



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Fred Bradshaw, Chair
Carrot River Valley

Ms. Cathy Sproule, Deputy Chair
Saskatoon Nutana

Mr. Greg Brkich
Arm River-Watrous

Ms. June Draude
Kelvington-Wadena

Mr. Rob Norris
Saskatoon Greystone

Mr. Kevin Phillips
Melfort

Mr. Randy Weekes
Biggar

[The committee met at 15:00.]

The Chair: — Good evening, and welcome to the Crown and Central Agencies meeting. First off I have to apologize for it being St. Patrick's Day and I am not wearing a green tie. I flat out forgot this morning. So my apologies to everybody out there.

Anyways I would like to welcome our members with us this afternoon. We have Randy Weekes— Roger Parent is substituting for Rob Norris— June Draude, and Greg Brkich. And we also have Cathy Sproule here.

Today we have one document on the table before we get into the bills: CCA 147/27, Crown Investments Corporation of Saskatchewan, report of public losses October 1st of 2014 to December 31st, 2014 for CIC [Crown Investments Corporation of Saskatchewan] and its subsidiary Crown corporations, dated January 30th, 2015.

Members have a copy of today's agenda. If members are in agreement, we will proceed with the agenda.

Bill No. 165 — *The Alcohol and Gaming Regulation Amendment Act, 2014 (No. 2)*/Loi n° 2 de 2014 modifiant la Loi de 1997 sur la réglementation des boissons alcoolisées et des jeux de hazard

The Chair: — We will start with considering Bill No. 165, *The Alcohol and Gaming Regulation Amendment Act, 2014 (No. 2)*. This is a bilingual bill. We will start with clause 1, short title. Mr. Minister, if you have any opening remarks, you may proceed.

Clause 1

Hon. Mr. McMorris: — Thank you, Mr. Chair, and yes, I do have some opening remarks and some officials to introduce. Before we begin I'd like to introduce my officials that are here with me today, Jim Engel who is the vice president of corporate services and Lynnette Skaalrud who is the director of policy and legislation.

As you will recall, in August of last year Premier Wall and Premier Christy Clark of BC [British Columbia] agreed to allow for the free flow of wine and craft spirits for personal use between the two provinces. This means that once the necessary legislation and regulations are in place, consumers in Saskatchewan will be able to have BC wine and craft spirits shipped directly to their home. At the same time it'll give Saskatchewan cottage wineries and micro distillers another avenue to sell their products.

The legislative amendments before you today will implement that decision by creating authority for Saskatchewan to enter into an agreement with Canada or another province regarding the collection and enforcement of the levy, allow individuals to import alcohol for personal consumption, and create regulation-making authority regarding issues such as type and amount of alcohol, type of seller, and provinces from which the product can be originated.

These changes will provide the broad, overarching framework to implement this policy. The details of the policy will be included in regulatory amendments on which SLGA [Saskatchewan Liquor and Gaming Authority] is currently working.

At this time, I would be happy to discuss those or any other questions with the committee regarding issues related to this bill.

The Chair: — Thank you, Mr. Minister. Are there any comments or questions on the bill? Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair, and thanks to the minister and the official for coming out this afternoon. I just have a few questions today. First of all, I guess I'm just wondering if the minister could explain a little more for the committee how this bill will help our own local distilleries and wineries and why craft breweries or craft beer was left out of the mix.

Hon. Mr. McMorris: — So I think, as I had said in my opening remarks, these changes really stem from the premiers discussing kind of freer trade or more open trade between provinces. It was Premier Christy Clark as well as our Premier that were discussing it. And of course the natural ones, with British Columbia being quite a large wine producer, that was of interest to them. I think from our Premier's perspective in seeing the expansion of the micro distillery in Saskatchewan, it was an option for us. It was an opportunity to expand our micro distillers and wineries into British Columbia, and vice versa, of course. They have a bigger industry. We have a smaller population. We have a smaller industry, but being able to access a bigger population.

I think the question as to why the breweries were not included was no real direct reason other than this is a start. And we thought we would start with the premiers . . . The premiers thought they would start with wine and distilled alcohol initially and see how that goes. And it certainly could be expanded into brewed if that was the case and the intent into the future.

The Chair: — I would just like to mention that Doyle Vermette has just joined us. Ms. Sproule.

Ms. Sproule: — Thank you very much. I must mention how handsome he looks in green today as well, Mr. Chair. I too apologize to all the Irish for not wearing green today, by the way.

The second question I have then, and I'm sure you're working through this as the regulations are being developed, but I'm just trying to picture this. I'm sitting at home. I'm on my computer. I want to order some nice Okanagan wine. So I punch up the winery and I'm going to pick out the wine that I want. I assume you're working on maximum volumes that people can order and all that. And I know there's a markup . . . Well I guess there's a number of questions within this, but how will taxes be paid and collected on that when I'm buying individually directly from the winery or the distillery, and how will the markup be remitted to Saskatchewan?

Mr. Engel: — Thank you for the question. There are a number of different mechanisms that we're looking at to do that. Short answer is, right now we can't definitively say which of those will be selected. As with a lot of options when a person's looking at a particular course of action, they all have benefits, things that work better about certain approaches and things that don't work as well.

So we're again right now going through assessing each of those, and we'll make some recommendations to the minister and to cabinet when we bring regulations forward about the specifics of how that will work and how the levy will be collected as well.

Ms. Sproule: — Okay. It certainly makes it difficult to ask questions about the bill when that's not been developed fully. So that's a bit of my frustration always with regulations following after the bill's passed, but I guess we'll have an opportunity to comment on the regs after they're completed.

This seems that this is an interesting step to have this opportunity to sit at home on my computer . . . I'm assuming I'll be able to order online or probably through mail order. And sort of how will the government get its piece of the action, so to speak? So we'll be interested to see what avenue you choose to follow there.

I guess when this decision was made by the Premier, was there an impact assessment done on how this would affect the local market?

Hon. Mr. McMorris: — So as far as the impact, really we haven't done any sort of impact study on how it will affect producers here in Saskatchewan. We don't think this is going to . . . It's really an issue of trying to free up trade across, from province to province. We don't think, we're not sure that it's going to be a real large uptake or, you know, utilized a lot.

We're going to certainly be monitoring it as closely as we possibly can, and part of that, of course, is what Jim had mentioned earlier with making sure that we get our portion of the levy, seeing what type of volumes there are. We don't foresee it being big volumes. And as we move through, we will be able to analyze that more. But as far as the impact on . . . You know, I guess you'd be looking at impact on sales from our stores. You know, if you're getting a . . . If somebody orders a case of wine directly from the manufacturer in BC, they're not necessarily buying from our stores, so what that impact would be. That would really be the major impact and we don't think it will be a large one at all.

Ms. Sproule: — Okay. I noticed just recently that the federal government has now made amendments to the *Importation of Intoxicating Liquors Act* or the IILA, and I think that was something that they've announced a few years ago, but apparently in February I think it just came into an Act or into being. Now in the piece that I read on the Internet — I guess this is Global News — they indicated that British Columbia and Manitoba have changed their laws to allow personal importation of wine. Now I know the Premier has indicated he met with the BC Premier, but has he had any meetings or have you had any discussions with Manitoba to discuss this type of agreement with them?

Hon. Mr. McMorris: — You're right that the federal government has made some changes. The original change that happened a couple of years ago was around wine and allowing provinces to move wine back and forth between manufacturer and consumer.

The most recent changes were for spirits and for beer as well. As we've said, you know, we're not contemplating, with the agreement with British Columbia right now, beer. It's spirits and wine which is allowed obviously under the changes under the federal legislation.

As far as have we had any conversations with Manitoba, we haven't, not that I know of directly. I'd have to ask the Premier if he's talked to the Premier of Manitoba directly, but we haven't as far as the regulator here in the province.

Ms. Sproule: — And just in follow-up to that then, do you know why you haven't followed up with Manitoba at this point, why it's just British Columbia?

Hon. Mr. McMorris: — I think it's simple to say is, the Premier from BC and Premier Wall had the discussion at the Premiers' Conference. They thought it was a great first step. That's not to say that we can't have conversations into the future.

I think, and you know, this could change, but from my perspective we want to get this small piece right and kind of understand what we can do on the levies before we start, you know, spreading it and getting into agreements with a number of provinces. I think we want to try this and see how well it works or doesn't work, but how well it works for the consumer and also the wholesaler, as well as the government, before we would start looking at expanding a lot across Canada.

Ms. Sproule: — Are you aware of any agreements, other interprovincial agreements between, say, British Columbia and Manitoba, or are other provinces entering into discussions with Saskatchewan?

Mr. Engel: — At this time there aren't any agreements. Technically there actually isn't an agreement between any province and Manitoba either. I'm not sure how much of the detail you're interested in.

What actually happened, when the federal government changed the IILA two years ago and removed the prohibition in that statute on wine moving between provinces, all of the provinces except Manitoba had provincial legislative frameworks that also precluded the interprovincial shipment of wine unless it was done directly by the respective province's liquor agency. However that might be constituted in each province. Manitoba was the only jurisdiction that actually did not. They were relying exclusively on the federal statute to prohibit the direct shipment of alcohol between provinces. So when the federal government initially amended the IILA to allow, basically to remove the restriction on wine being shipped interprovincially, every province except Manitoba still had a legislative framework that precluded that from happening.

[15:15]

Manitoba didn't. So they actually, to our knowledge, haven't entered into any specific agreements with any other province because they didn't have a legislative framework that precluded it. So the reference that you mention in the article there would be referring to the fact that Manitoba has been allowing direct shipments to their consumers ever since the federal legislation changed. But then they haven't at the same time engaged — to our knowledge, anyway — engaged with any other province about getting some reciprocal arrangement in place, whereas the arrangement that is prompting this activity here in Saskatchewan is based on reciprocal arrangement with the province of BC.

Ms. Sproule: — I'll have to let the reporter know that, because in the article it says, "With the previous wine amendment in 2012, only British Columbia and Manitoba changed their laws to allow personal importation of wine." So there must be a mistake here in the article. So this is cutting edge then, what you're telling me? What you're doing is the first agreement in Canada, as far as you know?

Mr. Engel: — Yes. To our awareness, it would be the first time this has happened, and to our knowledge we're the first, Saskatchewan. So BC did change some of their legislation and regulatory framework to allow product to be direct shipped to BC consumers, and they did that around 2012, not long after the federal legislative change was made. So I guess they would technically have been the first, but we are the first province after them that are making the change — and the first that is making that change based on a reciprocal arrangement between the two provinces.

Ms. Sproule: — In your press release on November 27, you indicated that you would be working out the processes with British Columbia. What progress has been made on those negotiations?

Mr. Engel: — The discussions and the process continue, as I mentioned a few minutes ago. We're challenged a little bit because, you know, ideally you'd like to find the perfect solution that works very well, that's first of all very easy for consumers to use and to understand, that is also an effective mechanism from an administrative point of view.

We're challenged a little bit in finding what that ideal situation is. We're continuing to explore different options and look at different approaches. So we've made, I think from our perspective, from SLGA's perspective, good progress in identifying some options, identifying the implications of some of those options, both positive and potentially negative. And we're again getting close to the position where we'll be bringing to the minister our recommendations to him in the form of some potential regulatory amendments. So again, progress is reasonably good. We're just not quite across the finish line yet.

Ms. Sproule: — What would you say that the biggest hurdle is at this point?

Mr. Engel: — Again what we're trying to do is to find that balance between a system that is customer focused, that is easy for the public to use and understand, and also is not administratively burdensome in terms of being overly

complicated or complex to administer or costly to administer, for that matter.

Ms. Sproule: — I'm just going back to my thought of me sitting at my computer at home and ordering a nice case of BC wine. Shipping it from BC, will you be using Canada Post? What if the posties are under 19? Like, are those some of the administrative burdens that you're encountering?

Mr. Engel: — Yes, for the most part we're anticipating that the shipping mechanism will largely be between the purchaser and the shipper, the manufacturer, to sort out. There are . . . You mentioned one thing, so ensuring that the recipient is of 19 years of age. So that is something that we most likely will put as a requirement on the shipper. But in terms of specifying a single shipping company, we're not expecting that we're going to do that. We're largely going to leave the decision for how best to ship the product from the point of manufacture in BC to the consumer-purchaser in Saskatchewan. We'll largely leave that to those two parties to sort out, and again let the marketplace decide how they want to handle that with again some expectations placed on the shipper around checking, ensuring that the recipient is of legal age when the product is delivered.

Ms. Sproule: — Will your ministry be monitoring that and enforcing that in any way? What kind of resources do you need to do that?

Mr. Engel: — Again right now nothing is written in stone or regulations put on paper at this point. But certainly our thinking is that we will have some process in place to monitor that. Again because practically the number of shipping companies that engage in this type of movement of goods, we're talking a handful. It's certainly less than 10, probably closer to five or six companies in Canada that move goods on a consumer basis like this between provinces. So we're not thinking that there's going to take a . . . that it's going to be a lot of work to ensure compliance from the shipping companies because, again, it's not as though we're going to have to monitor 40 or 50 different shippers. The number of firms will be fairly small that will be engaged in this type of work.

Ms. Sproule: — Well again, I'm looking forward to seeing how you resolve that. Having just raised two boys to adulthood, I think teenage boys would be very tempted to go online and see if they can order some wine or, you know, whatever. I mean this is . . . We go to great lengths to ensure that our youth are protected and that the . . . you know, obviously members of the public are as well. And I'm just thinking about the temptation in transport as well. But I guess if you're anticipating a smaller volume, the issues will be of smaller number. But I just . . . There it raises a host of issues I think you're recognizing as you go through this.

And certainly I know people, I think it's oenophile? I can't . . . I don't know how you say the word, but people who enjoy wine and go to wine clubs and things. I know friends of mine who will be very excited about the ability to do this, so certainly the pluses are obvious as well. I'm rambling.

In terms of, Mr. Minister, in your comments in the second reading speech you indicated that there would be

determinations made, and this is certainly the regulations section, in terms of how you're going to limit the type of alcohol, the amount of alcohol, the type of seller, and the provinces and sort of the maximum volumes. How far have you got along to make those determinations?

Hon. Mr. McMorris: — So as we mentioned, I mean some of the work is still in progress obviously on the levy piece and on the shipping piece. I mean, there are certain things that are set out. We know that it's just wine and distilled; it's not brewed. It could be, but we kind of have that parameter. We know that it has to be from the manufacturer. It can't be from a retail outlet. You have to order directly from the winery or distillery, and not kind of just whatever store in British Columbia.

The thing that we're working on there — and SLGA is still working on a final recommendation to come before me — is that we want to make sure that it is for personal consumption. That's the other thing we want to protect against is that a restaurant doesn't go and order a whole bunch of cases of wine that maybe the markup isn't as high or whatever and we're, you know, working through that, that then they buy it wholesale and sell it through their restaurant. This needs to be for personal consumption. Only so I think the limits on for example a case or two cases, whatever that we land on, will reflect the fact that it is for personal consumption.

Ms. Sproule: — Yes, I know with cigarettes it's kind of the same issue, you know, cartons. How many can you buy and bring across borders? And again entrepreneurial spirits will probably want to, you know, order a whole bunch of wine and maybe sell it out of their house or whatever. So I'm sure I'm not the first person to make that kind of observation.

In terms of markup, you just mentioned that, and I know when you were speaking to the media the day that this was introduced, there were a number of questions from the press in terms of the markup. And are you anticipating that the markup for this type of purchase would be higher or lower than what a person would get through SLGA?

Hon. Mr. McMorris: — So because this is fairly new, we anticipate that the markup or the levy that we'll be charging will be less than what we would normally, simply because we don't have to handle it. I mean it goes straight from the manufacturer to a consumer. We don't touch it at all. So the levy that we would need would probably be less than what we do on normal spirits and wine that come into the province because we handle it all, warehouse it, and then redirect it to a franchise or government-owned stores.

Ms. Sproule: — Then why would you have a markup or levy at all?

Hon. Mr. McMorris: — Well I think the markup and levy that we have in the province right now covers all the handling charges for sure but also goes into a dividend or revenue for the government, which of course can pay for any number of sorts of things, whether it's health care or education.

The other thing too is that you'd want some form of a levy to keep the playing field as even as possible. To have one manufacturer, say in British Columbia, be able to ship directly

into Saskatchewan without any sort of markup or levy would give them quite an advantage compared to any other wine that we're importing. So you'd want to have that, number one . . . I think for a couple of reasons, and I won't prioritize them. I won't say number one, but (a) to have a level playing field and (b) so that, you know, the rest of the province gets the benefit of the levy that's charged on alcohol.

Ms. Sproule: — I'm just trying to think this through. If I was in British Columbia and bought a case of wine at a winery, would that markup be applied then as well? Like would we ask the BC government to have the same kind of markup? No. You're shaking your heads no. So I could go there and buy it and bring it to the province and I would just pay whatever the BC government charges. If I order it online, would I still need to pay the BC taxes plus the Saskatchewan levy? So that's the whole deal, is whether or not they . . . Okay, you're saying that's not right or that's not what's going to happen. So then if I order it online, I would only pay the Saskatchewan taxes and not the BC taxes, in theory.

Mr. Engel: — Right.

Ms. Sproule: — Okay. Just a couple more questions, I think, if I look at my list here. I just wanted to talk a little bit about the craft breweries for beer. And I know there's been, you know, an explosion I think of microbreweries. It's certainly something that's really gaining strength here in Saskatchewan. And I'm just looking at an article from the *Leader-Post* in December where there are some concerns for the craft brewers, particularly the ones that have their own retail outlet, but they're not allowed to sell at farmers' markets. And there's a number of regulations that are, in their view, limiting. Is this something you're going to be looking at in the near future?

Hon. Mr. McMorris: — I'll answer the question as best I can, although it doesn't apply directly to this piece of legislation. But you're exactly right; the craft industry in Saskatchewan has, you know, quadrupled. You know, it's really expanded in the province over the last number of years. And we are in the process right now of going through an RFP [request for proposal] to have a third party independent review of the distilling industry, the craft industry, not just distilling but winery, and the whole piece as to how we best handle that as it continues to grow.

We put some policies in place a couple of years ago thinking that that would kind of cover it off. And we've got one distillery that has got up to the limits that we didn't think were achievable, and so we made some kind of ad hoc changes. But we want to do a more fulsome review of the whole craft industry to be able to meet their demands, but also, you know, the issues of competitiveness here in the province and there are a number of competing interests. So we're looking forward to that review taking place over the next number of months and then some decisions made even though it doesn't, as I say, directly relate to this piece of legislation.

[15:30]

Ms. Sproule: — I'd like to thank the minister for answering that question. And as part of that review, would you be looking at adding breweries to this particular piece of legislation?

Hon. Mr. McMorris: — So really the review is more internal, looking at how we deal with the craft industry within Saskatchewan. It's not necessarily looking at, you know, an agreement with British Columbia and dealing with their brewing industry and our brewing industry. It's more internal: how do we, you know, properly foster growth in the industry, but also make sure that all taxpayers are benefiting from it on a level playing field?

Ms. Sproule: — Thank you. We'll stay tuned I guess on that point. What I'm wondering is, as a Saskatchewan consumer, once this bill passes and the agreement's in place, I will be able to order wine from BC. Will I also be able to order wine locally?

Hon. Mr. McMorris: — So the answer to that is — and I should know that off the top of my head — but you can do that right now for any of our wineries here in Saskatchewan. They can direct ship to consumers in the province. They can't direct ship to franchisees or private stores, but they can to a consumer. And that is something that, you know, they're looking at expanding their role on who they can ship to, rather than using us as kind of the wholesaler all the time.

Ms. Sproule: — All right, I think that will be the extent of my questions, Mr. Chair. And I wish to thank the minister and his staff for the responses, and we look forward to these changes.

The Chair: — Thank you very much. Are there any more questions? There being no more questions, we will move on to voting off the clauses of this bill. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 6 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Alcohol and Gaming Regulation Amendment Act, 2014 (No. 2)*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

I would ask a member to move that we report Bill No. 165, *The Alcohol and Gaming Regulation Amendment Act, 2014 (No. 2)* without amendment.

Mr. Brkich: — I so move.

The Chair: — Mr. Greg Brkich moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 176 — *The Traffic Safety Amendment Act, 2014 (No. 2)*

The Chair: — We will now consider Bill No. 176, *The Traffic Safety Amendment Act, 2014 (No. 2)*. The minister is just changing officials, and I would like the minister to please introduce his officials when they are seated.

Hon. Mr. McMorris: — Well thank you very much. Joining me today from SGI [Saskatchewan Government Insurance] regarding *The Traffic Safety Act* would be Earl Cameron on my right who is the vice-president of the Auto Fund, and Elizabeth Flynn who is a senior legislative advisor.

The Traffic Safety Act outlines the laws regarding road use in Saskatchewan. Changes made to *The Traffic Safety Act* last year allowed for the impoundment of a vehicle for certain traffic offences based on recommendations on the special committee, all-party Committee on Traffic Safety. Since then some concerns were raised about how that impacts commercial vehicles, as a penalty punishes the vehicle owner without any consequences for the driver who actually committed the offence. To help address this concern it is proposed that, due to these circumstances, an immediate 72-hour roadside suspension be imposed on the driver of a vehicle to enforce the seriousness of their behaviour.

It certainly stems from a case that was certainly well known through the media, and lots of people were concerned that the drivers could get back in a vehicle and drive another commercial vehicle that day or a private vehicle on the way home that evening. And so this tends to address some of those concerns that we heard, and I think was perhaps maybe a bit of an oversight when the original amendments were put in place.

The Chair: — Thank you very much, Mr. Minister. We will now start with clause 1. Are there any questions or comments? Mr. Vermette.

Clause 1

Mr. Vermette: — Thank you, Mr. Chair, and to the minister again, an opportunity. I just want to start with some, I guess, opening comments. And in light of . . . I realize we're amending an Act that was recommendations from the Traffic Safety Committee that did the work on behalf of the province, lessens fatalities in our province and, you know, again I know that there was a dedication from both sides, as far as an all-party committee to go around having those hearings.

And having said that, you moved on, on some of the recommendations that individuals at the hearings gave, and again we want to make sure that some of the areas that we heard the issues and concern that, you know, we're taking serious. And again, sometimes government listens to all of those; sometimes they pick and choose. I understand that.

When I go that, I see that part of the bill you introduced in 2014 to, you know, impound vehicles, in light of your opening comments about the reasons why we had impound for commercial vehicles, and you referred to some of the challenges.

But before I get into the two areas where you've made amendments to the legislation, again I know that we went around doing the hearings. And I think it's important, and I want to for the record just, you know, share with the minister and SGI, I know and I think about a community, Pelican Narrows, and I know part of our recommendations and part of the hearings, we heard from individuals. And in Pelican Narrows, we had the youth group there, and they had a spokesperson with them, you know, on their behalf, Weldon McCallum who presented to the Traffic Safety Committee when we were in Pelican Narrows, in the community.

And he talked about some of the safety. And it was about safety his concerns were, about lessening fatalities and, you know, the road, the condition of the road from Pelican Narrows, the junction, to Sandy Bay and his concerns about that road. And I just want to for the record share, in light of his concerns, he's contacted me again. And I just want to share for the record that, though some of those issues are still out there and government still has to act on them. And I'm hoping the minister and your officials could look into some of the concerns Mr. McCallum raised from Pelican Narrows. And when it comes about safety, about the road and guard rails, there's different things that he would like to . . . I'd just like to raise that in part of that committee because I know you're now . . . and there's an opportunity.

And I just wanted to open up with that and just give those comments. I hope we can move in a positive way, and hopefully officials can meet with him and try to find out if there's a way to work with that or whatever, correspond with him. I know . . . within the minutes from the hearings that are there. Having said that, I won't take more time. I wanted to raise that concern. He's contacted me. So, Mr. Chair, thank you, and Mr. Minister, for allowing me to go there.

You talk about one of the amendments, and you talk about the media with the concerns when it comes to commercial vehicles. And yes, we did see the news, and we watched one individual raise concerns with a commercial vehicle that an employee of his was driving. And the police decided to impound it for, you know, I believe it was a second infraction for using a cellphone or a hand-held device. So at that time the vehicle was impounded and the individual, the owner of the company, claimed that it had created, I believe, hardship. And you know, he was the one being penalized and it was the employee.

So I see we're making amendments because the law came forward in 2014, but now amendments are an opportunity, a second chance. The government doesn't get it right; they get an opportunity to come back and deal with this. And sometimes, you know, it is an opportunity. For myself, I agree that it's time to look at this. It was missed. Government looked at it whether, you know, the traffic safety hearings, the committee recommendations or whatever, for whatever reason, but at the end of the day we're back here dealing with an amendment.

And I do agree, you know, that it's time to look at this: an amendment, in light of the concern that was raised by a business person, saying it was causing him grief and in his company, his income, to have a second look at it. So now you're coming forward with an opportunity for him to appeal. And if you could just give me a little bit of background

information on that process of the appeal, how it's going to work. If I could have that, and then we'll start with that one, if you could share a little bit of insight there.

Hon. Mr. McMorris: — So it's really, I guess, a couple of different issues. What you're talking there, as far as a vehicle impoundment piece, is not part of this legislation. This legislation just talks about the driver and a 72-hour suspension. Having said that, I will touch on the changes, through regulation I guess it would be, to allow a commercial vehicle owner — he wasn't operating, but owned the vehicle — the opportunity to get his vehicle back quicker than the seven-day impoundment.

When it was first envisioned that vehicle would be gone for seven days, and even though we knew there'd be commercial vehicles involved, you know, it was a case that was compelling. So the impoundment will stand for seven days unless the commercial owner of the vehicles can prove, for example, they've done their due diligence, that they have a safety protocol in place, that their drivers would know that driving and talking on a cellphone is not acceptable, that the commercial operator would also have looked at the driver's abstract over the past year to know whether there was, you know, a number of violations already with that driver. So there's some due diligence on the commercial owner in order to apply to the Highway Traffic Board. If he meets the criteria that we've laid out, he can then apply to the Highway Traffic Board and have that commercial vehicle released earlier, back to the company. This, what we're talking about today, just deals with the driver of that vehicle, be it the owner or just an employee.

[15:45]

Mr. Vermette: — Thank you, Mr. Chair. So having said that, when you're saying, if it was me that has a . . . My understanding from looking at it, and the discussion we had, was that opportunity for the owner and business owner to now, and I thought that was part of the amendment, would be now that they could do it. What you're telling me is, it was already in the provision, in the Act for him to apply to have that appeal process to get his vehicle back. That was already there. I just want to be clear that that's not something new. You're saying that that's not an amendment you're making.

Hon. Mr. McMorris: — We had the ability to make that change, a small change, the change so that the commercial operator could appeal to the traffic board. We had the ability to make that change through regulation, not through legislation. That change was made in the fall so that a commercial operator/owner can appeal to the traffic board. Before they had no option to. That vehicle was gone for seven days regardless. Now there is an appeal process. Because you realize that there could . . . You know, I think there's many commercial operators that own and operate a fleet that do all the due diligence and they were still being punished. This gives them an opportunity to get that vehicle back hopefully quite a bit sooner.

What this deals with, with this legislation, we need to change the legislation if we are going to make changes for the operator of the vehicle. And that's what this does, is the operator of the vehicle now will be facing some penalty whereas before they weren't. They didn't receive any penalty. But we need to

change it in legislation, and that's what this piece of legislation does.

Mr. Vermette: — Okay. Well and thank you for the clarification then. I think it's helpful, and I know the change that's there gives the opportunity, if the business owner has done their due diligence like you have said, they can appeal the decision to the traffic safety board and have their vehicle that's impounded returned sooner. And I think and I know there was some issues with that raised, and that may be on another area. But I know there was some frustrations with saying that, how long would that take for that business owner, whether it be the weekend, whether it be an evening, would it take longer for them to get the vehicle, to get that vehicle back working, making money for a company if that's what they're . . . And I know that was raised as well, as one of the business owners has raised that concern.

But having said that, I'll leave that alone, and I'll go back to, so right now then we're making the change where the individual, being an employee, would get the vehicle impounded. The employer was the one that was left dealing with the cost of everything. The provision in here now is to give some consequence to the driver, a three-day suspension. Can you explain that process and how that individual, if caught, a police officer might, you know, say, I'm going to move ahead with a three-day suspension. Can you give me a little bit to understand the criteria to how they'll determine that or what provisions are for a police officer to move on that.

Mr. Cameron: — Okay. Just to explain a little bit, the police officer . . . It's the same as any other suspension. They would have the authority then to do an immediate roadside suspension and write up that suspension, take the person's driver's licence away if he has it on him. And immediately that comes into effect. It's still appealable. If that operator still had felt it was unfairly done, still could appeal that decision to suspend. There's a right of appeal to the Highway Traffic Board in that also.

Mr. Vermette: — Can you give me just a, if you can . . . I don't know if it's in the regulations or however, if it's clear. When would an officer feel like he can move on that to actually say, I'm going to suspend your driver's? Is it automatically if he's pulled over somebody, and for whatever it's automatic? Or is there a provision for him . . . Does he have some flexibility to say, well in this light I'm not going to, or yes, I am? Is there any flexibility or he has to . . . Is it very clear?

Ms. Flynn: — There is section 280 in *The Traffic Safety Act* does provide some discretion for law enforcement as to whether they'll use the suspension or not. However, they have to meet certain prescribed circumstances.

So for example if this is the second cellphone offence this individual would be charged with in the past 12 months, that would be a prescribed offence for which this vehicle may be seized, the same as if it would be excess speed over twice the speed limit or it was a stunting offence, the second stunting offence in a 12-month period, they would be in a position to seize the vehicle.

Hon. Mr. McMorris: — If I could just add, so what this really

does is brings in line . . . We have the ability to suspend a licence for 72 hours for a number of things, just as was mentioned. This brings using a cellphone for a second time in a year in alignment with those other reasons as to why we can pull a licence, for lack of a better term, or suspend a licence for 72 hours.

Before this change was made, we had a kind of a list of things why a licence could be taken for 72 hours. This wasn't on that list but it brings it into alignment because we think it's just as serious. Really, when you look at the different traffic accidents where distracted driving is a factor, we feel it's just as dangerous as driving at twice the speed limit or stunting or whatever. That's why it's been brought into alignment so that the licence suspension was . . . The number wasn't picked out of the air. It brings it into alignment with the other serious offences that allows police officers to suspend for 72 hours.

Mr. Vermette: — Okay, and that's helpful. So was it that somebody, you know, brought it to the attention of SGI or the ministry, yourself as the minister, or was it something that was missed? Or you're just saying, you come back amending and saying, we should have put this in, somehow we missed it, and now we're going to introduce it? Or did somebody bring it forward in a complaint or raise it as a concern that you might have missed, you know, a piece of strong legislation that would be helpful? If you could explain that to me.

Hon. Mr. McMorris: — I'll take a crack at it, but I think it was a whole combination of things, but certainly stemmed from the issue last summer where the vehicle was impounded. The driver that was driving that vehicle who had used a cellphone for the second time — I mean, got caught using a cellphone for a second time in a year — was able to either go back to the shop and pick up another vehicle and drive, or drive home. There was absolutely no deterrent for that person.

And it might have been an oversight, but as we looked at it more, we really thought, you know, we really need to bring it in line with the other 72-hour suspensions, whether he's driving a commercial vehicle or not, that, you know, it should be brought in line that the driver does have some onus regardless of whether he's in a commercial vehicle or not, that the driver does have some onus. Because the way it had played out last summer is the driver had no . . . There's no deterrent, no onus on the driver to comply.

Mr. Vermette: — Yes, and I realize what you're saying because there was a fine that the individual would have had to pay. But now there's also consequences of losing your vehicle, your driver's licence, for 72 hours. Now you say that's coming in line with other I guess provisions that were there for a police officer to impound or to seize your driver's . . . Impound, there's that provision. You talk about seizing of the driver's licence. When you're saying that, now that's saying it's coming automatically together with other pieces of, I guess, within the legislation that gave an officer the ability to say, I'm going to go ahead and seize this.

And it's probably very clear in there when he can move. And you're talking about a second offence. You know, there's different criteria that would warrant probably, like you said, stunting, different things that would warrant an officer to say,

I'm automatically going to seize this vehicle. So that's just all bringing into line, if that's clear what I'm saying, to make sure and hold the driver accountable. Because yes, if he can just off and drive, you're now . . .

Now having said that, that appeal process you'd talked about, even a driver now, if he decided he, and correct me if I'm wrong here. Can a driver who lost their driver's for 72 hours in any other cases where . . . You talked about it brought it in line with a police officer to actually cause a suspension of the driver's. Is there an appeal process in all those areas for the individual driver that lost their driver's for 72 hours, to appeal that to the traffic safety board? Is that who they would go through?

Hon. Mr. McMorris: — So there is an appeal process for a driver that's lost their licence for 72 hours and it's back through the Highway Traffic Board. The Highway Traffic Board has kind of a list of reasons or why they would grant the appeal and why they would allow the driver to drive again. If it's, you know, medical, there's medical conditions . . . And there's a number of things that the Highway Traffic Board will look at. Having said that though, you know, these are serious offences and the traffic board no doubt is going to look at that. But there is kind of a criteria that would allow them to grant the driver to drive again. There hasn't been many of these yet because this is just coming into effect.

But back on the impoundment piece and the driver. We really think it strikes a fair balance, that there's onus on the employer still, but there's also onus on the driver, and that was striking a fair balance whereas before we felt that it was a little uneven. And so I think this again puts onus on both the driver and the employer even though the driver has the opportunity to appeal and it's through the Highway Traffic Board. I realize it's only a 72-hour suspension, so it's not like it's a 30-day suspension where the appeal process goes through and the person may get their driver's licence back for quite a period of time. This is only a 72-hour window.

Mr. Vermette: — No, and I guess at the end of the day I think it, you know, just the awareness to the driver saying, you know, it's serious enough where you're taking away someone's driver's for 72 hours. It's just like, you know, we've seen in different areas, and part of that, you know, the Traffic Safety Committee hearings that we did, and we went around, when you do an impound of 72 hours, there are different . . . You know, we've seen that it can make educating individuals on safety, trying to save lives. And I think again this tells the driver how serious we're taking it. Not only is the vehicle being impounded, but you have a 72-hour suspension on your driver's. Yes, it has to speak that volume to realize how serious of offence that, you know, and the challenges. We're talking about trying to lessen fatalities in our province, and they're pretty high, you know, when you look at them, and I know, part of that committee, we did.

So again sometimes amendments come forward and in this light it puts some, I guess, some responsibility on the driver itself. So again having said that I, you know, I have no further questions but I just again . . . Maybe my colleague has. But for myself, again I want to thank the Chair and the minister and your officials and for giving me a little leeway with my opening

comments about the Traffic Safety Committee because I think it was important to talk about the challenges.

And you know, I'll work with whoever to help communities in the province make sure the roads are safe so we don't have any more fatalities and you lessen them when it comes to travel for Saskatchewan residents. So with that, again to the minister and officials and the Chair, thank you for giving me the opportunity to talk and have some discussion on the bill and clarification. Thanks again.

The Chair: — Ms. Sproule.

Ms. Sproule: — I have a couple of questions as well. And this is something I commented on when I was in the adjourned debates, but I guess it's the process for the appeal. And if a person's vehicle is impounded . . . I'm thinking of maybe snow removal on a Sunday afternoon in a blizzard or a tow truck or something like that. Their driver's caught, he gets a suspension, and the vehicle's impounded. So he can make, the owner can make an appeal to the Highway Traffic Board. My first question is, would he have to wait until the Highway Traffic Board on Monday morning? Like is it only when they're operating? Okay, your answer is yes there.

And the other question I have is in terms of the driver's abstracts. And I think you spoke about this a little bit in your comments. I'm not sure if it was in the House or in the scum, but my questions there as I was thinking this through, is if an individual had a previous ticket for distracted driving and was then suspended, how will the Highway Traffic Board take that into account?

And I guess my thought is that this seems to be more punitive now than if they had a record for stunting or other kinds of offenses that you're talking about, so it seems to go further. Will it prohibit people from getting jobs if they have one of these tickets? You know, would an owner say, I can't hire you because if you get caught, I get impounded for seven days?

[16:00]

Hon. Mr. McMorris: — I don't know if it's more punitive. That's not necessarily the point of this. It wasn't necessarily the point to have the commercial operator, not the driver but the owner make sure . . . From our perspective, from SGI's perspective and our government's perspective it was to make sure that the owner understands what drivers they have with them. If they never look at an abstract, who knows what drivers they're hiring?

So when they hire . . . And let's say it's a clean abstract. Great. If the driver has had previous convictions, let's say, even for his cellphone use, there's no reason why the owner couldn't hire that person, but they may want to do a little more due diligence with that driver to make sure that the driver understands that operating his vehicle with a cellphone is not acceptable.

And you know, if they appeal then to the Highway Traffic Board, something happened, the owner would be able to prove, you know, we understood that he had one previous conviction. This is what we have done to try and correct his behaviour. Obviously that hasn't worked. We would like our vehicle back.

He may not be employed with us anymore. But they have an awareness and they've done their work or their due diligence to make sure that the drivers they have are as responsible as possible.

Ms. Sproule: — So in terms of this abstract then, are owners being given sort of that criteria, what the Highway Traffic Board will look at? What is their due diligence? Are they required . . . How do they demonstrate that they've looked at the abstract? Do they need to keep records? This seems to be a lot more paperwork for the owners.

Hon. Mr. McMorris: — There's a couple of processes. First of all we would hope that, you know, the owner of whatever company, trucking firm, would have a driver's file. They would have a file on the driver as to previous convictions or whatever the file may entail.

The other thing though is when the company applies to the Highway Traffic Board, we through SGI provide the Highway Traffic Board the abstract. We also tell the Highway Traffic Board whether this abstract has been pulled by the owner. So we know whether the abstracts have been pulled as well as we would hope that the company would have a driver's record. If they appeal and they say, I think we've pulled it, we know for sure whether they have or not.

Ms. Sproule: — Thanks, Mr. Chair. Thanks, Mr. Minister, and staff. And that's it for me.

The Chair: — Are there any more questions for the committee? If there are no more questions, we'll move to voting off the clauses to this bill.

The Chair: — Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

The Chair: — Her Majesty, and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Traffic Safety Amendment Act, 2014 (No. 2)*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that we report Bill No. 176, *The Traffic Safety Amendment Act, 2014 (No. 2)* without amendment.

Mr. Parent: — I so move.

The Chair: — So moved by Roger Parent. That's carried?

Some Hon. Members: — Agreed.

The Chair: — Okay. One more thing that we have to do. Have you got any comments, Ms. Sproule?

Ms. Sproule: — Just one comment, Mr. Chair, and that is in terms of committee business, outstanding business. I note that there's 44 outstanding items that we need to deal with in terms of annual reports. I'm just curious about when that might be happening.

The Chair: — Yes. I know that actually, and I cannot say at the present time, but hopefully fairly shortly.

Ms. Sproule: — Okay. I think it's important that we get moving. Some of these are becoming quite dated.

The Chair: — Okay. I have one final comment. I'd like this to go into *Hansard*, and that is happy birthday to June Draude today.

This committee stands adjourned to the call of the Chair. Oh, I need a motion to adjourn first.

Mr. Brkich: — I so move that this committee now adjourn.

The Chair: — Mr. Brkich moves that this committee now adjourn, and it will be adjourned to the call of the Chair.

[The committee adjourned at 16:06.]