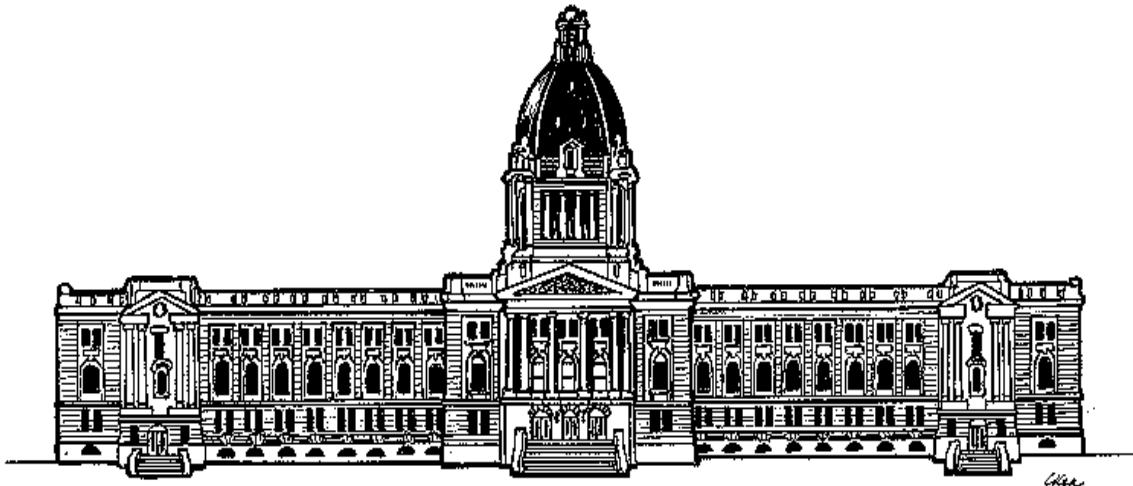




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2007**

Mr. Ron Harper, Chair
Regina Northeast

Ms. June Draude, Deputy Chair
Kelvington-Wadena

Mr. Denis Allchurch
Rosthern-Shellbrook

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

Mr. Andy Iwanchuk
Saskatoon Fairview

Hon. Len Taylor
The Battlefords

Mr. Kim Trew
Regina Coronation Park

[The committee met at 11:00.]

**Bill No. 37 — The Court of Appeal Amendment Act, 2006/
Loi de 2006 modifiant la Loi de 2000 sur la Cour d'appel**

Clause 1

The Chair: — We will now reconvene the Standing Committee on Intergovernmental Affairs and Infrastructure. The item of business before the committee this afternoon is the consideration of Bill No. 37, The Court of Appeal Amendment Act. Mr. Minister, would you please introduce your official.

Hon. Mr. Quennell: — Yes, Mr. Chair. With me is Madeleine Robertson, Crown counsel, legislative services.

The Chair: — Thank you, Mr. Minister. If you have a brief opening statement, we'll receive that now.

Hon. Mr. Quennell: — Yes, very brief, Mr. Chair. This amendment to The Court of Appeal Act, 2000 will reduce the size of the court from nine to seven members. This reduction in size was originally suggested to the government by the former chief justice of the court, the former chief justice of Saskatchewan. The current Chief Justice has confirmed that a reduction in the size of the court by amendment to the Act is appropriate.

We will be proposing a House amendment to this Bill. When the Bill was introduced in autumn 2006, some of the more senior judges were expected to elect supernumerary status. Accordingly the legislation was drafted to reduce the size of the court as vacancies occur. Since introduction of the Bill, four judges have elected supernumerary status. The House amendment will simply reduce the size of the court and remove, as vacancies occur, aspect as that no longer reflects the circumstances.

It should be noted that there has also been an appointment to the court on March 2, 2007. Thus at this time the members of the court are the Chief Justice and five other judges.

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

Mr. Brkich: — Thank you, Mr. Chairman, Mr. Minister. Dealing with this particular Bill, I understand . . . Is there any vacancies right now?

Hon. Mr. Quennell: — One vacancy.

Mr. Brkich: — So when that is filled, then we'll be at the required level of seven.

Hon. Mr. Quennell: — That's true.

Mr. Brkich: — I know there wasn't too much concern particularly raised about this Bill, but some of the questions that were asked and also kind of come to my mind is, how many cases — I will say over the last five years — has this Court of Appeal handled each and every year?

Hon. Mr. Quennell: — Mr. Chair, the member might be

interested in an article that is printed every year, published every year by the *Saskatchewan Law Review* by Dwight Newman who does a review of the previous year's court decisions. And I think the most recent review is in *Saskatchewan Law Review* 2006 Vol. 69. But as I say, it's done on an annual basis, and I'm sure there's a lot of information in there that would be of interest to the member.

In the particular volume that I refer to, Mr. Newman states, "The number of judgments issued by the Court of Appeal in 2005 declined from 145 in 2004 to 119." And I think those numbers of between 100 and 200, probably right for the last number of years. But as I said, the member can obtain that information and a great deal more by Professor Newman's annual review.

Mr. Brkich: — Thank you. It was my point just to ask if the number of cases that they're handling has been going down. And I take it from your statement that every year there has been a decrease in cases that they're handling or judgments they're handing out?

Hon. Mr. Quennell: — I'm not sure that it is . . . The number's been decreasing, the number between 2004 and 2005 decreased by the amount that I set out, at least according to Professor Newman's article.

That of course is not the sole measure of the work being done by the court because there may be fewer cases one year, but they might be more complex cases, and it would be unfair to say that, simply because there are fewer cases, that the workload of a particular court had gone down. It depends as much on the nature of the work. You can't count these matters that come before a court as if they are all of equal complexity and require an equal amount of attention at work or that the decisions are as easy to write in every case and can be done as quickly.

Mr. Brkich: — I understand that, yes, definitely cases will be, some will be longer, take a lot more judgment, a lot more time to the appeal, and that's . . . I guess my question is, as we go on in time, it seems like there is more people taking things to the court. Things can be more, more . . . the cases can be more involved, more levels of government, whether it's the federal, the provincial, more jurisdictional. I can see where the work . . . maybe not as many cases, you're right, but the workload may be heavier.

So my question would be . . . And I know, understanding from your remarks that when you made second reading of the Bill that you'd met with the Chief Justice and judicial authorities over this, and judges, that they feel that the cases are warranting that they don't need as many. And I hope it's right, you know, because of the less work that they have to do is probably more prudent for the province because when it comes . . . When people are appealing decisions, I hope they're not appealing, you know, frivolous ones, that it is cases that they really believe that needs to be looked at.

But one of the concerns is that the cases may become more complex. You may not be dealing with as many, but they may be dealing with more complex cases that take more time, more

research. Do they feel that that will be in time, that the amount of judges that are going to be there now will be able to handle the caseloads? Or could they see in the future where they may start . . . the Court of Appeal may not be in as timely as fashion?

And one of the things that you would like to be is for your appeals to be handled — what I call — in a relatively timely fashion, not to be drawn out over, you know, possibly many years or even possibly as a decade, I think, in some of the places in the United States where some of the appeals are still sitting on the dockets there.

That would be the only concern that was really raised with us, that would be five years from now all of a sudden we may have to look to increase it because the people aren't getting . . . the appeals aren't done in a timely fashion. That's one of the things that people deserve from Justice is — whether it's the first court or the Court of Appeal — that their case will be heard in what you would call a relatively timely fashion. I know you can't put a time limit on it. And I'm not asking or expecting you to say that, yes, a certain case has to be done in a certain time because they are, like I say, very complex. The concern would be that it would be just handled in a reasonably timely fashion.

Hon. Mr. Quennell: — Mr. Chair, as I said in my opening statement, two successive chief justices have provided the opinion that the reduction in the size of the court is appropriate.

The size of the court can be of course increased if that seems appropriate at a later time either by legislation or proclamation. Proclamation would be a quicker process. It's only available for increasing the size of the court; it's not available for reducing the size of the court. So changes, even dramatic or relatively quick changes, in the workload of the court can be relatively quickly responded to in the case of increasing workload.

Mr. Brkich: — Thank you. The only question is just with the proposed amendment. Has this come out since the Bill came? This amendment, is it changed . . . or came out after you did the second reading on the Bill to basically An Act to Amend the Court of Appeal Act? This particular amendment that I was just handed, was that done before or after second reading?

Hon. Mr. Quennell: — Mr. Chair, after second reading.

Mr. Brkich: — I would take it you have consulted with judicial people, and they're . . . consulted with them. We haven't had time to talk to anybody about the proposed amendment. It doesn't look like it's really changing the intent of the Bill a lot. I will just, I guess, looking for assurance from you that you have talked to the people that are involved that it will affect, that they are okay with the proposed amendment.

Hon. Mr. Quennell: — Mr. Chair, the amendment is only to acknowledge the reality that the vacancies have already occurred, and so it would be — a word instead of silly doesn't immediately come to mind — silly not to make the amendment and to recognize the fact. There's really no need for consultations. We're just acknowledging the fact that four judges have elected supernumerary status, and therefore it's inappropriate to have in legislation anticipation of this happening when it's actually now a fact.

Mr. Brkich: — Well thank you. I think we're dealing with the legislation. I don't think any question is silly. You may think so, but when we're doing proposed amendments here and we've seen for the first time, I like to check on things. And whether you like that or not, I really don't care about that. That's not . . . The role of the committee here is to ask questions.

Hon. Mr. Quennell: — Mr. Chair, I didn't mean that the question was silly. I meant that not making the amendment would have been, in my view, silly. So I hope that the member isn't offended. I didn't say the question was silly.

Mr. Brkich: — Well thank you. I've been here long enough now. It takes a lot to offend me now. But I just like to, when I'm dealing with a Bill and dealing with the committee, I like to make sure that all the bases have been covered and as many questions been asked because once a Bill is in, I don't like a group to come back to me and say, well why didn't you ask this or that or check on . . . So with that I have no other questions. I raised the concerns that were raised to us. If somebody else has any . . .

The Chair: — I'm not seeing any further questions. The committee will now deal with the Bill. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

Clause 2

The Chair: — Clause 2. Mr. Trew.

Mr. Trew: — Thank you, Mr. Chairman. I move that clause 2 of the printed Bill be amended by:

Strike out Clause 2 of the printed Bill and substitute the following:

**“S.S. 2000, c.C-42.1, section 3 amended
2 Subsection 3(2) of *The Court of Appeal Act, 2000*
is amended by striking out ‘eight’ and substituting
‘six’.”**

I so move.

The Chair: — Thank you, Mr. Trew. Is the amendment agreed?

Some Hon. Members: — Agreed.

The Chair: — Clause 2 as amended, is that agreed?

Some Hon. Members: — Agreed.

[Clause 2 as amended agreed to.]

[Clause 3 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend The Court of Appeal Act, 2000. I'd

invite a member to move that the committee report the Bill with amendment.

Mr. Trew: — Mr. Chairman, I move that the committee report this Bill with amendment.

The Chair: — The member has moved the committee report the Bill with amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you. Carried. Passed.

Bill No. 43 — The Payday Loans Act

Clause 1

The Chair: — The next item of business is the consideration of Bill No. 43, The Payday Loans Act. Mr. Minister, I see you have been joined with new officials. So would you please introduce your officials.

Hon. Mr. Quennell: — Thank you, Mr. Chair. To my far left is Roger Sobotkiewicz. To my left, immediate left, is . . . oh, Mr. Sobotkiewicz is a legal analyst with the Saskatchewan Financial Services Commission. To my immediate left is Karen Pflanzner, Crown counsel, legislative services branch. And to my right is Maria Markatos, Crown counsel, legislative services branch. And, Mr. Chair, as you might anticipate, I have a brief opening statement.

The Chair: — Thank you, Mr. Minister. You have a brief opening statement. We will receive that now.

Hon. Mr. Quennell: — Thank you, Mr. Chair. The Payday Loans Act is new legislation which will establish a comprehensive framework for the regulation of the payday lending industry and provide protection for borrowers who use payday loans.

A payday loan is a short-term loan for a relatively small amount of money that is to be repaid to the lender at the time of the borrower's next payday. Payday loans are a very expensive way for consumers to borrow. However there is considerable demand for these short-term loans. In the last decade there's been tremendous growth in the payday lending industry.

The legislation is designed to balance the demand for payday loans with effective borrower protections. The Payday Loans Act responds to concerns about practices in the payday lending industry, including the very high cost of payday loans, inadequate disclosure of terms and conditions, excessive fees charged for rollover payday loans, and unfair debt collection practices.

The new payday legislation will require payday lenders to be licensed and will allow maximum limits to be set on the costs of payday loans, includes disclosure requirements, and provides consumers with a cooling-off period during which they may cancel a payday loan for any reason.

The Payday Loans Act also provides a number of additional protections for borrowers, including prohibiting payday lenders

from having more than one payday loan with the same borrower at the same time, taking any security in respect to payday loans, and requesting or requiring a borrower to make an assignment of wages in relation to a payday loan.

For the most part, the new Act will harmonize Saskatchewan's payday loans legislation with the legislation that's been passed in Manitoba and Nova Scotia and with the legislation that has been recently introduced in British Columbia.

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

Mr. Brkich: — Minister, this is an interesting piece of legislation as it deals with a association that I think wants, that needs, wants regulations from what I understand, but was also a little concerned that all the regulations weren't all laid forward. They weren't quite sure exactly how it will affect their industry. And I know, as I understand, like you said Manitoba and Nova Scotia have put regulations in already. Are they basically, a piece of their legislation, is it exactly like this or very, very similar?

Hon. Mr. Quennell: — On March 13, 2006, Mr. Chair, Manitoba introduced legislation to regulate payday lenders. And while the Bill was not passed during the spring 2006 session, it's expected to be reinstated during the fall session of the legislature, so I assumed it was in the fall of 2006 and has now been passed.

And that legislation would require payday loan companies be licensed and bonded; require payday loan companies to inform borrowers in writing that the loans are high-cost loans; provide borrowers with the right to cancel the loan without penalty within 48 hours; prohibit wage assignments and title loans; provide for the maximum cost of credit that lenders can charge for payday loans to be set by an order made by the Public Utilities Board; and prohibit additional fees when loans are renewed, extended, or replaced by a new loan unless these additional fees are authorized by the Public Utilities Board.

The legislation is similar in many respects. Manitoba has set out that the rates will be set by an order of the public utilities board, and that is not the way that Saskatchewan plans to proceed. That also, Mr. Chair, is the case in Nova Scotia, that they plan on having . . . they would have the rate set by their respective provincial utility board.

The Chair: — Thank you, Mr. Minister. Before I recognize . . .

Hon. Mr. Quennell: — I might add in that respect, because Manitoba and Nova Scotia have come up, but in April 2007, on April 18, 2007, British Columbia introduced legislation regulating payday lenders. BC's [British Columbia] legislation also provides for the maximum limits on fees to be set by regulation. So in that respect, Saskatchewan will more closely correspond with what is anticipated to be done in British Columbia.

The Chair: — Thank you, Mr. Minister. Before I recognize the member, I'd like to draw the committee's attention to the fact that Mr. Weekes is substituting for Ms. Draude. Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chair. Mr. Minister, this

particular piece of legislation I think was supported if not requested by the industry. Could you outline a little bit of the history of the decision to introduce this legislation for us.

Hon. Mr. Quennell: — Yes, Mr. Chair, I can provide some history from, I guess, somewhat from a personal point of view if the member doesn't object. Soon after being appointed Minister of Justice — and in Saskatchewan, therefore minister responsible for consumer affairs and consumer protection — I attended my first federal-provincial-territorial ministers' meeting which happened to be a meeting of consumer affairs ministers. I believe it was in Winnipeg, Manitoba — so a nice trip to another prairie city.

The ministers responsible for consumer affairs, somewhat to my frustration and disappointment and I think the frustration and disappointment of a number of other ministers across the country in that portfolio, have not met since. One of the areas under discussion at the time was the regulation of payday lenders. And I think it's fair to say that the provinces that have moved forward more quickly in this respect, and particularly Manitoba but also Saskatchewan, believed at the time that there was a need to regulate this industry and that that was the way to proceed.

However there wasn't a national consensus on that. And some jurisdictions had different views, and maybe still do have different views, as to the desirability of regulating the payday loan industry as compared to other options — options that Saskatchewan doesn't believe are viable or practical options.

A number of provinces — Manitoba and Nova Scotia and now Saskatchewan and British Columbia — have moved forward with legislation to regulate the industry. I think those members of the industry who formed an association and made rules for themselves, which are not of course compulsory and which of course not all of the members of the industry therefore follow, are to be commended for the efforts they made. They were ahead of a number of governments including, quite frankly, this one, in that they brought those guidelines down before we were able to bring this legislation.

And we are encouraged as a government, and I certainly am as minister responsible, both by the support of the association for the legislation and the support by the Consumers' Association of Canada Saskatchewan branch for the legislation. I appreciate the national association has different views.

Mr. Elhard: — In the course of pursuing this legislation, Mr. Minister, was it the intent of your department to proceed directly, or did you seek the input of the association that had been formed here in the province?

Hon. Mr. Quennell: — The consumer measures committee, which is a federal-provincial-territorial forum created under chapter 8 of the Agreement on Internal Trade, has conducted a series of consultations with business and community organizations as well as academic representatives regarding a consumer protection framework for the regulation of payday lending. The Bill follows quite closely the regulatory framework proposed by the consumer measure committee's working group.

In addition, during the development of the Bill, the Department of Justice consulted on the proposed legislation with all licensed payday lenders, other industry stakeholders, and consumer groups, and we have a list of the groups consulted with by the department. I can advise that I have personally met with representatives of the industry and with the Consumers' Association of Canada, Saskatchewan branch.

Mr. Elhard: — Mr. Minister, was there ever a request made of your department that an attempt be undertaken by either your department or a committee of the legislature to hold public hearings on the issues surrounding the legislation as it was being developed?

Hon. Mr. Quennell: — Mr. Chair, I may stand to be corrected, and if I determine otherwise I will correct the record at least by correspondence to the committee, but I am not currently aware of a request for public hearings on the Bill. Now, Mr. Chair, the member is aware that there has been a request for consultations with the industry in respect to rate regulations, and I can assure the member that there will be consultations with the industry in respect to those regulations.

Mr. Elhard: — Thank you, Mr. Minister. The issue of public hearings, I think, is of some interest and concern to — I don't know about the entire association — but certainly some members of the association in view of the fact that there is some concern by them that they are not going to have adequate input into the regulatory regime that will be established as part of this legislation. I think there might be an interest on the part of the industry to make their concerns known in an effort to help establish a competitive environment. As the regulations are written, they feel that if they don't have adequate input into the process, it might be the regulations that will impact them more negatively than the legislation itself.

I don't think there's any problem with the legislation, from what I understand, as far as the industry is concerned. But as is often the case — and this slogan or this comment is overused to some extent — the devil is in the details. And the details are going to be in the regulations. And they won't know what the regulations say until such time as this legislation has been passed by this House.

So I guess I'm wondering if the minister can comment about the preparedness of his department and his government to entertain full and ongoing consultation as the regs are being established.

Hon. Mr. Quennell: — Mr. Chair, I've heard two versions of the saying. And I thought that Mr. Elhard was going to say, God is in the details. But I think the point's well taken with either version. And certainly I appreciate the issue.

I think it is a material issue because, of course, how the rates will be set will be determined by the regulations. And it is our full intention to consult with industry stakeholders and others, understandably, on those regulations and development of those regulations because to a certain extent — well to a large extent — this is pioneering effort because we are proceeding in a different way than Manitoba and Nova Scotia as to how rates are to be set.

And so although we're not the first province or one of the first

provinces to bring in legislation regulating the industry, this will be a method of determining the rates that will be different than the other jurisdictions that are regulating the industry, some other jurisdictions that are regulating the industry in any case. And it's going to have to appear to be fair and just and transparent, but not just to people participating in the industry, of course, but to consumers as well.

Mr. Elhard: — I think there's an important balance to be struck in this process, and I think transparency and certainly access to the process is what the industry and consumers would appreciate and desire.

Mr. Minister, I think you indicated earlier in our conversation that you had consulted with a variety of players on this particular piece of legislation. Are you able to give the committee a list of the contacts and consultations that you undertook as part of this effort?

Hon. Mr. Quennell: — Mr. Chair, if the member likes I could read the list.

Okay, the Canadian Payday Loan Association; Rentcash Inc.; Instalozans, which has a numbered company name as well; EZ Cash Advances, that's capital E, capital Z, which also has a numbered company designation; The Cash Store Inc.; Advance Finance Corporation; Premiere Cash; S.T. Holdings Inc.; Skeena Financial Service Ltd.; speedy cash payroll services; The Money Shack Ltd.; Money Mart Regina Ltd.; Wheatland Investments Ltd.; Money Mart Saskatoon; WPPC Investments Corporation; Money Mart Saskatchewan Ltd., care of national Money Mart; Xtra Cash, spelled capital X-t-r-a cash, which also has a numbered company designation.

Consumers' Association of Canada national office; Consumers' Association of Canada, Saskatchewan branch; Public Interest Advocacy Centre. Anti-poverty advocates in Saskatchewan: Voice of the Blue Rose advocacy, Regina Anti-Poverty Ministry, Welfare Rights Centre, Equal Justice for All, Saskatoon Anti-Poverty Coalition, Community Low Income Centre.

Public Legal Education Association of Saskatchewan; Canadian Federation of Independent Business; Retail Council of Canada, Saskatchewan branch; Saskatchewan Chamber of Commerce; Better Business Bureau; Canadian Bar Association, Saskatchewan branch, legislation and law reform committee, and the civil litigation section; SaskCentral, that's the credit union central; and Association of Canada Financial Corporations.

Mr. Elhard: — Thank you, Mr. Minister. The list seems quite exhaustive and if you spoke to each of them individually or had an opportunity to consult with them, it would have been a fairly time consuming process.

One of the companies that you identified in that list, Mr. Minister, has written to you, and we also have a copy of the letter. And I'm not sure if it came prior to or following the consultation process. But I want to read into the record a couple of paragraphs from their letter so that I can get their concerns on the record today. The company says, and I quote, they are:

... concerned that the province will proceed with setting rates on an arbitrary basis, without first conducting a full economic assessment of the industry that presently operates in the province. In our discussions with officials to this point, we have been provided with no information regarding the rate development process, or no assurances that the Province's objective is to achieve a competitive outcome.

I move on to a subsequent paragraph, and I quote, companies in Canada ... I'm sorry:

We are very supportive of the objectives of Bill 43, but cannot be supportive of a rate-setting process that favours some market participants over others. An arbitrary rate-setting process could lead to this outcome.

Mr. Minister, on the basis of these two paragraphs, I formulated my earlier questions. And I think the concerns of this particular player in this industry may be assuaged by the response you gave earlier. But as you can see from this paragraph or two, they are very concerned about the regulatory results and feel that they need full opportunity to play a part in those regulations as they're written.

Hon. Mr. Quennell: — Mr. Chair, I appreciate that wasn't a question. This is now becoming a little bit reminiscent of a discussion Mr. Elhard and I had in estimates, I think, around the same subject. I have some correspondence from Rentcash Inc. I'm not sure I have the letter that the member was quoting from. Maybe he could give us the date of the letter and to whom it is addressed.

Mr. Elhard: — The date on this letter is March 27, 2007.

Hon. Mr. Quennell: — Mr. Chair, the points made are well taken. Again I would repeat the statement I made before that we will be consulting with stakeholders, among others, as to the making of rate regulations. I want to assure the committee, the legislature, the people of Saskatchewan, and particularly those interested members of the public in this that it is our intention to regulate this industry with protection of the borrowers in mind and not to attempt to abolish this industry indirectly by regulation. And the correspondent is concerned that the regulations not be punitive, and I can assure the committee that it is not the intention of the government to be punitive. The intention of the government is to protect the public interest.

Mr. Elhard: — Thank you, Mr. Minister. I have no further questions. I think, as we've indicated previously, by and large the industry is supportive. We accept that. We just wanted to bring the concerns of some of the players to the attention of the committee and to the minister. Thank you.

The Chair: — Mr. D'Autremont.

Mr. D'Autremont: — Thank you, Mr. Chairman. Mr. Minister, in the development of this particular Bill, did you or your department have any consultation with the other financial services in this province such as the credit unions and banks?

Hon. Mr. Quennell: — I don't know if the member was present when we read into the record the groups consulted with.

Mr. D'Autremont: — I wasn't.

Hon. Mr. Quennell: — But they included the Association of Canadian Financial Corporations and SaskCentral.

Mr. D'Autremont: — Thank you. Mr. Minister, it's my understanding that one of the reasons why people utilize payday loans is that they don't have the ability to access what we would normally consider a banking institution's chequing account and those kind of financial instruments because of something in their past that has made them a negative risk.

In the discussions on this particular Bill, was there any discussions with the credit unions or the banks to creating some kind of an account that would be a deposit and personal withdrawal only so that a person who has a bad credit rating or a bad risk with the financial institutions could actually have a place where they could deposit their monies, be it a work cheque or a government support cheque — however they might receive their income — such that they could deposit and cash that cheque at a relatively low cost and will be able to withdraw it as well?

Part of the reason, it's my understanding, that these payday loan corporations exist is because people don't have access to that kind of financial services. Therefore it's very difficult for them to go and cash a cheque, in the first place, from someone else. Even though it may be a cheque from a government institution or from an employer, they nevertheless have difficulty accessing cash with it. So did the government have any discussions with any of the financial institutions about putting in place some kind of very simple, low cost, minimal service type of accounts?

Hon. Mr. Quennell: — Mr. Chair, a number of credit unions in Canada and the United States are offering small-sum, short-term loans to customers that are competitive payday loans.

I am the minister responsible for the regulation of credit unions in the province of Saskatchewan, and I meet regularly with SaskCentral and with other representatives of the credit union movement. And I have encouraged and this government is encouraging the credit union movement in Saskatchewan to play their role — which we don't want to legislate but we believe that the members of the credit unions would support — that they play their role in providing a service that's required by many of their members and many other people in the province of Saskatchewan.

Mr. D'Autremont: — Thank you, Mr. Minister. I, myself, have done the same thing. I've approached my credit unions in my area and my district rep to have the credit unions provide those kind of services as well. And is there any impediment in place at the present time that would prevent them or be a handicap in them doing so? I understand that the province doesn't regulate or have the control over the banking industry — that's federally regulated — but we certainly do have the responsibility for the credit union system.

Are there any impediments in place that would be prohibitive for the credit unions to put in place a very simple in-and-out type of account where the person actually has to be present to

put the money in or take it out?

Hon. Mr. Quennell: — Mr. Chair, I am not aware of impediments that the province could address or remove that would more easily facilitate the provision of this service. And to date, SaskCentral hasn't made me aware of any. They are having meetings internally with their member credit unions as to providing some service and playing a role here — a role that government can't play or can't easily play. And if we are made aware of, as a government, of anything that we can do that would easily facilitate or assist the credit unions in providing this service that I and this government and the member apparently has requested of them — the member is a member of a credit union, I take it — then we'd be quite willing to look at it.

The Chair: — Ms. Draude.

Ms. Draude: — Request leave to introduce guests.

The Chair: — The member has requested leave to introduce guests. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Ms. Draude.

INTRODUCTION OF GUESTS

Ms. Draude: — Thank you, Mr. Chair, and to the members. It's my pleasure today to introduce to you 25 grade 4 students from Robert Melrose Elementary School in my hometown of Kelvington, Saskatchewan. They're with Tracy Ziola, and there's nine chaperones. I'm sure that these kids don't need chaperoning. They look like they're very well behaved.

Right now we're having a discussion on a Bill, The Payday Loans Bill, and the minister and our colleagues are asking questions about it. After this there's going to be estimates on the Department of Highways.

But I get an opportunity to speak to you, and I'm looking forward to that. So welcome to your legislature, and I look forward to talking to you in a few minutes.

Hon. Members: — Hear, hear!

Bill No. 43 — The Payday Loans Act (continued)

Clause 1

The Chair: — Mr. D'Autremont.

Mr. D'Autremont: — Well perhaps my mike is . . . Oh there it goes. Actually I'm a past president of my local credit union, so I'm aware of the system and how it works, and I'm also aware that sometimes it operates quite a bit like government and is fairly slow in its deliberations and its decision-making processes.

So I think it's something though that the province needs to have, is the opportunity for people to have access to very simple

and uncomplicated accounts in a manner that allows them to rebuild a credit rating that for whatever reasons may not be what everyone would wish they were. And I think that the changes in regulations to the payday loans will be an encouragement perhaps to the other institutions to step forward and provide some of the services that are obviously lacking. And if the province can play a role in that, I believe the province should do what it can to encourage that.

Hon. Mr. Quennell: — Mr. Chair, the province is. I'm bringing all of my powers of moral persuasion — whatever they might be, as limited as they might be — to bear.

I agree entirely with the member — or the member entirely agrees with me — because we've certainly already commenced these discussions. And I think that the legislation that we're bringing in and the important role that the credit union movement can provide is one of the, if not the significant provider of financial services in the province of Saskatchewan . . . are both important. It would be valuable if they moved forward together, and I encourage the member to continue his efforts in that regard as well.

The Chair: — Not seeing any further questions, I'll deal with the Bill. I'll beg the indulgence of the committee to allow the Chair to deal with the Bill in parts as it's a rather lengthy Bill. Part I, clauses 1 through 4, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 68 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 43, An Act respecting Payday Loans Agreements, Payday Lenders and Borrowers. I'll invite a member to move that the Bill be reported without amendment.

Mr. Trew: — Mr. Chairman, I move that the committee report Bill No. 43 without amendment.

The Chair: — Mr. Trew has moved that the committee report the Bill 43 without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. The next item of business before the committee will be the consideration of estimates for the Department of Highways and Transportation. We'll just take a brief break while the officials leave and other officials come in. Thank you.

[The committee recessed for a period of time.]

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

Subvote (HI01)

The Chair: — We will reconvene the Standing Committee on

Intergovernmental Affairs and Infrastructure. The item of business before the committee is the consideration of estimates for the Department of Highways and Transportation, which can be found on page 91 in the Estimates book. It's vote 16. Mr. Minister, would you kindly introduce your officials please.

Hon. Mr. Lautermilch: — Mr. Chairman, I'd be more than pleased to introduce the officials I have with me here today. To my left is John Law who is deputy minister. To his left is George Stamatinos, the assistant deputy minister of policy and programs division. To my right is Mr. Terry Schmidt who's the assistant deputy minister of operations division. At the table behind us, on the right side is Ted Stobbs who is the ADM [assistant deputy minister] of corporate service division. And to his left is Mr. Tim Kealey who is the director of corporate support branch.

Mr. Chairman, we had indicated at last estimates that we would share with the committee copies of the traffic volume, the average annual daily traffic volume. And I will table those today. We also, I should inform members of the committee, the members of the opposition had asked a number of questions that we had committed to responding to in writing. I don't have those answers here today, but I'm told by my officials that they have now been completed and have been or are in the process of being sent to the committee, or to the opposition caucus office. So they should have those this afternoon, as I'm led to understand. Thank you, Mr. Chairman.

The Chair: — Thank you, Mr. Minister. Mr. D'Autremont.

Mr. D'Autremont: — Thank you. I'd like to welcome the minister and his officials here and like to thank my colleague, the member for Biggar, for allowing me in to ask a question.

Mr. Minister, I've been receiving phone calls from constituents concerned with No. 8 Highway. Is there a start date for construction for No. 8 north of Redvers and south of Redvers?

Hon. Mr. Lautermilch: — Thank you. Mr. Chairman, there are two portions to this as the member's indicated. Both on the south portion of Highway 8 and on the north portion, tenders have been let and closed. The southern portion, they have identified now the contractor. And they are coordinating with two other projects, as I understand it, that that contractor's involved with.

We don't have the information on the northern portion, but we will undertake to get an answer for you. And we will be responding shortly.

Mr. D'Autremont: — Thank you very much, Mr. Minister. That's my question.

The Chair: — Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Welcome, Mr. Minister, and your officials. I'd like to start out by asking some question on behalf of the Leader of the Opposition, the member from Swift Current. He has asked these questions in the past. I'm sure you know what I'm going to be asking.

The Saskatchewan Landing truck climbing lane on Highway

No. 4 — the Saskatchewan Landing Provincial Park is located north of Swift Current. There's a fairly steep, winding incline as you travel south towards Swift Current on Highway No. 4. There's no truck climbing lane, and traffic often gets stuck behind semi trucks and other large vehicles which can only climb the Saskatchewan Landing hill at a very low speed. It is a dangerous section in the winter, and in the summer is extremely busy as there is a lot of traffic to and from the Saskatchewan Landing Provincial Park. Often these vehicles are pulling boats, fifth wheel trailers, etc.

Both the Leader of the Opposition and the member from Rosetown-Elrose have asked questions on this issue for several years now, and the response always from Mr. Minister and your officials, that you will be looking at doing the project when this stretch of highway is due for resurfacing. And last year your response was that this would be in four to five years. Can we ask where this is on the department's priority list, and have they determined yet when Highway 4 will need resurfacing?

Hon. Mr. Lautermilch: — Mr. Chairman, we have responded to the Leader of the Opposition in August 2000. In that letter the deputy minister indicated that this section would be reviewed, and the climbing lane would be reviewed as the road became scheduled for resurfacing. The rehabilitation program does have no budget for the '07, and I believe that it is not currently scheduled for resurfacing. So consistent with the letter that the Leader of the Opposition received, when the road, when Highway 4 and that portion does come forward for resurfacing, the climbing lane would be part of that review.

I'm also told that the traffic volume has been fairly constant since 1997. There is approximately 1,280 vehicles a day — 640 in each direction — so the traffic flow has been pretty flat. But there is no budget allocation for the turning lane for this fiscal year.

Mr. Weekes: — Thank you, Mr. Minister. In the past you said four or five years away. Can you give us an idea, is that project moved up a little quicker than four or five years, or could you give us an idea of when it will happen?

Hon. Mr. Lautermilch: — Mr. Chairman, the member will be aware that the preservation budget in the Department of Highways has been dramatically increased this year and so the projected timelines will probably be somewhat changed from what answer we would have given last year.

This year we have in our budget an aggregate amount of 434 million, which is by far the largest amount that we've ever put into our provincial highway system. And I would want to say that members of the government are quite proud and pleased that our economy and the strength of our economy has allowed that amount of money to go into the preservation budget that we have allocated this year.

So what I would do is I will ask Mr. Schmidt to give us an update in terms of what the increased amount of money in this budget will mean for Highway 4 and this portion that the Leader of the Opposition has inquired about. Mr. Schmidt.

Mr. Schmidt: — Thank you, Mr. Minister. I think I've had an opportunity on at least one occasion to provide a little bit of

detail on how the preservation program for resurfacing is put together each year, and it's through our asset management process. So every year we do look at the road condition data and then through that process — optimization process — we determine which highways should be resurfaced. So that'll be done on an annual basis.

And as the minister mentioned, with the increased budget in preservation and resurfacing, we would hope that that time frame of four to five years could be reduced as we're looking at accelerating and doing more paving each year. And then when that project is generated for funds, looking at including climbing lanes with that project will be considered.

Mr. Weekes: — Thank you. Just a general question, more in general just in how the department develops the plans for the ongoing year, I'm wondering, is there a priority list that the department could table or the minister could table today that goes out further to four or five years?

Hon. Mr. Lautermilch: — Mr. Chairman, the department does not generate a multi multi-year list because the conditions change. Roads will deteriorate based on the amount of moisture, frost heaves, those kinds of things.

So generally what is done is they do a two-year, I guess, work plan. There's one for the fiscal year that we're in, and they would put together what they believe would be next year's priorities which are always subject to change based on the conditions of the roads. We can share that with you, and I will ask the officials to send that to your office, but keeping in mind it's not cut in stone but it's a template of what the department believes will be required at this time.

But obviously, next year when the budget is put together, next year's component of that can change, and obviously when we can't complete work in a year because of weather or because of contractor's inability to do the work committed, which does happen at times, there's carry-over. Remembering that in our budgets, we have pretty much maxed out the industry's ability to generate more work. Last year, I think we have a carry-over of some 40-some million dollars. We do have a limited contractor capacity, and this budget in this year has pretty much maxed it out.

We've had analysis done by a third party to give us a good understanding of what industry's capacity is, and this budget is very much a budget that pushes our industry to the limit.

Now in our transportation program, as you will know, we have indicated that it's our intention to commit \$5 billion over a 10-year period to industry. And the reason I would want to share with members of the committee that we have done that is so that industry can have the assurance that government is going to put and commit an amount of money that will help them to make their investment decisions. Obviously when they're out shopping for graders and buggies and all of the things that large construction operators do, they're making commitments of hundreds of thousands, if not millions of dollars.

And so our commitment over the long haul of \$5 billion is to allow them to gear up for the kind of commitment that the NDP

[New Democratic Party] government has committed to road building and to construction of new roads and preservation and of maintenance. So we will share with you that information. The officials will send that to your office.

Mr. Weekes: — Thank you, Mr. Minister. Another item I'd like to bring up on behalf of the Leader of the Opposition is the Skyline Road left-hand turning lane, also located on Highway No. 4 north of Swift Current where the travelling . . . When travelling north on Highway 4, you have to make a left-hand turn turning west to get on to Skyline Road, which is frequently used by local residents and also the Swift Current Hutterite colony. Residents have requested a left-hand turn lane which would improve safety because the vehicles that are heading north on Highway No. 4 would be able to go around the vehicles that are waiting to make a left-hand turn onto Skyline Road instead of having to stop or try to sneak past on the shoulder of the highway.

The Leader of the Opposition raised questions in May 2006 with you and your officials, and at that time you said that last year you were looking at a review to determine if traffic volumes and turning movements warranted a turning lane. The department said Skyline Road did not rank high enough for the construction 2006. However it continues to be on the inventory list.

Can we ask if the Skyline Road is still on the inventory list, and does it rank high enough for construction this year? Or obviously if not this year, when will it be on the list? And when will it be ranking high enough to be on your priority list? And does the project eventually move up on a list because of the length of time it's been up for consideration?

Hon. Mr. Lautermilch: — Mr. Chairman, I can say that this project was added to the safety improvement program in 2000. There is quite a substantive list of potential intersection candidates, and it's reviewed and has been reviewed as late as the summer of 2006. Updated detailed design and cost estimates will proceed as delivery is scheduled for the project. The project, as I am led to understand, is in the neighbourhood of \$70,000, and that's based on similar projects that have been completed in the last two to three years.

I will ask Deputy Minister Law to respond in a bit more detail, but that's the general overview of the safety improvement program.

Mr. Law: — Thank you, Minister. As the minister says, the project, Mr. Weekes, is still on the list. It is still part of the current inventory.

In the review we conducted in 2006, the ranking of the project was still not above the threshold in terms of available funding. The one difference in respect of some of our other programs in terms of the safety improvement program is that it's a relatively fixed amount of funds that we have. It has not received a significant amount of increase in terms of overall funding. And so we're dealing essentially with sort of a similar order of magnitude of work that we can accomplish in any one year.

So we have done an updated review as recently as this year. It continues to be on the list. It did not make the . . . we did not

have sufficient funding to move it ahead of other projects that are on the list, so we continue to work down the list.

I believe that the ranking has this in relation to other projects in the range of about no. 30 on the total list. So I'm not sure how many exactly we'll have done this year, but when those come off, presumably this one will advance that much further towards being eligible for construction.

Mr. Weekes: — Thank you. You referred to a safety improvement program inventory list. I was wondering if you could table that and also other maps and lists, the corridor map that you referred to last time, Mr. Minister, when the work has been done with SARM [Saskatchewan Association of Rural Municipalities]. Could you table that as well? And also I understand that tendering contracts have been closed. Could you table the list of contracts that have been accepted by the department as well, please?

Hon. Mr. Lautermilch: — All right. Mr. Chairman, the member has asked a number of questions, and I will ask Mr. Stamatinos to share some information with you as it relates to the provincial highways' corridors and as well the Clearing the Path initiative that SARM's involved in.

I can tell members of the committee that there is beginning to be some integration, which I think is good news because it's obviously . . . What we need is instead of two separate and distinct corridors and delivery systems, what we really need to do in this province is get to a position where we have one system that serves us all in a better way than maybe it does now. So Mr. Stamatinos will respond to your inquiries.

Mr. Stamatinos: — Thank you, Mr. Minister. If I might just take a moment to describe and provide you with some information on rural economic corridors, and perhaps some history would be helpful.

Last year, I believe it was in early July or late June, we announced the first expansion of primary weights. It was around 1,200 kilometres that we added to the existing 94 . . . sorry, 8,200 kilometre 12-month primary weight system we had in the province.

That 1,200 kilometres was added after some consideration and analysis that indicated to us that we were in a position from past investments that were made under programs such as the Can ag infrastructure program, some of the other federal-provincial programs like PGRP [Prairie Grain Roads Program]. We were able to add those particular roads on a nine-month basis to allow our rural industries and communities to benefit from the economies that are provided from being able to haul at higher weights. That particular system was added on a nine-month basis. The weights are restricted to secondary weights during the months of April, May, and June.

After that analysis, we had also identified an additional 1,750 kilometres of roads that fit a set of criteria that we developed that indicated to us that there was some economic benefit to the province, largely through improved and reduced shipping costs due to trucking that would benefit from further analysis and investment. Part of that process allowed us, and I think it allowed us, to look at really the next phase which we have

coined now as phase 2 of primary weights that involve a number of pieces to it.

One of them was to put together what we have been calling a weight advisory committee to look at the investment opportunities that are available to us, to advance that 1,750 kilometres. Many of those corridors that are created will require rebuilding of existing TMS [thin membrane surface] routes.

Just by way of information for the committee members, the membership on that committee is people from SARM, SUMA [Saskatchewan Urban Municipalities Association]. We have a representative from the Chair, of the Chairs committee of the area transportation planning committees. We have a representative from the REDA [regional economic development authority] group, representing all the REDAs in the province. And we also have a representative that's there to speak to the interests of some of our key sectors of our economy like oil and gas, forestry, mining, and manufacturing.

So it is this group now that's working with our department to develop a prioritization process for us to advance the phase 2 of primary weights. To date we've had two meetings of the committee. And we're moving along, hopefully sometime in the fall to be able to make some statements with regard to when specific corridors will be brought into the system.

In the last session we had of this committee, there was some discussion on the Highway 13 corridor where we spoke in terms of the opportunities that would be available upon the completion of that link in and around the vicinity of the community of Verwood. Once that particular link is completed, we would be able to turn on a significant length of Highway 13 as an expansion of the existing primary weight designation on Highway 13. It's that kind of thinking and processes that will lead us to fully develop the phase 2 of primary weights.

Now that particular map is the one that is actually on our Internet site. That's the one that actually shows, I believe, phase 1 primary weights — which is the piece that's already been turned on — and phase 2 primary weights. So I think that kind of gives you a sense of where we are in terms of the development of rural economic corridors.

Now there's other opportunities as well. We recognize that there are certainly needs beyond just the systems that we have identified. So we're in the process now of finalizing . . . sorry, developing and finalizing some policy statements that speak to the balance of the system. So there's certainly roads in our system go beyond just the roughly 3,000 kilometres that represent the additional primary weight routes in the province. So we hope to have some of that language available for discussion some time in the fall. Right now the primary focus is of course to continue the committee work to advance progress on primary weights phase 2.

The member asked about Clearing the Path. Through this whole process of developing rural economic corridors, we have been engaging in some significant discussions with the SARM and SUMA organization and their interest in developing a municipal primary weight corridor system in the province. We felt it important that any work that they do integrates with the work that we're doing on rural economic corridors to expand

the reach of access to primary weight hauls to as many communities in rural Saskatchewan as possible.

They have taken a fairly consistent and certainly sustainable approach to their consultation with their members, particularly SARM. I believe they have had discussions at, I'm sure, at least two years of conventions for their organization with respect to local interest in participating in the Clearing the Path initiative. With that type of consultation, they have identified rural interests, those municipalities that have an interest of being part of that process, and have identified a map that indicated routes that would do three things.

One would be, first of all, to provide some relief or opportunity for haul to occur at primary weights on those primary weight corridors, those phase 2 corridors that will be delivered further down in that 10-year commitment under TEA [Transportation For Economic Advantage]. We're not going to be able to do them all right away obviously, but over a period of time we should be able to complete all 1,750 kilometres. But there will be a transition time where that haul won't be possible. So working with the SARM organization, they've been able to identify parallel corridors that allow that primary haul to occur to provide some immediate opportunities for local industries adjacent to the provincial highway system that would eventually become part of the rural economic corridor system.

The other piece that the organization wanted to identify was to link local, rural industries that are on the municipal system to the provincial highway primary weight system. So they've done that as well.

And the third piece is to look at other opportunities beyond the provincial highway system on the municipal system that will further integrate and connect rural communities and rural interests to the primary weight system. So those are the three components that we have been working very closely with the SARM and SUMA organization to allow that integration to occur.

Now you asked for a map. Certainly that very early map that identified municipal interests is available, and we can certainly share that with you. What we'll do is we will talk to the SARM organization, because it's really their map. And what we've been doing is helping them to create it with assistance from some of our staff in the department. But certainly we would be very happy to approach SARM and have that map provided to you.

The other piece is that SARM is in the process of confirming with their members on their interests and actually being part of that municipal primary weight corridor announcement that was made by the Premier at the last SARM convention. We're now in the process of finalizing commitments, like interest by the municipalities, and actually entering into agreements with them to allow that system to be developed in the current year.

I understand from talking to some of the leadership folks in SARM and some of the folks in the area transportation planning committee structures that progress is going well. But the map itself is fluid. In other words, it's evolving as RMs [rural municipality] make those commitments to allowing haul on their municipal roads. So we could certainly give you a

snapshot in time where we are. And I would be happy to talk to the folks again at the SARM organization to see if we can't get a map to you.

The last piece I'd like to share with you is that, with the announcement on March 19 of the federal budget, there was a significant piece, of course, related to their commitment to revitalizing infrastructure in Canada. And we're just embarking on a process to better understand what opportunities are available to the province, and particularly to rural Saskatchewan and the roads that serve those communities, under that program.

We're certainly hopeful that some of that money — whether it be under the Canada builds fund or some of the money that used to constitute the old Municipal Rural Infrastructure Fund — may be available, whether it be to Clearing the Path or to perhaps help us to accelerate progress on our rural economic corridor system.

Hon. Mr. Lautermilch: — Mr. Chairman, if I could, I think what members of the committee have just heard is the basis for the thinking and the work that has been going on and the co-operation that the NDP government has been receiving from SARM over the past number of years as we develop TEA.

And I, you know, I think what it demonstrates is long-term planning. I think it demonstrates our long-term financial commitment. I think it demonstrates this government's vision for an economic strategy tied to our transportation system. And I think what it does is it serves as a public policy tool that other jurisdictions will eventually look at to determine that what we have been doing here in Saskatchewan is truly cutting edge, and it truly is visionary. And it truly is showing leadership.

And I think, Mr. Chairman, that's why when I talk with road builders and when I talk with municipal governments, not all have bought into the concept and not all maybe have a clear understanding of what this NDP government is attempting to achieve with the new program, Transportation For Economic Advantage.

But I think over a period of time we will see that in the areas where there is co-operation between the municipalities and between the province, we're actually moving ahead and getting things done. And one of the examples I would like to share with members of the committee is Highway 219. I think it's a model that can be translated into other opportunities around this province, and I want to say that the Department of Highways and Transportation officials have been putting a lot of effort into making this work.

I want to commend SARM for the work that they've been doing in their Clearing the Path initiative which you can see is very much integrated with Transportation For Economic Advantage. And so I think the gains that we're going to be receiving as a province in terms of a better infrastructure, it's more than just money. It's obviously got to be a vision. It's got to be forward planning. It's got to encompass all of the things that this department has been working on.

And I want to say I'm very proud to be just a small part as the Minister for Transportation in Saskatchewan of the development of this program. And I know the Premier and my

colleagues fully support the work that the department is doing, and I know that good things are going to come as a result of this investment, Saskatchewan people investing their tax dollars back into their roads.

Mr. Weekes: — Thank you. I would appreciate receiving whatever maps and lists that your department can make available. I'd like to move on to another highway of a concern from people from Vanscoy. Could you give us the status of the twinning that you have announced between Highway No. 7 from Saskatoon to Delisle.

Hon. Mr. Lautermilch: — Mr. Chairman, I'm not clear on what the member is asking with respect to Highway 7. Maybe you could clarify your question to us.

Mr. Weekes: — Well I believe that you have on your radar screen twinning Highway No. 7 from Saskatoon to Delisle some time in the future. The question that the people are concerned about in Vanscoy is that they are under the understanding that Vanscoy's going to be bypassed, and there's questions around access to Vanscoy and going through constituents' land so . . .

Hon. Mr. Lautermilch: — Mr. Chairman, I'm going to ask Mr. Schmidt to respond to that question. There is a functional planning study being undertaken by the department on that stretch of highway. And I think it's part of what the department does to ensure that we're looking down the road to what the requirements will be. And obviously if there are to be any changes made within community access to a community, the department will consult widely, both with the landowners along any particular stretch and with the municipal governments.

We at this point are in the process of twinning Highway 11 from Saskatoon north to Prince Albert. There are two parts of that highway that will be worked on in this construction season.

Mr. Schmidt will respond to what kind of work is taking place on Highway 7 and going through Vanscoy from Saskatoon to Delisle.

Mr. Schmidt: — Thank you, Mr. Minister. We have engaged a consultant to undertake a functional planning study for the future location of any twinning on Highway 7 from Saskatoon to Vanscoy. It's prudent to undertake these type of studies many years or several years in advance of the actual work. And in many cases, they're actually requested by the communities, especially near bedroom communities that are growing.

And as they're undertaking their development plans and their zoning plans and things like that, it works well to align any future highway construction plans with those zoning plans so that they are well meshed and aligned in the future. So the consultant is undertaking some preliminary work right now. Part of that process involves consultation with the local governments as well as there's always a public consultation process that is part of the decision-making process before any final plans or recommendations are brought forward.

Mr. Weekes: — Thank you. There seems to be concerns out in the Vanscoy area, so I certainly would encourage your department to discuss your future plans because it's certainly a

thought out there that there's going to be problems concerning Vanscoy farmers' access and property owners already, even at this stage. So I certainly would encourage you to keep the village and the RM and the citizens informed of what your plans are because they're like . . . as I said, there are concerns already.

I'd like to move on to another case file. It's concerning Highway 355 from Spruce Home to Meath Park. There are two citizens up there that have contacted me and their concerns are . . . I'll just list off their concerns.

This one person lives 15 miles from Meath Park School on Highway 355, and I am told that the highway's in such bad condition that the school board has denied bus transportation to the school. This individual can't get a job because they can't get a bus to get their kids out to school. And well they haven't been able to get a response, they said, from the school board on how to resolve this. They go on to say that it's a safety issue of course if the bus refuses to go down the highway to pick up the kids.

It certainly affects the people in the area economically, and in this case it's difficult for the person to get a job when they are having troubles getting the kids to school and those concerns. And they said that the highway equipment was getting stuck on the highway, and this person was looking for some alternative routes. And basically they're saying they're getting desperate. And they are saying, would somebody please tell me what I am supposed to do out here.

The other concerns also again is concerns around the condition of the highway, but they're talking about spending considerable amounts of money on damage to their vehicles, and of course the economic impact that it has on the area when they have poor highways like that. This particular person is the spokesperson for the fix Highway 355 committee, and they are demanding that their highway be properly fixed and paved and maintained, and they, as taxpayers of Saskatchewan, deserve better and are saying enough is enough. We are not second-class citizens. We are first class and demand to be treated as such.

Could you give us an update of the condition of Highway 355 and what work is being done on that highway for the citizens in that area?

Hon. Mr. Lautermilch: — Yes I can. Mr. Chairman, I would want to say that the member of the legislature for that area, Mr. Borgerson, has been in contact with me with respect to the condition of the road and has been representing his constituents, I would suggest, quite vigorously.

This is a thin membrane road that has fallen into some fairly serious disrepair. There is heavy traffic, and we have a very high water table in that area, and the road conditions are less than satisfactory. At this point and for safety reasons, the department has reverted 21 kilometres to gravel which has been and continues to be provided with dust treatment. We are anticipating that this year, when moisture levels will allow, that we will be reverting another seven kilometres for safety reasons to gravel.

I should say to the members of the committee, this road is being

considered for upgrading to a dust-free, mud surface as part of the regional economic corridor policy framework within Transportation for Economic Advantage within our strategy. And I can say that the upgrading will be prioritized within the policy framework that we're putting together.

MLA [Member of the Legislative Assembly] Borgerson has been communicating to me more than just Highway 355 in that region. There's an access road to Paddockwood that he has brought to my attention that he believes needs some upgrading, and there is a road north of that access road to Paddockwood that we will be doing some work on this year. I can say to members of the committee that it's in our plan to upgrade the access to Paddockwood, and the road north of that will receive some attention as well.

He has also raised with me an area of Highway 2. I believe it's south of the Waskesiu turnoff, and there'll be some work done on that. There's some work that'll be done on the Englund Lake road that he has also raised with me. I can say that, of all of the members of the legislature, he really does understand the process and has been working with me and with my staff in my office to raise awareness on the condition of the roads in his constituency. And we will be making some of these activities known in a more public way shortly.

And I want to just publicly today thank Mr. Borgerson for the work that he's been doing. It has been very helpful, and the department officials are well aware of the needs of the roads in his constituency. Thank you, Mr. Chairman.

Mr. Weekes: — Thank you, Mr. Chair. Well these constituents that have contacted me are certainly not happy with your government or the work that the member there has been doing because they're basically desperate.

You're referring to converting highways back to gravel. How many kilometres of highways will be converted to gravel this year, and do you have a multi-year plan to convert highways back to gravel? And if you do, could you give us that information as well?

Hon. Mr. Lautermilch: — Mr. Chairman, I can tell you that we have a multi-year plan to upgrade a highway system in this province to the best of our provincial needs, which is why we have committed a record number of dollars to the transportation budget this year, which is \$434 million, which is why we have committed a \$5 billion 10-year program to our highway system. And in spite of what the member from Biggar may indicate, I can tell you that Mr. Borgerson represents his riding very well as it relates to the transportation system. I can tell you that there will be money allocated to upgrading roads in his constituency because he has made a very strong case for some of those upgrades.

Obviously in spring we have a high water table. I mean one only has to fly over that region. The potholes are full. I represented that riding or that area for 21 years, and I can tell you that the amount of water in the low spots south of Prince Albert and north of Prince Albert is really quite outstanding. The lakes in that area are full to overflowing. Emma Lake as an example I think is higher now than I've seen it for a long, long time. And those conditions are all shared with members of this

government by constituents directly and by the local member of the legislature, Mr. Borgerson.

I can tell you that, for safety reasons, some of the thin membrane roads that are in this province have been converted, reverted to a gravel status for safety reasons.

I want to say to members of this committee that it's interesting that even though this government has committed a record number of dollars to our highway system, that we have committed a record number for rehabilitation, a record number of dollars for rehabilitation, members of the opposition have consistently come to this legislature with requests.

We have added up something in the neighbourhood, in this session, of requests for, through petitions and through estimates . . . We've been doing case work here for — I don't know, five and a half, six, seven hours now — and they are, through their questions, committing to all areas of this province an upgrade to paved status of thin membrane roads. And I think the calculation is around 700 million now that they've spent in requests during the session.

I think members understand, the people of this province understand, that we have a highway system that was never designed to carry the kind of traffic that we're asking it to carry. We have super Bs, we have grain haul, commodities that are hauled on roads that were never designed for those purposes. And Highway 355 is one of those roads.

We're attempting this spring to manage what is a difficult circumstance. I think we're being very successful. Now that doesn't mean that all of the people who live along those roads are satisfied perhaps with the speed at which we are moving on repairs to those roads, but I can tell you that the department is doing everything that it can. They have more resources to work with than they've ever had before, and I think that that will reflect itself in a better condition for our road system.

I want to clarify for the member, there is no program of reversion to gravel. What there is is for safety reasons — occasions when there is no base under a TMS road, a half an inch of pavement where we will mill the road and where we will haul gravel in to create a base so that people can drive on a safe road. We then will apply grading to the road, and in many cases we apply a dust-free surface to the road.

With respect to reversion, I can ask my officials to comment. I don't have that answer, but our goal is to ensure that we have the best system that we can which is why we're putting record numbers of dollars into the system. And I want to again commend Mr. Borgerson for the work that he's doing representing his constituents, and his constituents will see some announcements quite shortly that will confirm what I say about him making their case for them here in Regina.

Mr. Law: — Thank you, Minister. On the issue of reversion, it is almost entirely safety based and is looked at regionally on the basis of usually the weather circumstances. And it's a little bit early in our program this year to know how many places we might do that, to give you sort of a programmatic or an overview of what that is. But probably within the next month, we would be a position to give out better information about

which areas would be affected after we've had a better assessment of the impacts for example of the high water tables, flooding, and some of the other emergency spring conditions that we're dealing with.

Last year when we found ourselves in the same situation, we introduced a new approach to trying to manage this where we were able to get some additional funding on a supplementary basis to introduce some more sustainable management practices around ways that we could try and offset some of these challenges. And we have not reached the point yet where we have been able to make the same calculation for the current year but expect to be there within a matter of some weeks. At that point, we would be in a position to share further information about what proportion of our work may involve a gravel solution as a part of the program.

Hon. Mr. Lautermilch: — Mr. Chairman, if I could just close by saying — and I neglected to mention to members of the committee that I have met with Mr. Stubbs who is the reeve of the RM. We've talked about the RM's priorities, and we've talked about long-term planning as well in the area, as well as some short-term solutions.

Mr. Weekes: — Thank you. I'd like to move on to another case file on behalf of my colleague from Arm River-Watrous — the town of Hanley.

They said this road has been in a ruinous condition for a number of years. Through the years, they have been requesting that the road be repaired; however the local Highway department budget has not allowed the work to be done. They said your local department has done their best to help out with some material to allow to fill in the large amount of potholes that have developed with use. At this time however, the repairs are not the answer as the road is almost unusable. They go on to say that, be aware that this is their main access to Hanley and the condition's creating a business loss, not only to the businesses along the road, but also in their businesses and recreational facilities in the town of Hanley. Also the condition of this road is working as a deterrent to population, economic growth to their town.

They're aware that there was a time that the cost of repairs for these access roads were at a shared cost. However they feel that due to the fact that this road has being neglected by the provincial government for so many years, the responsibility should be that of the provincial government. Could you respond to their concerns, Mr. Minister?

Hon. Mr. Lautermilch: — Mr. Chairman, I'm told that this is a written question that was submitted by members of the opposition and that we will be responding to his inquiry in the written question that should be, as I understand it, tabled in the legislature next week.

The Acting Chair (Mr. Trew): — Ms. Eagles.

Ms. Eagles: — Thank you, Mr. Chair. And thank you Mr. Minister and to your officials for being here this afternoon to answer questions. And the member from Weyburn-Big Muddy may have asked some of the questions that I'm going to ask as our highways overlap within our constituencies, so I apologize

if that does happen, but I did assure my constituents that I would ask the questions on their behalf.

The first question I have is regarding Highway 18. As you know Mr. Minister, I have presented numerous petitions in the House regarding Highway 18, specifically in the Oungre and Lake Alma area. I have travelled that road, and it is in just horrible condition.

Unfortunately the people in that area have no choice but to use that highway as it is the only one out there. And when I drive on it, I sympathise with those people that may have children travelling on that road in school buses and also for those that may have to — you know, God forbid — take an ambulance over it.

The RM of Lake Alma has been told that the gravelling will be continued as a means of repairing the highway and that it will not return to being a paved surface. And they are also told that this conversion is a necessary measure to ensure the safety of the travelling public. And the accidents have increased on this highway. The vehicle damage is so terribly expensive — windshields — and it's just not safe.

And another concern of theirs is that they live adjacent to the US [United States] border, and it's a disgraceful infrastructure that we greet our international visitors with. They're also concerned about the economic development in their community.

And I had one person contact our office on April 23, and this person claims that the highway is a nightmare. And there has been five or six accidents on this stretch of highway in the last two or three weeks, and there was a serious accident with severe injuries. And you know, she asked the question, what'll it do to get this highway taken care of? Will someone have to die?

The lady did call the minister's office and voiced her concerns, and the gentleman said he would get back to her. And again, Mr. Minister, I received this information on April 23. And the gentleman said that he would get back to her. And she said, the funny thing is he never took down my number, my address or anything else. And she says that's the same reaction that she's getting when it comes to our highway — a lot of gravel and no solution. And I would just like you to comment on what the plans are for Highway 18.

Hon. Mr. Lautermilch: — Mr. Deputy Chairman, I can say that Highway 18 between Lake Alma and Oungre is another one of the thin membrane roads that has deteriorated due to increased truck traffic. The department has been and will continue to deliver maintenance in support of a dust-free resurface for safety reasons.

I should as well say that this is one of the TMS roads that has been reverted to gravel, and it's primarily because of safety reasons. And I am told that in '06 there were about just under 17 kilometres that were converted. There are no immediate plans to change this to a structural pavement surface, but the department has been discussing with local municipalities opportunities to work, for a truck route management, to further support a good, dust-free surface on this section of Highway 18. I am told that TMS corridors with an average daily traffic count

of between 225 and 250 would be addressed using a number of different remedies.

And I would ask perhaps Mr. Law to speak to what might be an opportunity there under Clearing the Path for upgrading to another standard. Mr. Law.

Mr. Law: — Thank you, Minister. The minister is referring to a specific program that we've included as part of our rural economic corridor strategy that will make specific provision for roads in this category in terms of the average annual daily counts of traffic where we've made determinations that some of these TMS roads that have been — for safety and other reasons — either been reverted to gravel or have been in some state of disrepair, that have not had sufficient funding to do the upgrades. We've actually identified them for upgrading in this strategy. This would be one of the roads that, according to its characteristics, would be eligible under this program. And so although there is nothing in our current-year plan to do a structural upgrade, it would be eligible and would be one of the candidates that we would include as part of the strategy in the out years for upgrading.

Ms. Eagles: — Thank you, sir. Now you say about a traffic count. A lot of the people out there have told me that they'd sooner use a prairie trail than drive on that highway, so how could a traffic count actually even be accurate as far as, you know, the traffic that would be on it if it was decent?

Hon. Mr. Lautermilch: — Mr. Chairman, if there's a question about the accuracy of the traffic count, I will ask the officials to do a traffic count.

I will as well, if the member will share with me the name of the person — she doesn't have to do it on the record; we can do it off the record if she would wish — and phone number of the person who is purported to have contacted my office but not received a response, I will check into that personally because that's not how my office functions. And if there is a miscue, I will have it corrected.

Ms. Eagles: — Thank you, Mr. Minister, and I appreciate that. But I wasn't disputing the validity of a traffic count. I was just saying that if people would sooner use a prairie trail or something like that rather than use the highway . . . I mean if the highway was in wonderful condition, probably more people would use it, is my point.

Another issue was with Highway 47 South, and as you know, Mr. Minister, that is a corridor or a gateway to the United States. And I know your recent funding announcement, one of your pillars was international gateways and corridors. And Highway 47 is one of those. And I was just wondering if there was plans to do anything on Highway 47 south of Estevan? It has been sand sealed I think every fall for the last two or three years anyhow, and I was just wondering what your plans were as far as that, sir?

Hon. Mr. Lautermilch: — Well let me revert to Highway 18 because I'd like to complete the discussion on that if I could. My understanding was that you had said that how can the count be accurate given the condition of the road. We will do a traffic count on that because I want to be assured of the traffic number.

I don't want a dispute as to whether or not the traffic count is accurate. And we will share that information with the member.

Part of the difficulty with Highway 18 is there is aggregate that's being hauled out of gravel pits in that area. There's a grain haul from Lake Alma to the Weyburn Inland Terminal, and that is in no small way what has caused the deterioration of the TMS road. A half an inch of pavement is not going to support . . . And particularly when you've got no base, which many of those TMS roads don't have, they are going to deteriorate.

And for safety reasons you have two options. You can revert them to gravel and try and build up the base — by hauling aggregate, clay, or whatever they do — create a base and then pave it. Or you can maintain a gravel surface. But what I think isn't acceptable is a road full of potholes because I think that creates more danger than any circumstance could.

Now we have, as I understand it, 6,200 kilometres . . . [inaudible interjection] . . . 6,100 kilometres of thin membrane roads. Some of them are in very good condition. Some of them are not in very good condition.

But what I hear on a regular basis . . . and we've done now six and a half hours of casework here instead of working towards public policy decisions. And that's fair enough; we'll do casework. I'm fine with that. But I'd like to know from members of the Saskatchewan Party, is it their contention that paved standard and nothing less is acceptable on these thin membrane roads?

We're attempting to manage. We're upgrading some of them. We're reverting some of them because of necessity. We have a limited budget. Even though it's the largest budget in the history of this province, it still has a finite opportunity to create some improvements.

But I guess I, you know, out of all of these questions, I too have a question. Is it the policy of the Saskatchewan Party that all of these TMS roads would be brought up to a paved standard, and if so, over what period of time would they suggest they all be brought up to a paved standard? Or my other question would be, would they be selective in which ones they would do, which ones they would do in year 1, 2, 3, 4, and 5 if they have, say, a five-year plan? It would be helpful to know what their position is on these thin membrane roads.

And I understand, and I agree with the member, that some of them are not in very good condition. Highway 355 was mentioned today and Highway 18. I can go through the list. There's been a number of them.

But I'd like to know — and I think it's a legitimate question to be asked of people who are aiming and aspiring to be the government — what would their solution be to some of these thin membrane road conditions? Because I think it's, you know, it's important for all of us as legislators, irrespective of which political party we belong to — whether you're a New Democrat who are in government or whether you're a Saskatchewan Party member in opposition — I think that some of these questions should be responded to because people need to understand what our priorities are.

So are your priorities an upgrade of all of the thin membrane roads in this province in a given period of time — say one, two, three, four, or five years — or is that not your position? Because if in fact there's a decision to upgrade all of these roads, it's a \$2 billion price tag.

And so if the Saskatchewan Party is committing to \$2 billion of investment in thin membrane roads to bring them all up to base standard, perhaps I think the other question that spawns from that is, where would you get the funds? Two billion dollars is, I think, roughly half of the health care budget. Fair enough. Two billion dollars is one, two, three, four, more than four times what our total Highways budget is on an annual basis.

And I'm curious to know, from all of these questions, what your position might be — if you have one. And I haven't heard one yet. I've heard a litany of concerns, and I think that's fair. And you need to bring them to the legislature and to this forum or to my office directly. Because I mean it's important that we have that information so that we can respond to your concerns, as I indicated Mr. Borgerson has done on a regular basis in his riding.

So my question to you, Ms. Eagles, would be, you were working for the premier of this province in a former administration, and there were TMS roads at that time and I didn't see them all fixed in Grant Devine's administration. We're doing our best to upgrade and maintain this system, this TMS system. But I'd like to know given that administration is no longer here — you're no longer part of that administration; you're now part of the Saskatchewan Party caucus and you hope to be government, and an election will be called soon — perhaps you could share with us what your policy is with regards to TMS roads.

So I mean, you might be able to respond to those questions in, you know, in some detail or maybe in general terms before this committee because I think we're curious to know. Members on the government side just don't understand what your policy is, and I think the general public don't understand what your policy is, so maybe share that with us.

Now with respect to Highway 47, perhaps you could be specific as to which portion of it that you're referring to. I think the officials would be able to respond in more detail if they had some idea of which portion you're speaking of.

Ms. Eagles: — I did say south of Estevan being that it was a link.

Hon. Mr. Lautermilch: — I'm sorry. South of Estevan then? Mr. Stamatinos will respond.

Mr. Stamatinos: — Thank you, Mr. Minister. I believe a similar issue was raised by the committee members in our last session with regard to Highway 35 going to the United States.

What I can share with you . . . And maybe again some clarification on the first pillar of Transportation For Economic Advantage, which is the international gateways and corridors. The intent of that pillar was to address issues relating to international trade and connectivity, and really the focus of that pillar is to provide some attention to the national highway

system in this province.

And the national highway system in the province consists of Highway No. 1, Highway No. 16, Highway No. 11 from Regina up to Prince Albert now, Highway No. 7, Highway No. 10 from Highway No. 1 to Yorkton, Highway No. 6, and 39 down into the United States. That particular network of roads . . . Sorry, I forgot Highway No. 2 as well connecting Moose Jaw to Chamberlain and then north of Prince Albert to La Ronge.

That network of roads is really the main system of economic transportation corridors that connect our economy to, our regional economy with Alberta and Manitoba with our neighbours down in the South, Montana and North Dakota, as well as to the nation at large and to our major ports and gateways, whether it be on the West Coast or through the seaway to connect to our world markets. As you may well know of course is that we are an export-dependent province. Seventy per cent of our GDP [gross domestic product] of course is attributable to exports.

Why this is a significant point is, the emphasis that has been placed certainly by our national government with regard to those corridors that go into the United States, the main emphasis right now has been on Highway 39, and there's been certainly some investments on both sides of the border to support that.

We have had discussions with our neighbours to the south regarding their interest in developing outside of the international gateways and corridors piece. We've had certainly some discussions with our neighbours to the south about the port of Estevan and their interest in it. And their priorities, the way we understand it certainly from the Montana side and from the North Dakota side, is Montana has an interest in developing a corridor along Highway No. 6 going south from Regina into their state. I can't recall the actual highway. I think it's Highway 16. Yes. That's correct.

And they certainly have expressed an interest, and we're working with them to develop that opportunity further. As we mentioned in the House earlier, in the committee, there's some significant issues related to some harmonization of commercial-type regulations that need to be addressed before some further advancement on discussions on infrastructure can occur, and certainly we recognize this; so do our neighbours in Montana.

On the other side, on Highway 39 side I think there's some stalling of progress — not so much on our end but on their end. They have . . . it's kind of a zigzagging network of roads on the North Dakota side, the final link to an interstate that goes through their state, going east-west and north-south. So we have to resolve some of those issues before we can really contextualize the kinds of investments we want to make or to at least expand the policy objective of that particular pillar of Transportation For Economic Advantage to address other connections, and so it's a long about way sort of to explain to you. It's certainly an important road into the United States, but at the same time it's outside our present policy objectives under TEA.

Ms. Eagles: — Thank you, sir. Mr. Minister, I do not have any

further questions, and I'll pass it over to my colleagues. But before I do, I do have a comment to make regarding your previous comments. And the last time I checked, you were the minister, and we in opposition were to ask you questions. But you did ask what the Sask Party policy is, and I will tell you what it is. It is my policy and my colleagues' policies to represent our constituents, and that's what I have every intention of doing. So you know, thanks for the lecture, but it is my policy to represent my constituents. Thank you.

Hon. Mr. Lautermilch: — I think that is a great policy, and I think it's a policy that all members of the legislature should have, but it doesn't in any way articulate what a Saskatchewan Party administration might do for and with our highway system. And that was the series of questions that I asked.

And if I've offended the member by asking those questions, I'm sorry, but my constituents are asking what members of the Saskatchewan Party are doing as well, and it's my duty to represent my constituents, and so I ask those questions and so I did. Now I'm disappointed that members of the opposition are taking offence to me asking those questions, but I will continue to ask those questions because I think there're important.

Now Mr. Schmidt, I think, would like to add to some of the response to Highway 47 because there is an agreement with the Saskatchewan Power Corporation who is undertaking some activities along Highway 47. So, Mr. Schmidt, if you would care to share that information with my colleagues, I would appreciate that.

Mr. Schmidt: — Sure. Thank you, Mr. Minister. I can provide a little more detail on the plans for Highway 47 south of Estevan. I think it was two or three years ago that section of highway was relocated and improved to allow SaskPower access to some of the coal reserves under the old highway. So that was upgraded and rebuilt, and the work was done in consultation with a geotechnical consultant, and it was understood and predicted at that time for about five years there would be settlement occurring on the road because the road was constructed on an old mine spill piles.

So for five years the SaskPower is paying for the improvements due to settlements, and it was stage pavement with the first granular raise being done as part of the initial construction. And then at the end of five years, we'll reassess, and SaskPower will be investing in completing the pavement structure once the majority of the settlement has been completed.

The Chair: — Mr. Weekes, or I mean Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair, for recognizing me in committee this afternoon, I guess it is. Minister, I have a number of highways of course in my constituency that I would like to discuss. And I actually went back to last year's notes, and I see that the highways are exactly the same except . . . that I would like to discuss with you. But I've added a couple more.

For many years now a section of Highway 22 between junction of 6 and junction 20, which is between the communities of Southey and Bulyea, has been a perennial problem in my constituency. And I listened very attentively when you were discussing with one of my colleagues the need to turn highways

back to gravel. And that in fact is what you and your department did to a portion of Highway 22 in that area.

And the community of Earl Grey, which is in the middle of that section of highway . . . I have had a number of constituents from that community and area raise the issue of the highway, and they are very upset with that action that your department took in turning that highway back, reverting it back to gravel. And the question they're asking is, is this a temporary action, or is there some longer term plan to bring this highway up to a granular pavement standard? And basically what are the department's plans for that particular section of highway?

Hon. Mr. Lautermilch: — Mr. Chairman, that stretch of highway has not gone unnoticed by the department. I want to assure the member of that. And it's been one of the roadways that have been recognized as regional economic corridor, and it will fall under that policy framework. The policy framework is just in the process now of being finalized. And so the plans for that stretch are to be upgraded, which is why I make the point that, for safety reasons, on occasion a TMS road just won't cut it. It doesn't do it. And you know, we just can't convert them all, which is what I was trying to explain to Ms. Eagles. Even though it's an inconvenience to some communities, for safety reasons sometimes it's better to convert them to a gravel status and, you know, and blade them and grade them and try to maintain a dust-free surface.

We designed a provincial network — both with the provincial system and with municipalities — and we're designing that system so that we can identify areas that require upgrading. And this stretch of road, I can assure you, is part of our proposal to upgrade. And as the policy framework is being finalized, this will be part of that analysis. The officials may be able to be more specific in terms of when they believe that upgrade may take place. I'm not sure if they know at this point. But it's obviously part of the discussion, and it's been recognized as a road that should be upgraded. Perhaps I could just have Mr. Stamatinos respond in more detail.

Mr. Stamatinos: — Thank you, Mr. Minister. What I can tell the member is that we are looking at a situation such as that particular section of Highway 22. There are other similar circumstances across the province. It fits into a suite of projects that we feel need some attention over the life of the TEA. That surface, it does carry a higher level of traffic. A good part of it's now operating as a gravel surface.

And our intention is certainly to — as part of our TEA framework, in particular rural economic corridors — is to finalize a prioritization process that will look at all of these similar roads across the province with the view of seeing an improvement to those roads to a permanent mud-free, dust-free surface. It could be a structured pavement, but in any event it would be mud-free, dust-free, and over the term of TEA which is 10 years.

Mr. Hart: — Did I hear you correctly? The TEA, the planning process and the time frame for action, you're looking at a 10-year period. And to this point in time, you haven't got your list of priorities as far as those types of highways. That priority list will be forthcoming in the not too distant future. Is that a fair summary of the situation with that section of highway?

Mr. Law: — Perhaps to help clarify what the assistant deputy minister was saying, the 10-year time frame is the overall planning framework time frame that's been assigned for the plan as a whole for the province. And this particular category was identified as a unique category within the strategy for some of the TMS upgrading that we needed to do in that time frame. So within the 10 years, there will be a series of roads in this category, which we anticipate as a result of our analysis, that really do require an upgrade.

Now the work could happen as early as next year on this particular section of road. Or it could happen in a later part of the strategy within the 10-year time frame. We have not determined which of these will happen in which years yet because we're actually doing a ranking and prioritization of the different sections of TMS in this category of the strategy that need upgrading. But we will, I think, when we talked about a similar category — and I stand to be correction on this — that we thought we would probably have an initial ranking of some of these, the timing of some of these projects before the end of the current fiscal year.

Being as this is the first year of the program and this being a new category where we actually have some new funds, we're trying to be as efficient and thoughtful about the relationships between how this work gets done and the two other parts of our strategy and how we tie them in.

So it's not that nothing will happen for 10 years; it could be happen very early. But the prioritization process is something that we're currently engaged in right now and will be in a position to talk about more in terms of the exact time frames for the specific sections like this particular one that you're referring to on Highway 22, probably some time later in this fiscal year.

Mr. Hart: — Well thank you for that information. After some seven or eight years of me raising concerns about this particular section of highway, at least up until today in prior years, there really was no plan and the highway just was . . . continued to patch and be patched and deteriorate. And at least now from what you're saying, Mr. Law, that there is at least a plan, and I think that is at least some progress that's being made.

You know, I mean it certainly begs the question as to, you know, why didn't we start this planning process much earlier; those are the suggestions that I made. I certainly realize that as the minister had said earlier that we just can't address all the highways in one or two years.

But that is what the people living and using . . . along those highways and living along those highways have been asking for a great number of years. And you know, they're very understanding. They understand that you can't wave a magic wand and fix everything in a matter of one or two years. But they would have liked to know what the plan is. And so for that part of it, I think they will be somewhat thankful although they certainly have been waiting for a long time. And I'm not so sure they're ready to forgive and those sorts of things.

Particularly the community of Earl Grey — who I know a number of residents have spoken to me in the last couple of days — who feel that they are being neglected and forgotten about because in the last couple of days they've also lost their

school, they said last year we lost our highway. This year we're losing our school. What else are we going to lose? So at least we have a bit of good news for them.

I would, just as I have suggested in other years and I'm sure you, Minister, you and your officials know that there is a . . . Pioneer Grain has a major inland terminal some 5 kilometres off of Highway 6. And they feel that they have invested fairly significant dollars — something in the neighbourhood of \$14 million — and they feel that those 5 kilometres should be given priority. Under current situations, they do not have a primary access to their facility. And I would urge that given that circumstance that section of Highway 22 be given serious consideration for some early action under your new planning process.

I would like to move on, Minister, to another highway in my constituency. It's Highway 310 between Balcarres and Ituna. Back in January of 2006, the department and some of the municipal governments in the area signed a partnership agreement that I have before me. And this partnership agreement calls for upgrading, a resurfacing of Highway 310 between the two communities.

And it also calls for the municipal governments to provide some financial assistance and also provision of some materials in the form of aggregate and also the municipalities foregoing some fees and maintenance payments that normally would be going to a municipality when aggregate haul roads are within their municipal boundaries.

And the question that the officials and the citizens of that area, they're asking, are they going to see any commencement of work on Highway 310? And if so, when and how many kilometres? Because the agreement calls for three to five kilometres of work over 41 kilometres, which could take anywhere between 8 and 14 years — which probably, at least I don't think and many people don't think, is a very efficient way of doing this.

So basically the question is, is there any work planned on Highway 310 for this coming construction season? And if so, when and how many kilometres?

Hon. Mr. Lautermilch: — Mr. Chairman, yes there are plans for Highway 310. This is one of the highways again that has been contemplated under the rural economic corridor policy framework. The plan is that the department plans to rebuild three to four kilometres south of Ituna in this construction season. Aggregate has been stockpiled, and there has been about \$800,000 allocated to it.

I'm told that similar progress, as in the past couple of years, is planned for the next number of years. And it will be upgraded to a dust-free, mud-free surface as part of the regional economic corridor policy framework under transportation for the economy. And again as Mr. Law has explained, it will be prioritized along with other roads.

And I think, you know, just to comment on your thoughts about communities waiting for a long time, probably that is true. And there are a number of reasons for that. We began — and I'm going to take you back to 1996 — we began with around 10,000

kilometres, I'm told, of TMS roads. We have upgraded 2,500 kilometres — 2,500 kilometres — in the last 10 years, and we have done that at a time when we were attempting to pay down provincial debt, as well as lowering personal taxes, lowering corporate taxes. We were still able to complete the upgrade of 2,500 kilometres of those roads. And you know, so I think that is no small feat.

Have we done them all? The answer is no, obviously we haven't. We have 6,100 kilometres of TMS roads in this province. And that's really what we've been discussing in today's round of case work. It's basically that what you've been raising are TMS roads.

And I asked your colleague from Estevan if in fact the Saskatchewan Party has a plan. We've outlined our plan, and you know, I hear what you're saying about your constituents believing that maybe it's not quick enough. So I want to know, are you committing to more dollars for the Department of Highways and Transportation, and if so, how much would you suggest that we commit on an annual basis? If you believe that the \$5 billion isn't enough, perhaps you can tell us what would be enough because those are the questions I think that are important.

So that is my response on Highway 310 and I'm sort of . . . If we're back here again, I'll be waiting for your response on my questions. Perhaps you'll have some time to think it over, and you'll be able to share with us what your plan is.

Mr. Hart: — One more? Okay. Well, Minister, your questions will be answered. We've said for a long time that the first thing that this province needs to do is something that you finally, in the dying days of your government, have undertaken which is an economic analysis in determining which highways need to be repaired. And it's just another one of those ideas that you have taken from us. And we feel so long as the people of the provinces are benefiting, we don't mind you borrowing our ideas.

But very quickly, I'd just like to raise some concerns with Highway 35 between junction 22 and junction 15 which last year your department designated as a nine-month primary weight highway, and yet that highway is under a great deal of stress. Last year there was, particularly on the area south of Leross, there was a fair bit of repair work done, and again this spring it is breaking up again. The people of the area feel that the work in that . . . done last summer wasn't effective. They have a number of questions as to, you know, the amount of dollars being spent on that section of highway and who did the work because they honestly feel that the province didn't receive value for the dollars that were spent.

Hon. Mr. Lautermilch: — Mr. Chair, the member will be pleased to know, I'm sure, that this government — this NDP government — has delivered for spring repair an incremental \$25 millions over and above what was budgeted for last year.

The member will also know that we're dealing with a lot of melted snow and rain. We've got a lot of water around, and a lot of the roads are not in the condition that we can approach them with some repairs. And obviously the high water table and high water levels are creating some difficulties for the

department.

But I think it's fair to say that a commitment of \$25 million to — new money — to the spring repair program is an important recognition by this administration that now that we have some financial freedom that this province hasn't had for many, many years — probably since the 1970s — that we are able to allocate more dollars to the things that people in Saskatchewan need and that people in Saskatchewan desire.

And so how have we done that? We've done that because we've been able to pay down billions of dollars of Grant Devine's debt, a legacy that he left this province, the people of this province, and we've done that because we've been able to ensure that this economy has been growing along with some of the other provinces. And the economy in this province is growing leaps and bounds, and so we're generating more dollars from income tax, personal income tax, business taxes. We're generating more dollars from our resources because the activity out there is unprecedented in the oil and gas sector and in the potash sector and in the uranium sector.

And I have to tell you that I am very proud of being part of an administration that has put this province right side up again. And that's what we've done since 1991. And it's showing in our ability to put more money into our road system. And it may not be quick enough for members of the Saskatchewan Party, but they haven't today . . . And I've asked them over and over again to offer an alternative, and I've heard nothing. I have heard not one word in terms of an alternative to what we're doing in the highways and transportation system. And I find that disappointing, but that's the reality we deal with.

So Mr. Law if you'd care to respond specifically to this highway, I would appreciate it.

Mr. Law: — Thank you, Minister. Just a quick word or two on the response to conditions on Highway 35. Last year the minister referenced the \$25 million of new money we brought in. That was specifically for a spring program that we provided for some response to the emergency conditions we found. And what was new or different about what we tried to do is we introduced some new, more sustainable preservation methodologies and protocols in terms of the repairs that we were bringing to the roads.

We've undertaken to try and do something similar in the assessment of the problem that's in front of us this year. And have included Highway 35 as one of the areas where we recognize the need to bring some of those methodologies to bear this year. So we are still doing the assessment of this and talking about how we will manage it, given some of the preservation funding that's been available to us. But our intent is to try and apply some of the new protocols to result in sort of longer lasting solutions in these areas.

The Chair: — Thank you. That concludes the questions before the committee. The committee will now deal with the estimates which is vote 16 found on page 92, central management and service (HI01) in the amount of \$19,484,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Operation of transportation systems (HI10) in the amount of \$84,374,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Pardon me, three seventy-one, okay. Preservation of transportation system (HI04) in the amount of \$117,724,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — (HI15) in the amount of \$15,900,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — (HI06) in the amount of \$2,315,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — (HI09) in the amount of \$8,500,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Pardon me. There's nothing to vote on (HI09). It'd be machinery and equipment on (HI13) for \$8,500,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Amortization of capital assets is not a votable amount, but it is for information purposes, \$97,575,000.

General Revenue Fund Highways and Transportation Capital Vote 17

Subvote (HC01)

The Chair: — We will now go to vote 17, Highways and Transportation Capital, infrastructure (HC01) in the amount of \$62,552,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — (HC02) in the amount of \$122,753,000, is that agreed?

Some Hon. Members: — Agreed.

General Revenue Fund Lending and Investing Activities Highways and Transportation Vote 145

Subvote (HI01)

The Chair: — Now for those who are following at home, it's page 170, Highways and Transportation vote 145. It's the lending and investment activities section. Loans for short-line railways (HI01) and the amount to be voted is \$1 million. Is that

agreed?

Some Hon. Members: — Agreed.

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

The Chair: — I'll invite a member to move the following resolution:

Be it resolved that there be granted to Her Majesty for the 12 months ending March 31, 2008, the following sums for Highways and Transportation, 248,294,000.

Mr. Trew: — Mr. Chairman, I move that resolution.

The Chair: — Mr. Trew has moved the resolution. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 16 agreed to.]

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

The Chair: — I'll invite a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2008, the following sums under lending and investment activities for Highways and Transportation, \$1,000,000.

Mr. Trew: — Mr. Chairman, I so move.

The Chair: — Mr. Trew moved that resolution. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 145 agreed to.]

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

The Chair: — I'll invite a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2008, the following sums which to the extent that they remain unexpended for the fiscal year are to be granted for the fiscal year ending March 31, 2009, under General Revenue Fund for Highways and Transportation, 185,305,000.

Mr. Trew: — Mr. Chairman, I so move.

The Chair: — Mr. Trew has moved that resolution. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 17 agreed to.]

The Chair: — I believe the members have all been in receipt of the eighth report for the Standing Committee of Intergovernmental Affairs and Infrastructure which will be presented in the House concluding the estimates before this committee. Mr. Trew.

Mr. Trew: — Mr. Chairman, I have a copy of the draft estimates and I move:

That the draft eighth report of the Standing Committee on the Intergovernmental Affairs and Infrastructure be adopted and presented to the Assembly.

I so move.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That, committee members, concludes the business before the committee. I just want to take this opportunity as the Chair of the committee to thank all the members for their participation and their co-operation with the Chair. I think we've had a very enjoyable time on our committee but also a very, very productive time. Mr. Minister.

Hon. Mr. Lautermilch: — Mr. Chairman I want to thank all members of the committee for their diligence and their interest in our transportation system, and I know that we're all now heading home to our constituencies. The 10th is Mother's Day — one more time — and so I hope all members will enjoy that day with their spouses, with their partners. And it's sort of a family time, so it's a good time to be together and wish the mothers of Saskatchewan a great, great year and particular a good Mother's Day. Thanks.

The Chair: — Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. I'd like to thank the minister and his officials for being here to answer our questions. I note the minister has been practising by asking questions during estimates. And if the minister chooses to run and if he gets re-elected, he will be in the official opposition asking the Saskatchewan Party Highways minister and his or her officials many questions.

So I wish everyone a nice weekend and a happy Mother's Day.

The Chair: — Thank you, committee members. With that, the committee now stands adjourned.

[The committee adjourned at 13:38.]