



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Ms. Colleen Young, Chair
Lloydminster

Ms. Carla Beck, Deputy Chair
Regina Lakeview

Mr. Fred Bradshaw
Carrot River Valley

Mr. Terry Dennis
Canora-Pelly

Mr. Warren Kaeding
Melville-Saltcoats

Mr. Hugh Nerlien
Kelvington-Wadena

Mr. Kevin Phillips
Melfort

[The committee met at 19:00.]

The Chair: — Good evening, everyone, and welcome to Crown and Central Agencies Committee meeting this evening. I'm Colleen Young. I'm the Chair of this committee. And I'll introduce the rest of the committee members this evening: Carla Beck as our Deputy Chair; we have on the committee as well Hugh Nerlien, Terry Dennis, Kevin Phillips, Fred Bradshaw, and sitting in for Warren Kaeding tonight is Delbert Kirsch on my right here. So welcome, everyone.

We have the following documents to table this evening: the CCA 33-28 — Saskatchewan Liquor and Gaming Authority: Responses to questions raised at the June 28, 2016 meeting; as well as CCA 34-28 — Crown Investments Corporation of Saskatchewan: Report of public losses, July 1, 2016 to September 30, 2016.

I would also like to advise the committee that pursuant to rule 145(3), chapters 1, 9, 15, 31, and 38 of the *Provincial Auditor of Saskatchewan 2016 Report* volume 1 were committed to this committee as well.

And I would like to advise the committee that pursuant to rule 145(1), the following documents were permanently committed to the committee. And there are a number of them that I have to read into the record this evening, so just bear with me, folks:

SaskEnergy 2015-16 Annual Report
SaskEnergy Inc., TransGas Limited, and Bayhurst Gas Limited financial statements for the year ended March 31, 2016
SaskWater 2015-16 annual report
SaskTel 2015-16 Annual Report
Saskatchewan Telecommunications financial statements for the year ended March 31, 2016
Saskatchewan Telecommunications International Inc. financial statements for the year ended March 31, 2016
DirectWest Corporation financial statements for the year ended March 31, 2016
SecurTek Monitoring Solutions Inc. financial statements for the year ended March 31, 2016
Saskatchewan Telecommunications Pension Plan 2015 annual report
Saskatchewan Transportation Company 2015-16 Annual Report
NorthPoint Energy Solutions Inc. 2015-16 financial statements
Power Corporation Superannuation Plan 2015 annual report
Saskatchewan Power Corporation 2015-16 annual report
Coachman Insurance Company 2015 annual report
Saskatchewan Government Insurance Superannuation Plan 2015 annual report
SGI Canada Insurance Services Ltd. 2015 annual report
SGI Canada 2015-16 annual report
Saskatchewan Auto Fund 2015-16 annual report
Saskatchewan Gaming Corporation 2015-16 annual report and SGC Holdings Inc. financial statements for the 15-month period ended March 31st, 2016
Saskatchewan Opportunities Corporation 2015-16 annual report
Crown Investments Corporation of Saskatchewan 2015-16 annual report
Crown Investments Corporation of Saskatchewan: Gradworks Inc. financial statements for the year ended March 31, 2016

Crown Investments Corporation of Saskatchewan: First Nations and Métis Fund Inc. financial statements for the year ended March 31st, 2016

Crown Investments Corporation of Saskatchewan: Capital Pension Plan financial statements for the year ended December 31, 2015

Crown Investments Corporation of Saskatchewan: Saskatchewan Immigrant Investor Fund Inc. financial statements for the year ended March 31, 2016

Crown Investments Corporation of Saskatchewan: CIC Asset Management Inc. financial statements for the year ended March 31, 2016.

And that's all of them.

So this evening the committee will be considering four bills: Bill No. 1, *The Crown Corporations Public Ownership Amendment Act, 2016*; Bill No. 2, *The Miscellaneous Statutes (Crown Corporations' Fiscal Year End Standardization) Amendment Act, 2016*; Bill No. 32, *The Automobile Accident Insurance (Benefits) Amendment Act, 2016*; and Bill No. 37, *The Traffic Safety Amendment Act, 2016*.

Bill No. 1 — *The Crown Corporations Public Ownership Amendment Act, 2016*

Clause 1

The Chair: — We will now begin our consideration of Bill No. 1, *The Crown Corporations Public Ownership Amendment Act, 2016*. Clause 1, short title. Minister Hargrave, would you please introduce your officials and begin with your opening remarks.

Hon. Mr. Hargrave: — Thank you, Madam Chair. I'm pleased to be here this evening to appear before the Crown and Central Agencies Committee to present two bills from the Crown Investments Corporation. The bills are: No. 1, *The Crown Corporations Public Ownership Amendment Act, 2016*; and Bill 2, the miscellaneous statutes amendment Act, 2016.

Before we get started with Bill 1, I'd like to introduce the officials joining me this evening. From Crown Investments Corporation, to my right, Mr. Blair Swystun, president and CEO [chief executive officer] of CIC [Crown Investments Corporation of Saskatchewan]. To my left, Doug Kosloski, senior vice-president and general counsel for CIC. And to my far left is Cindy Ogilvie, vice-president and chief financial officer.

In November 2014 the government had significant public consultations on the future of liquor retailing. Members of the public were invited to provide feedback in an online survey. In January 2015 the consultation process concluded. Through this process, more than 6,000 people completed the survey and more than 3,000 people provided additional comments. A majority of the respondents indicated that they were supportive of an increased role for private retailers in the province's liquor retail system.

Since then we announced in November of 2015 that 40 SLGA [Saskatchewan Liquor and Gaming Authority] stores that currently do not meet targets of efficiency would be converted

to private retailers. We also identified communities that had seen the amount of growth necessary that it would receive a new private retailer. There will be 11 new private retailers in these communities.

The Crown Corporations Public Ownership Amendment Act is just one of the next steps in the process of bringing about these changes. In accordance with the Act, we provided members of the public with the opportunity to make representation to a policy field committee. This was completed in May of 2016.

The bill removes the Saskatchewan Liquor and Gaming Authority from the list of Crowns subject to the Act. By doing this we simplify and expedite the process for expanding the private retail system for alcohol in this province.

Madam Chair, I'm pleased to present *The Crown Corporations Public Ownership Amendment Act, 2016*. We would be pleased to answer any questions you may have.

The Chair: — Thank you, Mr. Minister. Are there any questions from committee members? Ms. Beck.

Ms. Beck: — First of all I just want to say thank you for your time this evening and being here with members of the committee to answer questions, starting with Bill No. 1, *The Crown Corporations Public Ownership Amendment Act*.

Of course this bill . . . Minister Hargrave gave a little bit of background about this bill and how we ended up here today. And a number of members around this table met after first reading of this bill in the spring, and had the opportunity to hear from a number of people from the community, their thoughts about the privatization of the 40 liquor stores, and the addition of a number, 11 other private retailers.

I was wondering if I could start by asking a couple of questions that arose from the preamble that you presented, Minister Hargrave. You noted that the 40 stores that have been targeted for privatization didn't meet the targets of efficiency. I was wondering if you could expand upon that a little bit, and what those targets were.

Hon. Mr. Hargrave: — Thank you for the question. CIC's really only role in the process was to facilitate the change in the legislation. The minister . . . There is another Minister Responsible for SLGA that would have a better understanding and better able to answer that question. However, I know there were targets set that related to profitability at each of these stores that were not being met. But as far as the exact details of that, I don't have with me and it would probably be the SLGA minister that would be able to answer that question better for you.

Ms. Beck: — They didn't meet some measure of efficiency, but it wasn't the case that these stores weren't profitable. In my understanding there was, the year previous, about \$32 million in net profit that was realized by those 40 stores. Is that correct?

Hon. Mr. Hargrave: — As I said, I'm not sure of that process. That answer, that question would be better answered by the Minister Responsible for SLGA.

Ms. Beck: — And I guess the reason that I bring it up, you mentioned it in your preamble and as well it was mentioned during second reading of this bill by then minister McMorris. He noted those efficiencies, the target efficiencies, as well as the threshold for new growth for the addition of the 11 liquor stores. So that is the reason that I bring it up.

I guess I'll start with this question then, and it's a fairly simple question. During the last election campaign, there certainly was mention and it was noted that this government, if elected, would undertake the privatization of 40 liquor stores and the addition of 11 new private retailers.

What was not mentioned or was not made clear during that campaign was that SLGA would be removed entirely out of *The Crown Corporations Public Ownership Act*, the Crown protection Act. This piece of legislation of course was voted on unanimously in 2004 by members of this Assembly. Some of the reasons cited for this Act initially . . . which added CIC as well as SLGA, Saskatchewan Gaming Corporation, SGI [Saskatchewan Government Insurance], SaskPower Corporation, Sask Telecommunications, STC [Saskatchewan Transportation Company], Saskatchewan Telecommunications Holding Corporation, SaskWater Corporation, SaskEnergy, SGC [Saskatchewan Gaming Corporation], TransGas.

So it added all of the Crowns, including SLGA, to the Crown protection Act for a number of reasons that are noted in the preamble, noting that Crown corporations are an investment in the future of Saskatchewan and provide necessary public services; Saskatchewan Crown corporations reflect a historic decision to maintain control of necessary public services within Saskatchewan; that the public interest and rights over their disposition should be maintained; and that an Act of the legislature is required to assure that a decision to privatize a Crown corporation reflects the will and rights of the people of Saskatchewan; and that the public ought to be fully informed about the terms, costs, benefits of any privatization.

So what was afforded after first reading was the committee, the policy committee, so that members of the public could have input and express their thoughts about the proposed privatization of the 40 stores.

[19:15]

And a number of really important questions were raised at that committee. I know my colleagues heard them as well. Some of those answers we don't have yet in terms of what the net cost will be, for example, of that privatization. Concerns ranged from the impact on small, private business owners, as we heard from a business owner in Maple Creek; on local economies, as we heard from the Gravelbourg Chamber of Commerce; impacts on everything from rates of impairment, drinking and driving.

So all of that by way of saying, that was all afforded because of the protection of SLGA within this Act. And so what is being proposed here now is removing SLGA entirely from the protection. So I guess my question is this: why was the decision made to remove SLGA entirely from the protection of this Act?

Hon. Mr. Hargrave: — Again it's probably a little bit easier

for the Minister Responsible for SLGA to answer that. However I do note that, a couple things, I guess, that there was consultation done prior to this announcement, prior to the election. And of course the election was a pretty major referendum because it was a major platform in the party's platform that they put forward to the people, that this was decided before and part of that. So a lot of those cases were done.

In order to do the 40 stores and to make that adjustment, it was necessary to change the entire SLGA status. And you couldn't just pick out the 40 stores from the legislation that was in effect. That's why this amendment is there. It's to cover all the stores so that the 40 stores could be RFPs [request for proposal] and sold. So that's probably the best answer that I can give you.

Just to clarify in my first answer, profitability was one of only a number of parameters that were set in there to determine which stores would be selected. The profitability was in there, but the whole efficiency thing, there was only one of many parameters that were looked at.

Ms. Beck: — Okay. Just, I want to make sure that I'm understanding you correctly. Are you saying that in order to privatize the 40 liquor stores that it was necessary to completely remove SLGA from the Crown protection Act?

Hon. Mr. Hargrave: — What we're saying is it's not practical, because of the number of stores that are privatized and the number of private stores that are happening. It wouldn't be practical to just sort of set aside that specific number in the legislation. And that's why the legislation appears as it is.

Ms. Beck: — There were some assertions made by the previous minister about this decision to privatize 40 of the 75 public liquor stores, and one of them was around cost neutrality. With privatizing 40 stores, we still retain 35 public liquor stores. What is being proposed here . . . And some assertions were made around that in terms of, you know, these were only the stores that were, as you've stated, less efficient, that we would still be able to maintain some public control over distribution, have some economies of scale still with 35 remaining stores.

My concern is that once SLGA is removed entirely from protection of this Act, is that . . . I think it's a reasonable concern that further privatizations would not be subject to the scrutiny of committee. And I think that my further concern is this, in that we don't have a lot of answers already in terms of what the impact of these privatizations will be, either on local economies, as I've noted, on small local retailers, on jobs, certainly, or even the impact in terms of the net revenue that is returned back to the GRF [General Revenue Fund] as a result of these privatizations.

So certainly I think there would be an ability to, would seem to me, you know, to privatize some but retain the remaining stores in the protection of the Act. But you're saying that that wouldn't be possible.

Hon. Mr. Hargrave: — Again, I'm not the best person to answer that question. I'm the chair of, Minister Responsible for CIC, and it was not a CIC issue. It would be best placed, that question, to the Minister Responsible for SLGA. I'm not aware

of the inner workings of exactly the question that you asked, so it would be a better place for that minister. It's not one that we have the ability to answer at this time.

Ms. Beck: — Would we have the ability to ask the Minister Responsible for SLGA?

Hon. Mr. Hargrave: — If the committee wished to call that minister, then he would answer the question. But it's not a CIC, it's a responsibility . . . The details that you're asking are not part of the CIC.

The Chair: — We would have to adjourn this portion of this meeting to reconsider this bill and see if that minister would be available to reset another time.

Ms. Beck: — I do appreciate that you are the Minister Responsible for CIC, and the officials with you today perhaps don't have some of those answers at hand. But the impact of this bill really is on SLGA, and my comments and my questions, and certainly the comments and questions and concerns that I've heard from members of the public, do centre around what the impact of that privatization will be — concerns and questions about the RFP process, for example, now that those 40 stores have been tendered.

I guess while I have you here I will ask, is there any update on the RFP process for those 40 private stores?

Hon. Mr. Hargrave: — Again, that's another question that the Minister Responsible for SLGA . . . That doesn't come through my office or CIC's office. I understand your questions and I understand why you want the answers to those questions. I wish I could answer them for you. I just don't have that information available to answer them for you.

Ms. Beck: — I think, in light of that . . . And I respect your time and what you were able to provide in terms of answers.

There really are a number of answers that would perhaps be more appropriate for the Minister of SLGA, and that would be my request if we . . .

The Chair: — I would then be asking the committee for an adjournment on this specific bill for this evening and to remove it from tonight's discussion and set it for another time. Is that agreed?

We're just checking to see if the minister is available for this evening yet still, because we could bring it back onto the table. We could start in on another bill and we could see if he's available to come in and answer the questions so we could deal with it this evening. But we can adjourn it for the time being, for this evening, because we were trying to get through these four bills this evening. Okay. Is that agreed that we will check to see if the minister first . . .

An Hon. Member: — We'll just postpone it for now.

The Chair: — I'll recognize Mr. Dennis.

Mr. Dennis: — So we'll just delay it to later on in the meeting then, Madam Chair?

The Chair: — Yes, if the minister is available. If not, we will have to consider it in tonight's meeting. I recognize Mr. Bradshaw.

Mr. Bradshaw: — Could we have an adjournment for just a few minutes to talk this over?

The Chair: — I am going to ask if we could have a recess for a few minutes. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Okay.

[The committee recessed for a period of time.]

[19:45]

The Chair: — Thank you for your patience. We will resume with our discussion on Bill No. 1. In light of the questions that were being asked this evening, there has been some consideration with an adjournment of this bill, but I understand that Ms. Beck has a motion she would like to put forward at this time. Ms. Beck.

Ms. Beck: — Thank you. My motion is this:

That the Minister Responsible for SLGA, the Hon. Jeremy Harrison, be requested to appear before the Standing Committee on Crown and Central Agencies to answer questions related to Bill 1, *The Crown Corporations Public Ownership Amendment Act*; and further

That time be set aside on Wednesday, November the 23rd to accommodate this request.

The Chair: — Thank you, Ms. Beck. Are there any comments or questions on the motion? Mr. Bradshaw.

Mr. Bradshaw: — Thank you, Madam Chair. First off, this committee was advised quite some time ago what was happening, and the opposition could have asked for Mr. Harrison to be here if she had so wanted to follow this line of questioning. So that has actually been, like I said, that's been on the books for quite some time.

Secondly, we have already gone through quite a few of these various different things. There could have been a lot of written . . . more written questions in, and it's been debated. We went through the election stating what our plans were. So consequently I would not be in favour of this motion.

The Chair: — Any other committee member comments? Question? Yes, Ms. Beck.

Ms. Beck: — Thank you, Madam Chair. I understand the member opposite's comments. However the questions that I'm asking this evening pertain directly to the comments made by the former minister, Mr. McMorris, in his preamble to his second reading of this bill. And in light of the fact that a number of the questions that I was asking this evening pertain directly to the impact that passing this bill will have — and no disrespect intended that those here this evening weren't able to

answer those questions — I think leads me to believe that it would be fruitful for Minister Harrison to meet with our committee and answer some of those questions.

Further to that, the fact that the SLGA currently being part of the Crown protection Act affords the level of scrutiny that I wish to show to the privatization. And to get some of those answers about the impact of this privatization, I think further illustrates the point that removing SLGA entirely from this Act will be very impactful. So for those reasons and for the reasons that I think that the people of Saskatchewan and those impacted by this legislation deserve answers, I respectfully disagree with those comments.

The Chair: — Thank you, Ms. Beck. At this point in time, in order to be able to move on this evening, I'm going to ask for a vote on the . . . Mr. Phillips.

Mr. Phillips: — Madam Chair, I would just like to make a very quick comment that I doubt if there's been an Act that has been taken so much to the public as this Act has been, to the point where we had a survey of 6,000 people. We had 3,000 extra comments on that survey. We went to an election on this issue, one which, although it contained many things, this was part of it and very plain to the electorate of Saskatchewan, and their voice was heard when we came here. There's been ample time in this room to discuss this. There's been a public meeting on June 8th. I don't think we have to continue this on any further, so I will be voting against the motion.

The Chair: — Mr. Bradshaw.

Mr. Bradshaw: — Yes, and further to that, I'd like to point out that this isn't estimates. We're here to do a clause-by-clause on the bill, that we can . . . This can be handled in question period or in written questions. And so consequently, no I do not agree with this motion.

The Chair: — Ms. Beck has a motion put forward, and I'm going to ask the question then. All those in favour of the motion:

That the Minister Responsible for SLGA be requested to appear before the CCA Committee to answer questions related to Bill 1, *The Crown Corporations Public Ownership Amendment Act, 2016*; and further

That time be set aside on Wednesday, November 23rd to accommodate this request.

Those in favour? Those opposed? The opposed have it. Motion carried . . . [inaudible interjection] . . . Motion is defeated, sorry.

We will resume consideration of Bill No. 1 and vote on the clauses at this point in time. Ms. Beck.

Ms. Beck: — Thank you. And I do appreciate your time, so thank you for your patience.

So I guess where that leaves me then is what the impact will be when we remove SLGA, as is anticipated with this bill, from *The Crown Corporations Public Ownership Act*, from the

protection of this Act. What will be the impact that you expect that this legislation will have?

Hon. Mr. Hargrave: — The impact will be just that the liquor stores will be opened up to privatization.

Ms. Beck: — Are there further plans for privatization of the remaining 35?

Hon. Mr. Hargrave: — Again I can't answer that question in regards to the SLGA. That would be a question for that minister.

Ms. Beck: — So you don't anticipate any further consequences. So once, were this bill to pass, it would make it easier to privatize the remaining 35 SLGA stores.

Hon. Mr. Hargrave: — It would be no easier than it is for the first 40. What it will do is it will open up privatization of SLGA stores, period. And that's basically the nuts and bolts of it; the 40 stores will be privatized.

Ms. Beck: — Minister Hargrave, you noted that it won't be any easier once this bill passes to privatize the remaining 35, but currently SLGA enjoys protection under this Act, as has been noted. At first reading of this bill, the policy field committee was triggered, which did allow for members of the public . . . and I believe we had nine presentations as well as a number of written submissions that were afforded . . . That opportunity was afforded to members of the public. My understanding is that that will no longer be the case with subsequent privatizations were SLGA to be entirely removed from the Crown protection Act. Is that the case?

Hon. Mr. Hargrave: — Again I'm not able to answer that question. That's another question that is not within my scope or the scope of the CIC. That's another question that the minister for SLGA would have to answer.

Ms. Beck: — Broadly speaking then, not specific to SLGA, but with regard to any Crown that now enjoys protection under this Act, were it to be removed entirely from the Act, would there be a decreased level of oversight and scrutiny? For example, would the requirement for a policy field committee be removed? Would that no longer be the case that that committee would be triggered and that input?

Hon. Mr. Hargrave: — There would be still scrutiny, I believe, in the legislature, but the exact ramifications of your question I'm not sure. But there would be scrutiny still on a broader sense.

Ms. Beck: — But not the committee. What's currently provided under section 5(2). I'll read 5(1):

Restrictions on Bill to amend, repeal, override or suspend this Act

. . . a Policy Field Committee [must be] established by the Legislative Assembly:

after it has been read a first time and printed and distributed to members, and

before it is read a second time.

So in the case of first reading of this bill, it triggered that policy field committee and we met. I know members here met, again with members of the public's submissions. It was publicly advertised and televised. Members of the public were able to submit questions.

The Policy Field Committee . . . [and I'm reading again from point 2]:

must provide the opportunity for representations by members of the public; and

shall not meet to review the bill until 14 days after . . . which the public is given notice of the date, time and place of the Policy Field Committee's meeting.

So if removed . . . If any Crown were removed from protection of this Act, and those listed under section 2, is it the case that they would no longer be afforded that level of scrutiny?

Hon. Mr. Hargrave: — The other would be pure speculation on my part because this one only deals with SLGA, so how it would pertain to something else would be pure speculation. You know, I just don't think I could comment on that.

Ms. Beck: — So those Crowns, the Crown corporations that are listed at the beginning of *The Crown Corporations Public Ownership Act* enjoy certain protections under this Act including . . . Well they're all listed within the Act.

[20:00]

What Bill No. 1 anticipates is removing SLGA entirely from the protections that are outlined within the Act. And again this was an Act that was voted on unanimously by this Assembly in 2004. My question is, if SLGA or any other Crown is removed from the protection of this Act, does it make it easier to privatize in this case any additional stores or assets of that Crown corporation?

Hon. Mr. Hargrave: — The government followed the public consultation process prior to the election. Any changes to any of the Crowns would have to follow the rules in the Act and that's pretty much a simple clarification. So any changes to anything else would have to follow the rules in the Act.

Ms. Beck: — Okay. I'm going to go back to my original question then in light of all of that. As has been noted by my colleagues opposite, there was an election. There was a mandate as a result of that election, which I've conceded in committee a number of times previous to this, for the privatization of the 40 stores and the addition of 11 additional private outlets.

What was not clear during the campaign was the fact that the government would be moving forward with removing SLGA entirely from this Act, and I guess that remains my question. Why was that decision made to remove SLGA entirely from this Act?

Hon. Mr. Hargrave: — During the election there was ample feedback from, and prior to the election there was ample

feedback from the general public in relation to expanding the private retail system for alcohol in Saskatchewan.

This bill is . . . What it does is facilitates that objective that we had ample public consultation on, prior to and throughout the election. People did speak and they did voice their concerns on that and their approval of that:

By removing the Liquor and Gaming Authority from the list of Crown corporations subject to the Act, the process of expanding the private retail system of alcohol will be simplified and expedited.

And that's what the people had voted for. And we heard ample justification for that prior to and during the election.

Ms. Beck: — So you heard during the election that there was a desire to entirely remove SLGA from the protections afforded in this Act?

Hon. Mr. Hargrave: — Pardon me. Could you repeat? Sorry.

Ms. Beck: — So what you've said then is that during the election, you heard input from people that it was their desire to see SLGA removed entirely from the protections of this Act?

Hon. Mr. Hargrave: — It was part of the platform of the Sask Party:

To provide clarity for the proposed changes to liquor retailing, the provincial government will remove the Saskatchewan Liquor and Gaming Authority from *The Crown Corporations Public Ownership Act*.

And that's right in the Sask Party platform. So it was pretty clear that that was the intent, and we heard from people that were quite supportive of that. Yes, we did.

Ms. Beck: — So this removal will expedite further privatization, subsequent privatization of SLGA stores. Is that correct?

Hon. Mr. Hargrave: — Again that's a question for the SLGA minister. I know, as it pertains . . . As we all know, it pertains to 40 SLGA stores currently.

Ms. Beck: — But it's not just those 40 stores that have been removed from the protection. It's all SLGA stores that have been removed from the protection of this Act.

Hon. Mr. Hargrave: — Yes, all the stores would be removed from protection from this Act.

Ms. Beck: — Thank you.

The Chair: — No further questions from any committee members? Seeing that there's no further questions, we will now move to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 and 3 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Crown Corporations Public Ownership Amendment Act, 2016*. I would ask a member to move that we report Bill No. 1, *The Crown Corporations Public Ownership Amendment Act, 2016* without amendment.

Mr. Phillips: — I so move.

The Chair: — Mr. Phillips moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 2 — *The Miscellaneous Statutes (Crown Corporations' Fiscal Year End Standardization) Amendment Act, 2016*

Clause 1

The Chair: — We will now begin our consideration of Bill No. 2, *The Miscellaneous Statutes (Crown Corporations' Fiscal Year End Standardization) Amendment Act, 2016*. Clause 1, short title. Mr. Minister, if you have any opening comments at this point in time.

Hon. Mr. Hargrave: — Yes, I do. Thank you, Madam Chair. I'd now like to move on to Bill No. 2, the miscellaneous statutes amendment Act. Each Crown corporation is formed by separate legislation, and each piece of legislation defines year-end in a different way. Some fiscal year-ends are not set on a specific date by legislation. Others are subject to change by the Lieutenant Governor in Council. And in the case of SGI, there is no definition of fiscal year-end included in its legislation. As a result, some Crown corporations have their fiscal year-end fixed in legislation for December 31st of a given year. In SGI's case, year-end requires a board resolution.

This amendment will standardize all CIC Crowns by having the fiscal year-ends determined by the Lieutenant Governor in Council as opposed to a legislated date. The Crown corporations requiring a legislative change are Sask Gaming, SaskTel Holdco, SaskWater, Saskatchewan Opportunities Corporation, and SGI. The amending legislation was necessary for these Crowns because the respective year-ends were listed in each Crown's governing Act.

We were able to change the year-end of the remaining CIC Crowns, namely SaskPower, SaskEnergy, CIC, and STC, through order in council. This was done in December of 2015.

In November of 2015 the Minister of Finance announced that CIC Crowns would have their year-end changed to March 31st in order to better align with the year-end of executive government. By changing the Crowns' year-ends, we are better able to align the budget planning processes between CIC Crowns and executive government, providing government with greater efficiency in the planning process. The alignment of

budget years will provide the Ministry of Finance with more current information on Crown earnings expectations as an input into the provincial budget.

This legislation will ensure that all CIC Crowns have a standardized fiscal year-end. Madam Chair, I'm pleased to present the miscellaneous statutes amendment Act, 2016. We would be pleased to take your many questions.

The Chair: — Thank you, Mr. Minister. Questions from committee members. Ms. Beck.

Ms. Beck: — Thank you, Minister. So I think this is fairly clear. This disalignment of the CIC year-ends with the executive government year-ends, that's been in place for some time, I would guess going back to the legislation creating those Crowns. Is that correct?

Hon. Mr. Hargrave: — Yes, it's been in place for decades.

Ms. Beck: — I understand from the preamble some of the reasons why . . . What wasn't noted is why this decision was undertaken this year. What was the input or what were the factors that caused this piece of legislation to come about this year?

Hon. Mr. Hargrave: — This is the next step in the government's summary budgeting process from two years ago, and so this is just the next step.

Ms. Beck: — So as you noted, a number of Crowns were able to provide alignment with executive government's budget by order in council. Were there any concerns? Was there difficulty experienced by, or are we anticipating any difficulty? Of course there'll be a change in practice, but are there any anticipated consequences of aligning, both negative or positive, with aligning these budget year-ends?

Hon. Mr. Hargrave: — No, there hasn't. We believe, as I said in my remarks, this is a very positive step forward to aligning the Crowns with the government.

Ms. Beck: — Just out of curiosity, is this a standard practice for governments across Canada? Is this something that we see in other jurisdictions?

Hon. Mr. Hargrave: — There is a variety of practices throughout the country. However we strongly believe that this would be the best practice, to have common year-ends.

Ms. Beck: — There are other jurisdictions that do have the aligned year-ends?

Hon. Mr. Hargrave: — Yes, there are some that have the aligned year-ends the same. This is also a recommendation from the Provincial Auditor that this would be best for the Provincial Auditor to properly assess things.

Ms. Beck: — And you noted that this will help with the budgeting process. Can you expand upon that?

Hon. Mr. Hargrave: — The Crown corporations' plans would all be developed and timed so that it could come out with the

. . . match the government's summary financials and so that there would be just a better overall analysis as we go forward to do the budget process.

Ms. Beck: — Thank you.

The Chair: — Are there any further questions from any committee members? None noted. Seeing there's no further questions, we will now move to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 9 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Miscellaneous Statutes (Crown Corporations' Fiscal Year End Standardization) Amendment Act, 2016*.

I would ask a member to move that we report Bill No. 2, *The Miscellaneous Statutes (Crown Corporations' Fiscal Year End Standardization) Amendment Act, 2016* without amendment. Mr. Dennis.

Mr. Dennis: — I so move.

The Chair: — Mr. Dennis moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you. Mr. Minister, would you like to make any final comments?

Hon. Mr. Hargrave: — Well, thank you.

The Chair: — Ms. Beck, any final comments?

Ms. Beck: — Only to say thank you to each of you for being here this evening. And it wasn't my intent to hold you any longer than needed be, and I appreciate the answers that were provided. And again thank you for being with us this evening and thank you for the work that you do.

The Chair: — Thank you, Mr. Minister, and thank you to all the officials. We'll just take a short break right now just to change officials for our next bills.

[The committee recessed for a period of time.]

Bill No. 32 — *The Automobile Accident Insurance (Benefits) Amendment Act, 2016*

Clause 1

The Chair: — As we continue on this evening with our Crown and Central Agencies Committee, we will now begin our consideration of Bill No. 32, *The Automobile Accident Insurance (Benefits) Amendment Act, 2016*, clause 1, short title.

Mr. Minister, if you wouldn't mind please introducing your officials and making any opening comments that you may have.

Hon. Mr. Hargrave: — Thank you, Madam Chair. Good evening everyone. Please let me introduce, from SGI, who are joining us this evening to discuss these two bills before us. At the rear is Earl Cameron, executive vice president of the Auto Fund; Penny McCune, executive vice president of claims. To my left, Daphne Graham, director of injury claims. To my far left, Lindsay Ferguson, legislative adviser; and also at the back is Elizabeth Flynn, senior legislative adviser.

I'm pleased to be here tonight, first to discuss changes to Bill 32, *The Automobile Accident Insurance Act*. The amendments were discussed today, including . . . Pardon me, the amendments we are discussing today include improvements to the no-fault, the tort, and reduced no-fault injury programs to better meet the needs of customers.

The changes will provide improved benefits for those most seriously injured customers, close gaps in coverage for everyone involved in an auto collision, make changes to help keep coverage affordable, and address inconsistencies in coverage.

The changes follow a comprehensive review of the auto injury program that began in 2014. The review involved consultation with a variety of stakeholders and groups including former and current auto injury customers; representatives from medical, legal, and insurance companies; an injury review panel representing a cross-section of stakeholders; and SGI employees who work with the program.

There are many, many changes involved as you can see from the length of the bill. Let me just touch on a few examples of changes in the bill that are things SGI customers have directly asked for.

A benefit to providing counselling for the family members of injured customers. When a loved one is seriously injured, that can put a lot of stress on a family, especially if that loved one is seriously injured.

Two, a recreational allowance for the most severely injured customers to help with costs associated with activities they enjoy and ensure that they continue to have a good quality of life.

Thirdly, when an impaired driver causes a collision and is killed, these changes will allow any innocent victims or their family to sue for pain and suffering or bereavement damages.

These are just a few examples. As you can see from the bill, there are many more. In addition to the recommendations that resulted from the injury review, there are a handful of changes to clarify who is entitled to benefits, facilitate the payment of benefits, and some minor housekeeping items.

I'm very pleased to discuss these changes with the committee as I believe they will surely benefit Saskatchewan residents who suffer the misfortune of being injured in an auto accident. Thank you very much.

The Chair: — Thank you, Minister. Are there any questions from committee members at this point in time? Ms. Beck.

Ms. Beck: — I was waiting for them to ask a question. Thank you, Minister Hargrave. And thank you to all of those who are with you here this evening and welcome.

As you noted, this is a fairly hefty piece of legislation here. I think that there are 30-plus changes. And I think that you did start to answer my question initially, Minister, and that was just around how these changes were identified. Of course there are over 30 changes; they deal with different aspects. And so what I'm hearing from you is that these changes came largely out of the consultation process and are as a result of meetings and consultations that were held with stakeholders, with employees of SGI. Is that correct?

Hon. Mr. Hargrave: — Yes, that's correct, with employees and other stakeholders, of course, of families and victims. Yes.

[20:30]

Ms. Beck: — Okay. Just by way of providing oversight on my part and with your indulgence, what I'd like to just do is go through, move through the bill and ask some questions as we go along, if that's okay.

I guess starting . . . The existing provision, section 3(2), there is some clarification of the term "dependent", and that also is in subsection 100 as well. So I guess the question is just around why the changes or the clarification with regard to the term "dependent" within this bill.

Ms. Ferguson: — There actually is no change to the actual definitions themselves. They've just been moved from one part of the Act to the beginning of the Act because the definitions apply to the entire Act.

Ms. Beck: — There are also a number of changes with regard to benefit payments. Those are prescribed in legislation here, and my understanding is the increases that are proposed, moving for example from \$300 weekly up to 396 for full-time workers or homemakers, and moving from 150 up to 198 weekly payable benefit. That is to be in keeping with the minimum wage. Is that correct?

Ms. Graham: — The amendment that has gone forward is to ensure that the weekly defined benefit under the tort program and the reduced no-fault program that applies to motorcycles is kept to at least minimum wage, so it's the greater of weekly benefit defined or the minimum wage that's available.

Ms. Beck: — One thing that I was curious about in looking at this bill, prescribing that dollar amount right in the bill as opposed to in the regulations. Is there a reason that it's right in the bill and not in the regulations? I'm just thinking in order to make changes to that amount it would necessitate the whole legislative process as opposed to having it in regulations.

Ms. Ferguson: — There's no specific reason why it's contained in the Act as opposed to the regulations. It originally was in the Act so we made the change to the Act current with those current amounts.

Ms. Beck: — Thank you. Just trying to keep up with my explanatory notes. There's a new section, 24.2, which adds the relapse of bodily injuries within 104 weeks. That is in addition to the current legislation. Can someone explain the reason for that addition?

Ms. Graham: — Under our tort injury program currently, if you are injured and receive a weekly benefit within 104 weeks, there wasn't an allowance if you had returned to work and then required a further surgery or rehabilitation or treatment program. So the 16 weeks is now available if you suffer a relapse or require additional medical intervention within that 104 weeks, up to a period of a 16-week recovery time.

Ms. Beck: — Prior to this addition, what would happen if someone did experience a relapse within that period?

Ms. Graham: — If they had returned to work there wouldn't be any weekly benefit available to them.

Ms. Beck: — Is this something that came out of your discussions with those who have received benefit?

Ms. Graham: — Yes.

Ms. Beck: — Okay, thank you. So moving into section 26.1. I'm just going to look to my explanatory notes. I think this is where we start looking at those who would not be entitled to any benefit. Those include someone who's more than 50 per cent responsible for the accident; who is convicted of an offence pursuant to section 220 or 221 of the Criminal Code as a result of the operation of a motor vehicle or any similar offence in the United States; the insured has at least on one other occasion within the five years before the accident been convicted of an offence listed in clause (b) as a result of the operation of a motor vehicle.

So what I understand that this anticipates would be withholding benefits or having people convicted of certain offences not be eligible for benefit. Can you explain how that decision was arrived at?

Ms. Ferguson: — Presently the way the legislation works for tort customers is they're not entitled to any benefits at all if there's impaired driving or they intentionally try and harm someone. So this just incorporates the new offences that have been added to the Act, where someone is 50 per cent responsible and is convicted of one of those specified offences that you named.

Ms. Beck: — You did embark on a number of consultations as we've established. Did this come out of a specific recommendation from one of those groups? Where did this addition of these other areas that would disqualify people from benefit, where did that come from?

Ms. Ferguson: — Just to be clear, this provision that you're looking at deals only with income benefits. So it doesn't deal with any of the other benefits that tort elect is entitled to. This change is seen in the other injury programs. So in the other injury programs income benefits are not payable when there's these type of convictions. And so this makes the tort program consistent with the reduced no-fault motorcycle program and

the no-fault program.

Ms. Beck: — Did you have any feedback from those groups that you consulted about these changes?

Ms. Graham: — During the drafting process of the legislation, it was discovered that to ensure that there was consistency across all three injury programs, this is when it was first introduced. Again with respect to the no-fault program, income benefits aren't payable while the individual is incarcerated, so it wasn't specifically addressed at our stakeholder discussions.

Ms. Beck: — So just so I'm clear then, one of the threads that we find throughout this bill would be looking at making those different benefit programs being equal across. Is that correct?

Ms. Graham: — Yes.

Ms. Beck: — That helps with my question in terms of just how all of these pieces arrived in this larger piece of legislation, so I appreciate that. So there is specific prohibition from paying benefits to a person who is in prison. Can you speak to the decision that that change . . . how you came to that decision to make that change, or is that another of just looking at continuity across the programs?

Ms. Graham: — Certainly the continuity is what was the initiative to bring that recommendation forward into the legislation. So it's just with respect to income benefits — while they're incarcerated they're not eligible for that benefit. They're eligible for all other benefits similarly in the reduced no-fault motorcycle program as well as no-fault.

Ms. Beck: — I'm just looking through my notes here. There are some provisions . . . I'm looking at 36, which is an addition, section 35.401 which has been added, which requires the insurer to pay interest on permanent impairment benefit from the date of the accident to the date the benefit is paid to the insured. So that would make payment or interest on those payments retroactive to the date of injury. Is that correct?

Ms. Graham: — Interest would be payable from date of collision to date of payment of the permanent impairment benefit.

Ms. Beck: — So is that again something that came out of your consultation with those who had experienced injury?

Ms. Graham: — Yes it did. It was recommended at the stakeholder meeting. Yes.

Ms. Beck: — What is the anticipated impact — financial impact — of that provision?

Ms. Graham: — I don't have that figure for all three programs.

Ms. Beck: — Is it something we could get at a later date?

Ms. Graham: — Yes.

Ms. Beck: — There's some clarification in section 40 around section 81, around the term "third party." And it adds "commercial entity" to the definition of "third party." I'm on

page 24 of the explanatory notes if that helps.

[20:45]

Ms. Ferguson: — So the third parties are one of the defined people that can be, or entities that can be sued in certain circumstances. And so we wanted to make sure that if a commercial entity was a third party, it didn't exclude them from also being subject to a lawsuit in those specific circumstances. So that's why commercial entity is included within the definition of third party.

Ms. Beck: — What would be an example of a commercial entity that would be subject to that provision?

Ms. Ferguson: — If you had a corporation that was also engaged in the sale of alcohol under a . . . There's actually no change to how it operated before. It's just to clarify that, you know, if a commercial entity fell within the definition of third party that it doesn't change the way it exists now. So a garage that was in the business of repairing vehicles could still be subject to a lawsuit.

Ms. Beck: — It's already the case under existing practice. It was just clarifying that practice in the legislation.

Ms. Ferguson: — Yes.

Ms. Beck: — There are some additions, I believe — you maybe can clarify that — of prohibitions: the addition of someone charged with causing death or bodily harm by street racing; being negligent or fleeing a peace officer; and someone who's been found guilty in the last five years of causing death or bodily harm by street racing, being negligent, or fleeing a peace officer. Am I correct in my understanding that those are additions to those who would be prohibited from paying benefits to drivers under those conditions?

Ms. Ferguson: — Yes. These Criminal Code offences have been added in to allow lawsuits against people who are convicted of those offences, and also to deny benefits, permanent impairment and income benefits, when there are convictions for those offences.

Ms. Beck: — Okay. Again, why were those particular Criminal Code offences chosen? I'm just wondering if this is consistent with legislation in other jurisdictions, or is it something that, again, came out of the consultations?

Ms. Ferguson: — So originally the only time that a lawsuit was available was when there was drinking-and-driving-related offences, or when there were offences that involved an intention to harm, so using your vehicle as a weapon to harm someone.

What became apparent was that there was also other offences that involved motor vehicles where there was injury and death that were not included, and so criminal negligence causing death, for an example, and it was decided to add those offences in so that lawsuits would be available for pain and suffering and bereavement damages in those situations as well.

Ms. Beck: — Is that something that you had heard from families who had experienced losses as a result of those type of

offences?

Ms. Ferguson: — Yes it is.

Ms. Beck: — Thank you. This really is a big piece of legislation. I'm just going through my notes here.

You mentioned that there were some increased provisions to provide counselling for family members. Can you speak a little bit to how that decision was arrived at and what type of benefit those family members would have access to under this legislation?

Ms. Graham: — So currently, counselling benefits are available if there's been a fatality or a death as a result of a motor vehicle accident. And there was quite a lot of discussion at the stakeholder meetings around making that available to family members not only when there's been a death, but when there's been a serious injury. And it was supported through some of our communications with our stakeholders, our customers, as well as our staff in terms of being able to afford that type of benefit to somebody who's an immediate family member of somebody either who's been killed or catastrophically or seriously injured.

Ms. Beck: — Thank you. I know that there was a lot of consultation and support for a number of these changes. The Saskatchewan Trial Lawyers Association was one group that I believe was consulted with. Is that correct?

Ms. Graham: — Yes. They sat on our injury review committee.

Ms. Beck: — And I'm just looking at a news release from June of this year. There were some concerns after the former minister introduced this legislation. And I think the minister noted it in his comments that there were a number of changes that came out of those consultations, but that the government had decided to defer two of the more financially significant injury programs, those being changes to the living expenses and the CPP [Canada Pension Plan] benefit.

I know the concerns that were expressed by the Saskatchewan Trial Lawyers Association were around the decision to allow continued deduction of what they would . . . of CPP disability benefits from what would normally be paid to victims of injury, and that was a recommendation from the injury review committee. Can you speak to just how that decision was arrived at, to not extend that benefit, or to continue to deduct the CPP disability amounts from the amount paid to victims?

Ms. McCune: — Basically we deferred it due to cost. Those two items were the most costly items, and we thought we would phase in the changes in a responsible manner. So they are deferred. They will come in at a time when it is financially viable to do so.

Ms. Beck: — Thank you. And I do appreciate from your answer and also the minister's comments that, on second reading, that this was deferred. It wasn't off the table. What would be the cost implications of those two items?

Ms. McCune: — Basically the full ongoing costs of the two

changes, once fully implemented, would be approximately 8 million per year. But the full cost for the first year is between 53 and 63 million because these changes will apply to both open and new claims once implemented and they have to be booked in one lump sum. When you know that you have a liability, you have to put it on the books when you're aware of it.

Ms. Beck: — So there is some retroactivity to this already.

Ms. McCune: — This is a go-forward, so it would be anticipating paying these . . . [inaudible interjection] . . . Yes, it's on future claims throughout the life of that claim.

Ms. Beck: — You noted that those two were two of the more costly items with regard to, again, this rather large piece of legislation. What is the overall anticipated cost of making these changes?

Ms. McCune: — So for all the other changes that are going forward, with the exception of those two, it's between 12 and 17 million the first year with an additional 2 to 5 million each year moving forward. So without the CPP and living assistant changes, again that would be an additional 53 to 63 million in the first year and 8 million annually.

Ms. Beck: — Are there any other perhaps non-monetary costs or — drain is not the right word I want to use — impacts on time, employee time, or the time or impact associated with making these changes were this bill to be passed?

Ms. McCune: — No, no more staff. It doesn't make us any more inefficient. In fact, a lot of these changes are welcome by our staff so they can more effectively help our customers.

Ms. Beck: — And providing some congruency between the programs?

Ms. McCune: — Yes.

Ms. Beck: — Okay. Okay. I'm just going to have one last look at my notes here. Bear with me. I do think, with that, I have exhausted my questions for now. And I would see if there are any further questions, but would like to thank each of you for your time and for your effort in preparing for this evening. It is appreciated.

The Chair: — Thank you, Ms. Beck. Are there any other questions from any other committee members? None noted. We will move to vote on the clauses in this bill then.

Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 51 inclusive agreed to.]

[21:00]

Clause 52

The Chair: — I note Mr. Nerlien.

Mr. Nerlien: — Madam Chair, I move:

Amend Clause 52 of the printed Bill:

(a) in subsection 41.15(1) of the Act, as being enacted by that Clause:

(i) in clause (h) by striking out “sections 157 to 162” and substituting “sections 157 to 160 and 161 and 162”;

(ii) in clause (i) by adding “and section 202 of this Act” after “section 37 of *The Workers' Compensation Act, 2013*”; and

(iii) in subclause (j)(i) by striking out “sections 80, 81, 82, 85 and 86 of *The Workers' Compensation Act, 2013*” and substituting “sections 80, 81, 83, 85 and 86 of *The Workers' Compensation Act, 2013*”; and

(b) in subsection 41.17(4) of the Act, as being enacted by that Clause, by striking out “Subsections 41.16(4) and (5)” and substituting “Subsections 41.16(5) and (6)”.

The Chair: — Do committee members agree with the amendments as read?

Some Hon. Members: — Agreed.

The Chair: — Okay. Is clause 52 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 52 as amended agreed to.]

[Clauses 53 to 62 inclusive agreed to.]

Clause 63

The Chair: — Mr. Nerlien. On clause 63 I recognize Mr. Nerlien.

Mr. Nerlien: — Madam Chair, I propose that we vote down clause 63 because I plan to move new clause 63 after all the clauses have been read.

The Chair: — Okay. Clause 63, is that agreed?

Some Hon. Members: — No.

The Chair: — Clause 63 is not agreed. The clause is defeated.

[Clause 63 not agreed to.]

[Clauses 64 to 80 inclusive agreed to.]

Clause 81

The Chair: — At this point I recognize Mr. Nerlien again. Mr. Nerlien.

Mr. Nerlien: — Madam Chair, I move that clause 81, that we amend clause 81 . . . Sorry, excuse me. Madam Chair, I move that:

Clause 81 of the printed bill be amended as follows:

Amend subsection 175(2) of the Act, as being enacted by Clause 81 of the printed Bill, by striking out “Division 4” and substituting “Division 6”.

The Chair: — Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried. Is clause 81 as amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 81 as amended agreed to.]

[Clauses 82 to 94 inclusive agreed to.]

The Chair: — I recognize Mr. Nerlien.

Clause 63

Mr. Nerlien: — Madam Chair, I move that new clause 63, that we:

Add the following Clause after Clause 62 of the printed Bill:

“New section 107.1

63 Section 107.1 is repealed and the following substituted:

‘No Part VIII benefits to occupants of stolen motor vehicles

107.1(1) Notwithstanding any other provision of this Part, no occupant of a stolen motor vehicle involved in an accident that occurs on or after the coming into force of this section, and no person claiming through, on behalf of or as a result of the bodily injury to or the death of the occupant of the stolen motor vehicle, is entitled to any benefits pursuant to this Part with respect to the accident.

(2) Notwithstanding any other provision of this Part, the insurer may withhold the payment of any benefits pursuant to this Part with respect to an accident if, in connection with the accident, the insured has been charged with an offence mentioned in clause 2(1)(cc.1) until the disposition of that charge.

(3) If an amount has been withheld pursuant to subsection (2) and the insured is not convicted of the offence mentioned in clause 2(1)(cc.1), the insurer shall pay to the insured or to a person claiming through, on behalf of or as a result of the bodily injury to or the death of the insured:

(a) the withheld benefits to which that insured is entitled; and

(b) interest on the withheld benefits at the pre-judgment interest rate established pursuant to *The Pre-Judgment Interest Act*.

(4) An insured or a person claiming through, on behalf of or as a result of the bodily injury to or the death of the insured who disagrees with a decision of the insurer pursuant to subsection (1) may appeal that decision to the Court of Queen’s Bench or the appeal commission, in the prescribed manner, within 180 days after receiving the insurer’s written decision”.

The Chair: — Mr. Nerlien has moved new clause 63. Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

The Chair: — Carried. Is new clause 63 agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 63 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Automobile Accident Insurance (Benefits) Amendment Act, 2016*. I would ask a member to move that we report Bill No. 32, *The Automobile Accident Insurance (Benefits) Amendment Act, 2016* with amendment.

[21:15]

Mr. Nerlien: — I so move.

The Chair: — So moved by Mr. Nerlien. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 37 — The Traffic Safety Amendment Act, 2016**Clause 1**

The Chair: — Mr. Minister, we will now consider Bill No. 37, *The Traffic Safety Amendment Act, 2016*, clause 1, short title. You may begin with switching your officials and then any opening remarks that you may have.

Hon. Mr. Hargrave: — Thank you again, Madam Chair. Moving on to Bill No. 37, changes to *The Traffic Safety Act*,

SGI officials are still here to answer any questions, new officials, on this bill.

The amendments to this Act include three key changes. First, these changes would give SGI the ability to cancel active products such as driver's licences and vehicle registrations in situations where the customer owes money to SGI and isn't working towards paying it off. This change is designed to motivate customers to pay their outstanding debt.

The second change would enable SGI to recover impoundment costs from the person driving a vehicle at the time it's impounded in situations where the owner of the vehicle can't be determined. This happens in situations where the vehicle hasn't been registered for some time, or sometimes in cases involving a stolen vehicle.

The third change is to help protect some of the most vulnerable road users. This change would prohibit small children who still require a car seat or booster seat from riding in a three-wheeled vehicle. A three-wheeled vehicle is a cross between a conventional passenger vehicle and a motorcycle. If anyone has seen a Polaris Slingshot, that's an example of this type of vehicle. Three-wheeled vehicles are not built to accommodate car seats or booster seats, and also have little to no occupant crash protection. So for safety reasons, small children should not be riding in them.

In addition to these main changes, there are some amendments required for provisions that were inadvertently removed from the Act when it was amended last year, and need to be put back in. Those provisions deal with safety when riding a motorcycle, such as ensuring that passengers only ride when there is appropriate seating for them, and ensuring that only one person rides in a sidecar.

Thank you very much, and we're happy to answer any questions.

The Chair: — Thank you, Mr. Minister. Committee members, any questions? Ms. Beck.

Ms. Beck: — Thank you. And thank you for being with us this evening. And I think the minister answered my first question which was with regard to the new rules for passengers on motorcycles. But if I understand you correctly, this was inadvertently omitted during the last changes to this Act, and they've simply been re-added to the legislation. Is that correct?

Ms. Flynn: — Yes, that's correct.

Ms. Beck: — Okay. The other question that I did have with regard to the prohibition for children seven and under riding in three-wheeled vehicles, I think you answered as well. So age seven would be the age at which children would typically outgrow the booster seat or other safety seats within a vehicle. Is that why seven was chosen?

Hon. Mr. Hargrave: — Yes, it's an age and weight requirement. So yes, it is.

Ms. Beck: — Okay. I'll move up to the first change that you noted and that was around the ability to cancel products such as

licences or registration for someone who has amounts of debt unpaid to SGI and that they've not created a plan to pay off. One thing I have in my notes here, large amounts. But I'm just wondering, is there any threshold, any amount that would trigger this provision?

Mr. Cameron: — We have no amount. So certainly we're not going to pursue someone for . . . If there's only a dollar outstanding. Why it was brought in was to encourage customers who had bought a product and maybe not paid for it, renewed their driver's licence for five years, didn't need the product anymore, and we would not pursue recovering that until their next transaction. Well with a five-year driver's licence, we might not see them for another four and a half years, so it makes the money due and owing.

And we do have payment plans so if it is a larger amount, they can also do monthly payments with us.

Ms. Beck: — And I did note that in the previous minister's preamble when he spoke to second reading of this bill that currently there are attempts, when someone has an outstanding amount to SGI, that there are channels that would be pursued. Can you speak to those, what that would look like for someone who would be perhaps on a prepayment plan?

Mr. Cameron: — The people who would owe us money would get a letter. Like first off most times they know about it because if they're aware of the situation that triggered that penalty or that fee. We send them letters. We work with them setting up a plan for them if they have a large amount. Or even for some people, it might not even be that large of an amount, but they can only afford \$25 a month say, or \$25 down and then, you know, an additional amount. So we work with each customer, and we don't have a set amount for said debt.

Ms. Beck: — So my understanding is that this provision would be triggered if either there was an inability to arrive at some sort of agreement or the terms of that agreement were not fulfilled by the person who has the debt to SGI. Is there a time frame, a period of time that would need to elapse in order to trigger this provision?

Mr. Cameron: — Generally what would happen is we would ask them to make the payment if they're in arrears. We would send them a letter giving them a timeline, you know, to come in and make arrangements with us or make the payment. And all told, likely most customers would receive three letters before we'd eventually say, we're going to cancel the existing product that you have.

Ms. Beck: — Would there be an attempt to confirm with that person that their product, be it their licence or their registration, has been cancelled? I guess the concern or the question that I have is for someone who potentially has a revoked product without notice and they would continue to operate or drive a vehicle.

Mr. Cameron: — We make every effort to make sure they are aware of what's going to be revoked, and then when it is revoked, in writing to them. That happens now with some of the outstanding fees that people owe us now and where we have to . . . where we have the right to suspend where it's not debt is to

ensure that . . . Because exactly we don't want them driving around uninsured and not knowing about it.

Ms. Beck: — Is there a dollar amount identified in terms of what is owing in these types of debts that are currently outstanding, that you might be able to recover or better enforce with this type of legislation?

Mr. Cameron: — I'm not sure quite what you mean.

Ms. Beck: — I guess what I'm asking is that this was obviously identified as an issue, these amounts in arrears. Is there a dollar amount attached to how much?

Mr. Cameron: — There is. I don't have the number with me, but it's a large receivable amount as people wait till they come in for their next transaction. So we have to book that as a receivable. And as you can imagine, anyone who receives a 150 or \$250 surcharge for their driving accident may not pay for a few months or may not pay for three or four years, like the example we gave. So it starts to add up, and we keep that on our book as a receivable.

Ms. Beck: — And if I understand correctly, this also in part was necessitated, or there was some anticipation that with a five-year driver's licence renewal you perhaps wouldn't see someone for a longer period of time.

Mr. Cameron: — That's correct. You don't see them as often in some cases, or at the very minimal sometimes, you know, they may have just renewed their registration and you won't see them for another year, and yet they have a receivable there from another matter. So this allows us to make that receivable due now and collect it.

Ms. Beck: — Thank you. And I think, Minister Hargrave, you did go into some detail with regard to the second main item, and that is allowing SGI to collect money for impoundment fees from either the owner of the impounded vehicle, or in a case where it's difficult to assess who that owner is or if that's unclear, or in the case of a stolen vehicle, the driver . . . to collect those fees from the driver if the owner were not to be determined. Is this something that is frequently an issue?

Mr. Cameron: — It is a frequent issue where it's uncertain who the owner was for a variety of reasons. And eventually the vehicle is sold; no one's claimed it; the garage keeper is out some money because of the storage bill. SGI then has to reimburse the garage keeper for that impoundment, and we want the right to be able to recover, at least from the driver who was driving it when it got impounded because of their actions. So this will give us that ability to then pursue the driver of the vehicle at the time it was impounded if the owner can't be determined.

Ms. Beck: — So I guess in some instances it would be difficult to determine the driver if it's an abandoned vehicle, but this would be in instances where you have an identified driver of that vehicle?

Mr. Cameron: — This is mostly the case where there's an identified driver, and perhaps it was he was driving without a driver's licence, or she, or impaired or . . . and with someone

else's vehicle. And sometimes because the vehicle is not registered also at the time, sometimes the rightful owner is reluctant to say that they really are the rightful owner.

Ms. Beck: — I wondered how it might be indeterminate who the owner is, but okay. I think with that I have exhausted my questions, and I thank you all for your time.

The Chair: — Thank you, Ms. Beck. Are there any other questions from any other committee members? Noting none, we will move on to vote on this bill then. Clause 1, short title, is that agreed to?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 11 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Traffic Safety Amendment Act, 2016*.

I would ask a member to move that we report Bill No. 37, *The Traffic Safety Amendment Act, 2016*, without amendment.

Mr. Bradshaw: — I so move.

The Chair: — Mr. Bradshaw moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister Hargrave, do you have any final comments that you would like to make this evening?

Hon. Mr. Hargrave: — Yes. Madam Chair, I'd like to thank you for your time, and I'd like to thank the committee for their time and their questions. And I'd also like to thank my officials for being here this evening and for their time and their co-operation in answering the questions. Thank you all very much.

The Chair: — Thank you. Ms. Beck, do you have any final comments?

Ms. Beck: — I'd like to echo the comments of the minister and to thank each of you for your time. I know we're a little late into the evening, and it is appreciated to help us with the oversight and to understand a little better the reasons and the implications of this legislation. So your work is greatly appreciated both in the consultation phase and in your time here with us this evening.

And thank you, Madam Chair. And to the legislative staff and my colleagues, it is appreciated. And the folks from Hansard as well. And the camera staff, I should say as well. We couldn't see them, but thank you all.

The Chair: — I'd also like to add my thank you to you, Minister, and your officials and all the committee members and everyone this evening for your patience and your time here as

well on the committee. So seeing that we have no further business for this evening, I will ask a member to move a motion of adjournment.

Mr. Phillips: — I so move.

The Chair: — So moved by . . . Mr. Phillips has moved a motion to adjourn. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned now to Wednesday, November the 23rd at 3 p.m. Thank you, everyone.

[The committee adjourned at 21:30.]