth facilities?

Ms. Nippi-Albright: — Yes.

Hon. Mr. J. Harrison: — 71.5.

Ms. Nippi-Albright: — 71.5. And that's for the rare earth?

Hon. Mr. J. Harrison: — Yes.

Ms. Nippi-Albright: — The rare earth. Okay. And you've spoken about the private sector, the role that they have and the confidence that this would give the private sector to participate in. Can you just elaborate a little bit more on that?

Hon. Mr. J. Harrison: — Sure. I think I elaborated a bit on that already, but . . .

Ms. Nippi-Albright: — There was a lot there to take in.

Hon. Mr. J. Harrison: — Yeah.

Ms. Nippi-Albright: — Yeah.

Hon. Mr. J. Harrison: — Actually maybe Mike, if you want to take a run at it. I've spoken a bit about that.

Mr. Crabtree: — Historically with rare earths because the People's Republic of China dominate the market in excess of 90 per cent across the supply chain, right from the mining, owning the mines, right through to the provision of the metals and the actual magnets that those metals make, they have the opportunity to manipulate the pricing across the supply chain.

So when it became very clear — probably about 20, 25 years ago believe it not — that rare earths were, whilst they were utilized in our phones and in all sorts of control systems, that they were going to become very, very important for the energy transition in terms of things like electric vehicles and wind turbines.

And so by the early 2010s what was happening is that outside of China, investment was starting to go into the rare earth space, not least here in Canada. The Chinese recognized this and basically used their influence on the market to drive the prices down, and basically made all of these projects unviable.

In the meantime, between 2010 and where we are now, the consumption of rare earths has gone up almost . . . It's on an exponential curve. So where we are now is we're playing catch-up in terms of developing rare earth manufacturing and processing capability outside of China.

However private investment — and we're talking about the billion-dollar private investment companies — were burned or were impacted in the early 2010s, so they tend to be cautious about investing in rare earths.

So what you see globally is governments investing in catalyzing and de-risking the rare earth process, and to the point where it becomes de-risked for private investment to invest in. And what we're doing here in Saskatchewan is essentially a version of that.

We are de-risking it in three ways. We're de-risking the technology by developing radically new leading-edge technology, which SRC has done. We're de-risking the financials so that we can show that this will be a profitable way of operating, particularly in this vertical integration where the single plant does multiple stages in the supply chain. That de-risks it from manipulation. And then the third component of this is in understanding the market, so understanding the inputs in terms of monazite and the ores, and the output in terms of the neodymium praseodymium, the NdPr.

So the role of SRC, as has been given by the Government of Saskatchewan, is to de-risk those three areas to the point where private investment says yes, okay, we can take it from here.

Ms. Nippi-Albright: — Thank you for that. And I just want to ask more about the de-risking. Everybody knows that I'm First Nation and I talk a lot about land, you know. And as First Nations people, we're connected to our land and often are considered the stewards of the land. So when we're looking at taking resources, extracting resources from the land, you know, Indigenous people are always thinking about how are we protecting mother earth.

So when you look at de-risking, how are you de-risking the potential, well, the raping of mother earth, you know, and taking

out but not . . . What are you doing in terms of ensuring that we have a place for those that come behind us and where there is actual resources that are still going to be there and they're going to live? Like how are you mitigating those environmental, potential environmental negative impacts?

Hon. Mr. J. Harrison: — Maybe I'll take the first shot at answering some of this, and Mike can jump in as well. But I think it's important to remember the context around where rare earths are coming from right now: primarily mined in China through processes that have, you know, virtually none of the environmental or technical standards that we have in Canada. And in addition to that, the way that the Chinese do this I think is generally considered to be very unhealthy from an environmental perspective. Every tonne of rare earth metal that we produce through our process here in Saskatchewan is a tonne that likely will not be done in that same way in China, and that is a net benefit for everyone.

And I would say as well, I mean just as far as the actual harvesting of the source material, whether that be monazite or other materials — and there are a number that can go into both the light and heavy rare earth recovery process — you know, obviously we have very different standards in Canadian jurisdictions than others do for processing that.

But SRC isn't really, and we have no intention of being, in the business of doing the actual mining. We're a midstream processor. That's where we felt that there was a necessary requirement for us to be involved in to really catalyze both the downstream and upstream. But we are not going to be doing the mining.

So you know, there is a company in the Northwest Territories that has been doing mining. I think there are a number of others that are looking at doing some of the initial harvesting of the source or feed materials, you know, done in a very, very different way than it would be done elsewhere in the world. So you know, if there is a desire to look holistically or globally at what is the best environmental process such that the most people benefit, I would rather Canada and Saskatchewan be doing mining and processing than the People's Republic of China. And I think that that, you know, is an important part of it.

And the folks who are doing this work as well take it very seriously. Like they really, really take it very seriously, whether they be in the mining space, whether . . . You know, it'd be our team who have put a huge premium on making sure our process is the best in the world for doing this, and it is the best in the world for doing this. And there are associated elements that go along with the rare earth midstream supply space — you know, battery recycling, for example — which really I don't think we have much capacity in North America to do a lot of these things. It surprises people, but we don't really. So, Mike, if you want to kind of add to that, feel free.

Mr. Crabtree: — I think, yeah, absolutely. With respect to this midstream plant that SRC is constructing here, as the minister said, this is going to be the most environmentally sustainable plant in the world, bar none. These plants tend to use vast quantities of water and chemicals. In China it's an environmental catastrophe — air, water, land, including the use of things like child labour. In our plant we will use water and we will use

chemicals, but not one single drop will be emitted. Everything will be recycled and reused within the plant. And that is demonstrating, not only to Canadian industry but to the world, what appropriate and proper extraction and processing of these energy transition minerals is going to be.

We are moving from a century of oil and gas into a century-plus which will be energy minerals. Now oil and gas is going to play a huge role as we move through this, but it's energy minerals. And Saskatchewan has a very significant role in that in being able to demonstrate how we can process these efficiently and how we can deliver a high-value sector not only for Saskatchewan but for Canada as a whole.

Ms. Nippi-Albright: — Thank you. Just to kind of delve into that a little bit more, you've . . . And I agree that Canada is — and hopefully Saskatchewan — we're thinking more of the environment than others. Like what kind of safeguards does SRC have with other . . . Like what regulations do you have? Or are there regulations to ensure that we are doing the minimal environmental damage that we can do? Is there something that you have in place? Do you have a business plan regarding that or a plan or an accountability framework that says that this is what our commitment is, ensuring that we do the most minimal environmental damage in what we're doing as SRC?

Hon. Mr. J. Harrison: — Well I mean I would just kind of add to what Mike said or maybe reiterate what Mike said with regard to the design and operation of the plant which is, by far in the world, the most environmentally sustainable and environmentally friendly. You know, the kind of technical elements of that, I think Mike probably spoke to in the last question as far as the recycling of water and the no emissions in that regard.

I mean we've had some other discussions about how we can be even more sustainable going forward as well. You know, those discussions will continue. Nothing to announce right now. But you know, again something we really take very, very seriously. And frankly I think it's an advantage for us to do it that way, to take it as seriously as we do because, you know, there are companies out there that are going to have choices about where they want to source their rare earths from.

You know, if you're a major manufacturer — you know, whatever it be; fill in the blank — but if you're a major manufacturer of a commercial product, well you have the choice to buy your NdPr from China or you have the choice to buy it from Saskatchewan. Well, you know, where are you going to buy it from? I think I know where most probably would land on that. And you know, that's really how we have approached the entire question from the start.

Mr. Crabtree: — I think maybe another context for this is that . . . second-largest research technology and commercialization organization in Canada after the National Research Council. And part of the reason that we've been able to build that is because we are a very outward-facing organization. So we work with 1,600 clients in 22 countries.

And the vast majority of the projects that we are working on — which are commercial projects where we're looking to develop technologies for partners but also bring those technologies back

into Saskatchewan, and I've got some good examples of that — I struggle to find one single project that isn't around either the energy transition, around enhancing safety, or enhancing economic and environmental performance. That's where our strengths are.

[16:45]

And I'll stop there. But I've got one perhaps useful example of that.

Okay, the minister mentioned in his initial speech there a technology called sensor-based sorting, which sounds a little esoteric. In effect, when you give it its full title — artificial intelligence-based sensor-based sorting — what this allows is mines to be able to take the ore that they are mining and pre-screen it through a system that disposes of the waste rock. What that does is it substantially reduces the water use in terms of processing non-ore-bearing rock, and it substantially reduces the energy burden because you're not crushing waste rock.

So we've been a leader in introducing that technology here into Saskatchewan. And for areas like rare earths and for other areas — precious metals and base metals — that's going to become a primary system, and that is going to really transform some of the water use and the energy use in these mines. So that is an area where we worked . . . It's actually a German company that we worked with to develop this technology and brought that technology back into Saskatchewan.

Ms. Nippi-Albright: — Well thank you. I know I'm just going on and on, on this question. So to date, how much has been spent on this initiative?

Mr. Crabtree: — On the rare earths?

Ms. Nippi-Albright: — Yes.

Mr. Crabtree: — So we're in process. We're actually in the bolt-down of equipment process at the moment. So a lot of the equipment has been procured. So actually out the door in terms of expenditure is 60 million so far.

Ms. Nippi-Albright: — And what are your future projections, budget projections?

Mr. Crabtree: — It's about 100.5 million, of which 71.5 million from Government of Saskatchewan, 14 million from federal, and then the remainder from internal SRC resources.

Ms. Nippi-Albright: — Okay. Oh, thank you. You just answered my next question. That was good. So I understand a private landlord is handling the building construction, which SRC will lease. Who is the private landlord and what process was used to select it?

Mr. Crabtree: — The private landlord that we engaged is for several reasons. One is that SRC's large piloting facilities, pilot testing facilities, is located at 51st Street. So as we built out these sorts of initiatives that we're talking about — rare earths and lithium and larger labs — it made sense to have that on the same campus, if you like. So it was a natural progression to extend into areas where the landlord already had that space. It would not have

made logistical sense to move those facilities to other potential areas, even within that northern part of Saskatoon.

Ms. Nippi-Albright: — So you didn't mention the name of the private landlord. Is there a reason why?

Mr. Crabtree: — The only reason that we're saying that is we might be bound by confidentiality on that. So we don't want to inadvertently breach a confidentiality with regards to that.

Ms. Nippi-Albright: — And this is government funding?

Mr. Crabtree: — But these are still commercial contracts with a landlord, government or no, so we would need to check whether there was any confidentiality clause within that.

Ms. Nippi-Albright: — So once you check that, would you present it and table that, I guess, to us once you find out whether it's acceptable to do that? And in the case that if it is acceptable that you would, I guess, disclose or . . .

Mr. Crabtree: — Yes. Once we've checked the confidentiality status within the contracts with the landlord, we will disclose.

Ms. Nippi-Albright: — So there was a projection of when this construction was going to be completed. Is that on track to be completed by that day, or is there going to be a potential delay? Like when do you project it to be completed?

Mr. Crabtree: — We are projecting to actually accelerate some of the components of the plant, particularly the metals processing because that is being completed. And we anticipate that we will be into commercial sales of NdPr metal by midsummer, which is six months ahead of schedule on that.

The monazite processing unit and the SX [solvent extraction] unit there, what we're going to do is we're going to design the actual completion and commissioning of those as per what makes the most sense economically to do in terms of deployment. But that is more or less scheduled for the end of this year.

Ms. Nippi-Albright: — So remind me which minerals will be available. I know you've named a whole bunch, and it's late. So which minerals will be available for processing at the conclusion of the construction? Which ones, yeah.

Hon. Mr. J. Harrison: — I can kind of add to it. But I've spoken to this in some degree of detail. I mean, the feedstock is a monazite feedstock. That's what our plant is designed to work with. That wouldn't be kind of necessarily entirely exclusionary going forward as to the feedstock. There are kind of interesting rare earths. Although they're called rare earths, they're actually not particularly rare. The challenge is how you actually do the separation from the broader substance in which they exist.

So monazite is, you know, we view it as being the feedstock of choice, I think, for the light rare earth space where we are in. So out of that light rare earth space, NdPr is kind of the product that we are going to be initially moving forward with. What the Government of Canada have made investment into . . . Minister Wilkinson and I had announced — I think in February; I forget when it was — he and I met in the UK [United Kingdom] actually and kind of nailed this all down. I think we announced it in

February.

The Government of Canada has made investment into additional capacity for separation into the dysprosium and terbium space, which are two additional elements that make up the 17 rare earths. You know, applications are slightly different than for NdPr. The federal government felt that this was an appropriate investment for them to make. And we have the capacity and technical expertise to actually be able to be in a position to do this separation of those two additional elements as well.

Minister Vandal and I had done another announcement like a few weeks ago. And that was a further investment from the Government of Canada that really allowed us to recover more of the rare earth oxide than may have been the case before. And again, going back to the fact that we have, you know, a degree of expertise in this space that other companies don't.

So feel free to add to that but NdPr terbium, dysprosium, scandium as well . . . sorry, samarium. And feel free to add to the other 17 because I don't actually remember all 17 off the top of my head.

Mr. Crabtree: — The ones you mentioned are the ones that will be separated as individual metals. The others will be sold in batches which is a commercial proposition.

Ms. Nippi-Albright: — Okay. So how many . . . Like have any contracts been signed with suppliers, and if so with whom and for how much?

Hon. Mr. J. Harrison: — So you'll see an announcement next week. That will be one. I can't speak to it yet.

And as far as kind of the commercial arrangements, you know, we'll announce when appropriate. And that depends on where our partners are at on some of these things as well. But suffice to say that we feel very comfortable with where we are at right now. Feel free to add to that Mike, but there's sensitivities around that.

Ms. Nippi-Albright: — Good. No. Thank you for that. So I'll be looking forward to the announcement and any other announcements that come forward. So how will SRC ensure there is sufficient supplies of minerals to sustain operation of the processing facility on an ongoing basis?

Hon. Mr. J. Harrison: — Yeah, I would just kind of say, stay tuned for news on that front. But I would also go back, you know, my initial or a comment I made just not that long ago about rare earths not being particularly rare. The challenge is around the midstream separation capacity. It's not so much around the supply of the feedstock. But, you know, feedstock is important, and we've been working on that over the last number of years. I'm not sure, Mike, if you wish to add more.

Mr. Crabtree: — I think the objective of catalyzing this rare earth processing hub here in Saskatchewan is to be able to provide mining operations across Canada with a route to value. And it's a little bit of like a chicken and an egg situation here. What we've decided to do is to put this midstream capability in place, so as these mines come online in the next 5 to 7 to 10 years, they have a route to market and adding value within Canada and within Saskatchewan in particular.

That of course leaves the challenge of, how do you feed the plant in that interim period? So that's where we are building a whole series of networks of relationships and contracts to be able to supply the feedstock in that interim period while domestic Canadian production comes online.

Ms. Nippi-Albright: — Help me understand the relationship between SRC's rare earth initiative and the new Saskatchewan critical mineral innovation and the mineral processing investment incentives which were announced in this budget to be delivered by Energy and Resources. Help me understand that.

Hon. Mr. J. Harrison: — Yeah, I mean the short answer to that is as far as the incentives themselves, those are Energy and Resources, so you know, the specific question around that, I would recommend the member put to the Minister of Energy and Resources.

But just as a broader directional statement, I would say I think the fact that you're seeing, you know, a critical mineral strategy which we announced earlier in the year, the fact that you're seeing tax incentives that have been announced as part of budget really speaks to the critical importance that the government is putting onto the development and the policy framework existing for this sector to develop here within the province.

We feel we have some very, very real competitive advantages in this space given our long history of mining here in Saskatchewan, given the fact that we have a highly skilled workforce, that we have an established service industry. All of the things that really make a lot of sense for why there should be downstream, midstream, and upstream investment into critical minerals.

And that doesn't just include rare earths, which is a bit of a special case. And there are a couple of other, I would say, critical minerals that have a pretty unique standing as well. But we are really working to make sure that we have the incentives and framework in place because we are competing for investment into this field with other jurisdictions both within Canada but also around the world.

[17:00]

And that's why we have really endeavoured to make sure that we have as competitive an environment as anywhere. And I think that's actually been reflected in the fact that we have outside organizations saying that Saskatchewan is the . . . I think we were the second most attractive destination for investment of any national or sub-national jurisdiction in the entire world for mining investment. And that doesn't just happen. That is because we work very closely with industry. That is because of the fact that we work very closely with the investment community to make sure that not just the policy framework, but the certainty in the long term exists for very, very large-scale investments to be made.

And you know, it doesn't just happen. And BHP would, you know, an example of this, investing 14-plus billion dollars so far, their largest capital deployment in the history of their company, here. Here. And it doesn't just happen.

Ms. Nippi-Albright: — Good. Thank you for that. I know last year I had asked a question about the abandoned oil wells and

that there was a significant investment from the federal government that the province used in helping with the cleanup. So how much has Saskatchewan invested in, I guess, those abandoned oil wells, the cleanup and etc.?

Mr. Crabtree: — SRC's role in that was to work under Energy and Resources and in partnership with other government bodies such as SaskBuilds to be able to deliver that program. And the objective of that \$400 million of federal funding was to support the industry during a really critical time. If you cast your mind back, you know, oil prices were sub \$10 and sometimes sub \$1, and so there was a real risk for loss of very, very significant numbers of jobs in a major sector. So the focus of those dollars had two purposes. One was to support the industry during an extremely difficult time, and secondly to address some of the many thousands of abandoned wells and facilities in the province.

What we achieved as a group in two years was quite astounding, was the permanent, permanent abandonment of 8,000 wells, utilizing the existing oil and gas service companies to do that, 900 companies — very, very significant, as you know, Indigenous component to that.

And the other jurisdictions that were provided money, the primary one was Alberta. It was provided over a billion dollars of funds, and it's generally recognized that the Saskatchewan process was by far the most efficient. And that was because of that great collaboration between the industry and between the institutions who were delivering this. So going forward from that, that has given the province a really good baseline and expertise in terms of abandonment of future wells. And that's the ongoing legacy of that, is the expertise and the capability to be able to move that forward.

Ms. Nippi-Albright: — Thank you. So the 400 million that was provided — which was well used — by the federal government to help clean up these abandoned wells, how much over and above that 400 million from the federal government did the provincial government contribute to the cleanup?

Mr. Crabtree: — What the province contributed was basically the resources and the infrastructure to be able to deploy those funds. To be able to close 8,000 wells and deploy \$400 million into a sector in two years was in itself a really significant challenge. There was little opportunity to have been able to exceed that within the timeline, and the federal government gave a very specific timeline which those funds had to be deployed, or lost. So the challenge was to actually effectively deploy that 400 million within that period.

Ms. Nippi-Albright: — So just going back, so what kind of dollar figure do you have? You've said that the province provided the resources and the infrastructure. Is there like an in-kind dollar figure that you have come up with to say, although we didn't provide the dollars, here is what we provided and this is what the dollar figure would be regarding resources and infrastructure?

Mr. Crabtree: — Minister, I think that would be an ER [Energy and Resources] question. They were the overall project managers and financial control for the project.

Ms. Nippi-Albright: — Okay. So of the abandoned wells, we know that these companies put dollars into a fund to help with the cleanup of these abandoned wells. And how many of those companies accessed the \$400 million to help clean up?

The Chair: — Once again that's a question for ER because they're the ones that kept track of the companies as they applied.

Ms. Nippi-Albright: — Okay. Thank you. So is Saskatchewan going to be contributing dollars to any other further cleanup of abandoned oil wells? And I'm sure we still have some here in Saskatchewan. Is there an investment, a financial investment, a potential for the future that Saskatchewan will invest in?

The Chair: — Once again, ER. That belongs to ER. As was noted, SRC was just the support for processing and getting it through. Everything came through ER from the feds.

Ms. Nippi-Albright: — Okay. Well thank you for that. So I will move on then. So I'll move on to asking more about the micro small nuclear reactors, microreactors. So why is SRC leading this initiative as opposed to, for example, SaskPower?

Hon. Mr. J. Harrison: — So SaskPower is, of course, leading on the small modular reactor component. Actually we just put out, I think we put out a news release on this a short while ago that talked about the differentiation between the two projects.

So you know, SRC has a long history of being a nuclear operator, the only nuclear operator in fact in Saskatchewan. We did operate a small nuclear reactor at the University of Saskatchewan, which people . . . I think there was not as high a degree of public awareness about all of that; it wasn't a secret or anything. But there was a nuclear reactor operating in Saskatchewan for 38 years and it was operated by SRC. So the company has a very, very high degree of expertise and a nuclear operating licence as well, based on the fact that we have operated a nuclear reactor for 38 years up until its decommissioning just a few years ago, I think . . .

Mr. Crabtree: — 2020.

Hon. Mr. J. Harrison: — Yeah, just a few years ago we decommissioned it, so it makes all the sense in the world for SRC to be the lead agency. The fact that we are a nuclear operator, we have the expertise, we have the history, we have the institutional memory — on all of these fronts, it makes sense for SRC to do the microreactor project.

Ms. Nippi-Albright: — Okay. So between, like, SaskPower and of course SRC, I guess, help me understand what the respective roles and responsibilities when it comes to nuclear power in this province. Help me understand that.

Hon. Mr. J. Harrison: — Yeah, well I think I . . . Like I kind of did.

Ms. Nippi-Albright: — Yeah, I know you've just . . . Refresh my memory.

Hon. Mr. J. Harrison: — The SaskPower Corporation really are going to be the lead agency on commercial-level power production from nuclear. So you know, if you're looking at a

300-megawatt SMR [small modular reactor], that really is for baseload commercial power generation. That makes sense for SaskPower as the power utility province-wide to be the lead agency.

And as for what we are doing at SRC, you know, this being a first-of-a-kind microreactor project, that really fits within our mandate. So you know, the differentiation between the two, I think, is fairly clear. But we wanted it to be really quite crystal clear, and that's why we, you know, made that announcement that we did a couple of weeks ago.

Ms. Nippi-Albright: — Okay, thank you. So can you outline what you believe to be the future for microreactor development in the province? And you've just referred to the recent news release.

Hon. Mr. J. Harrison: — Yeah, no, I'm really very excited about what this could mean for Saskatchewan. You know, we have a long history in this province of having different parts of the uranium and nuclear supply chain. You know, I think the public really have a very clear understanding and desire that we should have a bigger part of the value-added uranium and nuclear supply chain, including and up to nuclear power production.

I think we missed, genuinely missed opportunities on this front for deeply political reasons in the past. And I think it was a highly unfortunate decision that previous New Democrat governments made to not have nuclear value-add here in Saskatchewan. We are not going to make that mistake.

So working with Westinghouse, Westinghouse now obviously being a company that is 49 per cent owned by Cameco, really presents some very real opportunities for Saskatchewan to be a part of the uranium and nuclear value-added supply chain, up to and including nuclear power generation.

So this is a part of that. We're going to be working with Westinghouse on the location. We are going through that licensing process right now, and it is a process, but we are working with CNSC [Canadian Nuclear Safety Commission]. I think it's fair to say that CNSC are a good partner on this, and I think enthusiastic is not too fine of a point on it. We are working with CNSC, Canadian Nuclear Safety Commission, of whom we have a 50-year — at least — relationship, to go through the regulatory process on eVinci.

But really, you know, this is going to be a potential catalyst for investment, and again for private sector investment into different elements of the supply chain on uranium and nuclear. And you know, I would leave it to maybe some private companies to talk in-depth about what their plans might look like, but I would say that by moving in the direction that we are moving in, we are creating an environment which I expect you are going to see hundreds of millions of dollars of investment, if not more, from the private sector into that value-added space on uranium and nuclear.

Ms. Nippi-Albright: — You talked about the public has a desire to have, to look at microreactor development in the province. So can you share when that feasibility study or that consultation process . . . And where you gathered that feedback from the public about their desire for the province to be a leader in

microreactors?

Hon. Mr. J. Harrison: — Yeah, I mean there's a formal process through the Canadian Nuclear Safety Commission as far as that path forward, you know. I alluded to it earlier, but I mean one of our partners on this project for a long time has been Meadow Lake Tribal Council. They've been undertaking First Nation-by-First Nation consultation. I think it would be fair to say that there's been an overwhelming degree of support from constituent communities.

[17:15]

I'll leave kind of the final announcement for Chief Ben and Vice-Chief Derocher and Vice-Chief McIntyre, but I think it's fair to say that there has been an overwhelmingly positive response from communities that comprise the Meadow Lake Tribal Council.

You know, as far as our CNSC and regulatory process, we're continuing to move down that path. We've been in regular communication with other stakeholders in this regard, and that will continue.

Ms. Nippi-Albright: — Okay. Thank you for that, and thank you for mentioning MLTC [Meadow Lake Tribal Council]. And we know that Meadow Lake Tribal Council has a number of First Nations that are within their tribal council. However that doesn't include the other Nations and Métis communities that are neighbouring that area.

So I'm just wondering how . . . Like I know that your MLTC is doing their consultation with their member bands. It doesn't include Métis settlements or communities, nor does it include anywhere past the northwest area. So how was, I guess, the approval or the consultation and uptake on that have occurred outside of MLTC?

Hon. Mr. J. Harrison: — Yeah, I would just be very cautious in conflating the two processes. What MLTC have been working through has been being involved in the project. So that's the nature of that consultation. There is a very separate regulatory process and consultation process that exists outside of that. Mike, if you want to speak to that.

Mr. Crabtree: — Absolutely. The process for the, if we want to call it SRC eVinci, which would be the first of a kind, is already under way. That will be a five-year process of which the majority of that process, or what the limiting steps to that are the regulatory and licensing process, which is driven by CNSC. A huge component of that is the public and Indigenous engagement process.

So we are driven by what is the requirement of CNSC. As the minister said, there is very significant interest from both industry and Indigenous communities, MLTC being the one that we can talk about — there are others, which we can't for confidentiality reasons — who are leaning into this because they see these as being transformative.

And I think that the interesting thing here is — and maybe this is another differentiation with the microreactors — the microreactors can produce very significant amounts of power. So

an eVinci would produce about 5 megawatts. In context, that's enough for 5,500 homes. But a significant number of both Indigenous communities that have expressed interest and mining companies are interested in these for the heat. So not to produce power for a grid or even power for local communities. It's the heat that would be used in industrial and community processes. So that's another differentiation between the SaskPower utility reactors, which are 60 times the size, and the eVinci units.

Ms. Nippi-Albright: — Thank you. That was another question that I had asked earlier you just answered. But just getting back to this piece, it's wonderful and I applaud Nations that want to be involved with economic reconciliation, be part in ensuring that they're involved in the economy. That's absolutely wonderful. And this is great that industry and Indigenous community are very interested in participating in the economy, and especially where they have a vision of things moving along for them.

And I just kind of want to circle back to that question that I asked earlier about the minister, when you said that citizens in the province want this. So I want to go back and ask where, like is there a . . . was there a survey done? Was there a feasibility study done to say, yes this is the direction because this is the direction by the people of the province? And if it's available, would you share that with us?

Hon. Mr. J. Harrison: — Yeah, I think there have been a number of public opinion surveys done on this over the course of the last number of years. I don't have them right in front of me. They're publicly available. We're happy to find them, but it shows overwhelming support for the province to move in the direction of nuclear value-add and nuclear power production.

And it would be interesting . . . I'm a bit confused actually as to where the official opposition is on this because we've heard in the House representations that there is support for going in this direction, but the line of questioning I'm not sure is reflective of that.

Ms. Nippi-Albright: — Well thank you for the question, but it's an opportunity for me to ask you questions. So I'll keep asking my questions here.

So the Government of Saskatchewan, I understand that they've signed a deal with Westinghouse Electric Company to construct the first microreactor in Saskatchewan. What funding has been allocated by the province for this initiative?

Hon. Mr. J. Harrison: — Yeah. We announced \$80 million in funding over a number of years for the project, of which in the estimates before the committee I think 21.5 this year, 21.5 million allocated in this fiscal year for the project and the remainder will be allocated out over, I believe, three years, four years that, you know, will be committed to this project.

Ms. Nippi-Albright: — Okay, perfect. Okay. And I also just noted here that there's been a news release that you are putting 80 million for licensing and regulatory fields. Okay, good.

So has the federal government allocated funds for this initiative? And again remind me, is it . . . because there are so many figures we're talking about.

Hon. Mr. J. Harrison: — Yeah. I mean, the federal government have been quite supportive, I would say. I'm going to speak to the commitments they've made through the strategic . . .

Mr. Crabtree: — The Strategic Innovation Fund. Yeah.

Hon. Mr. J. Harrison: — Which was a significant one. I forget what . . . It was over \$20 million?

Mr. Crabtree: — It was a total of just under \$50 million, of which the SIF [Strategic Innovation Fund] fund contributed just under 25.

Hon. Mr. J. Harrison: — Right. Right. So Mike was at the announcement where Minister Champagne had rolled it out. Westinghouse was there as well.

Mr. Crabtree: — Yes. Yeah.

Hon. Mr. J. Harrison: — Yeah. We've been working closely with . . . The federal government are highly aware of this project as well. Not just aware; I mean, the federal government have been, to their credit, very supportive of the direction and have put real funding behind it as well. So you know, again, a project where publicly, I mean, Minister Champagne and I were talking about this in front of 300 people a few weeks ago. So you know, an area where I think that there is significant opportunity for collaboration between the province and the national government.

Ms. Nippi-Albright: — Okay. Okay, thank you. So can you provide an update on what's happened in the past year with respect to SMR reactor design approval by the Canadian Nuclear Safety Commission?

Hon. Mr. J. Harrison: — Well, I can't speak for CNSC, but SMRs are, as we talked about earlier, within the SaskPower purview. The SMRs, the small modular reactors, are within the SaskPower purview . . .

Ms. Nippi-Albright: — Yes.

Hon. Mr. J. Harrison: — And kind of the question about CNSC, I mean that really, I can't speak for them.

Ms. Nippi-Albright: — Okay. You may have to speak up. These guys are chatting. So I'm sorry; I'm having trouble hearing.

The Chair: — Anything that is to do with the design in the initial input belongs to SaskPower.

Ms. Nippi-Albright: — Yes. No, that's good to know. That's good to know. Thanks for that clarification.

So last year at estimates, I asked if SRC has produced a business case for SMRs. I really didn't get a clear response at the time. Has a business case been prepared? And if so, will you be able to share it publicly?

Hon. Mr. J. Harrison: — Yeah, I mean, I would just add again, I mean SMRs are SaskPower, so that would be better put to SaskPower.

Ms. Nippi-Albright: — Thank you. Okay . . . [inaudible]

interjection] . . . Oh okay, I'm hearing too many things. So who will operate the first SMR once Westinghouse has constructed it?

Hon. Mr. J. Harrison: — Just for clarification, so the micro SMR or the SMR . . . I'm not sure. Westinghouse has an SMR design as well, which is called the AP300, which, you know, we really can't kind of speak for them on that. So I'm not too sure what you're referring to.

Ms. Nippi-Albright: — Okay. So then I'll ask you this one then. So does the government plan to lever commercial adoption of SMRs in the province? Is that the plan?

Hon. Mr. J. Harrison: — That's SaskPower.

Ms. Nippi-Albright: — Again SaskPower.

The Chair: — There's a difference between microreactors, Ms. Nippi-Albright, and SMRs. So if you're talking SMRs, you're talking to SaskPower.

Ms. Nippi-Albright: — Okay. I've lost my questions now. So I'm going to ask you questions more about . . . Tell me more about the engagement process that you had with the broader Indigenous community besides MLTC.

Hon. Mr. J. Harrison: — So specific to what? Like the CLEANS project? We can speak to our engagement on that.

Ms. Nippi-Albright: — Well let's talk about SRC, all the work that you've done and the work that you, the initiatives that . . .

Hon. Mr. J. Harrison: — Sure. I actually think we did talk about . . . They'd be happy to talk about CLEANS.

Ms. Nippi-Albright: — Yes.

Hon. Mr. J. Harrison: — This is a really exciting project which we've been working on for 10 years, on the cleanup of the abandoned uranium sites in northern Saskatchewan. So really I think Mike can probably speak to that. But we've made significant progress on this. I think Lorado's been done for a number of years now and remediated. Gunnar, we are getting close. I think there is one site which has been a bit of a challenge because it has been . . . Basically Lake Athabasca's water level has made it a challenge to remediate. Satellite locations, there were about 35 satellite locations that were a part of the Uranium City mining complex. Over 20 of them have been entirely remediated now, is that right?

Mr. Hill: — Yes.

Hon. Mr. J. Harrison: — I think it's over 20, low 20s. And we have, I think a number of the remainder, I think six or seven have been partially remediated, and there's five that are a bit of a challenge. But as far as kind of the engagement with northern communities . . . [inaudible interjection] . . . Ryan, yeah, feel free to speak.

Mr. Hill: — With regards to engagement in northern communities for the project cleans, we work and talk with all communities and the surrounding area. We've actually gone above and beyond the requirements within it, and so we've dealt

with communities not just upstream but downstream associated with the remediation area. We constantly have meetings throughout the year with the communities that are impacted, and additionally we also work with the contractors that we have up there to ensure that there are specific targets utilizing Indigenous labour within the actual cleanup processes happening.

So we've gotten a lot of excellent feedback from the communities around the areas. And actually as a result of that we've had Indigenous communities, not just within Saskatchewan but also around Canada, contact us and want us to be involved with regards to their projects just because the engagement and the trust that's there because of it.

Ms. Nippi-Albright: — Okay. That's interesting. That's good to hear. So you've actually gone right into the communities and consulted with them. So how often do you provide reports to the communities and to the general public in terms of the remediation with the mines?

Mr. Hill: — We deal with the communities at least once a year, generally twice a year to talk with them about how the remediation is going, listen to them. They ask us questions surrounding it. Deal with them on that. As far as the reports that go out, we provide quarterly reports to the Ministry of Energy and Resources.

Ms. Nippi-Albright: — Do you provide those quarterly reports to communities that potentially are impacted by upstream, downstream, etc.?

Mr. Hill: — Not those reports, because they tend to be rather technical. The engagement happens when we're actually on site talking to them.

Ms. Nippi-Albright: — So at what point do you provide briefing documents to the community for them? I know when they meet, they often have community meetings to say, here's what's happening and here's what we've received. How often does that occur?

[17:30]

Mr. Crabtree: — I think one of the things that we've learned from experience — and this project has been ongoing for, you know, 10 or 12 years — is that engagement with the local communities there . . . Providing them with reports, written, you know, reports is one thing. Actually going into the community on that biannual basis and standing there for, and verbally going through, and then presenting pictorially and in PowerPoint and in discussion with chiefs and elders and individuals who attend, is a much more effective way of communicating what is being done and what has been done and what we intend to do that next season.

The other area that is on a regular basis, at least once a year, is taking elders and chiefs actually into the remediated area for them to actually actively inspect the work that's being done. Because of course the objective here is to be able to return these lands to traditional use. And so the guidance that's being provided over that by chiefs and elders over that period of time has actually had an impact on the work that has been done. So there is a very close ongoing discussion and relationship with

respect to this work.

Hon. Mr. J. Harrison: — I would maybe add, if I could, to that as well. We've undertaken this work from the perspective of the Government of Saskatchewan and have allocated now over \$250 million to this remediation, with the Government of Canada literally not putting in a dollar into any of it, despite there being a long-standing agreement that the Government of Canada was going to pay for 50 per cent of the remediation costs. And this has been a deeply frustrating issue.

I can tell you the first time I raised this in public life was 20 years ago in the House of Commons asking the then Liberal Minister of Natural Resources, literally on behalf of a minister in the NDP [New Democratic Party] government here in Saskatchewan, about why they were not moving forward with the 50 per cent that they owed to the Government of Saskatchewan for the cleanup of the uranium sites. And it has been very frustrating in 20 years in public life in pushing the Government of Canada to live up to the commitment they made on this.

But what we decided to do, and this was about 10 or 12 years ago, we made a decision as a government that we were going to fund it; we were going to get it done. And we were going to, you know, deal with the federal government on paying their share of this over time. I think they've somewhat acknowledged that they're prepared to pay, you know, twelve and a half or something like that. They still haven't given us a dollar of that, so it is extremely frustrating how this has gone on.

And for a government that claims to be as deeply concerned about the environment such that they need to impose taxes and whatever, that literally here's an abandoned uranium mine, multiples of abandoned uranium mines with tailings leaching into one of our largest freshwater lakes, and they would do nothing to actually come to the table to provide funding for it. It's just mind-boggling.

But you know, we put this out there publicly and talk about it. You know, media aren't interested in pursuing it for whatever reason. And you know, we're not going to leave it alone. I can tell the committee that. We are not going to leave this alone. And the federal government need to and will eventually pay for half of this cleanup. But we stepped up as a province though and allocated the \$250 million to do it because it needed to be done.

Ms. Nippi-Albright: — Oh, that's good. Thank you for sharing that. And 250 million for the uranium remediation is good to hear from the province, their investment. So it brings . . . I guess it kind of brings me back to the 400 million that the federal government had given for remediation of oil wells. And you weren't able to give a dollar figure of how much the province invested for that remediation of oil wells. Do you have a figure for that?

The Chair: — Once again that belongs to ER. Any of the ASCP stuff, the accelerated site-closure program, went through . . .

Ms. Nippi-Albright: — [Inaudible] . . . remediation.

The Chair: — Yes.

Ms. Nippi-Albright: — Okay. So back to this uranium

remediation. And it's good that you go into the communities and speak to chief and councils, leadership, elders, and you hear some positive responses in the remediation work that you've done. And we know when we . . . the environment is impacted, our food source, they're taken away from their natural habitat. So you're saying that wildlife has come back and people in the North that had been impacted by these uranium mines, that their . . . the food source is not contaminated? Is that what you're saying?

Mr. Crabtree: — What we're saying here is that we're in the process of remediating the land, the tailings, and to a significant extent the leaching of those tailings into the lakes. I'll give you one example. One of the smaller lakes that was in front of, I think it was the Lorado . . .

Mr. Hill: — Yeah, you are right.

Mr. Crabtree: — When SRC was first doing the evaluation there, the lake was a beautiful azure green-blue, and it was that colour because it was highly contaminated with uranium and uranium-based salts. And nothing lived in that lake at all. It was one of the first areas that we looked to remediate. And again this was done in consultation with local communities and used local community contractors to support this process.

Within three years that lake had been brought back to where the water quality was sufficient for us to be able to bring flora and fauna back into that lake. And that is one of the things that we're looking to achieve here. And I come back to what I said before. I said, it's to be able to return these to traditional land use.

Another example here is the 35 remote mine sites that we talked about. These are large, highly dangerous shafts that were drilled down many hundreds of feet. SRC, in collaboration with again local communities, have designed caps for these that are designed to last multiple hundreds of years so that we will not lose wildlife or, God forbid, lose people to these shafts. So this is the type of work that is being done in terms of returning these to traditional land use.

Ms. Nippi-Albright: — So we talk about the traditional land use. Let's go talk . . . let's get into that. Like, I'm not an environmentalist. I don't claim to know a whole lot about it other than my people. We hunt and gather, pick medicine on our traditional territory. And these uranium mines that you are remediating, how long does it take for Indigenous people to be able to use those lands that you are attempting to put back for traditional use? Like, what is the time figure to be able to see some improvements where the wildlife are not contaminated and that we ingest that and make ourselves ill?

Mr. Hill: — A prime example is the Lorado site that we'd taken and completed previously. Originally the site was basically completely barren. It just looked like sand. And there's pictures of it; you can find pictures of it going back all the way to actually when the mill site was operating there. We completed the remediation work on that site, and in doing so we'd actually reintroduced local vegetation. We have worked with local communities to be able to identify species that had existed on that land previously, reintroduced those species onto the land. And we have expertise in-house with regards to vegetation also, and within the year that vegetation was actually regrowing on the land. So it's actually beautifully green now. You can't even tell

that it looks the same site.

Hon. Mr. J. Harrison: — I was just going to add to that, yes. Last I had seen, you literally can't tell on that mine site that it had been a mine site. And not that long ago, 10 years ago, it looked like a moonscape including with all of the abandoned structures that were still there, and it was a mess. And so that's why we moved forward and made the decision unilaterally as government to allocate the funding to clean it up.

And you heard me talk about the frustration I have on this, but it continues to be a frustration that a government that claims that they are very serious about environmental matters, here's an actual environmental catastrophe and they won't put a dollar into it.

Mr. Crabtree: — If I could add one thing here.

Ms. Nippi-Albright: — Sure.

Mr. Crabtree: — Once this has been implemented and funded by Saskatchewan, the regulatory framework that we operate on is the federal regulatory framework and that is governed again by the CNSC. So they determine the processes. They determine the timelines that we operate to. And to answer your question in terms of when those lands can be . . . whatever they look like, when they can actually physically be returned to traditional use, again is governed by regulatory processes which are fundamentally federal on that. So we follow those timelines.

Ms. Nippi-Albright: — So you're saying within a year the grass grows back, the water is good, and is like . . . So then that's different from the regulatory . . .

Mr. Crabtree: — But let me be clear: within a year, we've repopulated the flora and the fauna. Then there is a monitoring and regulatory process that determines when it can be then returned for humans to use it for traditional land use. And that's something that is part of a monitoring and regulatory process.

Hon. Mr. J. Harrison: — Yeah, so again, this goes to some of the frustrations the government has had on this because on the one hand, literally if we had done nothing, well it would still be sitting there looking exactly as it does. But we move forward with a decision to do the remediation, then we have . . . You have the CNSC, a federal government regulatory body that's actually doing the regulation about the remediation, where Natural Resources Canada have entered into a legal agreement to pay for half the funding, and they refuse to give us a dollar to do it. But you have the other federal agency saying, here's exactly how you have to do it. It's outrageous.

Ms. Nippi-Albright: — So just, you know, when I think about like in Saskatchewan, we have . . . All of Saskatchewan is treaty territory, right? And when you talk about going into the communities and you're getting positive response from the community saying oh, this is great; you guys are doing fantastic work; you're planting grass; you're putting the stuff together; it's helping. At what point do they get the go-ahead to say, it is safe for you to consume the wildlife? They're not going to be contaminated. It's not going to make you ill . . . and/or drink the water that you just cleaned up. At what point do you as a government inform the Nations?

Hon. Mr. J. Harrison: — I mean that's what Mike said. I mean that's entirely up to the Canadian Nuclear Safety Commission. Not up to us.

Ms. Nippi-Albright: — Right, but you've taken the initiative as a province to go and do this remediation, and you have said, this is what we're doing. And it's getting positive feedback from the Nations when we go to them on a yearly, sometimes yearly, basis to report back, this is how the remediation process is happening and this is what we're doing.

I guess my question is . . . Because absolutely I would be like, yes, that's great you're doing what you're doing as a province. But at what point as a First Nation that wants to exercise her inherent and treaty rights to hunt, pick medicines, and that, when is it safe for me to do that?

Mr. Hill: — Once again, that's governed by the CNSC. So using the Lorado site as an example, once again we talked about how it's been revegetated. It's been introduced into post-remediation monitoring activities.

[17:45]

And so it's additional activities that we have a responsibility to the CNSC for, with regards to monitoring, testing to ensure stuff are within the compliance ranges for CNSC. CNSC determines the specific timeline for the reintroduction or return.

Ms. Nippi-Albright: — I'm hoping that this is communicated to the impacted communities, that (a) we've done our part; now it's the regulatory body that decides when there's safe consumption. So that it's clear.

Mr. Hill: — Yeah, absolutely. Every single time we have the meetings with the local communities, we take and communicate everything associated with regards to timelines on all the applicable sites.

Ms. Nippi-Albright: — You know, I've had individuals from the North that have come and have actually . . . Because I'm the critic for First Nation and Métis Relations, I often get calls from First Nation and Métis people from the North that talk about the uranium mines that still impacted them. And often I struggle with how do I respond to them, and who would I refer them to to say, here's the organization — I'm hoping that it's SRC — to say, hey, if you have questions, you get your community to go and reach out to SRC. Is that something . . . Like how would you recommend, because you guys are the experts in this uranium remediation, how would you do that?

Hon. Mr. J. Harrison: — I guess just for clarification, so is it kind of the existing McArthur, Cigar? Is that what we're talking about?

Ms. Nippi-Albright: — No, I don't know. I just have Indigenous people thinking I know everything when I don't, right. And they're like, I should know about this stuff. And they think that I should know and respond and help.

Hon. Mr. J. Harrison: — No, I appreciate the question, and it's a good faith question. I get that. It would be dependent, I think is the short answer. So if you're dealing with a currently operating

mine, you know, also regulated by the Canadian Nuclear Safety Commission, so I think the answer would probably be to the federal regulator.

It would depend on the specific nature of the question, exactly where the matter pertained to in the area, whether it was on site, off site. There would be a number of elements that would go into what the answer would be. But if it was kind of on-site issues with the mine itself, that's a federal regulated matter.

Ms. Nippi-Albright: — Okay. Well that's good to know. So what kind of influence does the provincial government have in terms of having a voice at that regulatory table?

Hon. Mr. J. Harrison: — Well with regard to CNSC, I mean they set their own direction. They have their own policies. They have their own minister for whom responsibility is assigned over the agency. You know, we work with them. And like I said earlier in a response to a question, we've been partners and worked with the CNSC for over 50 years, having been a nuclear operator for a long time. So you know, we have existing relationships with CNSC. A lot of that's probably on matters that are to do with slightly different challenges that might be raised by constituents. I would say that we have a productive relationship with CNSC. Feel free to jump in, either Ryan or Mike.

Mr. Crabtree: — The CNSC, their predominate, overriding priority is safety, and that's very much aligned with SRC because our overriding priority is safety. We were one of the first organizations in Canada to receive a licence from the CNSC, nearly 60 years ago. So it's been a relationship, and I can't claim the benefit for this, but it's been a trust relationship over 60 years.

So answer your question, they are the regulator, so they set the regulations. We follow the regulations. But what they do do is they listen to areas where we think that there are opportunities to improve or concerns that we may have. So we have that sort of good, a very good dialogue with the CNSC.

Ms. Nippi-Albright: — That's good. And do you also have that same dialogue with, perhaps, some recommendations from the Indigenous community to feed into that? Is that something that happens?

Mr. Crabtree: — In the area that we've been talking about, the CLEANS project, the northern mine site cleanup project, it's not simply an engagement process. This is an advisory process from the Indigenous communities up there. So we listen and the project itself is not written in stone. And then we're saying, we're engaging with you to accept this. It's, what changes do we need to make to this? Even to the extent of prioritizing areas for remediation. So in some cases there may be traditional areas that have greater significance than others, and we're asked to be able to prioritize those areas. So very much an interactive dialogue.

Ms. Nippi-Albright: — Okay. Well that's good to know that you are engaging in dialogue with communities that are potentially impacted or potentially could be impacted.

So I just want to get back to a little bit more of the engagement piece, so regarding the ministry. So what efforts have been made to engage Indigenous people over the past year? I know that you've engaged extensively with MLTC, but I'm just curious of

other Indigenous communities regarding the rare earth mineral and the other projects.

Hon. Mr. J. Harrison: — We've spoken to kind of the northern engagement on project CLEANS, where northern communities have been integrally involved in kind of all elements of that project. And we've talked about some of the elements of the advanced accelerated site-closure program, of which we had responsibility. And that was really working with partners, and we prioritized Indigenous partners through that process as well.

You know, we are always having, you know, discussions with different Nations about opportunities, about you know, what future opportunities might look like. You know, one of the directions that we really take seriously — and we really do — is to make sure that where, you know, we have opportunities that are existing or emerging, that First Nation communities, Indigenous communities are going to have opportunities to meaningfully economically participate.

That's why we created the Indigenous Investment Finance Corporation, for example. You know, all of these things are holistic. Not all of them are SRC-specific, but you know, we have really worked hard to . . . You know, the bioenergy project we're working on — SaskPower has really led with MLTC — is another example of that. It's not just in the Northwest but obviously I'm most familiar with what's going on in the Northwest. So you know, it's a whole-of-government approach to these things.

Ms. Nippi-Albright: — So would you be able to provide the list of — just within just the past year — of some of those communities that you have had conversations with or consultations with, to say, hey, let's work together on this? Is that something . . .

Hon. Mr. J. Harrison: — Yeah, sure. We can talk about the . . . Yeah.

Ms. Nippi-Albright: — Okay, that's good to know. So what do you see as the future for, I guess, the role for Indigenous people respecting these projects going forward? How do you envision that?

Hon. Mr. J. Harrison: — Yeah, I mean one of the things likely that would be, you know, speaking not just from the SRC perspective . . . I realize the SRC estimates are before committee, so I will stick to the SRC part of it. But you know, there is a broad, holistic government approach. And you know, through some of the other files which I have the honour of being minister responsible for, you know, we have taken significant initiatives to create the conditions for Indigenous companies, communities, governments to be directly involved in a meaningful economic way, beyond just the legal consultation process. And I mean, those are important.

But you know, forestry sector is a good example of it. I've spoken about that publicly. And again an area where I probably . . . I know, while just being from the Northwest, you know, and particularly from Meadow Lake where we have . . . The largest saw mill in the province is owned by Meadow Lake Tribal Council — 100 per cent owned by the Meadow Lake Tribal Council — which also has a significant partnership in Mistik

Management. And all of the different elements that cascade through the forestry sector, really responsible for thousands of jobs up in my country that are Indigenous led, Indigenous directed. And it's a model that works. I mean, I've seen it first-hand.

You know, we go from 30 years ago probably being in a very different place than we are today in the forestry space in northwest Saskatchewan. And it's a much better place. And the reason it's a much better place is because of the fact that we have Indigenous governments and companies that are at the very centre of the industry, and very supportive of the industry, and do a wonderful job in responsible management of the resource.

Whether that be in the bush, like in harvesting, whether that be in, you know, moving forward with a bioenergy centre that really has taken what had been a highly polluting waste stream, which was the beehive burner at NorSask, and using that waste product both at the mill site but also what would have been waste fibre in the bush and using that to create green and renewable power.

You know, we're producing, I think, about 8 megs right now of power out of the bioenergy power production facility that would have otherwise been not just a waste stream economically from a fibre perspective, but also a highly polluting waste stream from a greenhouse gas emission perspective.

And that wouldn't have happened but for a long-term partnership that SaskPower, the Government of Saskatchewan, NorSask, Mistik, MLTC have embarked on, and it doesn't just happen. I mean these are challenging and highly complicated projects with a lot of moving parts and that are not easy.

I mean we've had the federal government involved in that project as well, you know, and that's been a challenge at different points also. But all that to kind of say that having, you know, direct Indigenous equity in a project like that has made a huge difference. Likely it wouldn't have happened, just it wouldn't have happened but for the leadership that MLTC showed in that. You know, we were . . .

And there's more to come. I can tell you that as well. I can't get into details, but there is more really good and exciting news to come, building off of the successes that we have seen that started with an ownership position in a saw mill. That has cascaded over the last 25 years into being really an economic leadership role beyond even just the forestry sector into power production and other components. You know, Flying Dust has a solar energy production facility. This is all possible because of that initial equity position into a natural resource generating sector.

So your question about what the future looks like. The future is going to look like that. That's what the future is going to look like. And it's not just going to be forestry. It's going to be energy. It's going to be other elements of the economy.

And that's precisely why we moved with the Indigenous Investment Finance Corporation, because it doesn't have to be starting at the very top of that pyramid. It's going to start at the bottom. It's going to start with positions in projects that are going to lead to further economic opportunities, and it doesn't all happen overnight. It happens with work and it happens with commitment. And it's built on long-term partnerships amongst

folks who trust each other and understand that everybody is working in the same direction for the same outcome. That's why we've seen success in the Northwest.

Ms. Nippi-Albright: — Okay. Thank you for sharing that, what's going forward. I know you referenced the forestry piece a number of times and kind of the success that you're having with that with the partners.

[18:00]

I know that I have and probably my colleague here has received many emails, telephone calls regarding consultation in there and that it's not going in a way that's respectful. So I'm just wondering, like, when you're thinking of your vision for Indigenous people, respecting Indigenous people with these projects, how is that looking in terms of what kind of targets do you have for achieving your goals of this, including Indigenous people in this economy and economic reconciliation?

Hon. Mr. J. Harrison: — Yeah, I mean kind of the specifics around consultation, I mean that really is, kind of, not in our bailiwick. But you know, the reason I talked about forestry was really to illustrate a broader direction that we're seeking. So I mean the specifics really would be probably better put in Government Relations on that.

Ms. Nippi-Albright: — Yeah. No, I brought it up . . .

The Chair: — We also seem to have jumped to Trade and Export.

Ms. Nippi-Albright: — Yes.

The Chair: — So if we can bring it back to the vote with regards to SRC and the funds that are being expensed there, that would be great.

Ms. Nippi-Albright: — Yes, so I just took your lead there, following you. So just it's interesting how, you know, we talk about . . . And it's good that there's some initiatives coming forward where Indigenous people are not an afterthought, and that they're engaged from the onset, like MLTC. And I just want to talk about . . . And it's wonderful the work that they're doing and the leadership that they have taken in partnering with the government.

I'm just wondering how other Nations, and do you have a target, do you have a timeline of how many Indigenous communities will be part of these initiatives of SRC?

Hon. Mr. J. Harrison: — Well you know, I would say that as far as the initiatives that we're undertaking, you know, I think we talked about what some of those are and the eVinci project being one of them. You know, we really view it as being a very important part of what we're doing going forward. And you know, our record shows that, I think, clearly on accelerated site, on CLEANS.

On eVinci, I think I'm hopeful we're going to have some really good news on some of this, which again I can't really get into the details of. But it's a really important part of how we approach these questions and how we work on partnerships and how we,

really from the very inception of a lot of these things, have sought to find partners who have often just come forward of their own volition saying, you know, this is an area we're interested in; we want to be a part of what you are up to as government, whether it be through SRC or whether we have some of these interests funnelled through other departments in government.

You know, a lot of it has been folks who want to be a part of how we develop the economy going forward. So that's going to continue to be the case. You know, parallel to a lot of that, I mean there obviously is a formal process for consultation and for discussion and there's a formal way of doing it too.

You know, I'm really a believer in having that ground-level collaboration with everybody having a stake in a positive outcome, a successful economic outcome in these things.

Ms. Nippi-Albright: — So do you have . . . Would you be able to share kind of, I don't know if it's a report, but just kind of where you started in terms of Indigenous engagement in SRC or other initiatives, where you've started, where your target is, where you are to date, how many . . . Do you have something? Like I'm a visual person. I like to see graphs, you know, and I'm sure there's other Indigenous people also would like to see something like that rather than just hearing it.

Sometimes they also would like to look at some of the data as well and also whether it's a picture, a graph of some sort saying, this is where we started; this is what we've done. Like here's our five-year term, you know. Here's our short-term, long-term, mid-term evaluation of how we achieved our target measures regarding Indigenous engagement with respect to the Saskatchewan Research Council. Is that something you're able to provide?

Hon. Mr. J. Harrison: — Yeah, what I would say is we'll have some discussions maybe with our partners and what that might look like. I don't have anything to put in front of the committee here right now, but I appreciate where you're coming from on this. And that'll be a discussion we'll have internally on what something like that might look like.

Mr. Hill: — As a note, we have an Indigenous relations policy, an Indigenous engagement policy, as well as an Indigenous procurement policy. Within those we don't have specific metrics set out, but we do have policies in place with regards to that.

Ms. Nippi-Albright: — So then with those policies that you have in place and the measures that you have there and the desire to achieve that, how do you evaluate the effectiveness of your well-laid-out plans and policies? How do you evaluate that to say that yes, we're doing exceptionally well here, and here's an area that we need to improve on. How do you evaluate yourself?

Mr. Crabtree: — Couple of things here is that . . . When you evaluate yourself, you tend to give yourself five stars. So the way we evaluate is go and talk to our clients, which include the Indigenous communities that we're working with. So a lot of this is actually just discussing and saying, how are we doing? What are we doing right? What are we doing wrong? What can we do better? And we've done that through the entire CLEANS project, as we've discussed; through ASCP, the site-closure program; the AMP program. Those 25 individuals, we talk to them and say,

what did we do right? So it was a process of continuous improvement.

There's something else I wanted to say here is that we're at the start of a really exciting development of new energy minerals and new energy systems, and we've talked a little bit about lithium and we've talked about rare earths. These are new sectors. And in the Indigenous communities that we've talked to and intend to talk to just in coming months and throughout the rest of this year, they're starting to lean into this because these are new sectors where there are new opportunities for investment and, you know, social and economic engagement with these. So we're at the early stages of that.

So what we've done — and this has been a very significant financial commitment for SRC — is at the 51st Street site we have built what we call tech bays, so a 10,000-square-foot space looking at nuclear. And our intent will be to bring a very significant number of Indigenous groups through that tech bay this coming year. And we've also got about a 5,000-square-foot space which is focused on rare earths. And one just will come online in the next couple of months on lithium.

These are very visual. They are with models and they are designed very specifically to be able to communicate not only baseline engagement but opportunities in terms of investment for those communities. And those have been in place now for well over six months. We've had a number of communities through that. And what that does is it gives them the baseline knowledge and education to be able to understand whether this is a need and a desire for them to engage with it or not.

So we've also engaged with, and have for many years, FSIN [Federation of Sovereign Indigenous Nations], the . . . Sorry, my brain's gone dead. FSIN . . .

Ms. Nippi-Albright: — Federation of sovereign Indian Nations.

Mr. Crabtree: — Yes, thank you. My brain went . . . Lack of glucose. And First Nations Power Authority as well, have both been through these tech bays and are looking at opportunities for their membership in these spaces.

Ms. Nippi-Albright: — You know, we talked a lot about and you've also given a lot of information about the engagement you have done with First Nation communities. And I guess when I talk about Indigenous communities, I'm always talking about First Nations and Métis. And often when I talk to mainstream folks and I talk about Indigenous people, they automatically gravitate to First Nation only. And I apologize that I didn't . . . I should actually have said, talked about First Nation separately from Métis. So what I would like to know is how many Métis locals and settlements in the North, with the uranium remediation, have you worked closely with and have engaged with?

Hon. Mr. J. Harrison: — Yeah, I mean I fully understand the challenge sometimes with those who are maybe not from the area get confused a little bit on occasion. But I mean, it being primarily First Nation right holders in the North, that really on CLEANS would be the communities we were working with. That being said, I mean it's not exclusively First Nation and we try and really make a point of ensuring that all of the communities

that are impacted are engaged, whether they be First Nation, whether they be Métis, but you know, obviously primarily First Nation in the CLEANS sector. You know, outside of that though, I mean we work hard.

And I would say just kind of, if you're talking uranium or nuclear, it wouldn't be just even government. I would say the companies that are operating in the North, you know, make a concerted effort. You know, Cameco obviously, you know, would probably be well known for some of the efforts that they have made as a company to work with northern communities, northern leaders.

You know, whether that be Pinehouse or whether that be, you know, Black Lake, they I think would have been . . . I can't speak for Cameco by any stretch, but I know that they make a real effort to engage. And I think it's not just Cameco, but some of the other companies work hard at doing that as well. So again, because I think that there is a view that engagement leads to better outcomes, and I think it's been proven.

Ms. Nippi-Albright: — So do you have, I guess, any plans to create some target measures in terms of where you would like to see yourself in terms of engaging First Nations and Métis, in particular Métis communities, in the initiatives you have? And also regarding procurement, do you have like target measures that you say, okay, we want to have 50 per cent procurement to Indigenous-owned organizations, or something like, just something like that?

Do you have any plans of creating something like that for yourselves as an accountability measure with your organizations to say, here's our plan, this is what we envision that we want in terms of engagement, as partners, as employees that we have, as procurement that we're offering? Do you have any plans of ever doing that?

Hon. Mr. J. Harrison: — I mean I would say kind of just by a general statement, we do have policies on a number of these matters that Ryan can maybe speak to that to a degree. But you know, as a kind of overarching general statement, I mean we're seeking to maximize engagement. We want to make sure that Indigenous folk, Métis and First Nation communities have, and companies and governments have opportunity to participate.

[18:15]

That's why when we set up the Indigenous Investment Finance Corporation, it's not just First Nation; it's including both on the board and as far as application, opportunities for all Indigenous people.

I'd say as well just on procurement, very deliberately, it's got very little attention, but we have actually taken an exemption in both the Canada Free Trade Agreement and the New West Partnership Trade Agreement to allow for preferential procurement for Indigenous companies from Indigenous companies. You know, we get criticized on occasion, saying well you have 12 exemptions and 14 exceptions within the CFTA [Canadian Free Trade Agreement] and NWP [New West Partnership]. Well that's why. A number of them relate to, the exemptions that we took actually relate to procurement from Indigenous companies, so a very deliberate decision that we had

taken. I was the minister when we took these decisions and it was for this very reason.

Ms. Nippi-Albright: — So I know you just talked about this and I'm going to go into this, the Indigenous investment funds that you have. Do you have plans of putting more money in there? Because he went into it. Sorry.

Hon. Mr. J. Harrison: — So I would say . . . I'm sorry. I brought it up, Madam Chair, so I'll . . .

The Chair: — I know you did, but it doesn't belong to SRC and the vote that's on the table.

Hon. Mr. J. Harrison: — Yeah, so okay. I'm ruled out of order. Sorry.

Ms. Nippi-Albright: — So Métis investment, that is . . . Because I know that and I, you know, have to remind myself always to be cognizant about my Métis brothers and sisters and the challenges they face in terms of participating in the economy. So how, like what Indigenous communities or locals or settlements have you successfully engaged, whether it's in partnership or procurement or employment?

Hon. Mr. J. Harrison: — Yeah. I mean, well just kind of thinking right off the top of my head, when we did the announcement with Minister Vandal a few weeks ago, Mike Natomagan was down from Pinehouse to be a part of that announcement. You know, we work hard and, you know, we want to make sure that we have northern communities that are aware of what we are doing at SRC. I mean it's not always, you know, particular to communities right along that Highway 155 corridor, because what we are doing is really kind of up further north on the CLEANS stuff. And some of the other commercial projects that we're doing are, you know, around diamond assaying or whatnot. I mean that's, you know, kind of the stuff we're doing at the lab in Saskatoon.

But I would say that we always kind of keep an eye open to make sure that if there are relevant opportunities for communities, that we fully explore those. So you know, whether that's in that nuclear space — you know, we canvassed some of that already — where it makes sense, we'll continue to do that.

You know, I don't want to kind of get way off again — sorry, Madam Chair — across into other ministries to either ICT [Immigration and Career Training] or whatnot, but I can say that . . . And if I were to speak to that, I could probably take another 10 minutes talking about some of the other initiatives to engage communities that we are taking very seriously in other areas for which we have responsibility.

Ms. Nippi-Albright: — Thank you. You've talked about that you've engaged FSIN, right, our federation of sovereign Indian Nations. Did you also . . . Have you engaged the Métis Nation of Saskatchewan as well? And how often do you meet with them in terms of bringing them into the economic reconciliation?

Mr. Crabtree: — I think in answer to that, we're very responsive to those organizations. Quite often they will contact us and say, we'd like to discuss . . . we've heard about this particular initiative; can you come and explain this to our leadership? And

we'll have an initial conversation and then often bring them to SRC to talk in a wider sense.

The large projects that we've talked about that are "historical," the CLEANS project and the ASCP project, were very driven by the geographical areas that we're required to operate in. As we move into some of these other opportunities — and we're talking about the lithium and the nuclear and the rare earths, which are really new; it's really in the last year that these have started to ramp up — I think that the challenge will be for us to be able to reach out and engage effectively across both First Nations, Métis, wider Indigenous, non-Indigenous, based on where these newer sectors are going to be operating.

So I think we're starting a different phase of our engagement, which is going to be much broader, which is why we've invested in these large tech bays. And I would encourage you, if you have the opportunity, come and visit us at these tech bays. I think you'd find it interesting. And we've had Métis Nation . . .

Hon. Mr. J. Harrison: — Yes, MNS [Métis Nation of Saskatchewan] have been through, you know, as have actually . . . I think Mélanie Joly was through, right?

Mr. Crabtree: — Yeah.

Hon. Mr. J. Harrison: — Mary Ng was through — Minister Joly, Minister Ng.

Mr. Crabtree: — In February.

Hon. Mr. J. Harrison: — Yeah, okay. Yeah. So we do that from SRC's perspective. But I would just say too again without getting too far outside, I mean view it just not as SRC but as a whole-of-government approach to engagement.

So you know, I look forward to talking about it in detail at TED [Trade and Export Development] or ICT estimates, but you know, we take this engagement and the inclusion and how we can work with communities really seriously on kind of engagement and preparing for opportunities that might exist into the future, whether that's through job training, whether that's through, you know, advanced education or college system. But it really all works together. It's not just kind of a stand-alone silo, whether it be SRC or TED or ICT or Advanced Education. It's really something that we take seriously about having a whole-of-government approach, making sure that the right solution is at hand for the right time and the right group.

Ms. Nippi-Albright: — So just my last question because I'm going to run out of time here. So just with Mike, just question with Mike and with SRC. You know, there's all these exciting initiatives that you guys are taking on and you've already identified that it could be a challenge in reaching out to as many people in a short time frame. Will you be considering or intend to have a proactive approach to engage Métis locals that are within the vicinity of wherever the activity's going to happen? Is that something that your board and your management . . . is that something that could be looked into? Rather than a reactive of letting people come to them, is there a proactive approach that you are willing to engage in to identify First Nation, and I'll say more so Indigenous community?

Mr. Crabtree: — In answer to that I think in a lot of the initiatives that we've been talking about this evening there is actually a regulatory requirement for us to reach out. So as a baseline there is a regulatory requirement in a lot of these cases.

And what I think we do quite well is to be able to, as Ryan said before, go over and above that because we want to talk about not only the regulatory-based engagement, but what are the opportunities that these new sectors provide to the local communities.

So one of the things we want to do is . . . I keep mentioning these tech bays that we've created at 51st Street. What we're looking very actively now is how do we take these on the road. How are we able to take the same sort of impact for messaging to local communities.

Ms. Nippi-Albright: — So will you be prepared to give the list of the Métis locals and settlements that you've reached out to already?

Mr. Crabtree: — I think the one we've reached out to at the moment is . . . It's Métis Nation. And I think that . . . I hate to kick this forward a year but I think, you know, in the discussion that we're having around this table, next year hopefully we'll be able to sort of say, you know, it's gone up by a very, very significant factor. And I think what we will do is we'll make sure that we keep — and we do — keep very effective records on who, what, when, on that.

Ms. Nippi-Albright: — Thank you.

The Chair: — Time for one more.

Ms. Nippi-Albright: — One more question? Well, okay. What question shall I ask? No, I just want to say . . .

The Chair: — Or if other members have a question they would like to ask? We can open it up.

Ms. Nippi-Albright: — I just want to say thank you for taking this time to give the information and to also take away from your family, giving up your supertime, and just taking this time to answer the questions that I've asked.

And I just want to say thank you so much for this opportunity. And I've learned a lot about your process and also your plans in terms of the dollars that you've allocated here. So I just want to say thank you so much for giving me the time. Thank you.

The Chair: — Minister, if you have closing remarks you may go ahead too.

Hon. Mr. J. Harrison: — Sure. Thank you. I appreciate those comments; I really do. And I just want to kind of maybe take the opportunity — I don't get to do it enough — to really thank our team. Mike, thank you. Leads our team at SRC, does a remarkable job, leads with integrity, leads with extreme skill and competence. Thank you, sir. We've got the chance to work together for many years.

And I've learned a lot as well, largely through these folks that are around the table here today. Ryan, thanks so much. We've got to

work together for many, many years as well. And through both of you and Jocelyn, to our team at SRC, who are doing work that really is going to change what the future of this province looks like, genuinely is going to change what the future of this province looks like. So thank you for all of that, and thanks to our team.

The Chair: — Thank you. Tough keeping both of you on task as to the topic of this evening. But having reached our agreed-upon time for consideration of these estimates, we will now adjourn consideration of the estimates and supplementary estimates no. 2 for Saskatchewan Research Council.

We are adjourned. Oh, we're recessed, sorry. Recessed until 7:30 p.m.

[The committee recessed from 18:28 until 19:30.]

The Chair: — Welcome back, everyone, to the Standing Committee on the Economy. I'm Colleen Young, chairing the meeting this evening. And we have, sitting in for Jennifer Bowes, Mr. Trent Wotherspoon; and in for Aleana Young, Mr. Doyle Vermette. Members also appearing this evening are Ken Francis, Delbert Kirsch, Greg Ottenbreit, and Doug Steele.

**General Revenue Fund
Highways
Vote 16**

Subvote (HI01)

The Chair: — Welcome back. And we will now consider estimates and supplementary estimates no. 2 for the Ministry of Highways. We will begin with vote 16, Highways, central management and services, subvote (HI01). Minister Carr is here with her officials. And I would ask officials to please state their names the first time speaking into the microphone, and Hansard will turn your mike on for you when need be.

Minister, you can introduce the officials you have brought here with you this evening and present your opening remarks.

Hon. Ms. Carr: — Great. Thank you very much. I am pleased to be here to share some highlights from the '24-25 provincial budget for the Ministry of Highways. Tonight I have here with me my chief of staff, Josh Hack, who's in the back row there. And then I have Kyle Toffan, my deputy minister; Tom Lees, assistant deputy minister of operations and maintenance division. Right behind me, Wayne Gienow, assistant deputy minister for design and construction division. Beside me, Ryan Cossitt, assistant deputy minister for policy, planning and corporate services division. Back here to my left is Karri Kempf, executive director of corporate services branch; and behind me Dave Munro, director of strategic planning and budgeting.

The provincial budget provides record investments in our province's present and future, with a focus on education, health care, and the well-being of our communities. Saskatchewan's strong economy enables our government to invest in programs and services for our residents that they need and deserve.

Transportation plays a pivotal role when you consider these two points: first, it's how we safely get to and from services and activities that ensure our quality of life; and second, it supports

our province's strong and growing export-based economy. In other words, our government continues to make strategic transportation investments that enhance safety, enhance our citizens to access what they need and enjoy, and support economic growth that keeps Saskatchewan strong.

I would like to spend some time focusing on the details. The highways budget for '24-25 invests \$741 million in road safety while improving key transportation corridors to continue to meet the growing needs of Saskatchewan's families and communities. It provides 404 million for capital projects.

Our government has invested more than \$13 billion in transportation since 2008, improving more than 20 700 kilometres of highways across the province. In meeting our Saskatchewan growth plan goals, this year we will improve more than 1100 kilometres of highway, the fifth year of our 10-year growth plan goal to build and upgrade 10 000 kilometres. We have delivered more than 5900 over the first five years of our 10-year plan. That's well ahead of the pace needed to meet our target.

Major projects are essential in supporting Saskatchewan's export-based economy. Our shipments rely on timely and predictable access to world markets. Ensuring our transportation network is safe, reliable, and resilient is top priority. We continue to make improvements to strategic transportation corridors around the province. This year, we're investing 56.5 million to continue multi-year projects that increase safety and improve traffic flow. Those projects include twinning and passing lanes on Highways 6 and 39. This is a strategic corridor that connects Saskatchewan to our largest international trading partner.

Corridor improvements on Highway 5 east of Saskatoon. This is the corridor that will improve connection to and from our largest city and the largest potash mine on the globe. We will also keep working on significant safety measures that we've been implementing for several years. A key part of these safety measures will be our ongoing passing lane strategy. We've built more than 50 sets of passing lanes over the past decade. Upcoming projects include Highway 10 east of Fort Qu'Appelle and Highway 17 north of Lloydminster.

Planning work will commence soon on other high-priority highways as well. This will continue to improve safety in transportation corridors across Saskatchewan. It will also make it easier and more efficient for shippers to export their products to more than 160 countries around the globe.

We are making targeted investments to improve intersection and corridor safety, which enhances road safety. We will continue to make improvements that will help reduce fatalities and injuries, building on our recently completed five-year \$100 million safety improvement investment program. This year we will invest \$17.6 million through our safety improvement program for improvements in intersections, guardrails, lighting, and other assets. These investments are an important part of our strategy to protect Saskatchewan people and communities.

And of course we will continue to invest in road improvements across the province. Our government understands the importance of these investments in supporting growth and keeping people safe. We've invested more than 13 billion over 15 years to

improve more than 20 700 kilometres.

This year we will improve 1100 kilometres of highways, including 260 kilometres of repaving, 365 kilometres of medium treatments like micro surfacing, 400 kilometres of pavement sealing, 58 kilometres of thin membrane surface and rural highway upgrades, and 25 kilometres of gravel rehabilitation. Rebuilding and preserving over 26 000 kilometres of highway network preserves our high standard of living. These improvements also ensure Saskatchewan shippers can continue to compete on a global scale.

We also continue to invest in bridges and culverts. We've allocated 59.3 million to repair or rebuild 17 bridges and roughly 100 culverts across the province. The largest of these investments is the replacement of the Highway 6 bridges or overpass at Regina's Ring Road. These bridges are the major southern entrance to Saskatchewan's provincial capital and connection to the Trans-Canada Highway.

One important part of that project is we're raising the height of the overpass by more than half a metre, which will benefit farmers and shippers who need to move larger equipment to keep pace with industry standards and efficiencies. We hope that will eliminate incidents where their overpass has been hit by over-height loads.

Since 2008 our government has made significant investments to maintain and operate the northern transportation network. We will continue our commitment to northern Saskatchewan in this year's budget by investing more than \$73 million. This includes 16 northern airports that we operate and maintain, the ice roads we build in the winter for the benefit of communities and businesses, the Wollaston Lake barge we operate in the summer, and the thousands of kilometres of roads we maintain that connect northern Saskatchewan communities to the rest of the province. This network gives people access to jobs, health care, education, and public safety services. It connects them to friends and family and our growing provincial economy, including critical minerals and forestry.

Some highlights of this year's northern investment include continued improvements to Highway 155 north of Buffalo Narrows, and gravel improvements on Highway 924 south of Sled Lake, and Highway 916. We will also complete Saskatchewan's portion of the Garson Lake road, accomplishing a long-standing commitment of our government. This road connects northwest Saskatchewan to northern Alberta, improving safety and access to economic opportunities.

Our government understands the significant impact our municipal programs have in supporting rural Saskatchewan which contribute to the success and growth of this province. With this budget our government is investing over 29 million to support municipal and industry partners making strategic transportation investments. This includes 17.4 million for rural integrated roads for growth program to improve and maintain rural roads and bridges. This represents a 2.4 million overall increase with a one-time funding increase of 1 million for capital projects and 1.4 million to operate and maintain corridors for heavy trucks.

We're also investing more in our urban connector program with

8.6 million to improve and maintain community roads that connect to our highway network. This includes a one-time funding increase of 2 million for capital projects. Connecting our communities is essential in supporting Saskatchewan's economic growth.

And we also have our community airport program supporting Saskatchewan's growth and economy. In Saskatchewan, aviation supports tourism by bringing visitors to our province, aids the resource sector by transporting employees and equipment to mining operations, and assists agriculture by enabling farmers to efficiently manage their crops. Aviation also enhances quality of life by connecting air ambulance to rural communities to move patients and providing air services for policing to protect communities.

Recognizing this, we will continue to support our community airports. That includes an \$850,000 investment in our community airport program to continue support for community airport improvements. When combined with the matching community funds, this is a total investment of 1.7 million to priority local airports. Since 2008, 43 communities have made more than \$10 million in improvements under this program.

Our budget also includes funding for shortline railways. They are an important connection for farmers and industry to get their products to port. Saskatchewan has 21 000 kilometres of shortlines run by 13 operators. Every one of them receives a proportionate share of funding for track maintenance and improvements. They are also an important part of preserving our roads by more efficiently moving heavy bulk goods on our shortlines. This year we're pleased to continue our \$530,000 investment for short line railway improvement program for critical safety improvements and operational maintenance work.

In conclusion, the Ministry of Highways is proud to play its part in supporting the government's overall vision for Saskatchewan. More people and more jobs provide additional opportunities to invest in classrooms, care, and communities. We are making strategic investments in transportation corridors and highway safety to support our people and our growing economy. With these investments, we will ensure Saskatchewan continues to be the best place in Canada to live, work, and raise a family, and that all roads lead to prosperity for this new decade and beyond. Thank you. I look forward to some questions.

The Chair: — Thank you, Minister. I'll open the floor to questions from members, and I'll recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Thanks, Madam Chair. Thank you, Minister. Thank you, officials here tonight. Thank you to all those that are involved in the work of highways and transportation across the province. All of you are involved in a very important undertaking with respect to transportation, our highways, our rail, our shortline, our airports, and so much more. So thank you for all your efforts and all those that are involved in that work across the province.

A bit of a technical question on the financing side, just to start here. When the province borrows money to support the construction of highways in the province, are the funds borrowed matched directly with the highways such that your financing charges will remain the same in the life of the asset? So is the

borrowing specific to the project so that the borrowing, the financing, will remain the same through the life of the asset?

Hon. Ms. Carr: — Thank you so much for that question. With regards to borrowing, our ministry doesn't actually do any borrowing. So any questions regarding how that would happen would be directed to Finance.

Mr. Wotherspoon: — Okay. Just a question with respect to the line here, with respect to P3 [public-private partnership] finance charges adjusted to opening accumulated deficit. Now in '23-24 there was an adjustment of 28 million there, but not in the current year. I'm just wanting to get a sense of what that's all about.

[19:45]

Hon. Ms. Carr: — Thank you very much for the question. I'm going to turn it over to Ryan Cossitt to address that for you.

Mr. Cossitt: — Thanks. Good evening. Ryan Cossitt, ADM [assistant deputy minister] of policy, planning and corporate services. So that is a one-time change. It's a piece that accounting changed from the Public Sector Accounting Board. That value is, I believe it's \$28.7 million. It was a one-time adjustment based on a different calculation according to accounting standards.

Mr. Wotherspoon: — Thank you. In relation to highways projects that would be P3s, does the interest rate on the P3 financing change or those charges vary over the life of the agreement?

Hon. Ms. Carr: — And this time I'm going to turn it over to Kyle to answer.

Mr. Toffan: — Kyle Toffan, deputy minister. The amount that the province pays the project co, in the case of P3 projects, stays the same. They're called monthly service payments or annual service payments, depending on whether you're talking months or years. That stays the same. And how much we pay for principal and interest is at their risk. So we pay them a certain amount for operations, maintenance, rehab, and debt servicing, and how they service their debt and how they deal with that is on them.

Mr. Wotherspoon: — So within the P3 arrangement, you have your costs that are fixed there, and the interest rate itself isn't a component within that agreement? That's the vendor that takes that risk on?

Mr. Toffan: — Yeah, that's essentially right. So they have equity and they have debt on their side, and they determine how best to finance the project. And you know, there are fluctuations but it's at their risk.

Mr. Wotherspoon: — You touched on the different components of the resurfacing this last year or the forecast for the year ahead. Could you just break down again what was completed last year? The various components, the amount of kilometres. So whether that's, you know, a major project or whether that's resurfacing or whether that's the . . . well I guess some of the other processes, what, medium surface repaving — medium treatment, sorry — light and engineered seals. Breaking down those components for last fiscal and then the forecast for this year.

And then where I would go with it as well is, I'd appreciate the price per kilometre that you're working with for both last fiscal and forecasting for this one.

Hon. Ms. Carr: — Okay. So as far as kilometres go and the types of projects and treatments we're going to be doing, we have the major projects like the twinning and the passing lanes. And in '23-24 we planned five. We forecasted that we'd be doing 17. And for '24-25 we're planning for 19.

Rural highways or the thin membrane surface. In '23-24 we planned for 115 and we're forecasting that we'll have actually done 128. And in '24-25 we're planning for 58.

Repaving. In '23-24 we planned for 230, and we're forecasting that we'll get done 192. And for '24-25 we're planning for 260.

Medium treatments. In '23-24 we planned for 300. We think we'll be done 321. And in '24-25 we're planning for 365.

Then we have the light engineered seals. In '23-24 we planned for 340, and we think we're going to be done 405. And in '24-25 we're planning for 400.

Gravel rehabilitation. We planned for 35 and we're forecasting to be done 42. And '24-25 we're planning for 25.

And then you asked for the price per kilometres. So for light seals, there's two types. There's the engineer-graded aggregate seal. It can be anywhere from 65 to \$85,000 a kilometre. And we have the racked-in chip seal. It can be anywhere from 80,000 to 90,000 a kilometre.

The medium treatments, we also have two types there. We have the micro surfacing, which can cost 90 to \$150,000 a kilometre. And then we have the thin overlay, which can cost anywhere from 170 to \$300,000 a kilometre.

Repaving, we have three types there: repaving the mill and overlay, 425 to \$625,000 a kilometre; or repaving reconstruction, 1.1 to 1.2 million; and then we have the TMS, the thin membrane surface rehab, which can be anywhere from 100 to \$200,000 a kilometre.

For gravel rehabilitation, it can be anywhere from 400 to \$600,000 a kilometre.

With the TMS rural highway upgrade, we have two types of treatments: the strengthened secondary road, which can be 500 to \$750,000; and we also have the thin membrane surface to primary weight upgrade, which can be anywhere from a million to 1.5 million.

And then we have our major projects. We have the passing lanes, per set is 3 to 3.5 million per kilometre. And then we have the twinning, which is 4 to \$6 million per kilometre.

Mr. Wotherspoon: — Thanks for having that information ready and available. I've got pretty good notes on everything. Can you just give me the gravel number again? I was scratching down the number . . . [inaudible] . . . 400 to 600.

Hon. Ms. Carr: — 400 to 600,000.

Mr. Wotherspoon: — That's what I thought, yeah. Got it here. Thank you. And can you describe what sort of inflation each of these components have? You don't have to break out each individual one, but just some of the trends that you've experienced over the last five years on this front.

Hon. Ms. Carr: — Great. Thank you for that question. Over the past couple of years we've seen our projects increase up to 20 per cent approximately. And then just over the past six months, as we're watching some tenders and stuff come in, it seems to have stabilized. It doesn't seem to be going any higher at this point in time.

Mr. Wotherspoon: — And 20 per cent over the last couple of years, you're saying?

Hon. Ms. Carr: — Yes.

Mr. Wotherspoon: — And what would you say over like a five-year period, do you think? I'm sure you track that.

Hon. Ms. Carr: — So over the years it's been pretty consistent. So it's really just that past couple of years where we've seen that increase, and now it's stabilizing at that level.

Mr. Wotherspoon: — So when you say consistent before that, so a lower rate of inflation on the years prior to that? So it was 20 per cent in the last two, and before that then were you experiencing 2 per cent, 3 per cent, 4 per cent, 5 per cent annual?

Mr. Toffan: — It's not really that precise, but over the past five years prior to the two-year period we talked about, you know, we had some years that we had dips actually during COVID when we were looking for, our industry was looking for work to do. And we did put stimulus on the market at that point in time. So we were getting things like, you know, 2 per cent higher, 2 per cent lower, those kind of ranges. Kind of like CPI [consumer price index] would be, in that range, that StatsCan produces data on.

Mr. Wotherspoon: — That's good. Well thanks for that information. Could you describe what happened with the major projects in the previous fiscal year? You described that 17 were forecast and that five were completed.

[20:00]

Hon. Ms. Carr: — So I'm not sure if I misspoke or if you wrote it down wrong, but we planned for five and we actually finished 17. So we've . . .

Mr. Wotherspoon: — You know what? I wrote it down the other way or maybe you presented it the other way.

Hon. Ms. Carr: — It's very possible. But yeah, we just got more work done than we had anticipated, some on Highway 5 and some of the passing lane work.

Mr. Wotherspoon: — Thank you. Thank you for that. And what was spent on winter highway maintenance in the previous year? I suspect that nowhere near what was budgeted. And then how were those dollars utilized?

Hon. Ms. Carr: — You're comparing '22-23 to '23-24?

Mr. Wotherspoon: — I'm just looking for '23-24, the previous fiscal year.

Mr. Toffan: — So I'm just going to provide some numbers here on winter maintenance. '22-23, I'll use that kind of as a starting point. So the budget for that year was 37.237 million, and then the actual was 65.551 in millions of dollars.

In '23-24, our actual, it's still being worked out. So our budget was 42.237 million. Our actual is in the range of 59 to 61 million. We don't have exactly what that is. We're still closing out the fiscal year. And of course our budget is \$52.237 million in '24-25.

And just one additional point I want to make. We have steadily increased this budget since '21-22 fiscal year, which was around 29.7 million. It was \$37.2 million in '22-23, \$42.2 million in '23-24, and then 52.2 in '24-25. So we've steadily been increasing it. Actually last year was a jump of about \$10 million.

Mr. Wotherspoon: — Thanks. And so actually 42 was forecast this year, and it looks like right now the year was budgeted and right now it's forecast as closer to 60 million, 59 million. The budget this year is 42 million, which is . . . No, the budget this year is . . .

Mr. Toffan: — 52.237, yeah.

Mr. Wotherspoon: — Okay. So less than what was spent last year. Now the auditor has been weighing in on this for a number of years. Has the auditor's recommendations factored into some of the adjustments that have been made on this front?

Mr. Toffan: — Yeah, so we have had this come up at Public Accounts recently where we did talk about wanting to, you know, obviously increase the budget which has been done this year to better align to actuals. I think the reality of the situation of our budget though is that it fluctuates so much on the capital side as well. So lots of years we'll spend less because of heavy rainfall, those types of things. So we have the ability to move money from different parts of our budget to maintain this winter maintenance budget.

Mr. Wotherspoon: — It actually seems surprising a bit that the forecast number is 60 million to be spent in the previous year. You know, by all accounts it seemed that that was a lighter winter, less snow, but I know there's lots of activities that are involved. So you just question whether or not, if we had a more normal winter next year, question the adequacy of the budget. But in the 50 million, that's forecast there. But, yeah, any comments, Minister?

Hon. Ms. Carr: — Yeah, I would like to just comment on that. I think we might have had a bit of a lighter winter; I would agree with that to a certain extent. But last spring we had some fairly significant snow events in April and May in different areas of the province. And not just on one occasion; I believe there were three separate occasions between the Southeast and the Southwest. It didn't all happen at the same time.

So those significantly affect what happens with our budget. And

wouldn't we all like to predict the weather? It would make life much easier for all of us.

Mr. Wotherspoon: — No, good comments. When I was thinking of the winter behind us, you're right, April last year was in this fiscal, and certainly we had snow then. I think everyone would maybe welcome rain right now, but they'd take snow as a second place for moisture right now.

Looking at the actual capital budget itself, now it's down \$25 million here this year, which is quite a bit, hey, when you look at where capital budgets had been and the need out there. And then if you build in that inflation as well, knowing the fact that the last two years alone it's costing 20 per cent more to build out the infrastructure, those dollars aren't going real far.

I guess, could you speak to . . . I know many in the industry and those that understand, you know, the surfacing program and the projects that need to be rehabilitated, have really weighed in with concerns and questions with the very limited capital budget and the cut this year.

Hon. Ms. Carr: — So I'm just going to go really high level to start with, and then I'm going to turn it over to someone that can get into the details for you.

But I mean the premise of the question is you said that there was a cut. And there absolutely has not been a cut within this budget. We have provided stimulus funding over the past couple of years, which has — I don't want to say inflated that budget — but has added more dollars to that budget.

And it did have to do with getting more work out there, and it was a bit harder to call for contractors and stuff. So we added that extra work for that reason, and they were fully aware at the time that it would not be permanent funding, that it was stimulus funding at that point in time. So that's exactly what has fallen off, and we have a very stable capital budget.

But I'm going to let Ryan address a few more of the details within that.

Mr. Cossitt: — Thanks, Minister. The minister did a really good job. The bulk of the answer is the \$18 million for stimulus that dropped off. We've successfully been able to get a lift of \$25 million over the last two years, that's to our base capital budget. So it had been 340, 341 historically for quite a few years. That's now increased to about 366. And that is our ongoing base capital budget. We've also received inflation dollars of at least \$30 million for the last two years now in a row.

So as the minister said, the difference really when you take out stimulus is less than a million dollars this year than it was last year for overall capital. The capital budget this year is about 403.9. If you take out stimulus it was just around 404.2 last year. So relatively stable, I would say, in terms of the capital budget and the amount of work that we put on the market.

Mr. Wotherspoon: — Some of the folks that have been examining the budget that are involved in the work as well just identified, you know, that if you go back to 2015-16 your capital budget's at \$560 million; '16-17, 470 million. And so if you then factor in what inflation will have done over that period of time

— a period much longer than even five years, you know — a \$400 million capital budget is significantly smaller in scope and in scale in a very significant way if you factor in inflation.

So I haven't heard anyone, you know, characterize this budget as a strong capital budget. I've heard nothing but concerns on that front from across the province. Has the minister heard concerns with respect to the limited capital budget?

Hon. Ms. Carr: — I just want to I guess correct the record a little bit with regards to the years '15-16 and '16-17. Those were exceptional years because of the Regina bypass project and the money that was put into the market because of that. So that was money over and above what's normally spent in a capital budget. If we look over the years, it has been a very stable budget.

[20:15]

And you asked specifically if this year I've had any concerns from stakeholders. We had a stakeholder meeting on budget day where we went over the highlights of the budget, and I didn't hear anything regarding concerns. They were thankful for the stability in the budget that we had, and there was no decrease in our capital budget.

Of course they fully understood that stimulus funding was exactly that, and that it would not be there going forward. And I haven't heard from anybody since regarding capital budget, any concerns.

Mr. Wotherspoon: — I understand over the last couple of years that roughly \$25 million hasn't been spent out of the capital program each of those years. And there's a sense that that then contributes to the reduction in the budget, in the capital plan in the next year. I guess could you speak to that and why those dollars can't be deployed to projects that are needed?

Hon. Ms. Carr: — Thank you for the question. And I'm just going to start off by reinforcing that there are no cuts in this budget. You keep saying that it's down; it's lower; there's cuts. That is not the fact.

We have a very stable capital budget and the numbers actually show that. When we talk about stimulus funding, that's exactly what it is. It's not meant to be there permanently. It was there for a purpose at that point in time and all contractors were aware that that would not be there in the future, and they're aware of our stable capital budget that we have.

And when we put work on the market, we actually, we overcommit. So we might budget \$400 million for capital projects, but we put \$500 million out in the market hoping that we get that \$400 million actually spent. And this year we're forecasting that there will only be \$9 million of work that doesn't get done out of our capital budget.

And there's various reasons why capital projects carry over, such as contractor delays, unexpected project issues, or scope changes. The ministry's primary reason for project delays are weather and contractor delays, both of which pose a unique challenge for the Ministry of Highways. Weather can impact projects in multiple areas of the province at any given time. While weather can result in a delay to the project, it can also result in project work being

expedited. Optimal weather was one of the main reasons that the ministry overspent our appropriation in '21-22, so we actually spent more than we budgeted.

Contractor delays are not unique to highways, but what is unique is who those contractors are. Unlike vertical infrastructure work that utilizes many contractors across multiple sectors, the province's heavy construction industry are the main contractors for horizontal infrastructure, of which Highways is the main proponent.

Mr. Wotherspoon: — With respect to, I hear concerns just when dollars aren't utilized, and there's a hope that there could be projects, maybe smaller-scale projects that those dollars could be deployed to, to be able to utilize the capital program. So that's a call I continue to hear from those that are involved in the building of the roads, and it's why I bring it here again this year to estimates. Thanks to the minister for some of the information that she provided as well.

When you're looking at the tenders, what per cent of tenders actually hit the market on or close to the advertised date?

Hon. Ms. Carr: — Okay, so with regards to the tenders that are put out, we work with our industry and we indicate when we think a tender may be out, and approximately just over 80 per cent of the time we are able to meet that target date within that. But we're just going to touch a little bit on some of the comments that you made. So you can go ahead, Kyle.

Mr. Toffan: — Yeah, so we do put out fall tender packages, winter tender packages, spring tender packages, and the point of doing that is to let the industry know that things are coming along a certain time frame. Of course as the minister pointed out, there is around 20 per cent of times when we don't hit that target. Usually it's because of engineering taking a little bit longer or the products a bit more complex than we originally thought and we do update the industry as those challenges present themselves.

We are always trying to capitalize on our budget that we have available. And I think you mentioned, you know, why not some smaller projects put out. And we do that, especially for things like culverts, some small bridges that are prefab, maybe those types of things, maybe you know, we can get done quicker.

And that's one reason why we only underspent \$9 million last year. Previous years it's been, you know, double digits — quite a bit higher than that — so we're getting better. And we're getting better also because we're engaging our industry partners quite a bit more than we would have in the past, mostly our heavy construction association but also our engineering community.

Mr. Wotherspoon: — No, thanks for that information as well. And you know, I've heard from the industry just that it's quite challenging when there's a delay in a project hitting the market, and just a recognition that that's a real challenge. Could the minister speak to how you go about . . . Hear concerns sometimes on communication on that side. Can you speak to how you communicate with industry when work isn't hitting the market in a timeline that's been communicated?

Hon. Ms. Carr: — Great, thank you for the question. So I guess, first and foremost, we have a pretty open-door policy when

stakeholders have questions or want to contact us or have meetings. I don't say no to meetings. I take all the meetings that are requested of me. But with the officials, they have all of their phone numbers, and they're able to contact them at any time.

More formally, we meet with the heavy construction association on a biweekly basis to go over everything that's happening and what's coming up. We have a monthly newsletter that goes out. So there are several different forms of communication to be able to talk with, whether it's my office or the officials. It's pretty open.

Mr. Wotherspoon: — Thanks for the information. I was just hearing concerns, you know, along these lines and bringing them forward here. With respect to 2023-24, what were the advertised volumes or quantities of material tendered versus the actual volume produced and laid down? And in 2024, what is the advertised volume or quantities of material tendered?

[20:30]

Hon. Ms. Carr: — Okay, so hopefully I'm getting you the right numbers that you were looking for here. Within the 2024 budget, the fall tender plan of 2023, excavation was 25,000; granular was 408,200; asphalt concrete was 293,100; and sealcoat was 3.56 million. The winter '23-24 tender plan was 20,000 for excavation; 466,500 for granular; and 185,000 for asphalt concrete. And then the spring '24 one was 47,000 for excavation; 84,255 for granular; and 52,920 for asphalt concrete.

And I'm going to let someone else answer the question around the end product on how they track what was used and . . .

Mr. Wotherspoon: — The actuals.

Hon. Ms. Carr: — Yeah.

Mr. Gienow: — Hi. Wayne Gienow, ADM of design and construction. So we don't actually track each year how much of those quantities are done. What we do is we track the actual commerce, the accomplishments that we went through at the beginning of the session because that's really the outcome of the project, right. So that's really what's really important.

The other part of that is with each of these quantities, some of these are multi-year projects, so we think they'll take two years for some of them. The contractor may decide to do them all in the first year; they may decide to split them up between multiple years. But that's really up to however the contractor wants to do that, right. So we don't track, you know, what that breakdown is year over year.

Mr. Wotherspoon: — Okay. Thanks. So you have the fall tenders or the spring tender, you have the advertised amount. You track the kilometres in the projects, but you don't track the volume produced and laid down?

Mr. Gienow: — Correct.

Mr. Wotherspoon: — Okay. Along a little ways here, I mean one of the big irritants I think for industry and for many across the province was of course the PST [provincial sales tax] that was imposed on construction labour, many other areas as well. Now

of course highways specifically, this has the consequence of charging 6 per cent more for projects that are public projects. It just really doesn't make a whole bunch of sense at all. On many fronts, but certainly on the highways side here, it really defies logic.

Does the minister continue to hear concerns on that front as well? And you know, you're charging of course 6 per cent, and so that's costing the public more, 6 per cent more. There certainly haven't been those sorts of increases as well to the capital program. It doesn't make sense either way: building it and then paying for it and collecting it.

Hon. Ms. Carr: — Thank you very much for the question. This is a policy, as you're fully aware, that has come forward from the Ministry of Finance. It is something that is not really in the control of the Ministry of Highways. We're following policy set forward by Finance.

Mr. Wotherspoon: — Appreciate that. As Highways minister, do you, you know, communicate opposition to that policy?

Hon. Ms. Carr: — Well I think it's fair to say that the policy that is set forward by the Saskatchewan Party government is the policies that we follow.

Mr. Wotherspoon: — I thank you. We won't spend . . . I can follow up again with the Finance minister. And it just points out, you know, I think it really doesn't make much sense on so many sectors but certainly not this one.

Moving along and looking a bit at some of the program, I notice that on the news releases for identifying the northern program from last year to this year, last year in the news release that was released with the budget, it identified an \$89 million budget. This year it communicates a \$73 million budget, so a reduction of \$16 million for northern infrastructure. Can you speak to what's happening there?

Hon. Ms. Carr: — Thank you very much for the question. And I think just to start off with, we don't actually have a set amount for the North, the South, the East, the West. It's based on projects that need to be done at any given point in time.

So when we talk about the North last year, you're absolutely right, we invested a bit more in the North with that \$89 million number. And this year it is just over 73 million. Last year we had two significant projects that we decided to go forward with in the North: the Garson Lake road at \$7.7 million and then the Sandy Bay airport at \$6.9 million. So obviously those are projects that money was spent on. And now they're completed, so that's why you would see, I guess, the difference from last year to this year.

But as I said, there isn't dedicated funding for any given area of the province. It's based on need and what has to be done at that particular point in time.

But when I look at the numbers for the North, if we go back to 2008 fiscal year, that year it was 46.7 million. And of course we were already talking about 80.7 million for last year and still doing 73.4 million for this year. So the numbers are up significantly, and since 2008 they have kind of just gone up incrementally over the years.

Mr. Wotherspoon: — And of course factoring in inflation on these projects, it's probably . . . you kind of have to factor that in to look at these in the proper light. But thanks for the information as well about the projects that were advanced last year.

Specific to the Garson Lake road, now that highway has now been built out right to the Alberta border, is that correct? And can I get an update as to the status of what's happened on the Alberta side?

Hon. Ms. Carr: — Thank you for the question. So the Garson Lake road, I'll stand a little bit corrected, is 95 per cent done but is expected to have a June completion date to be done 100 per cent.

And as far as your question around Alberta and what their commitments are, Alberta has recently announced funding earmarked for the planning and design work aimed at its connecting road over the next several years. So they have made a commitment to get it done. They haven't said exactly how much they're going to be spending, what that timeline is at this current point in time. But with advocacy from us and from our ministry, and the importance of that road, they are going to start working on that.

And of course there are some benefits to getting the road completed. Completion of the Saskatchewan portion of the road allows for easier access to traditional lands; increases the safety for existing road users; and ensures that when the connection to Alberta is made, economic development in the area proceeds and that the Ministry of Highways is positioned to meet those needs.

So it's a pretty exciting project and we're glad that Alberta has finally committed to taking care of their side.

Mr. Wotherspoon: — Yeah, thanks for that. It's a project that we've followed up lots over the years. I know the . . . Well the member for Cumberland, it's not on his side of the province but he's been a strong advocate for this as well as, you know, the previous member for Athabasca long pushed for that road. The concern had always been making sure as well that Alberta obviously is in sync and building out their side of it. Now you said several years for them to connect their side?

Hon. Ms. Carr: — I'm not going to make any assumptions. They've announced that they are committed to moving forward with it, and they haven't put any dollars in yet. So we'll have to talk to them further to see exactly what their plans are, but they have made the commitment.

Mr. Wotherspoon: — Okay. I've followed up as critic over the years with the respective ministers previous, and it's rather critical that, you know, building our road out to the border is one thing, but ultimately it's the flow and the connectivity that's critically important to ensure maximum value of this highway as well. So just continued work on that front to make sure that we're not going to have some sort of a stranded asset and stuff there as well and that we're getting the full value out of that infrastructure.

Now when I chat with my good buddy, the MLA [Member of the Legislative Assembly] for Cumberland, he talks lots just about, you know, roads and it's about safety. And it's about people's

lives in getting from point A to point B, getting back to family, getting to work, many goods of course that come out of the North that are transported along there as well that are of benefit to the province. And he reiterates all the time the concerns around safety. And I think that's important for us to have, you know, in perspective when we're talking about the northern highways budget.

I'm going to kick it over to the MLA for Cumberland just to ask a couple specific highways questions.

Mr. Vermette: — Thank you. To the minister, your officials, of course our northern leaders, our northern people, we want to have safe roads. We expect our government to do that. We have many highway workers, and we know they do their best, and we do appreciate the work that's being done. And they do try to keep our community members safe, our grandkids, our kids.

But sometimes it's frustrating too to watch because we see industry, and industry's doing amazing things up there. And our Indigenous leaders, our northern leaders, our community members understand, you know, the boom when you look at the economy and the resources coming out of the North to help. And it is positive. We like seeing that and we want the jobs and we want to work in a positive way. But we also want to make sure that those big trucks and the roads are safe for families to be travelling to go south or in for goods.

[20:45]

So when I share that, there are some of the roads, I know, that leaders have mentioned and that we've tried to . . . we've petitioned. We've asked I think about Highway 106, I think about Highway 102.

Can you give us an update? Because I know for a lot of our leaders, our community members have raised it and I know others have raised it. And I know we had different times when, you know, through years of petitioning and stuff we've asked for some of our northern roads to be addressed. And hopefully maybe you guys can give us an update on some of those projects that we've been asking for and I think are, probably you realize for safety, should be done. So I'll just wait to see what you and your officials will tell us so I can bring some good news home to the constituency of Cumberland.

Mr. Cossitt: — Thanks for the question. So I'll just start and then I'll pass it to the minister to talk about some other initiatives. There's two big projects that I just want to highlight in terms of a little bit of detail. So specifically talked about Highway 102 and 106, and we do have work going on this year on both of those roads. 102 is quite a big project so we're starting this year with a lot of culvert work, but that's almost \$1.5 million.

So there's a lot of work that's going to start. And then there's a lot more to come in the following year as we do a major upgrade there. So we do expect to get a bunch of crushing done, and then the remainder be completed in '24. And then again, I talked about culvert installations being completed in '24, and then a sub-base and an AC [asphalt concrete] in '25. So that's kind of the plan for 102, so significant work there.

The other one I'd highlight is 106. There's two sections

particularly on 106 this year that we're committed to. The first section is north of Smeaton, sort of south of the junction to Highway 120. That's \$2.3 million this year, and then there'll be probably upwards of \$9 million the following year to finish off that project. It's a two-year project. And then another portion a little bit further north on 106, and it's \$3.4 million this year.

So just two projects I just wanted to give a little bit of extra detail about in the North, specifically to try to upgrade those conditions and, as you say, improve safety. And then I'll just let the minister speak to a few others.

Hon. Ms. Carr: — Sure, and I guess just to highlight some more work that's happening in the North over and above those two sections that you were asking about: Highway 155, we're going to be doing improvements on approximately six sections of that highway between Buffalo Narrows and La Loche; Highway 924, improvements of 22 kilometres of Highway 924 south of Sled Lake to Highway 916. And then we have Highway 956, Garson Lake to the Alberta border, which we've just talked about finishing that off.

Wollaston Lake airport, we're going to be doing some design work for some future runway rehabilitation happening there. Cumberland House airport, design work for future runway rehabilitation that will happen there, and of course several culverts or bridge replacements, which as we all know are critical to ensure the safety and reliability of the roadway.

Several preservation treatments on pavement, such as seals and micro surfacing that extend the life of the pavement, and several safety improvements such as delineation lights to ensure safety along the highway.

As well, last year we expedited the sign project north of La Ronge to ensure that we had accurate signage, visible signage, and that it was good signage. So that's what we would like to highlight for you.

Mr. Vermette: — And I note there, I just . . . When you talk about signs, I have to tell you this story. There was a sign up there in La Ronge, and it said — I think it was 10 kilometres or 20 kilometres — anyway, amount of dollars that were going to be spent on the highway. So me and my buddy, we drove the 10 kilometres to say, oh, they're fixing this 10 kilometres. And we checked with someone and actually made a phone call, and they said, actually, Doyle, we're taking that sign down. The sign went in the wrong location. It was for somewhere else.

But anyway, now having said that, we laugh about that lots on coffee row, but seriously, Highway 102, there's about 28 kilometres of pavement. Well we call it pavement, you know. Some people will call it something else. But is there any chance that when you talk about upgrades on that, are you looking at upgrading that? And if you are, what exactly are you guys going to do to it? Because it's so bad. Like people complain that damage is done to vehicles. You know, just the . . . I guess I travel it quite a bit, and actually everyone who talks to me says, Doyle, when are they going to fix this? When is something going to be done? You know, damage and stuff like that. So I'd just share that.

If you can give me an update on that, are you doing anything with

the pavement the way it's falling apart? That's all. You know, it's crumbling sometimes. So I just . . . If you could give me an update, that would be wonderful.

Mr. Gienow: — So with Highway 102 just north of La Ronge here, we're actually repaving the full, I think it's 26 kilometres. So we actually have that out. Contract has already been awarded. So they've done a lot of crushing already this year. They're going to finish that up. Next year, as Ryan said, they're going to be doing some of the culverts and whatnot, and likely doing a lot of the actual roadwork the following construction season, depending of course, depending upon their schedule and that type of thing.

But when we look at that, it will be a full reconstruction of that road, right. And I think it includes actually all the way up to Sucker River there. So it is a really rough piece there just north of La Ronge.

Mr. Vermette: — Yeah. Well okay, so . . . And will that be in 2025, 2024? Just to be clear, if you can clarify that. And could we do 28 kilometres, not 26, so that it could be helpful for Sucker River . . . [inaudible interjection] . . . I tried.

Mr. Gienow: — So it is the 26 kilometres. But like I said, it has already been tendered so the contractor has that. But they've indicated likely they'll just be doing — like not just — but they'll be doing the call and a lot of the preparation work. So the actual road work will probably be in 2025. Now they may decide to do something earlier, right. This is one of those multi-year projects where they have the ability to do it in either year.

Mr. Vermette: — Well hopefully they'll go with 2024 and I'm going to say, good job. Thank you.

Mr. Wotherspoon: — Thanks so much. I'd like to follow up with some of the concerns that have been identified by the Saskatchewan trucking industry. The Saskatchewan Trucking Association's been a really strong voice with respect to the illegal incorporation of drivers that has many negative consequences for the industry and the province and safety.

I know the minister has heard these concerns. I've met with the industry as well on this front and have heard these concerns. I guess my question is, could the minister describe the impacts of this activity and what undertakings she's taken on to address it, including what undertakings has she taken on with the federal minister?

Mr. Toffan: — I want to touch on a couple of the key facts on this issue. Of course the Saskatchewan Trucking Association has brought this up numerous times. We've heard this from the Canadian Trucking Alliance as well, various provincial associations across Canada. Of course misclassification of drivers is illegal, and it's a widespread problem, and it's all across Canada. It's not a Saskatchewan unique situation. It's leading to unsafe practices, things like human trafficking as well unfortunately, and also unfair competition in our trucking industry.

Under this driver's inc. model, as it's called, truck drivers incorporate as individuals without their own truck, so they use the company truck — and that's at the request or requirement

sometimes of the trucking company — and they sell their services back to the carrier. Trucking companies do pay lower taxes and avoid providing benefits and other essential protections like workers' compensation and employment insurance because of this approach that they're taking.

And so we're taking it quite seriously. The tools and the powers needed to resolve this issue though really don't reside with the province; they reside with the federal government. And so we have to make sure that through influence and discussions with Transport Canada and other regulatory agencies at the federal level that we're drawing attention to this. And like I mentioned, the Canadian Trucking Alliance is already doing that on behalf of their association. But despite this appearing to be a very important transportation issue, most federal agencies so far are being sort of standoffish on this. Unfortunately there hasn't been some real action taken.

In Saskatchewan, SGI [Saskatchewan Government Insurance] is of course responsible for tracking carrier safety and working with other local and national jurisdictions to address this issue, so we do have a little bit of a role on that insurance kind of side of the coin. We're aware of this issue at Highways, and we understand the importance of it and talk to the Saskatchewan Trucking Association regularly about it. They bring it up every meeting we have, which is usually every month or two.

We are working with our federal-provincial-territorial partners at different meetings that we have both at the minister level and also at the deputy minister level, and I will continue to be bringing this message forward to my deputy minister colleagues including my colleague at Transport Canada. And our next set of meetings are virtually I believe, but we'll have in-person meetings this summer as well in the North.

[21:00]

Mr. Wotherspoon: — Thanks very much to the deputy minister for canvassing very well the concerns and problems with this driver inc. model and the reason that there needs to be action to address it.

To the minister, recognizing that a large portion of the levers are federal levers, have you undertaken direct engagement with the respective federal ministers on this front or do you plan to do so in the year ahead?

Hon. Ms. Carr: — Well I think it is fair to say that we will continue to advocate for this, and we just had a federal-provincial-territorial meeting where this was a topic that was talked about. So advocacy was done directly with Minister Rodriguez at that point in time, and all the deputy ministers were there as well. And it is something we will continue to advocate for timely, I guess, resolution to this issue.

Mr. Wotherspoon: — Thanks. Yeah, it's an important file for that action to happen on. Now most of this relates to federal regulation. Now there's some provincial regulation on this front, is my understanding. Could you describe where there's workplaces that would be provincial domain, where there's some provincial levers?

The Chair: — Your question, Mr. Wotherspoon, might not fall

under the portfolio of Highways, but it might fall under the portfolio of the Minister Responsible for SGI, insurance and a few of those other areas.

Mr. Toffan: — Yeah, that's exactly where we were going with it too.

I mean obviously our main role is through advocacy and influence and working with other jurisdictions to ensure that we draw awareness to the issue. Some of that's through fed-prov-territorial meetings and some of it's through other conversations as well, just one-on-ones with my colleague at Transport Canada for instance, Arun.

And you know, it's obviously something that our industry is very concerned about, but the levers do really exist at the federal level with transportation as an area of their responsibility.

Mr. Wotherspoon: — Thanks. It'll be a file we continue to, you know, focus on.

With respect to rest stops in the province, the trucking industry as well and the trucking association has really identified that we have a deficit of proper rest stops for the industry throughout Saskatchewan. A couple years back there had been a commitment to deliver three of those rest stops. That never happened at that point in time. I'm just looking to what sort of commitment might be in this budget here and now for rest stops and then future actions as well?

Hon. Ms. Carr: — Well thank you very much for the question. So I guess I'll just talk a little bit about the review that you were talking about. So the review resulted in a map of all known rest stops — publicly and privately operated — being utilized, which was posted online for operators so they were aware what's there. Identification of the underserved areas were then highlighted.

The ministry has since repurposed an old tourist turnoff on Highway 16 west of the town of Battleford for use as a truck rest stop and continues to look at other opportunities to repurpose locations. The ministry hired a consultant to complete a functional design for pilot rest stop projects on priority corridors. The design work is currently in progress. The ministry is also investigating options for partnerships between the province, municipal governments, non-profit organizations, and commercial enterprises to help develop and advertise truck rest stops on the provincial highway system.

In '23-24 the ministry began work on a truck pullout functional study to determine placement for truck pullouts along Highway No. 1 near Moosomin, Whitewood, and along Highway No. 7 near Kindersley. In '24-25 the ministry will continue planning for the placement of the truck pullout locations along our provincial highway system. So as you can see, we've identified those three areas. The planning is taking place and the work will continue.

Mr. Wotherspoon: — It's important work. I know it's important to the industry and it's important to the safety of our transportation, of our highways and for all the users of them.

If we look at airports and ferries and some of these areas, could you describe or provide the detail on which airports will receive

funding from the community airport partnership program in '24-25, and how much, and then do the same for the year prior, '23-24.

Hon. Ms. Carr: — Okay, so I'll start with '23-24 and then go '24-25. So in '23-24 under the CAP [community airport partnership] program, the town of Birch Hills had a rehabilitation to the main runway and taxiways and installed new line markings and numbers on the main runway. And that was in the amount of, the total project cost was 81,830 and of course this is a 50/50 cost share. So the Ministry of Highways portion was 40,915.

The town of Carlyle had deep crack asphalt and apron pavement repairs. Total project cost 30,846, our share 15,423.

Town of Central Butte had a radio control system, and it was 3,250, our share being 1,625.

The RM [rural municipality] of Eldon No. 471, crack seal runway, taxiway, and apron and repaint all lines for a total of 31,515, our share being 15,758.

City of Estevan had a rubberized crack sealing of all runway cracks amounting to 16,992, our share being 8,496. Another one with the city of Estevan is to replace lighted runway signs for a total of 9,745, our share being 4,873.

The town of Kipling expanded a taxiway and apron, total of 20,562, our share being 10,281.

The town of La Ronge had an upgrade, a replace of the ATB [air terminal building] security doors, install four air-side automatic doors, six ground-side automatic doors, and keypad or card swipe security locks for a total value of 120,000, our share being 60,000.

The town of Luseland had airport electrical upgrade, 6,786, our share being 3,393.

The town of Maple Creek had a rehabilitation of a small section of the runway for a total value of 47,046, our share being 23,523.

The city of Melfort had crack repairs on the runway and taxiway, \$72,080, our share being 36,040.

Moose Jaw Municipal Airport Authority had a rubberized crack sealing on the runway, taxiway, and apron in the amount of \$50,000, our share being \$25,000.

City of North Battleford had an installation of a backup power generator at the runway light . . . oh, I did something . . . oh, North Battleford, \$75,000 for the installation of backup power generator at the runway lighting control building.

And then the city of Swift Current had an upgraded airfield signage fixtures to LED [light-emitting diode] backlit fixtures, \$10,000 total, our share 5,000.

City of Weyburn had mulch of existing pavement at the entrance where STARS [Shock Trauma Air Rescue Service] lands to wait for patient transfers. The mulched asphalt was reshaped and compacted as sub-base for the asphalt overlay, and that was at a value of 177,200, our share being 88,600.

And town of Wynyard replaced fencing and two gates to increase airport security, 17,152, our share being 8,576.

And lastly, the city of Yorkton, repaint marking and numbers on runways, taxiways, and aprons, 33,200, our share being 16,600.

So for a total of all those projects, 878,204, our share being 439,103.

[21:15]

And then if we go to the upcoming projects in '24-25, the village of Lucky Lake has an airport runway rehabilitation, estimated project cost 121,500, our share being 60,750.

City of Yorkton has airport signage of 52,000, our share being 26,000.

The town of La Ronge has apron 4 and 5 edge lighting at a value of 142,500, our share being 71,250.

Town of Tisdale has phase 1 to resurface the runway, \$500,000, our share being 250.

The town of Leader has airport crack sealing and repairs of 61,140, our share being 30,570.

The city of Moose Jaw has apron 2 and taxiway C engineering and earthworks, phase 1 and 2 for \$240,000, our share being \$120,000.

City of North Battleford has security and wildlife fencing, \$100,000, our share being 50,000.

City of Prince Albert, YPA, airfield cameras, \$66,000, our share being \$33,000.

And the city of Weyburn has a Weyburn airport revitalization, \$178,000, our share being \$89,000.

Mr. Wotherspoon: — Thank you. Thanks very much for that information. Obviously this ministry plays a very important role as well interacting with the amazing shortlines in the province, the role that they play in the province. But importantly, you play a very important role in interacting on matters of rail performance and improvements on these fronts that are very important to this province as exporters, certainly for producers.

So looking specifically at actions taken to advocate and to bring about improvements for rail performance for producers and all exporters, could you describe the actions that you've taken as minister on this front with the federal government and with respect to the CTA [Canadian Transportation Agency], and on positions as well around advocating for reforms and improvements around interswitching or joint running rights?

There's the long-standing issue for producers who are paying demurrage while, you know, a ship sits, you know, hasn't arrived at the port or at the terminal on time, and it's an unfair penalty that producers are left to pay. These are important areas that Saskatchewan can play a lead role in addressing with the federal government.

And then of course there's the outstanding, long-standing issue of not having appropriate representation for Saskatchewan and the Prairie provinces with the Port of Vancouver. So I've identified a few different areas around improving rail and improvements for producers and exporters. I'm just interested in the actions that you've taken with the federal government and with others on this front.

Hon. Ms. Carr: — Well thank you very much for that question. When we talk about the Port of Vancouver, I actually had the opportunity to attend the annual general meeting this past year that was actually held right here in Saskatchewan, so I had the opportunity to meet a lot of great folks. And at that meeting we very strongly advocated for additional representation for the Port of Vancouver and asked that that board actually write a letter.

We've already sent letters. One has come from us. One has come from the Minister of Agriculture. If you talk to Minister Marit, he's very passionate about this and he can tell you how strongly he feels about it as well. But just asking them to do that advocacy for us for the Port of Vancouver, because the bulk of the goods that go out of that port truly do come from the Prairie provinces that are represented, and so we do feel that we need that extra representation. It's just a matter of convincing the federal government that that's what we need.

When it comes to the National Trade Corridors Fund, that is something that has been depleted and that is more advocacy that's been taking place very strongly at, whether it be our table or Government Relations' table. Getting that fund replenished so that we can work on those trade corridors to get all of our goods to market.

And I'm just going to turn it over to Ryan right now and have him touch on a few of the more specific things that you asked about.

Mr. Cossitt: — Thank you, Minister. Thanks for the question. So as Minister said, we're pretty active, try to be as proactive as we get in this space. It's sometimes a challenging space because it is federally regulated on the rail and marine side, as you know, and so we try to be as proactive as we can and as collaborative as we can, for sure.

So I would just say that we're constantly reminding our federal and provincial and territorial counterparts about our transportation needs, particularly some of the interest we have for Saskatchewan in terms of providing the food, fuel, and fertilizer for the world. And of course to do that we need to have a competitive, reliable, and efficient national transportation system, as you know, one that delivers low costs for our shippers and remains competitive and a reliable level of service.

So that's kind of the narrative that we start with, just to try and lay a bit of a base ground of understanding for our export-intense economy and just making sure that folks know how important it is that we ultimately get our products to market. So we're certainly focusing our efforts inside our own province to try to strengthen our provincial transportation system. There's no question. But I think, as we all know, in recent years Canada's global reputation as a reliable trading partner has declined significantly. I think part of that is rail and port performance. So we take that very seriously, not just ourselves but with our PT

[provincial-territorial] colleagues.

We're continuously trying to advocate, particularly to Canada, to make sure that they're doing everything they can to support that transportation system, whether that be funding or regulatory legislative changes. So of course we work routinely with Transport Canada and the Canadian Transportation Agency in particular and, as I said, our FPT [federal-provincial-territorial] leaders and colleagues.

We try to advocate for a couple of principles in terms of our priorities for the Canadian transportation system. It's really about promoting, as I said, sort of an integrated transportation system that delivers lower costs for Saskatchewan business and improves the level of service overall. Of course it's about establishing a good legislative and regulatory framework that promotes competition in customer service, balancing those competitive rates in improved services for our shippers, and really providing an opportunity for our small and medium-sized business in particular to make sure that they're participating in the economy.

So over the past year we've drafted a number of submissions in letters and consultations, as the minister alluded to, outlining our priorities. And I can highlight a couple of notable examples.

In the fall of last year, we participated in Transport Canada's rail review. So they did an extensive rail review and we did a broad-based consultation effort within the province, with particularly some shippers but our partner ministries, and made sure that we were kind of focusing on that promoting competition overall in the rail sector, making sure that those competitive rates are there and services for all businesses and providing a little more certainty to transportation users across the supply chain. So a broad suite of recommendations that we provided in terms of our perspective with respect to the rail review.

Of course we regularly meet with our shippers who rely on rail, and so we're advocating on their behalf, typically with the federal government, to address their issues. And so that's things like recognition that rail service is impacting shippers operationally, financially, and reputationally in terms of what their rail service looks like.

It's helping to compel railways, particularly class 1s, to invest in some surge capacity, and we think that will help them to improve their resiliency when there's disruptions, whether it be labour, whether it be natural resources or natural disasters or whatnot, and highlighting the impacts of those loss of sales for our shippers and our industries when those services aren't there. So that's kind of the tenets that we sort of take when we advocate and do work inside the rail service space.

One of the other ones I'll just highlight quickly is just a few months ago we provided some input into the Treasury Board of Canada secretariat supply chain regulatory review. And that aimed to sort of create a regulatory road map that was going to outline initiatives to generally improve federal regulatory systems and support economic growth and innovation. That was the aim that that review had. That was a public-based consultation, but we did a direct submission and there again we did some broad-based consultation to make sure that we were capturing our shippers' and industries' perspectives and that of

our other Crowns and ministries within the Government of Saskatchewan. So we submitted that just a few months back, and we're waiting to hear. And hopefully that has a positive impact.

The other one I'll maybe talk a little bit about that I think you touched on is of course the importance of federal legislative and regulatory changes, one of which that's particularly important is C-33. That's a broad-based suite of amendments that Canada is proposing to modernize port governance, railway and air operations and safety, and generally improve the supply chain coordination.

There's multiple facets to that, but one of which that you mentioned already is port governance. It does seek to address some changes to the Vancouver Fraser Port Authority's governance. Unfortunately it does not address the issue that we've been asking for for years which is to increase the board membership for the Prairie provinces. So they are willing to try to increase membership for the local municipalities in BC [British Columbia] but not for the Prairie provinces, so we're quite disappointed by that. That bill is currently under review in the House of Commons. It might be an opportunity when and if it reaches Senate for us to make some sort of an opportunity to raise concerns. But it doesn't look promising, to be quite honest.

Two other things I'll just touch on quickly. The National Supply Chain Office was part of an announcement that Canada made in the 2023 budget. And we continue to work with that National Supply Chain Office to try to get better clarity in terms of what their mandate and focus is going to be. It's a new entity in the federal family. We're not quite sure where that's going to fit between Transport Canada and the Canadian Transportation Agency. They seem to be really seized and focused on digitization and data collection, which may have a value, but we're not quite sure how that's going to dovetail and fit with the rest of what Canada is doing at the federal level. And so we're continuing to try to help shape that. And the minister and deputy minister and myself have been involved in several conversations in the last year to try to get a little bit more clarity in terms of what that has to offer.

And then the last thing I'll mention is just that we do have, as I think you're aware, a memorandum of understanding with Alberta and Manitoba for a Prairies MOU [memorandum of understanding]. There's a couple of tenets underneath that MOU, one of which is an advocacy piece. And we've been quite active in this last year of trying to combine our efforts among the three Prairie provinces and be one unified voice to Canada on all of these matters, whether it's port performance, rail service, or funding levels.

So we do have some concerted efforts. And in most of the items I've already spoken to, we've made a real concerted effort to make sure that we were coordinating and collaborating, making sure that we're having a bit of a voice for the Prairies as well as our own individual provincial needs.

[21:30]

I'll perhaps stop there, but that's just a bit of a flavour of what we've been up to. Thank you.

The Chair: — We've reached our time. So we've reached our

agreed-upon time for consideration of these estimates now, and we'll adjourn the consideration of estimates and supplementary estimates no. 2 for the Ministry of Highways. Minister, do you have any closing remarks?

Hon. Ms. Carr: — I'd just like to take the time to thank you, gentlemen, for asking the questions this evening. Very much appreciated, and hope you got the answers you were looking for. To all of my ministry officials that joined us here tonight and were able to provide such fulsome answers for us, and of course to the committee for being here and listening so intently. Thank you to the Chair and Hansard and all the staff for being here.

The Chair: — Mr. Wotherspoon, if you have any closing comments you'd like to make?

Mr. Wotherspoon: — Well thank you very much, Madam Chair and members. To the minister, thanks for your time this evening. Thank you to all the officials, all the leadership of the Ministry of Highways and Transportation for all your work. Thanks as well to all those that are connected to this work all across Saskatchewan. Very, very important work. Wish we could have had a couple more hours here tonight, but that's how these things go. So thank you for the time here tonight.

The Chair: — All right. That concludes our business for this evening, and I would ask a member to move a motion of adjournment.

Mr. Francis: — I so move, Madam Chair.

The Chair: — Mr. Francis so moves. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until Wednesday April the 10th, 2024 at 3:30 p.m. Thank you, everyone.

[The committee adjourned at 21:31.]