

PROVINCE OF SASKATCHEWAN



11-12

ANNUAL REPORT

MINISTRY OF
HIGHWAYS AND
INFRASTRUCTURE

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Letters of Transmittal



Her Honour, the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of Highways and Infrastructure for the fiscal year ending March 31, 2012.

The 2011-12 Annual Report shows how the Ministry of Highways and Infrastructure supported the Government's direction by working strategically to improve the provincial transportation system with a focus on sustaining economic growth, enhancing motorist safety and achieving organizational excellence.

A handwritten signature in black ink, appearing to read "Don McMorris".

Honourable Don McMorris
Minister of Highways and Infrastructure



The Honourable Don McMorris
Minister of Highways and Infrastructure

I have the honour of submitting the Annual Report for the Ministry of Highways and Infrastructure for the fiscal year ending March 31, 2012.

I acknowledge responsibility for this report and am pleased to provide assurances on the accuracy and reliability of the information contained within it.

This annual report highlights actions that help to ensure this province continues to have a transportation system that relates to economic and social development of Saskatchewan.

A handwritten signature in black ink, appearing to read "Rob Penny".

Rob Penny
Deputy Minister of Highways and Infrastructure

Introduction

This annual report for the Ministry of Highways and Infrastructure presents the Ministry's results on activities and outcomes for the fiscal year ending March 31, 2012. It reports to the public and elected officials on public commitments made and other key accomplishments of the Ministry.

Although a renewed vision and set of goals were introduced as a result of the 2011 provincial election, the 2011-12 Annual Report will be presented in relation to the vision and goals that guided the development of the 2011-12 Plan.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2011-12 Plan.

The report also demonstrates progress made on Government commitments as stated in the *Government Direction for 2011-12: The Saskatchewan Advantage*, the Minister's Mandate letter, throne speeches and other commitments and activities of the Ministry.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

In 2011-12 the Ministry faced many challenges. It began with a snow-filled cold winter of 2010-11 which kept crews busy with a large amount of winter maintenance activity dealing with snow storms that continued into the spring. That snow contributed to a hectic spring with emergency flooding issues. Summer rains causing flooding also contributed to emergency road closures and repairs.

The Ministry's operations and on-road delivery were affected by the exceptional year of high levels of spring run-off that caused extensive flooding and high water tables across a large area of the province. The Ministry received an additional \$59.0 million above its budget estimate to repair provincial highways damaged by flooding and high water levels. Throughout the 2011 construction season more than 120 sections of highway had to be closed at various times due to high water

related issues including damaged pavement, washed out bridges and culverts, landslides and mudslides. Ministry staff worked with stakeholders to ensure safe access to communities, that detours were maintained and flood related repairs were completed efficiently and safely under tight timelines.

Despite the wet spring conditions which slowed many projects, the Ministry was able to deliver 78 km of rural highway upgrades, 329 km of repaving and open 31 km of twinned highway between Saskatoon and Prince Albert. In addition to the flood response and safety projects, the Ministry continued to enhance the network with new growth projects, such as beginning the Trans-Canada Highway 1 and Pinkie Road Interchange, which when completed will help accommodate truck traffic to and from the Global Transportation Hub. The Ministry also opened the new interchange at Lewvan Drive and Highway 1 in Regina.

This year the Ministry had the opportunity to honour those who have lost their lives in service to our country by naming the Trans-Canada Highway between Moose Jaw and Regina as "Saskatchewan's Highway of Heroes". Through the Ministry's commitment to safety it delivered multiple improvements including replacing 20 bridges and 123 culverts.

Throughout 2011-12 the Ministry focused on many improvements to transportation efficiency and safety that are not construction related, including improving the Highway Hotline service by upgrading the internet map and adding cameras, as well as increasing access to hotline information on Facebook and launching a Twitter account. The Ministry continued to work through the New West Partnership to improve transportation harmonization between the western provinces and supported shortline rail providers by providing oversight of the Shortline Railway Sustainability Program and access to the Rail Line Loan Program.

Alignment with Government's Direction

The Ministry's activities in 2011-12 align with Government's vision and three goals:

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

- The Ministry is investing in infrastructure to the benefit of the current economy, as well as investing in infrastructure aligned with the future needs of a growing Saskatchewan.
- The Ministry is committed year-round to providing a safe and secure transportation network that ensures the smooth and expedient movement of people and goods.

Government's Goals

- Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
- The Ministry of Highways and Infrastructure supports this goal through investing in an integrated transportation infrastructure. These initiatives foster growth in the resource sector and social mobility.

- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
- Saskatchewan is provided with a safe and reliable highway system by the Ministry of Highways and Infrastructure through effective maintenance and repaving, rehabilitating bridges and culverts, along with utilizing targeted educational campaigns and enforcement activities for the transportation industry and the public.
- Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.
- The Ministry of Highways and Infrastructure is pursuing partnerships with the federal government, urban communities and rural municipalities in order to maximize support for infrastructure, as well as incorporating best practices to ensure financial and operational transparency and accountability.

Together, all ministries and agencies support the achievement of Government's three goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

Mission Statement

The mission of the Ministry of Highways and Infrastructure is to optimize the role of transportation as it relates to the economic and social development of Saskatchewan.

The Ministry manages and provides for the future development of an integrated provincial transportation system. These infrastructure investments are guided by strategic policy and incorporate operating and maintenance practices which promote the safe and efficient movement of people and goods.

Saskatchewan's road network consists of 26,097 km of highways, including 10,329 km of asphalt concrete pavements, 4,423 km of granular pavements, 5,304 km of thin membrane surface (TMS) highways, 5,762 km of gravel highways and 279 km of ice roads.

In 2011-12, the Ministry had 1,364 employees stationed in 98 Saskatchewan communities. Responsibilities for carrying out the Ministry's mandate are distributed among the Ministry's three divisions and the Communications Branch.

Planning and Policy Division

Planning and Policy Division provides for planning and policy development. It ensures a modern and competitive regulatory framework for transportation that aligns with Saskatchewan's regulatory modernization initiative. It assesses the efficiency of Saskatchewan's transportation network for the development of transportation plans. It also includes technical advice to shortline railways and regulation of provincial railways.

Ministry Services and Standards Division

Ministry Services and Standards Division provides budgeting, programming, forecasting, financial reporting, quality management systems and geographical information systems to the Ministry. This division is responsible for

the information management, performance management, enterprise risk management, and land management.

Ministry Services and Standards Division also facilitates operating the province's highway network by traffic counting operational support services including developing and administering engineering standards and policies for road design, construction management, roadside development, access management, traffic guidance, signing standards, and road safety (e.g. speed limits, access, etc).

Regional Services Division

Through its Regional Services Division, the Ministry is responsible for managing the province's 26,097 km of highways, 783 bridges, over 62,000 culverts including 400 large culverts, 12 ferries and 17 northern airports. This includes delivering preservation and operating programs for these assets. Regional Services Division manages all design and construction activities for preservation and capital projects, as well as operational and maintenance programs.

Preserving the transportation system involves preventative maintenance and management of provincial highways, bridges, airports and ferries. Operating the transportation system includes pavement marking, signing, lighting, mowing, snow and ice control, as well as ferry and airport operations. Related operational services such as traffic engineering, preservation, engineering services, and enforcement of transportation legislation for provincially-owned infrastructure and provincially-regulated shortline railways are also included.

Communications Branch

Communications Branch is responsible for strategic communications, education and awareness programs aimed at promoting public and highway worker safety. The Communications Branch is also responsible for updating the information on the Highway Hotline.

Progress in 2011-12

Government Goal: Economic Growth

Strategy – Contribute to Economic Growth through Investment in an Integrated Strategic Rural Highway System

Key Actions & Results

Through the Rural Highway Strategy (RHS) the Ministry is planning to complete construction on 160 km of rural provincial highways.

- At the end of March 2012, the Ministry had completed 78 km of upgrades through the RHS. The remaining 82 km will be carried over into the 2012-13 construction season which may delay planned 2012-13 projects.
- A very wet spring and wet early summer resulted in a delay or slowdown of most projects.
- Some of the major upgrades completed through the RHS included work on the following:
 - Hwy 13 – West of the Junction of Hwy 19 to West of Hazenmore;
 - Hwy 21 – Leader to 3 km North of the South Saskatchewan River;
 - Hwy 21 – Unity to the Junction of Hwy 40; and
 - Hwy 363 – Courval to Coderre.

In partnership with the Rural Highway Advisory Committee the Ministry will continually review the Rural Highway Strategy weighting and priority factors to ensure the methodology is applied consistently and transparently.

- The Ministry compiled and updated the data for planning the 2012-13 RHS ranking, which includes collecting information on factors that encompass Engineering Economics, Socio-economic Function and Activity Level, Highway Safety Considerations and Provincial Economic Activity and applying it into a weighted average formula.
- The Ministry formed the Rural Highway Advisory Committee to ensure a transparent and fair process for applying the RHS framework. The committee consists of representatives from nine member organizations:
 - Saskatchewan Urban Municipalities Association,
 - Saskatchewan Association of Rural Municipalities,
 - Area Transportation Planning Committees,
 - Saskatchewan Economic Development Association,
 - Saskatchewan Chamber of Commerce,
 - Tourism Saskatchewan,
 - Industry (Forestry, Oil and Gas, Manufacturing & Mining),
 - Enterprise Saskatchewan, and
 - Ministry of Highways and Infrastructure.
- Stakeholders are given an opportunity to directly influence the ranking of highway projects through partnerships or by providing the Rural Highway Advisory Committee with information that may not have been adequately considered in the prioritization factors. The Rural Highway Advisory Committee met on February 17, 2012 with three communities presenting their local economic activity factor.

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Progress in 2011-12

(2010 Mandate Letter)

Together with Saskatchewan Government Insurance, coordinate and facilitate harmonization of trucking and roadway regulations with other jurisdictions.

Continue to support the development of the New West Partnership agreement with respect to transportation harmonization.

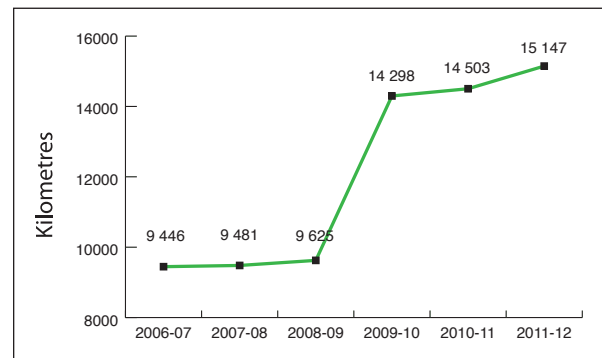
- The Ministry implemented changes to regulation and permit policy effective July 1, 2011 that were achieved through the New West Partnership (NWP) harmonization process. Under the NWP trade agreement, the governments of Alberta, British Columbia and Saskatchewan agreed to have consistent regulations and policies governing the operation of large transport trucks, without compromising safety, allowing trucks to operate more efficiently between provinces.
- The NWP project team formalized the work plan for July 2012 which includes:
 - Harmonizing load markings, signs, and weight and dimension limits for oversize and overweight vehicles used in moving large loads;
 - Updating the Trip Inspection Regulation including increasing the threshold at which the regulation applies;
 - Updating the Security of Loads Regulation including adding an exemption for moving hay or straw bales moved less than 50 km;
 - Consistent enforcement practices for electronic on board recorders and electronic logs;
 - Establishing a common website for carriers operating in the NWP provinces to access information such as regulations, links to permits, links to road conditions, etc;
 - Harmonizing weight and dimension limits for moving hay bales; and
 - Creating a Memorandum of Agreement with the Canadian Association of Oilwell Drilling Contractors (CAODC).

In partnership with SaskPower, continue the development of a high clearance corridor on Highway 15 from Melville to the Alberta border via Highways 4 and 7, including the development of a regulatory framework.

- The high clearance corridor from Melville to the Alberta border, and associated permit fees were introduced into Regulation and Permit Policy July 1, 2011.
- This initiative was put into place to simplify business for shippers and to increase the attractiveness of Saskatchewan's business climate for those companies and industries that ship their goods by truck.
- The corridor along Highways 7 and 15 was chosen due to the high demand for over-height permits on those highways. Previously, shippers would have to work with regulatory authorities to plan a route and arrange for utilities to be raised or cut with each move.
- Work to raise or bury power lines throughout the corridor by SaskPower was completed.
- The Ministry continues to work with affected rural municipalities to formalize bypass routes.

Performance Measure & Results

Cumulative kilometres on the provincial highway system accommodating Primary Weight Truck Haul



Source: Ministry of Highways and Infrastructure, Information Management Branch

This measure aligns with Government's Growth goal and with the Ministry's strategy to contribute to economic growth through investment in an

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Progress in 2011-12

integrated strategic rural highway system. It is a measure of the Ministry's progress towards increasing the amount of primary weight highways in the province. Primary weight expansion is a key component of the Ministry's Rural Highway Strategy and for a competitive provincial economy. At March 31, 2012 there were 15,147 km of primary weight highways in the province, which exceeds the target of 14,663.

Primary weight is a measure of weight per axle and total weight of a truck as determined by a truck's configuration. This measure is subject to change throughout the year depending on multiple issues including construction and maintenance activities, bridge capacity issues, localized flooding or review of the allowable capacity on a highway segment. Risks to achieving an increase in primary weight access include construction delays, contractor staging and issues that result from weather events.

With the expansion of large trucks travelling throughout the province, the Ministry is continually working towards the goal of creating sustainable corridors and an integrated network that provides efficiency to the trucking industry. The consequence of not expanding primary weight access is that there is no efficiency gain in the network for the trucking industry. The ability to haul at primary weights can increase trucking efficiency by 15 per cent to 45 per cent, depending on truck configuration. Enhancing the efficiency of the trucking industry increases Saskatchewan's competitiveness, attractiveness as a place to do business, and creates opportunity for companies to reinvest and grow their activities in Saskatchewan.

On July 1, 2009, Saskatchewan's primary weight highway system increased by approximately 50 per cent. The corridors added to the primary system were identified through an extensive analysis of the secondary weight highway system and most became available for primary weights on a nine-month basis. The Ministry has also increased primary weight access through working with rural municipalities. This involves permitting primary weights or improving smaller segments of provincial highway where they act as a connector to create a primary weight corridor on the rural municipal road network.

Strategy – Invest in New Gateway Transportation Infrastructure to Improve Logistics and Economic Growth

Key Actions & Results

Invest in the third year of the four-year accelerated twinning of Highway 11 by planning to open 45 km of new highway.

- A total of 31 km of new twinned lanes were opened in 2011.
- The paving of 11 km from South of Duck Lake to North of Duck Lake was delayed into 2012, due to contractor staging.
- A 20 km grading project North of Duck Lake to South of Macdowall was completed in preparation for paving in 2012.

Invest in multi-year infrastructure projects such as:

The West Regina Bypass Stage 1 and 2 in support of the Global Transportation Hub including the Highway 1 and Pinkie Road Interchange at Regina;

- The Highway 1 and Pinkie Road Interchange embankment work began, with a planned completion in 2012.
- The construction on the interchange was advanced by three years to respond to the demand. This interchange is planned to be opened by 2013.

Highway 1 and Lewvan Interchange at Regina; and,

- This project improves transportation efficiency through providing safer access to the growing southern region of the City of Regina.
- The interchange opened to traffic on November 24, 2011.
- Remedial bridge, lighting and landscaping work is to be completed in 2012.

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Progress in 2011-12

Yorkton Truck Route supporting industrial growth.

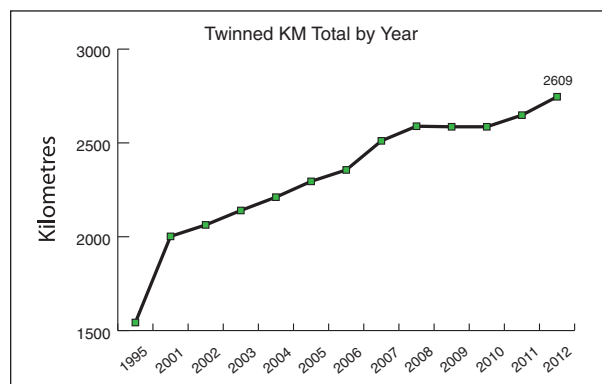
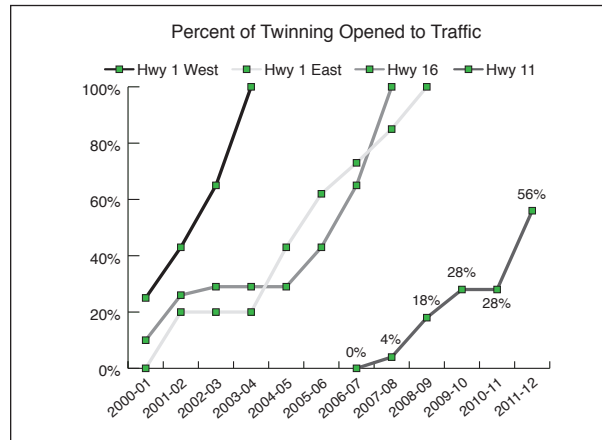
- The Yorkton Truck Bypass is being constructed to support efficient and safe movement of truck traffic to new canola crushing plants west of Yorkton.
- The final portions of this multi-year project were delayed in 2011 due to wet weather, and are now scheduled for completion in 2012.

Improve the safety of traffic flow to accommodate increased population and economic growth on Highway 1 East of Regina.

- East of Regina, Highway 1 serves as the primary access to the city for several bedroom communities in the area.
- The Ministry is taking both immediate and long-term steps to guide development and improve safety along the Highway 1 corridor between Regina and Balgonie.
- The provincial government fast-tracked the immediate recommendations of the Highway 1 East Functional Planning Study which involved extensive consultation from the communities in the area.
- The fast-tracked plan included:
 - Construction of an eastbound (EB) to southbound (SB) right turn ramp from Highway 1 to Highway 48 at White City;
 - Construction of a northbound (NB) to EB right turn ramp from Highway 48 to Highway 1; and,
 - Construction of a westbound (WB) to NB right turn ramp from Highway 1 to Highway 46 at Balgonie.
- The three turning ramps have been tendered and awarded and are scheduled to be completed in 2012.

Performance Measure & Results

Cumulative twinned highway open to traffic



Source: Ministry of Highways and Infrastructure, Corporate Support Branch

These measures align with Government's Growth goal and the Ministry's strategy to invest in new gateway transportation infrastructure to improve logistics and economic growth. They also provide an indicator of progress in delivering Government's twinning commitments. They are significant to the Ministry because twinning initiatives increase mobility and safety on the National Highway System (NHS). In February 2009, the Ministry committed to accelerating the twinning on Highway 11 to be completed in four years (at the end of the 2012-13 construction season). The consequence to not opening this twinned highway on time is the delay of efficiency and safety gains, as well as the delay of other projects that the contractor may have in its work queue.

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Progress in 2011-12

The Ministry has a high level of influence over this performance measure because it is responsible to develop a plan for corridors that fit the criteria for twinning. Due to the large cost in twinning a highway, the Ministry has typically accomplished projects that have federal cost-sharing agreements associated.

When a portion of twinning opens to traffic, it contributes to the cumulative percentage open for that corridor. The performance measure is calculated by dividing the cumulative length opened for traffic for each corridor by length to be completed for each corridor. When the twinning on a corridor is completed, its cumulative percentage opened to traffic is 100 per cent. The twinned highway total is calculated in lane kilometres, meaning that traffic in both directions is counted towards the total.

The twinning of Highway 11 is an important Gateway Corridors project. Gateway Corridors improve transportation infrastructure that result in increased productivity by reducing congestion and delays as well as connecting the province to national and international economies and markets. Major risks to opening twinned highways to traffic include weather delays and contractor staging/progress. For example, in 2010 Highway 11 had significant grading of the roadbed accomplished, however weather and contractor staging did not allow a final pave to be accomplished on the work, and lanes were not officially opened. The Highway 11 twinning target of 64 per cent complete, or completing 2,664 km of twinned highways, was not achieved in the 2011 season.

Twinning of Highway 11 positions this corridor as the province's gateway to the North. For a map of the NHS please see www.highways.gov.sk.ca/sask-maps.

Strategy – Partner with Interested Urban Municipalities to Assist with Mobility of People and Goods through Urban Communities

Key Actions & Results

Through the Urban Highway Connector Program:

Complete the Urban Highway Connector Program (UHCP) policy and program review including assessing its recommendations and in consultation with stakeholders, adjusting the program to ensure it offers consistent and equitable benefits to urban municipalities.

- The Urban Highway Connector policy recognizes that the province's urban communities play an important role in the provincial economy as generators of economic activity. Urban communities serve as key collection points where manufactured goods are warehoused and shipped by truck or rail to and from gateway ports.
- The policy provides a framework for funding urban highway connectors based on the provincial interest and is built on several guiding principles:
 - Equitable treatment of all urban municipalities;
 - Transparent and consistent policy framework;
 - Reduced traffic congestion in and around urban centres;
 - Enhanced traffic safety in urban areas;
 - Improved corridor continuity and level of service on urban connectors;
 - Enhanced planning to meet future transportation demand; and
 - Targeted resources to maximize benefits for the provincial economy.

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Progress in 2011-12

- In 2011-12 the Ministry undertook a comprehensive review of the UHCP. Phase I of the review involved a detailed look at the program and included extensive consultation with urban municipalities. The Policy Review Phase I can be found online at: <http://www.highways.gov.sk.ca/uhcp/>
- Phase II of the review which will include key changes to the policy is near completion. The policy change options have been discussed with the Saskatchewan Urban Municipalities Association Transportation Sub-Committee.

The Ministry will improve the safe and efficient movement of people and goods to enhance traffic flow through urban municipalities on urban highway connectors by contributing to:

Design work for future projects in member communities;

- Through the UHCP, the Ministry recognizes the requirement for good community and transportation planning. Examples of transportation studies that would be cost-shared through the UHCP include:
 - Transportation master plans,
 - Functional planning studies,
 - Safety enhancement studies, and
 - Traffic demand management studies.
- Transportation planning assists urban municipalities with future plans in operating, maintaining, and upgrading an efficient and safe transportation system, focusing on future development.

- In 2011-12, the Ministry contributed approximately \$300,000 towards design work and planning for future projects such as:
 - Providing funding for the Yorkton Transportation Master Plan;
 - Coordinating with Swift Current to continue work on their Transportation Master Plan using funding granted in 2010-11;
 - Approving funding for a geotechnical study for Poundmaker Trail at North Battleford; and
 - Contributing to a Highway 47 connector design in Estevan.

Rehabilitation and capital projects in the member communities that improve traffic flow and safety; and,

- In 2011-12, approximately \$4.1 million was paid to communities for capital enhancements and rehabilitation projects.
- In 2011-12, Prince Albert became a UHCP member. Under the UHCP, the Province approved funding 100 per cent of the cost to repair the Diefenbaker Bridge over the North Saskatchewan River in Prince Albert.
- In 2011-12 the Ministry contributed funding to the 44th Street Highway 16 Connector project in Lloydminster.

Routine operations and maintenance grants to member communities.

- In 2011-12, approximately \$2.9 million was paid to communities for operations and maintenance grants.
- Interim changes to the operations and maintenance grant were approved and agreement amendments were sent to the member communities. All required amendments were signed by the affected communities. Six of the twenty-three member communities did not require amendments.

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Progress in 2011-12

Strategy – Develop Transportation Infrastructure in Northern Saskatchewan to Foster Growth in the Resource Sector and Promote Social Mobility

Key Actions & Results

Continue the Ministry's commitment to the North by investing \$50.3 million in operations, maintenance, and construction of northern roads and airports, including continuing to upgrade Highway 155 with 15 km of paving.

- In 2011-12, the Ministry spent \$45.8 million in the North. The 2011-12 investment is less than the planned investment of \$50.3 million due to a \$5.1 million reduction in the major capital projects completed and a \$4.2 million reduction in major preservation projects completed. Offsetting these two reductions was an additional \$4.9 million spent in the area of operations and maintenance.
 - The \$5.1 million for major capital projects primarily consists of bridge work that will be carried over into 2012-13;
 - The \$4.2 million for repaving includes carryover of resurfacing on Highway 2: North of Two Forks River to South of Montreal River Bridge and South of the Potato Lake Access; and
 - The additional \$4.9 million for operations and maintenance includes funding for winter maintenance and flooding repairs.
- Capital works completed in 2011-12 include:
 - Grading a four km portion of the Wollaston Lake Access, and
 - 15 km of paving on Highway 155 northwest of Beauval

Continue work on developing an Athabasca Basin Roads Partnership mechanism to expedite highway construction into remote isolated northern communities and complete a year-round link for the uranium industry.

- The Ministry supports providing improved transportation into Northern Saskatchewan to provide social and economic linkages that have the possibility of creating many benefits for Northern people and industries.

Strategy – Invest in Multi-Modal Infrastructure

Key Actions & Results

Support community airports through the Community Airport Partnership (CAP) Program which results in a \$1.4 million investment in community airport improvements.

- In 2011-12 the Ministry increased its investment from \$500,000 to \$700,000 in the CAP program. Including matching funds from the applicants, this investment meant a possible \$1.4 million would be invested in community airports as a result of the program.
- Eleven eligible community airports were approved to share the \$700,000 through the application process.
 - Estevan, \$108,257, to repair runway cracks and pave aprons;
 - RM of Frontier, \$24,000, to rehabilitate runway and tarmac;
 - Kindersley, \$5,266, to seal apron cracks;
 - Kipling, \$31,000, to seal runway cracks;
 - Maple Creek \$22,532, to install a global positioning system;
 - Moose Jaw, \$12,683, to seal runway cracks, upgrade apron and taxiway lighting;

(continued)

Progress in 2011-12

- North Battleford, \$24,209, for major crack repairs;
- Rosetown, \$42,882, to install runway lighting;
- Shaunavon, \$24,599 for an Automated Weather Observing System;
- Weyburn, \$198,075, to recap part of one runway and to completely recap main runway; and
- Yorkton, \$189,286, for runway and taxiway repairs, runway lighting and drainage rehabilitation.
- By March 30, 2012 all 11 projects were completed and invoices submitted. In total, \$682,789 of the budgeted amount of \$700,000 (98 per cent) was allocated contributing to over \$1,360,000 invested on airport projects.

Repave the runway at the Hudson Bay airport in order to ensure its viability as a transportation link for the local economic system and emergency safety including use as a landing strip for forest fire fighting aircraft.

- The planned rehabilitations at the Hudson Bay airport were completed. Construction included preparing and then repaving the main 1,524-metre long by 30-metre wide runway, three taxiways and two aprons. A smaller secondary runway was also decommissioned with part of it being used to extend a taxiway to allow access to the main runway. The airport's runway is now better able to accommodate various aircraft, such as two types used by the province to fight forest fires: the Convair 580 land-based aircraft that carry fire suppressant retardant and the Turbo Aero Commanders (called Bird Dogs) used to direct the operation of air tankers.

(2010 Mandate Letter)

Support the development of shortline railways in Saskatchewan through programs like the Shortline Railway Sustainability Program.

- In 2011-12, provincial funding for the Shortline Railway Sustainability Program was increased to \$700,000. In 2011-12 the provincial funding for the program was provided by the Ministry to the Saskatchewan Grain Car Corporation to administer to the shortline companies.

- As determined through the application process, the 2011-12 eligible shortlines and their provincial grant approval amounts were:

- Southern Rails Co-operative based out of Avonlea, \$40,000;
- Carlton Trail Railway based out of Prince Albert, \$81,778;
- Red Coat Road and Rail based out of Viceroy, \$51,111;
- Great Western Railway based out of Shaunavon, \$220,445;
- Thunder Rail based out of Arborfield, \$40,000;
- Wheatland Rail based out of Cudworth, \$40,000;
- Fife Lake Railway based out of Coronach, \$43,111;
- Torch River Rail based out of Choiceland, \$40,000;
- Great Sandhills Railway based out of Leader, \$83,111; and
- Last Mountain Railway based out of Regina, \$60,444.

- Throughout the year, the Ministry's Rail Services branch worked with stakeholders and shortline companies to advance loans through the Railway Line Loan Program, which supports the development of new shortline rail track in the province. The Ministry processed one loan through the program in 2011-12 to Long Creek Railroad for their railway purchase and startup.

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Progress in 2011-12

Government Goal: Securing Saskatchewan

Strategy – Provide Effective Maintenance and Rehabilitation on Bridges and Culverts to Contribute to Public Safety.

Key Actions & Results

Continue with the Ministry's Bridge and Culvert Strategy through:

Replacement of 20 bridges through priorities determined through the Bridge Inspection Program, including three bridges that will be replaced with culverts;

- In 2011-12 the Ministry completed 20 replacements. This is comprised of 17 bridge replacements and three culvert replacing bridges. Some of the 20 replacements were:
 - Hwy 1 – Bridge Replacement over Rush Lake Creek;
 - Hwy 2 – Culvert Replacing Bridge at Poplar River;
 - Hwy 2 – Culvert Replacing Bridge just north of the US border;
 - Hwy 4 – Bridge Replacement between Jackfish Lake & Murray Lake; and
 - Hwy 36 – Culvert Replacing Bridge at East Poplar River.

Major rehabilitation on five bridges;

- As of March 31, 2012 the Ministry had completed two bridge rehabilitations; three were not complete, however of the three that were not complete, substantial work has been done on two bridge rehabilitations. The remaining work on the three rehabilitations will be completed in the 2012-13 construction season. The reason these bridge rehabilitations were not complete is due to cost increases.

- The effect of not completing these rehabilitations is an increased risk for bridge closure, weight restrictions or emergency bridge repairs being required and may result in the rehabilitations becoming more expensive.
- The two completed bridge rehabilitations were:
 - Hwy 14 over Eagle Creek; and
 - Hwy 35 over Jewel Creek.

Providing the replacement or rehabilitation of aging culvert and wood box drainage structures;

- As of March 31, 2012 the Ministry had completed the replacement of a total of 123 culverts, of which 104 were flood related and the remaining 19 were non-flood related.
- The Ministry aims to replace aging or damaged culverts and wood box drainage structures that are beyond their life cycle to ensure public safety on the highway system. Poor condition culverts can lead to failures in the road surface due to saturation of the road base or the collapse and caving in of a culvert in the driving lane.

Annually inspecting 50 per cent of the bridge inventory that is identified as requiring an inspection every two years through the bridge inspection strategy; and,

- As of March 31, 2012 the Ministry had inspected 353 bridges, which represents 45 per cent of the total inventory of 783 bridges. The remaining five per cent of the bridge inspection will be completed in 2012-13.
- High water levels in Southern Saskatchewan delayed inspections which resulted in the inability to meet the 50 per cent target.

The continued development of a Culvert Management Strategy that will assist in ensuring that aging highway infrastructure assets remain safe through an inspection program, prioritized replacement, and prioritized mid-life treatments that extend existing culvert life.

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Progress in 2011-12

- The planned development of a Culvert Management Strategy has been delayed due to the severe flooding that occurred in 2011 and a change in staff responsible for the strategy development.
- With over 62,000 culverts on the network, creating a proactive replacement and rehabilitation strategy is very difficult. Information that was previously collected for sample size condition rating criteria has been deemed inaccurate due to the severe flooding of 2011, and new inspections will be necessary. The culvert inspection program will be redirected at repeat inspections on poor condition, high risk culverts in areas of the province that have had recent flooding and high water flows.
- The current strategy that replaces culverts that are no longer serviceable in order to maintain road safety will continue in the interim.

Continue the replacement of the St. Louis Bridge.

- Construction on the bridge began in January 2011. Over the course of the year, earthwork and concrete work was completed for the north and south abutments and the bridge's piers were completed.
- The replacement of the St. Louis Bridge includes replacing the almost 100-year old bridge as well as connecting roads from the new bridge to Highway 2. The highway south of the bridge will continue for a distance of approximately 10.5 km connecting up with Highway 2 immediately south of Hoey. The road north of the bridge will connect to the existing highway about three km from the new bridge.
- A delay in the delivery of steel girders has pushed back the project's estimated completion time from the fall of 2012 to the fall of 2013. The Ministry reviewed alternatives and the cost associated to erect steel girders without ice, and with no assurance that the original 2012 project deadline could be met. The risk was too significant and the choice to delay the project one year although not ideal, proved to be the best option.

Strategy – Support Public Safety and System Stewardship through Effective Construction, Maintenance and Repaving

Key Actions & Results

Repave 400 km of paved highway on the provincial highway system to enhance road safety and contribute to economic growth.

- A very wet spring and wet early summer resulted in a delay or slowdown of most planned repaving projects. Despite these conditions the Ministry was still able to complete 329 km of repaving. The result of not completing the 400 km will be delaying planned projects for 2012-13 construction season.
- Some of the major repaving projects completed include:
 - Hwy 6 – 17 km North of Southey to Reindeer Lake Access – 21 km of work;
 - Hwy 9 – Junction of Hwy 15 to 19.05 km – 19 km of work;
 - Hwy 18 – East of Frobisher to Bienfait – 33 km of work;
 - Hwy 35 – North of Hwy 49 to West of Archerwill – 24 km of work; and
 - Hwy 41 – East of Yellow Creek to East of the junction of Hwy 20 – 13 km of work.

Deliver projects through the Safety Improvement Program to reduce the number and severity of collisions on the road.

- The Safety Improvement Program is utilized to fund minor improvements such as guard rail installations, crosswalks, delineation lights and turning lanes.
- In 2011-12 the Ministry completed 28 projects for a total 2011-12 expenditure of \$2.7 million through the program.

(continued)

Progress in 2011-12

- Some of the Safety Improvement projects completed include:
 - Hwy 6 – Multiple safety improvements north of Regina including an acceleration lane, lighting and turning lanes;
 - Hwy 7 – Right turn lane at Fiske; and
 - Hwy 21 – Deer fence and warning lights near Chesterfield Bridge.

Deliver the traffic safety pavement marking program by completing 20,739 km of centreline marking and 27,047 km of edgeline markings on the surfaced system.

- Pavement marking consists of the marking of centre lines, edge lines, lane lines, intersection layouts and pavement signs. These markings provide delineation of traveled ways and direction, denoting safe passing zones and lanes to be used for turning movements. The Ministry aims to paint these lines on an annual basis to ensure that traffic delineation is visible to provide a safe directional flow of traffic.
- This fiscal year the Ministry met or exceeded the annual target by completing 20,738 km of centerline and 29,761 km of edgeline marking.

(2010 Mandate Letter)

Continue work on quality improvement and innovation in highway design, construction and maintenance.

- In 2011-12, the Ministry continued to move the Ministry's Technical Innovation Strategy forward alongside the Saskatchewan Centre of Excellence in Transportation and Infrastructure (SCETI).
- The Ministry is continually looking for improvements in project delivery. Two examples of improvements being explored are Hot-In-Place and warm asphalt delivery. Research on potential projects for these application types are ongoing, and when tested and proven for Saskatchewan roads the Ministry hopes they will contribute to the "toolbox" of techniques utilized by the Ministry to deliver its surface preservation and repaving programs.

Implement the Rural Highway Strategy's Basic Safe Access program to guide investments that ensure a minimum level of service and safety exists on the rural highway network operated by the Ministry.

- This funding is targeted on highways not funded under the Rural Highway Strategy within the next five years.
- In 2011-12, the Ministry completed a seven km thin base overlay project on Highway 363 at Courval, and a four km thin base overlay project on Highway 13 at Scotsguard.

Support winter maintenance services through the Night Rider program by providing overnight winter road surveillance and minor winter maintenance on high volume highways around and to major urban centres.

- The program commenced November 1, 2011 and ran until March 31, 2012 as per the Maintenance Practices and Procedures Manual.
- Night Riders travel routes up to 500 km long throughout the night to report and treat conditions on the most heavily travelled highways. The cumulative distance travelled through the Night Rider program in 2011-12 was 254,650 km. That is almost 51,000 km per month of overnight and early morning inspections ensuring that highways are receiving proper maintenance treatments to provide safe access to and from major urban centres.

Performance Measure & Results

Per cent of National Highway System in "Good" Condition

2011	2010	2009	2008	2007
96%	97%	94%	94%	94%

Source: Ministry of Highways and Infrastructure, Technical Standards Branch

This measure aligns with Government's Security goal and the Ministry's strategy to support public safety and system stewardship through effective construction, maintenance and repaving.

(continued)

Progress in 2011-12

The Ministry uses a combined measurement of the road's rutting and ride to determine the condition of the road pavement on the National Highway System (NHS). On pavements rated "good", the road user would experience a smooth and comfortable ride with minimal ponded water in the wheel paths. Factors like contractor progress, fluctuating input costs and the length of the construction season are outside the Ministry's control, but influence the results of this measure.

As measured in the fall of 2011, the NHS had 96 per cent of its total 3,872 km in "good" condition. Approximately 135 km of the NHS was repaved in 2010 through the federal government's Infrastructure Stimulus Fund (ISF). That additional repaving significantly contributes to the percentage "good" increase witnessed between the measurements in 2009 and 2010.

The goal of the Ministry is to maintain the high condition rating at or above 94 per cent of the NHS with the possibility of increasing the percentage "good" over time. As the NHS began with a high percentage in "good" condition it is difficult to increase this result. It is accomplished through medium treatments such as micro surfacing and overlays accomplished through the preservation program, as well as repaving. The size of the NHS and the increase in the lane kilometres due to twinning are balanced by the work accomplished by the preservation program to maintain the status quo. Risk factors such as contractor progress, fluctuating input costs and the length of the construction season are outside the Ministry's control, but influence the results of this measure.

This measure is significant to the Ministry as it shows the results of an effective maintenance and repaving program. A properly maintained highway system enhances public safety and ensures that the transportation system supports a fully functioning economy. The NHS is the backbone of Saskatchewan's road network. This system is critical to the province's economic prosperity in providing for the safe and efficient movement of goods and services from and through our province. If this measure were to significantly decrease, the attractiveness of the province as a place to visit and do business would be diminished.

Strategy – Ensure Safety and Ongoing Performance of the Transportation System, as well as Employee and Public Safety, through Targeted Educational Campaigns and Enforcement Activities

Key Actions & Results

Continue to participate in "Road Check" and "Operation Air Brake" annual international safety inspection events and plan strategic enforcement activities to reduce commercial vehicle safety issues and regulatory non-compliance.

- Saskatchewan participates in Road Check on an annual basis. It is a 72-hour concentrated safety inspection blitz held across Canada. Road Check has both enforcement and awareness benefits. As well as detecting unsafe vehicles and drivers, it provides an opportunity to educate the motor carrier industry and the public as to the importance of safety in large vehicles.
- In the 2011-12 fiscal year, Road Check was held from June 7 to June 9 at the Swift Current scale and at the Macklin Scale (with Alberta). During Road Check, 513 trucks were inspected with 93 vehicles and 15 drivers being removed from the road for either serious safety defects or for being in violation of the legislation within an Act or its regulation.
- Operation Air Brake was held at the Melfort, Langham and Moosomin scales on May 5, 2011. During the Brake Check, 174 trucks were checked for brake defects with 15 being taken out of service for serious air brake defects. Out of adjustment air brakes reduce the braking capacity for large vehicles and further inhibit their stopping distance, which under ideal conditions is already twice as far as that for cars and other smaller vehicles. This increases the risk to other users of the road and the driver of the vehicle itself.

(continued)

Progress in 2011-12

Provide reliable Highway Hotline services with less than 10-hours of downtime between November 1st and April 1st.

- The 2010-11 phone-line program ran until May 30, 2011 to offer increased service during the spring flooding. That is beyond its planned 2010-11 cutoff of April 1.
- The Highway Hotline began its normal 2011-12 winter operation on November 1st, 2011. It did not have any downtime in the 2011-12 season.

Continue to improve the accessibility and quality of information for travellers by increasing the Ministry's Road Information delivery capabilities.

- In 2011-12, many communications channels were added to the existing methods of telephone and internet access including using Twitter to announce changes in severe highway conditions. These additions were made to harness the power of social media tools as a means to get important information to motorists.
- On December 7, 2011, the Highway Hotline launched an upgraded internet map that allows motorists to see road conditions from four cameras and to customize the information they want.
- On February 29, 2012, the Ministry of Highways and Infrastructure (MHI) announced that Saskatoon-based Ridsdale Transport Ltd. had partnered with MHI to provide road condition information on 12 of their Saskatchewan routes, between the hours of 8 p.m. to 8 a.m.
- On March 19, 2012, MHI had three upgrades to its communication services: a mobile website for Smartphones, a web feed that lets motorists pick the highways and ferries they want to know about and have information updates sent directly to their computers, and a YouTube channel that will be used to complement content on the Highway Hotline page on Facebook and the Ministry's website.

Conduct Snow Zone and Orange Zone public information campaigns.

- The Orange Zone and Snow Zone campaigns were on target this year, with the Orange Zone launching in May and the Snow Zone launching in November.
- Both campaigns use a variety of advertising and earned media outreach tools to successfully target motorists who travel Saskatchewan Highways.
- There are around 300 snow plow trucks working in 85 maintenance sections throughout the province, on the road before, during and after storms. Blading snow off the road creates a "mini blizzard" next to and behind the snow plow, especially in windy conditions. This is referred to as the "Snow Zone".
- The 2011-12 Snow Zone advertising campaign reminded drivers to be aware of the mini-blizzard behind a snow plow, and to slow down to remain safe.
- The Orange Zone advertising campaign is utilized to remind drivers to be aware and slow down to 60 km/hour when passing by highway workers and working equipment. An Orange Zone is indicated by signs that denote highway construction ahead.
- In 2011-12, the Ministry introduced a new Orange Zone sign intended to improve safety by making it clearer to drivers when they need to slow down. The new sign has a black and white "MAXIMUM 60" top portion and black and orange "PASSING WORKER" bottom portion. It is anticipated that the combination of regulatory and work zone colors will reduce driver confusion and ultimately slow traffic down where it needs to slow down.

(continued)

Progress in 2011-12

Deliver the Ministry's Operational Health and Safety training programs, site inspections and workplace audits.

- The Ministry values the safety of its employees, employees of contractors and the general public. As part of the provincial government the Ministry has an obligation to work towards reducing incidents and meeting the goals of the Mission: Zero campaign. The Ministry employs Occupational Health and Safety (OHS) staff in each of its Regional Services Division Branches and a consultant at the Technical Standards Branch main office. It is the duty of the OHS employees to offer and support safety training programs, inspect Ministry and contractor worksites and ensure compliance with health and safety requirements in order to reduce the possibility of incidents. In accordance with their duties, the OHS staff accomplished:

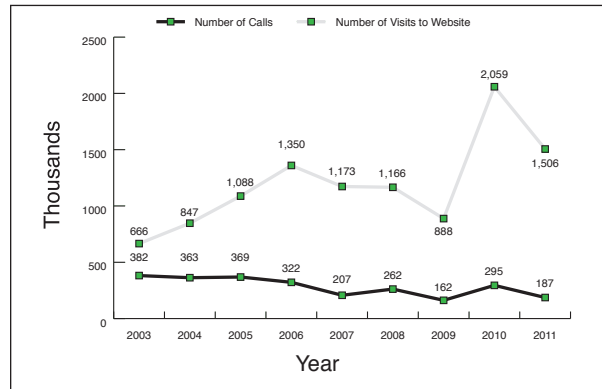
- 213 new hire orientations;
- 114 site inspections; and,
- 76 work zone audits.

Implement the Ministry's three-year plan to complete the recommendations of the Occupational Health and Safety Review.

- In 2009, as part of its commitment to worker safety, the Ministry employed a consultant to review its OHS activities and make recommendations on how the Ministry can increase workplace safety. The recommendations of this consultant report were reviewed by the Ministry and the Ministry has endeavored to accomplish as many recommendations as are feasible.
- As of March 31, 2012 seventy-four of the ninety-three recommendations have been completed or advanced to various stages of completion. The remaining 19 recommendations will be part of the continuous OHS review to be considered for implementation in the next fiscal year.

Performance Measure & Results

Calls and Hits to the Highway Hotline



Source: Ministry of Highways and Infrastructure, Road Information Services

The Highway Hotline services are connected to Government's Security goal and the Ministry's strategy to ensure safety and ongoing performance of the transportation system. The Highway Hotline is an important service with a mandate to provide information to the travelling public, business, industry, and the rural sector as it relates to the transportation system. The information provided most frequently applies to highway driving conditions, both summer and winter. Other information, such as weight restrictions, ferry and ice road information and clearances of bridges and structures is also available. With this information, highway users can make informed decisions on travel, resulting in safer travel and reduced accident and injury rates.

The Ministry provides a telephone service, as well as an interactive web site that provides maps, facilitates highway queries, and links to other jurisdictions' travel advisory information. In 2011-12 the Ministry added multiple new access points to the Hotline including utilizing Twitter.

The Ministry's goal is to provide up to date accurate information with no down-time, thus allowing all inquiries to be handled. The inquiry types of calls and hits are indicators of public

(continued)

Progress in 2011-12

awareness of this service. By increasing public awareness of highway conditions, highway users can make informed decisions on travel, resulting in safer travel with fewer accidents and lower injury rates. However, this measure is subject to the amount and severity of extreme weather events in the province, with more hits and calls occurring during stormy conditions.

In 2011-12, the Highway Hotline handled 1,692,920 inquiries, which represents a decrease over the previous year's total of 2,354,235 inquiries by approximately 28 per cent. Fluctuations from year to year are expected, and the 2011-12 decrease in inquiries can be attributed to a winter with less than normal snowfall accumulation and winter storm events.

To visit the Highway Hotline website please go to: www.highways.gov.sk.ca/road-conditions/

Government Goal: Keeping Promises

Pursue Partnerships with the Federal Government to Maximize Support for Infrastructure

Key Actions & Results

Lead strategic coordination and administration of the federal government's Building Canada Plan Infrastructure Framework and Economic Action Plan.

Building Canada Plan – Gateways and Border Crossing Fund (GBCF)

- The Ministry has prepared a business case for the GBCF to reflect a revised delivery schedule for the West Regina Bypass (WRB).
- The Ministry is amending the 2009-10 and 2010-11 Provincial/Territorial Base Funding capital submissions to reflect project changes requested by funding partners.

Building Canada Plan – Major Infrastructure Component (MIC)

- The Ministry continues to work towards ensuring all available MIC funding is captured by the Province. This includes the reallocation of any savings on previously approved projects being funded through this program to other eligible MIC projects.

The Saskatchewan Infrastructure Plan (SIP)

- The Ministry is in the final stages of preparing the SIP. The Ministry is consulting with other ministries and Crown corporations to prepare the updated plan. The submission deadline to the federal government was extended from February 29, 2012 to May 18, 2012.

Economic Action Plan – Infrastructure Stimulus Fund (ISF)

- The Ministry successfully negotiated amendments to the ISF agreement. The agreement was signed on January 20, 2012.
- The Ministry continues to work cooperatively with the federal government through the final and audit phases of the ISF. Final claims were completed by January 31, 2012 for extended projects. Three incomplete projects have been granted an extension beyond the January 31, 2012 date. Progress reports regarding the three incomplete projects were completed by March 31, 2012.

Long Term Infrastructure Plan

- The Ministry has initiated the beginning of the work for the next long term infrastructure plan with the federal government. As a first step the Ministry, in collaboration with Infrastructure Canada and Municipal Affairs, prepared a brochure highlighting the accomplishments under the Economic Action Plan and Building Canada Plan infrastructure programs. Public release of the brochure is anticipated this spring.

(continued)

Progress in 2011-12

The Ministry will be generating approximately \$57.9 million in revenue for the Province from the Ministry of Highways and Infrastructure's agreements with the federal government in 2011-12.

- The Ministry generated \$55.2 million in federal revenue which is \$2.7 million less than expected due to project deferrals on the West Regina Bypass and Highway 1 interchange, as well as poor weather.

On behalf of the Province, lead the strategic policy development and coordination at inter-jurisdictional and bilateral forums to promote strong federal and provincial relations.

- The Ministry prepared background documents for Canada's transportation vision and completed the Saskatchewan submission on the cost of capital.
- Multiple provincial elections, resulting in fewer forums and meetings impacted progress on this action in 2011-12.

(2010 Mandate Letter)

Continue negotiations with the federal government for infrastructure investment including road projects supporting economic development in the North.

- The Ministry participated in a joint study with Enterprise Saskatchewan, and the Saskatchewan Aviation Council on the value and contribution of aviation in Saskatchewan including Northern airports. The Ministry anticipates the results of this study will be used to gain knowledge and insight into the value contribution and importance of aviation to the economy of Saskatchewan. The joint study is anticipated to be complete in early 2012.

Strategy – Incorporate Business and Industry Best Practices to Ensure Financial and Operation Transparency and Accountability

Key Actions & Results

Contribute to innovation by supporting infrastructure research and professional development through the Saskatchewan Centre of Excellence for Transportation and Infrastructure.

- The Ministry has been partnering with the Saskatchewan Centre of Excellence for Transportation and Infrastructure (SCETI) to offer technical training to Ministry staff, the consulting community and students. These training seminars have been well received and have helped in raising the profile of SCETI within the province and across Canada as a scientific hub. SCETI will continue to be called upon to participate in proposal evaluations and for scientific input and it continues to sponsor university graduate students' scientific research projects.
- In 2011-12, training on asset management, a surfacing design course and construction specifications seminars were delivered.

Release an updated rolling five-year capital plan to assist communities, industry, and road builders plan their growth and investment decisions.

- The Ministry released a rolling five-year plan on June 30, 2010 to assist stakeholders with investment decisions. In 2011-12, the Ministry released two tender schedules that committed the province to multiple enhancements and rehabilitation upgrades over the coming years. The Ministry also committed funding to multi-year capital projects through budget day releases that highlight improvements the Government will make over its upcoming term.

(continued)

Progress in 2011-12

Strategy – Improve the Effectiveness and Efficiency of the Ministry’s Programs and Services so as to Ensure the Best Use of Public Funds

Key Actions & Results

(2010 Mandate Letter)

Review the entire Ministry to ensure value for money.

Utilize Risk Management to ensure that the Ministry is targeting the correct issues that will assist in maintaining accountability and timely and cost effective project and program delivery.

- Twelve risks were identified with the top four being monitored for 2011-12. The top four risks were:
 1. Preservation and Maintenance/Climate Change Adaptability
 2. Transition to New Organization
 3. Long Term Direction
 4. Talent Management

Utilize Quality Management and Lean practices to streamline Ministry processes and provide effective programs in the most efficient manner.

- The Ministry is working towards an Enterprise Management System (EntMS) that will integrate quality, environmental and occupational and health management standards. A Quality Management System (QMS) based on ISO 9001:2008 will be the first system to be implemented and will form the foundation on which the other systems will be based. When fully developed, the QMS will create a more effective, efficient and accountable environment that will contribute to the success of the strategic goals of the Ministry.

- The Ministry began using Lean in 2008 in its Fleet Services and has since expanded its use across the Ministry as part of the provincial government initiative that began in 2010. It is a business philosophy based on the goals of eliminating waste and improving flow. The end goals are creating value for the customer and increasing the operational capacity of the program/organization.
- In 2011-12 six Lean events completed their Continuous Improvement Plan: Bridge Permit, Signing, Pavement Marking, and three Fleet/Operations events (Radisson, Kenaston and Moose Jaw).
- Other Lean initiatives include:
 - A Ministerial Referral Lean event took place December 13, 2011. A Continuous Improvement Plan and a Kaizen event were held to deal with a “Fast Track” solution.
 - A Lean event was held for the Contract Administration Group and this resulted in implementing efficiency savings of approximately \$145,000 per year.

2011-12 Financial Overview

In 2011-12, the Ministry received \$270.9 million for Vote 16 and \$285.3 million for Vote 17 for a total of \$556.2 million.

In Vote 17, the Ministry can carry funding for projects not completed over to the next fiscal year. The Ministry's budget to actual expenditure variance is considered "work in progress" as these funds are required for project completion. The Ministry began 2011-12 with \$285.3 million in new funding and had \$58.1 million of work in progress from previous years. Work in progress is a result of having a multi-year capital plan for major projects. This benefits the Ministry by allowing contractors to plan well in advance and secure workers and equipment which leads to better pricing from the industry and results in a confident industry environment that leads to capacity growth.

Expenditures

(In Thousands Of Dollars)					
Program	2010-11 Actual	2011-12 Budget	2011-12 Actual	2011-12 Variance	Variance Explanation
Vote 16:					
Central Management and Services	\$ 20,598	\$ 21,404	\$ 21,117	\$ (287)	
Minister's Salary (Statutory)	45	45	45	0	
Executive Management	899	967	888	(79)	1
Central Services	4,767	5,211	4,532	(679)	1
Accommodation Services	14,887	15,181	15,652	471	2
Strategic Municipal Infrastructure	69,456	16,326	27,380	11,054	
Municipal Roads Strategy	47,000	0	0	0	
Strategic Partnership Program	5,080	6,890	18,736	11,846	4
Urban Connectors	16,816	7,886	7,261	(625)	5
First Nations Roads Pilot Projects	60	0	0	0	
Community Airport Partnership Fund	0	700	683	(17)	
Saskatchewan Grain Car Corporation – Shortline Railway Sustainability Program	500	700	700	0	
Traffic Counting	0	150	0	(150)	
Operation of Transportation System	99,412	84,138	90,558	6,420	
Winter Maintenance	34,575	25,396	31,766	6,370	6
Road Safety and Traffic Guidance	25,961	23,540	23,962	422	7
Operational Services	22,902	20,336	19,558	(778)	8
Transport Compliance	5,383	4,958	4,401	(557)	1
Ferry Services	3,649	3,539	4,100	561	9
Airports	2,500	2,022	2,046	24	
Information Technology Services	4,442	4,347	4,725	378	10

(continued)

2011-12 Financial Overview

(In Thousands Of Dollars)					
Program	2010-11 Actual	2011-12 Budget	2011-12 Actual	2011-12 Variance	Variance Explanation
Vote 16:					
Preservation of Transportation System	\$ 128,447	\$ 139,474	\$ 184,386	\$ 44,912	
Surface Preservation	117,914	129,091	174,413	45,322	3
Regional Services	10,533	10,383	9,973	(410)	1
Transportation Policy and Programs	3,692	3,846	3,748	(98)	1
Machinery and Equipment (Capital)	4,642	5,750	5,750	0	
16 – Subtotal (Appropriation)	326,247	270,938	332,939	62,001	
Special Warrant*		62,045		(62,045)	
16 – Subtotal (Appropriation)	326,247	332,983	332,939	(44)	
Capital Asset Acquisitions	(8,452)	(10,022)	(10,350)	(328)	11
Capital Asset Amortization	109,675	119,395	120,890	1,495	12
16 – Total Ministry Expense	427,470	442,356	443,479	1,123	
Custom Work Net Recovery	(221)	0	(269)	(269)	13
16 – Total Custom Work Net Recovery	(221)	0	(269)	(269)	
Vote 17:					
Infrastructure Rehabilitation – includes 2010-11 carryover ***	111,371	83,540	86,473	2,933	14
Infrastructure Enhancements – includes 2010-11 carryover ***	190,921	259,883	209,455	(50,428)	15
Special Warrant**		10,000		(10,000)	
17 – Total Ministry Capital Appropriation ***	302,291	353,423	295,928	(57,495)	
Total (Appropriation)	628,317	686,406	628,598	(57,808)	

*Vote 16 – Special Warrant funding of:

- \$49.0 M for emergency work due to spring and summer flooding;
- \$10.0 M provided third party funding to develop an intermodal facility within the Global Transportation Hub; and
- \$3.1 M for loans through the Shortline Railways Loan Program.

** Vote 17 Special Warrant funding of \$10.0 M was provided for emergency work due to spring and summer flooding.

*** Includes 2010-11 Vote 17 work in progress funding of \$58.123 M.

Explanation of Major Variances:

1. *Decrease largely due to vacancy management and other administrative savings.*
2. *Accommodation operating costs have increased.*
3. *Increased maintenance and preservation work due to flooding.*
4. *Increase is due to additional projects undertaken in the Strategic Partnership Program.*
5. *Decrease is due to a deferral of the Urban Connectors agreements.*

(continued)

2011-12 Financial Overview

6. *Winter maintenance costs were at the five year average levels and exceeded the budget.*
7. *Increased repair costs incurred due to flooding in spring and summer.*
8. *Decrease in Transportation Planning Studies and research to be completed at March 31, 2012.*
9. *Increase in Ferry repair costs at Cecil Ferry and Riverhurst Ferry had a longer operating season due to warmer than normal fall.*
10. *IT operating costs have increased.*
11. *Increases due to a number of new salt storage facilities.*
12. *Increase due to year-end change in aggregate inventory valuation expense adjustment.*
13. *Increase due to net recovery on custom work completed in 2011-12.*
14. *Variance is due to previous year's work in progress completed on various capital rehabilitation projects.*
15. *Variance is due work in progress on various capital enhancement projects. The projects are planned to be completed in 2012-13.*

2011-12 Revenues

The Ministry collects revenue relating to sale of Crown lands or material on behalf of the Government. The Ministry also collects revenue from the federal government to reimburse the province for infrastructure improvements completed under the federal-provincial cost shared infrastructure programs. All revenue collected is deposited in the General Revenue Fund. Below is a summary of the Ministry's 2011-12 budgeted revenue compared to actual revenue.

(In Thousands Of Dollars)				
Revenues	2011-12 Budget	2011-12 Actual	Variance	Variance Explanation
Sales, Services and Service Fees	\$ 1,244	\$ 4,933	\$ 3,689	1
Transfers from Federal Government*	85,421	80,464	(4,957)	
Fed-Prov Cost Sharing Programs	21	141	120	2
Infrastructure Stimulus Fund (ISF)	9,100	8,164	(936)	3
Provincial-Territorial Base Fund (P/T Base)	45,000	45,000	—	
Building Canada Fund – Major Infrastructure	27,700	24,443	(3,257)	4
Gateways and Borders Crossing Fund	3,600	2,602	(998)	5
National Safety Code	—	115	115	6
Transfers from Government Entities	450	230	(220)	7
Total	\$ 87,115	\$ 85,626	\$ (1,489)	

*Transfers from federal government include \$25.3 million received to reflect Municipal Affairs administered projects (\$20 million in P/T Base and \$5.3 million in ISF). This revenue was reported with the Ministry of Highways and Infrastructure since the agreement was signed by the Minister of Highways and Infrastructure.

(continued)

2011-12 Financial Overview

Explanations of Major Variances:

1. Increase in land sales, material sales and other miscellaneous revenues.
2. Cost share agreements were signed with the federal government in 2011-12 which resulted in higher than expected revenue.
3. The Infrastructure Stimulus Fund agreement was executed in 2009-10 and expired on March 31, 2011; however, projects were granted an extension to be completed in 2011-12. The revenue reflects work completed on cost sharing projects. The reduction in revenue is due to project costs coming in under budget.
4. Reduction in revenue is due to poor weather which resulted in the carry over of projects to 2012-13.
5. Decrease in revenue is due to reprioritization of projects.
6. Increase in revenue is due to a new National Safety Code agreement.
7. Revenue was lower than expected due to lower maintenance costs for the fiscal year.

2011-12 Full Time Equivalent Employees (FTE)

FTEs	
Budget	1,510.0
Actual Utilization	1,392.5
Variance	(117.5)

Explanations of FTE Variance:

As part of the Ministry's 2011-12 strategy to meet the Government's commitment of public sector renewal, the Ministry used vacancy management and other initiatives resulting in 117.5 FTE's not utilized.

Transportation Partnerships Fund

The Ministry is responsible for managing the Transportation Partnerships Fund (TPF).

The Ministry's Transportation Partnership Program (TPP) generated \$1.4 M in revenue for the TPF.

The TPF invested \$2.1 M on transportation system improvements in 2011-12 and the TPF balance was \$10.3 M on March 31, 2012.

For More Information

If you have any questions or comments, we invite you to call (306) 787-4800, or contact:

Communications Branch
1200-1855 Victoria Avenue
Regina, Saskatchewan S4P 3T2

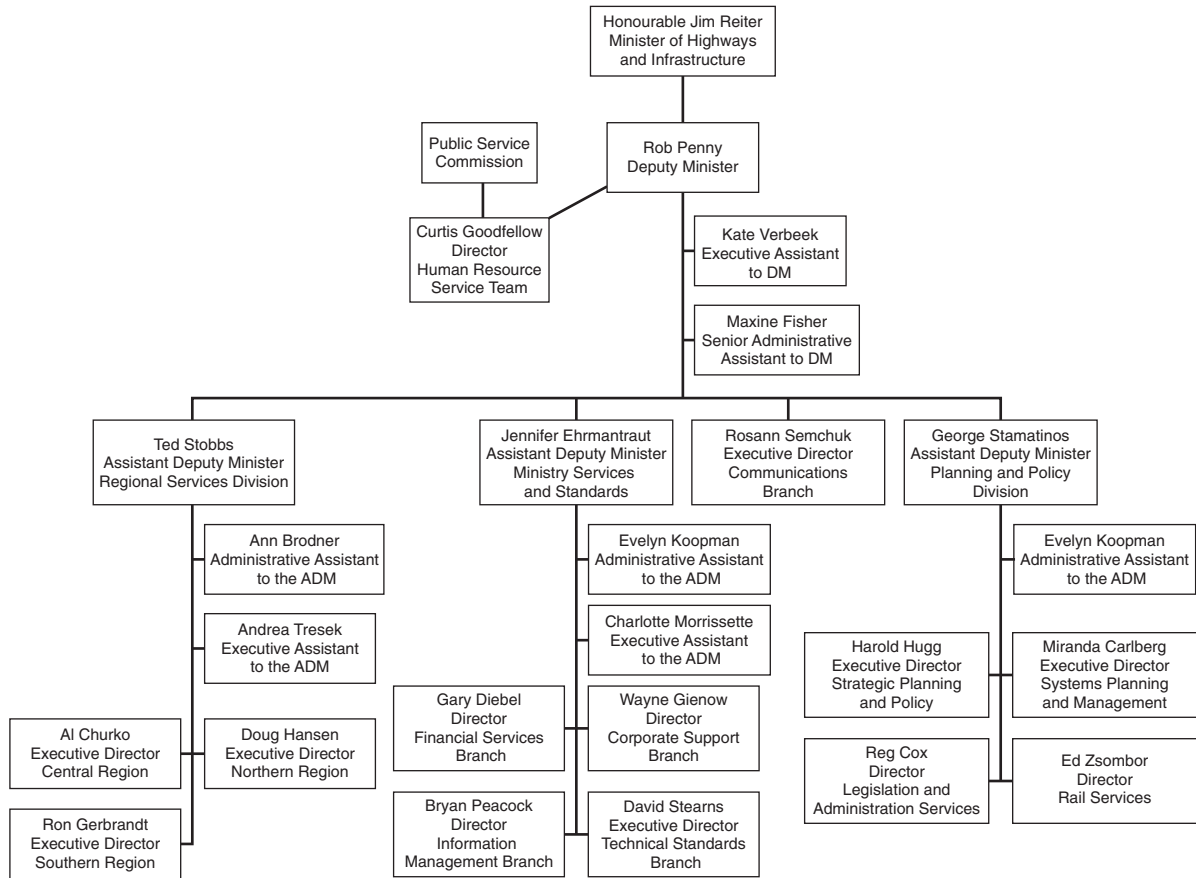
Or send us an e-mail through the Saskatchewan Ministry of Highways and Infrastructure website:

<http://www.highways.gov.sk.ca/Contact>

Visit our website to find out about:

- Road Conditions and Travellers Information
- Construction Projects
- Programs and Services
- Updated Tender Schedule

Appendix A – Organization Chart (as of March 31, 2012)



Appendix B – Loan Disclosure

The Ministry administers the Shortline Railway Financial Assistance Program. Under this program, the Province can provide municipalities or local community groups that want to preserve rail service in their area with an interest free loan for the capital acquisition of rail infrastructure which is being abandoned. The potential shortline operator must have a business plan which demonstrates that the shortline railway is feasible. The loan is repayable over 15 years, with a discretionary three-year grace period.

To date, seven loans have been made through this program. In 1999-00, a shortline railway company applied for a \$177,000 provincial loan and a \$177,000 Canada Agriculture Infrastructure Program (CAIP) grant. Both were approved and agreements finalized.

In 2004-05, a producer-owned company received a loan in the amount of \$1.76 million for the purchase of a rail network in the southwest area of the province. This loan was issued under the new regulations and funds were provided from the Transportation Partnerships Fund (TPF) and General Revenue Fund (GRF) on a 50/50 split.

In 2005-06, several local governments in southern Saskatchewan negotiated the purchase of a branch line. The local governments were granted a loan in the amount of \$240,000, with funding split between the TPF and the GRF.

In 2007-08, local governments in north-eastern Saskatchewan purchased a branch line and were granted a loan in the amount of \$256,000, with funding split equally between the TPF and GRF.

In 2008-09, local investors purchased a branch line in south-western Saskatchewan and were granted a loan in the amount of \$1,907,200, with funding split equally between the TPF and the GRF.

In 2009-10, local investors purchased a branch line in south-central Saskatchewan and were granted a loan in the amount of \$1,622,400, with funding split equally between the TPF and the GRF.

In 2011-12, local investors purchased a branch line in south-central Saskatchewan and were granted a loan in the amount of \$800,000, with funding split equally between the TPF and the GRF.

This loan program supports the Ministry's objective to invest in multi-modal infrastructure such as regional airports and shortline rail. A shortline railway reduces truck traffic since agricultural products are hauled long distances by rail, rather than by large trucks on the provincial highway system. Reducing the amount of heavy truck traffic helps the Ministry sustain the condition of rural TMS highways.

(In Thousands Of Dollars)			
Shortline Railway Loans	2011-12 Budget	2011-12 Actual	Variance Explanation
Beginning Balance	\$ 2,628	\$ 2,628	-
Additions	-	400	(400)
Reductions	(112)	(191)	79
Ending Balance	\$ 2,516	\$ 2,837	\$ (321)

Explanations of Variances:

The variance in actual additions to the budgeted amount of additions is a result of the issuance of a new loan in 2011-12.

The variance in actual reductions to the budgeted amount of reductions is a result of the timing of repayments received.

Appendix C – Legislation

The Minister of Highways and Infrastructure is responsible for the following Acts and Regulations:

The Highways and Transportation Act, 1997

The Wollaston Lake Barge Operation Regulations

The Controlled Access Highways Regulations

The Provincial Highway Sign Control Regulations

The Provincial Highways Designation Regulations, 1990

The Highways and Transportation Act Regulations (Autowreckers Licensing)

The Vehicle Weight and Dimension Regulations, 2010

The Security of Loads and Trip Inspection Regulations

The Dangerous Goods Transportation Act

The Dangerous Goods Transportation Regulations

The Engineering and Geoscience Professions Act

The Railway Act

The Final Offer Arbitration (Railway) Regulations

The Sand and Gravel Act

The Saskatchewan Grain Car Corporation Act

The Government Organization Act (not responsible for Act, three sets of Regulations)

The Shortline Railway Financial Assistance Regulations

The Department of Highways and Transportation Regulations

The Railway Line (Shortline) Financial Assistance Regulations (Enacted in June 2004)

