



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Mr. Warren McCall, Deputy Chair
Regina Elphinstone-Centre

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Ms. Nancy Heppner
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Ms. Lisa Lambert
Saskatoon Churchill-Wildwood

Mr. Hugh Nerlien
Kelvington-Wadena

[The committee met at 15:00.]

The Chair: — Well good afternoon and welcome to the Crown and Central Agencies meeting. I'd like to welcome the members to the committee. I'm Fred Bradshaw, the Chair. With us we also have Lisa Lambert, Hugh Nerlien, and Warren McCall, who is the Deputy Chair.

We have a very busy meeting today. This afternoon the committee will be considering the estimates for the Public Service Commission, SaskGaming, and SaskTel. This evening we'll be considering the estimates for SaskEnergy, three bills, and the remaining estimates before the committee.

**General Revenue Fund
Public Service Commission
Vote 33**

Subvote (PS01)

The Chair: — Let us begin our consideration of vote 33, Public Service Commission, central management and services, subvote (PS01). Minister Cheveldayoff, would you please introduce your officials and make your opening comments.

Hon. Mr. Cheveldayoff: — Thank you very much, Mr. Chair. Good afternoon, everyone. I'm pleased to be here to undertake the estimates for the Public Service Commission. I will take this opportunity to make some brief opening comments. I'm pleased to provide additional information as required by questioning.

Before I start I would like to take a minute to introduce my officials that are here with me today. I have Karen Aulie to my left, who is the Chair of the Public Service Commission; Ray Deck, the Assistant Chair — give us a wave; Scott Kistner, executive director of the human resources service centre. Glenda Francis is here and she's the executive director of corporate services. Lorraine Von Hagen, is she here? No, she didn't make it. And Michael Kindrachuk, my chief of staff, is here as well.

The Public Service Commission, or PSC, is a central agency for government providing human resource services for executive government as well as some agencies, boards, and commissions. We help ministries ensure that they have the right human resources in place to help government deliver on its objectives. Currently there are more than 11,000 employees who work for the Government of Saskatchewan. These employees work in various roles all over the province.

As a central agency of government, the PSC provides strategic support for labour relations, organizational development, employee recruitment and development, compensation and classification, and health and safety. It also supports foundational services including payroll and benefits.

PSC has HR [human resources] business-partner teams embedded within ministries to serve their HR needs. This recognizes the unique business that each ministry is in and ensures that their human resource professionals are fully integrated in their business, helping them to make the best possible decisions. Our employees provide strategic support and outstanding service, and are respected as valuable resources to

ministry clients. In the past year, PSC has made significant progress on many of our strategic initiatives.

Inclusion and diversity are a priority for our government, and in the area of inclusion, we continue to implement government's inclusion strategy and action plan. Last fall we launched the inclusion tool kit. This tool kit provides practical tools for managers to use to help them develop an inclusive workplace and hire a diverse workforce. This multimedia tool kit includes a getting started section that launched in October, and an acquire, engage, and grow section that launched this past April. Tools include two new e-learning modules, videos, articles, and templates, dialogue starters, and presentations to help managers and their employees learn about and support inclusion.

In addition to the tool kit, PSC launched a government-wide inclusion community of practice this year. This group is made up of leaders from each of the ministry's inclusion committee. These employees are dedicated to leading inclusion work within their ministries. They come together to share information and inform inclusion priorities across government.

In the area of diversity, in July of 2018 the PSC launched an online portal through PSC Client to allow employees to self-declare in a diversity category at any time. This initiative is helping us more accurately reflect our diversity numbers and allow diversity employees to self-identify for training and development opportunities. These initiatives, along with several other training and learning initiatives, are slowly helping to increase government diversity and representation.

Although we still fall short of most of the Saskatchewan Human Rights Commission's targets, particularly the disability target that was recently increased, we are making progress. In 2019-2020 government representation of diversity group members has slightly increased in all categories except the Aboriginal people category. The decrease in Aboriginal representation is related to the move of Environment's wildfire branch out of executive government to the Saskatchewan Public Safety Agency.

In the area of health, safety, and wellness, the Public Service Commission is investing in the health, safety, and wellness of employees as part of its corporate health and safety plan and healthy workplace initiative. Last year the PSC transitioned its employee and family assistance program counselling services to a third party vendor, Morneau Shepell. This change has improved service to employees by providing online counselling, interactive resources, and self-help tools with a 24-7 service availability. It also provides additional support and resources for managers to help them create psychologically safe workplaces. The transition of EFAP [employee family assistance program] service has allowed the PSC to focus more on proactive psychological health and safety programming to better support ministries.

On the safety side, PSC launched a new incident reporting and investigation application in PSC Client. The IRI [incident reporting and investigation] app, as it's known, has a number of benefits for government. There will be a test on the acronyms later. The app streamlines the reporting of safety incidents and their near misses, making it entirely digital and available on any device. It also dramatically improves our reporting abilities and

analytics so we can identify where to target our safety improvements.

Since the launch in January, more than 700 incidents have been reported through the IRI app, nearly eliminating manual entry of the paper form. These accomplishments show that we are on the right track and have contributed to significant reductions in government injury rates.

In their strategic plan, the PSC's strategic plan for 2020-2021 is consistent with the previous years. The five areas of strategic priority remain the same. They are effective leadership; high-performing organization; inclusive workforce; health, safety, and wellness; and an engaged, high-performing Public Service Commission. We believe we have captured the strategic HR priorities of government in these areas.

Our first area of focus, effective leadership, is about ensuring the Government of Saskatchewan has the leadership required to deliver on its commitments. This includes acquiring leadership capacity through proactive and targeted leadership and recruitment. It also includes enhancing our performance management system, strengthening leadership succession, and ensuring senior leadership has knowledge and tools necessary to acquire, engage, and grow employees.

The second area of focus is the high-performing organization. It includes proactive and targeted recruitment for pivotal and hard-to-recruit positions, developing a competency-based career progression system, and implementing the multi-year learning and development strategy for government. We will continue to build on our corporate culture guided by our commitment to excellence. The goal is to have engaged and productive employees who are valued and appreciated.

Enterprise business modernization project. We are working to make improvements to our technology. Technology not only improves processes; it also allows for better information that is more accurate and available quicker, which allows for better decision making. PSC is partnering with the Ministry of Finance, Central Services, Highways and Infrastructure, and SaskBuilds to implement a new enterprise solution for an integrated financial, human resource, and procurement system. This system will increase efficiency, generate significant financial savings, and drive better business outcomes and evidence-based decisions.

I know our time is limited and my notes go on a little bit longer, but I'm just going to maybe cut them off there and allow the member to have as much time as possible to ask questions. I know our time is very limited here today.

The Chair: — Well thank you, Minister. Mr. McCall, you have any questions?

Mr. McCall: — Thank you, Mr. Chair, Mr. Minister, Madam Chair, officials. And thanks for the generous cutting-off of the remarks. I'm sure the scintillation wouldn't have varied in the slightest, but thank you for the consideration.

I guess the first place to start would be, you know, where we are in these times. And could the minister or the Chair or officials give us some sort of big picture view of what's happening with

the public service as relates to COVID? In terms of who's working at home, what sort of accommodations have been made, what sort of impacts have been made on those incomes, you know, please feel free to tell us all about it.

Hon. Mr. Cheveldayoff: — Thanks very much to the member for the very important question at this time, and certainly the rapid response to the onset of the COVID pandemic was a tremendous responsibility for the Public Service Commission and Central Services and others as well. So I was very, very pleased to see the rapid action that took place and the accommodation for as many employees as possible.

We continue to have a number of front-line ministries where people continued through the number of months to do their jobs hands-on, if you like — areas like Highways, for example, Corrections and Public Safety, Social Services. Many were not able to have different accommodations so they remained front-line and we thank those front-line workers as we thank the front-line workers in health care. Each ministry had those that were involved.

We were able to accommodate in other ministries up to 95 per cent of those employees that were able to work from home. And we transitioned them, and we're very, very pleased. We've learned a lot ourselves in the process, but the technology that was available was very helpful. And you know, basically employees were able to take hardware home and access the government network and through applications like Microsoft Teams and others were able to continue to do their work and continue the productivity that is needed as well. It's one thing to have people working from home, but you need that productivity as well. And we're very pleased to say that what we found was that productivity was there.

So here we are in late June, and starting last week we started a process to bring those individuals back into their workplace. You know, first of all preparing the workplace so they can safely work from that area, and then looking at staggering individuals and making accommodation. This process will last through the summer into about the third week in August where we, by that time, expect to have the vast majority of our workers back in their workplace.

Mr. McCall: — Well thank you very much for that, Mr. Minister, and certainly you're absolutely correct. We have big expectations for our public service at the best of times and it certainly wasn't the best of times by any measure. But I'm glad but not surprised to hear the minister's remarks about productivity not flagging and the people digging in to make sure that the job still got done. So thanks for that, Mr. Minister.

There's no discernible impact on payroll. The paycheques kept flowing. The work kept getting done. And I guess in terms of how that fits into the budget overall, as we're here today to talk about the estimates, is there any sort of contemplation of the future in terms of . . . This is a pretty much steady-as-it-goes kind of budget for the Public Service Commission. I'd be interested to know if there are any collective bargaining agreements that the PSC is aiding in the negotiation of, outstanding.

[15:15]

But in terms of what happens post this budget, with the zeros that the Finance minister has indicated are firmly on the table for the foreseeable future, is there any sort of additional information to be added on that front in terms of work sharing, furloughs?

I'll not get into trouble using the minister's formal name, but of course we've been around long enough to have seen those discussions and different options that were being contemplated by the government around how to make payroll and how to make the budget work. So what's the go-forward, Mr. Minister, after this budget and when government starts tying in to the fiscal situation at hand?

Hon. Mr. Cheveldayoff: — I heard the member trying to explain “several days off” and things like that, but we have some fun with that when your name is Cheveldayoff and you're minister in charge of the Public Service Commission and wanting to make sure that people don't take those days off.

What we're doing here is ensuring that we are capturing all the learnings that we have gained over the last number of months to help guide us into the future. And I think part of that, it's fair to say, we're developing a remote workforce policy as well for the longer term. You know, we don't know exactly how that will roll out yet, but I think there is an option there for some people to work from home in the long-term future. So that's an area of interest to me and I look forward to, you know, what the officials have learned and hearing more about that in the future.

We didn't go in through any period of layoffs. We felt it very important to keep as many people working as possible in light of the economic situation around COVID as well, but in order to do that, the work has to be there. And in fact the work has increased if anything, and so we were able to do that.

We did hold back a bit on our summer student acquisitions and hirings this summer — probably 200 less than other years — but we just felt that necessary. And of course, you know, when you have a summer student, you want to make sure that they're busy and being able to be put in the right place. So that number has seemed to work with us.

The member asked also about the collective bargaining. We have no outstanding tables at this time. The last one that was settled was the CUPE [Canadian Union of Public Employees] agreement and that was zero, zero, one, two, and two — so you know, basically 5 per cent over five years. In light of the economic situation, I think it was very fair. And many of the agreements mirror that to a large extent that we have been able to sign.

Mr. McCall: — Thanks for that, Mr. Minister. In terms of the summer students I appreciate that you don't want to bring summer students into situations that are not productive if the work is not there or if, you know, there's some kind of risk imposed or posed for the individual self. That's certainly fair enough.

But the Public Service Commission in conjunction with, I think of CIC [Crown Investments Corporation of Saskatchewan], and certainly the minister, as a former CIC minister, is familiar with Gradworks, a program that was wrapped up just this past year, it would seem to me that in terms of internships, in terms of work

placements, in terms of summer students in the go-forward, those are some pretty precious opportunities that our students are going to be looking for with, I would imagine, increased anxiety.

Is there any plan under way either with the Public Service Commission, or that the Public Service Commission is part of throughout the whole of government, to really look at that part of the labour market and what can be done to match . . . You know, the public service has always got hiring needs as far as I can tell, and so matching up that labour market potential with that labour market need in a time where that's all the more urgent, is there anything under way in that regard?

Hon. Mr. Cheveldayoff: — Thank you very much. The member touched on many priorities of the Public Service Commission, and certainly keeping as many young people interested in a career in the public service is something that we try to do. The reason that there was a decrease this year is many of the students, we would have had to have brought them on and then had them immediately working remotely, and it just wasn't practical. We're talking a number of about 200 students. But we fully expect that we'll be back up to a full complement, providing we're able to and we get past the COVID situation next year.

We continue to have a number of internships. The Edwards School of Business in Saskatoon has a partnership with the Public Service Commission where they're a co-op situation, if you like. And also the Johnson-Shoyama here as well; we have partnerships there. We also have a lot of practicums that are taking place. In ministries like Social Services, for example, there's a high complement of practicums that take place.

And this is really important, and I'm sure the member in his research has seen this, but we look at a high turnover rate in the next number of years. Thirty-four per cent over the next three years, possibly as high as that, as far as people retiring and the need for young people to enter the workforce. So, that's going to be a challenge and an opportunity, but we look forward to that. And it's always great to have that young and enthusiastic aspect of bringing on students into the ministries.

Mr. McCall: — Well thanks for that, Mr. Minister. And again, I appreciate this is always part of the day-to-day business of the Public Service Commission in terms of planning the future. But as the minister notes, we have a tremendous opportunity here that aligns very well with a tremendous need that is there on the part of a lot of young people across this province.

So again far be it from me to, you know, tell the government its business, but I think a program that took a really targeted approach and ramped up the efforts that are under way with the government, I think would be very well received by the people of Saskatchewan, and for very good reason.

Anyway I'll leave that with the minister, and I'll be looking for the good work to come to fruition on this score. But certainly again, this is not the time to be wrapping up something like Gradworks. And I'll not get into that into any great extent.

Hon. Mr. Cheveldayoff: — Well that decision was made a number of years ago, right?

Mr. McCall: — And decisions can be made again. And as

circumstances change, government responds. So you know, there's a lot of infrastructure that's still there. So I'll leave it at that, but thanks for taking note, Mr. Minister.

In terms of the Truth and Reconciliation Calls to Action and the cultural awareness training that has been undertaken with the Public Service Commission as a whole, could the minister provide an update as to progress on that front for the committee?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. A very important question, and certainly is something we take very seriously with the Public Service Commission. Call to Action no. 57 of the Truth and Reconciliation Commission says:

We call upon federal, provincial, territorial, and municipal governments to provide education to public servants on the history of Aboriginal peoples, including the history and legacy of residential schools, the *United Nations Declaration on the Rights of Indigenous Peoples*, Treaties and Aboriginal rights, Indigenous law, and Aboriginal-Crown relations. This will require skills-based training in intercultural competency, conflict resolution, human rights, and anti-racism.

So this was the area that directly applied to the Public Service Commission. The undertaking by the Saskatchewan government was to have 20 per cent of employees complete this training per year over a five-year period, and we are in a position here that we're meeting that goal. As of March 31st, 2020 there have been 4,051 employees who completed the Aboriginal awareness training, which represents approximately 38 per cent of government employees.

So I think that, you know, that's something that we can all be proud of. That recommendation was not only looked at seriously, but acted upon. And we're well on our way to enhancing that education and the tools that are available for public servants as they deal with First Nations individuals and welcome them as colleagues in the public service as well.

Mr. McCall: — Has there been any participation on the part of the Public Service Commission leadership in the awareness training? And I know you're all busy people, but what's the status of that?

Hon. Mr. Cheveldayoff: — Thanks very much for the question again, and I'm told that virtually all of the senior leadership have completed the training.

Mr. McCall: — Good. Yourself, Mr. Minister?

Hon. Mr. Cheveldayoff: — I was minister of First Nations and Métis Relations, and I had an opportunity to do that very early on and again found it quite valuable.

Mr. McCall: — All right. And just, if I could, who's the provider? What constitutes the training?

[15:30]

Hon. Mr. Cheveldayoff: — Aboriginal Consulting Services, ACS, is a preferred vendor to deliver Aboriginal awareness training. It's a five-year master agreement to the terms and

conditions contract, to expire at the end of January in 2022. Ministries include Aboriginal awareness training as part of their ongoing learning and developing offerings, and some ministries, including Health, Corrections and Policing, and Social Services, have developed additional training that meets specific needs of their ministry roles.

Mr. McCall: — Thanks for that. Seeing by the clock on the wall that time is coming up, I do want to just get the minister on the record in terms of the significant gap in terms of representative workforce. And you'd referenced it in your opening comments. But in terms of the place of disabled people in the Public Service Commission of Saskatchewan, is there any sort of immediate plan to try and get those numbers in a better place?

Hon. Mr. Cheveldayoff: — For the committee's information, you know, we are very proud of the numbers that we do have when we come to the equity targets and the situation. We've increased over the last year substantially — in the neighbourhood of 40 per cent, if I recall correctly. But again, the numbers are nowhere near what the Saskatchewan Human Rights Commission would like to see us at, and in fact they increased their target numbers from 12.4 per cent to 22.2 per cent.

And you know, it's something that I've had a chance to talk to the Human Rights Commissioner about, and I just think it's almost impossible to reach some of those targets. But what we are doing is allowing individuals to self-declare. And we are indeed making every effort possible to include individuals in less advantaged situations to be able to become part of the public service.

The disability was defined as a limitation in daily activities impacting participation and inclusion in society, as opposed to a functional health issue and a recognition of environment, which exponentially increased the response rate to experiencing a disability. So indeed we are working in that regard and, as we say, there's more work to do.

But if I may also put in a plug for my other responsibility in Central Services, we're working very closely with the Rick Hansen Foundation to ensure that all of our buildings are accessible. First they will be analyzed and then ensure that the changes are put in place if needed. And you know, some of our newer buildings, you know, Mosaic Stadium for example, won an award from the foundation for its accessibility.

So I think if there is a willingness on behalf of senior leadership to work in this regard and we make it as easy as possible, we're going to see some positive results in the future. But again, the Saskatchewan human rights targets are very, very difficult to reach.

Mr. McCall: — Well thanks for that, Mr. Minister. And before my colleagues start giving me the hook, I'll just say, thanks very much. And to you, to the officials, and through you to the men and women of the public service of Saskatchewan, a huge thank you for all the work that is done, you know, not just in the good times but in these times we find ourselves. So thank you very much, Mr. Minister, and I'm sure we'll see you down the road.

Hon. Mr. Cheveldayoff: — Thank you very much, Mr. Chair. If I may very briefly just thank the member and thank him for our

interactions over the years. They've been very respectful. I know the work that goes into preparing for estimates and the questions that are put forward. And I wish the member well in his future endeavours, and I must say, he has served well in this Legislative Chamber.

The Chair: — Well thank you. Seeing that we've reached our agreed-upon time for questioning, we will now vote off the estimates for the Public Service Commission. Vote 33, Public Service Commission, central management and services, subvote (PS01) in the amount of \$5,060,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Human resource consulting services, subvote (PS03) in the amount of 8,888,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Employee relations and strategic human resource services, subvote (PS04) in the amount of 7,879,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Human resource service centre, subvote (PS06), in the amount of 13,390,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 305,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Public Service Commission, vote 33, 35,217,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2021, the following sums for Public Service Commission in the amount of 35,217,000.

Ms. Lambert has so moved. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We will now take a recess to allow the officials from SaskGaming to come in.

[The committee recessed for a period of time.]

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Gaming Corporation
Vote 139**

Subvote (GC01)

The Chair: — Well welcome back committee members. We'll now begin our consideration of vote 139, Saskatchewan Gaming Corporation, loans, subvote (GC01). Minister Tell, please introduce your officials and make your opening comments.

Hon. Ms. Tell: — Thank you, Mr. Chair. Before we get started, I'd like to introduce the officials. On my right is Susan Flett, president and CEO [chief executive officer]. Behind me, right there, is Blaine Pilatzke, vice-president of corporate services. And directly behind us is John Amundson, senior vice-president of finance and IT [information technology]; and of course Shanna Schulhauser, director of communications; and my chief of staff, Brayden Fox.

The last time SaskGaming appeared before this committee was to consider the 2018-19 annual report. Seeing as that information is on the official record, I'll focus my comments on more recent developments.

At the end of gaming day on March 16th, 2020, SaskGaming temporarily closed Casinos Regina and Moose Jaw as a result of the COVID-19 pandemic. This was done with the guidance and assistance of public health officials. It was the right decision and one that was consistent with all other provincial jurisdictions. This resulted in the corporation not turning a profit in over three months.

As you can imagine, zero profit has implications across the board. It has meant a net loss of about \$4 million and a decline from budget of about \$7.5 million for each month the casinos remain temporarily closed. It has meant no transfers to the GRF [General Revenue Fund] to support government programs and services for the first quarter of '20-21 fiscal year. It has impacted the corporation's community giving program, which endows approximately 1 per cent of profit to local organizations, events, and programs. It has resulted in SaskGaming's shareholder, the Crown Investments Corporation, cancelling its 2019-20 Q4 [fourth quarter] dividend and special dividend payments.

Further to this, the corporation made the difficult decision to temporarily lay off 549 permanent employees effective April 3rd of 2020. These layoffs were made under public emergency provisions in the amended Saskatchewan employment Act. Employees who were temporarily laid off can return to their home positions at the end of temporary closure. This has allowed for job security, the continuation of employee benefits, and the ability to access government programs such as Canada emergency response benefit.

[15:45]

Despite the challenges of COVID-19, the corporation has made considerable headway in other areas of business. In May of 2020 SaskGaming and RWDSU Casino Regina [Retail, Wholesale and Department Store Union Casino Regina] and RWDSU Casino Moose Jaw bargaining units reached settlements. These settlements were put to a vote and RWDSU will have the results on June 30th of this year. If approved, all SaskGaming bargaining units will have new collective agreements.

In order to help support the local economy, construction industry, and of course the subtrades, SaskGaming continues to chip away at the refresh of its casino properties. Renovations are now complete on The Last Spike restaurant, and this summer renovations will begin in the east area of Casino Regina. The corporation expects all renovations at Casino Regina to be completed by early 2023, at which point casinos at Casino Moose Jaw will commence.

Mr. Chair, this concludes my opening remarks, and I will now turn it over to the member for Regina Elphinstone and invite questions. Thank you.

The Chair: — Well thank you, Minister. Any questions, Mr. McCall?

Mr. McCall: — One or two, Mr. Chair, thanks very much. Madam Minister, officials, good to see you. The strange, unprecedented nature of these times gets batted around an awful lot these days, but nowhere is that more true than for the hard-working men and woman at Casinos Regina and Moose Jaw. And to say that they've been through — you have been through — some wrenching times is hard to do it justice.

So I guess I'd start off at the very beginning and say, you know, our thoughts are with the workers and the leadership. I know for my own self and the constituency I represent, there are a great number of people that gain their livelihoods at Casino Regina. And the impact that has had on their families, on their home tables, is significant.

So I guess I appreciate the information as regards the sort of bigger, macro financial impacts as it relates to the dividend and to the GRF and how that all works. But I guess further to that, if the minister or officials could provide further information as to what's their sense of the coverage from the federal CERB [Canada emergency response benefit] program. Have the workers been made whole? How many were kept on in terms of the skeleton staff to carry on the renovations the minister has referenced and just to make sure that the operations are ready to come back to life when the time warrants? I'd appreciate that.

Ms. Flett: — So thank you for those comments. Yes, we obviously had to make that very difficult decision to temporarily lay off 549 of our employees, and these were positions that were directly tied to the service of guests or the operations of the casino. And you know, we really took the view that through no fault of their own and due to COVID we've had to lay them off. And so throughout this whole process what we've tried to do is, you know, ensure that we provide as much support as possible and try to minimize any hardships that we knew that they were going to be going through.

And so one of the first things we did was, you know, despite being closed we continued paying full salaries to all of the employees for an additional two weeks. And it was during this time that we were hopeful that there would be an announcement of some sort of federal funding, and there was. It was the CERB, and so without really a break our employees were able to take advantage of that immediately.

Some of the things that we did was, you know, things like sending record of employments directly to Service Canada, just to help facilitate the process. During this time, and we continue to do so, we have provided full benefits coverage, group benefits coverage during this time, including things like the family assistance programs so that, you know, any counselling or mental health supports that may be required are there. We set up employee phone lines. I mean, we are in constant communication with employees using various mediums on all of the continuing supports that became available through the federal program — whether it be mortgage deferral, or whether it be loan payment

deferrals, things like that.

So you know, when we do reopen we certainly have positions for all of the employees. And there were a lot of part-time and casual employees who, if they were able to take advantage of CERB, likely are getting paid more through that \$2,000 a month. So yes, we were very happy at the timing of the federal support.

So the second part of your question was the remaining employees. And we have 156 employees that remained despite closure, and about one-third were unionized employees. So these were predominately positions in facilities. We need to continue maintenance of our properties. We had security and surveillance positions because we still need to protect our assets, our properties, and we continue to have surveillance 24/7. We had technicians. We were servicing machines. We were doing upgrades, and things that we could do behind the scenes despite being closed.

We also had of that 156, two-thirds are non-unionized employees. And of course these are, you know, areas of payroll, finance, IT. I mean, we continue to operate the corporate side of the business. We have board and shareholder reporting requirements, and we have elements of our business plan for the upcoming year that still could be executed. And then of course, the biggest thing has been all the work on the business resumption for when we will eventually be allowed to open.

Mr. McCall: — Well you've nicely anticipated my next question which is in terms of, I guess, the 549 who've been laid off. What's the sense in terms of the intention to return? Are you going to be able to . . . Are they heading off to different work, or is that cohort going to be largely intact and ready to move back into the Casinos Regina and Moose Jaw when the situation warrants? What's your sense of that? And then I guess we'll get into what's the scan of the immediate future?

Ms. Flett: — So as you know, our reopening plan will be a part of phase 4, part 2 and we're still awaiting some further direction and guidance. We do have a business resumption plan ready to go, and of course with modifications if there are any changes as per the Re-Open Saskatchewan plan or any new directives from the chief medical officer. But when we reopen, we are making the assumption that it will have to be a phased approach. I believe that we will be operating at reduced capacity, and I'm unsure for how long until . . . We're just going to adapt with the evolving situation of COVID in the province.

But when we do reopen, of course we will be prepared with being able to comply with any, you know, social distancing requirements. I fully expect that there will be some sort of maximum-capacity restraint that will likely be imposed. You know, we've ordered and are prepared with the use of any protective personal equipment and cleaning protocols both in terms of frequency, increasing the frequency, as well as sanitization of high-touch surface areas.

One of the things that we have done is worked collaboratively with all four of our bargaining units to try and identify any potential hazards and, you know, together find solutions to try and minimize any risks upon reopening, both to all of our employees as well as our guests.

Mr. McCall: — Okay. I know that with the gaming industry there's a lot of sharing of information that goes on and it's quite an interconnected endeavour. Throughout Canada are there any jurisdictions that you look to as a comparator, both in terms of the phasing and the reopening and, you know, to learn lessons from experience elsewhere, but also in terms of, I'm sure, watching what's going on in the United States of America and some of the reopening efforts that have gone on there and how they've gone on quite badly? What sort of lessons are to be learned from the environment scan that goes within Canada and then as for the United States?

Ms. Flett: — We actually are part of an interjurisdictional working group, and so there's a representative from each province in Canada. We conference call frequently to share ideas, you know, immediately after closure as well as how we're going to handle during closure. We continue talking prior to opening, and you know, we obviously are keeping an eye on what's been happening in the States. And one of the lessons, the biggest lesson, is just not opening prematurely and really ensuring that we are ready to open, and that we can guarantee the safety of guests and our employees at the time that we are ready to open.

One of the nice things with not being, you know, the first . . . We were the first to close. We likely will be one of the last to reopen. We obviously want to be very prudent. And the nice thing with Alberta and Manitoba, some of the jurisdictions that are ahead of us, we will have the benefits of learning from them.

Mr. McCall: — Okay. In terms of the finances, I know we're here for consideration of \$5 million, if the minister or officials could talk a little bit more about how the corporation gets made whole. Or if there's anything the minister would like to add, feel free.

But in terms of the \$5 million under consideration here today, and then of course the other side of the ledger with what's happened with the dividend and on, will there be a requirement for supplementary estimates in the fall if this carries on another month? Or you know, what are the projections in terms of revenues and customers as regards the phased reopening? Because of course, you know, it's down to casinos and bingo in terms of large-scale operations yet to come under the Saskatchewan reopen plan. So I guess, how long can you go with cash on hand before you have to come back for more to keep the ball rolling?

Mr. Amundson: — So our available cash flow will keep us going till probably sometime mid-August if we haven't reopened. If we reopen in July, we feel that the cash flow that we have will maintain operations. We will require cash upon reopening. We're going to need about \$6 million to continue with our capital projects and we'll need another \$4 million to ensure liquidity for the gaming floor.

So we are in talks with our owner, CIC, with how we get that. It will be either through borrowing or through an equity injection by CIC.

[16:00]

Mr. McCall: — But that is not covered off by the funds under consideration here today?

Mr. Amundson: — No, that's not. The funds under consideration, the \$5 million, that was for payment of the special dividend. That was subsequently cancelled so we repurposed that borrowing to continue on with our operations while we're closed.

Mr. McCall: — Thank you. Thank you for that, and you know, good work on the podium. Nicely done. The time is slipping away and I guess in terms of the reopen plan and what . . . You know, I don't have a crystal ball and if I did, I don't know if I'd be offering it up for loaning; it'd be, you know, fully subscribed. But in terms of what is to come and the go-forward, this does allow opportunity for reflection and ways to redouble efforts on certain fronts of the operations mission or for a person or, you know, any of that.

So one thing that we've talked a lot about over the years is the committing to the 50 per cent First Nations and Métis complement of Saskatchewan Gaming Corporation employees. Will there be a commitment coming from this time of reflection and consideration of what's the go-forward? And will there be more of a plan laid out to make that happen when the corporation is back up and running?

Mr. Pilatzke: — Blaine Pilatzke. Would you like me to spell my name or is that okay? It's okay. Good. Thank you. I forget. I don't appear very often.

Thank you for the question. So we are and we continue to be committed towards the achievement, the long-term achievement of the 50 per cent Indigenous representation goal. And in fact in '18-19 I think we spoke about this when you voted off the previous annual report. We redeveloped, if you will, or refreshed our Indigenous employment strategy.

'19-20 was essentially the second year of that and we undertook a number of initiatives around that. We have earmarked a number of things for '20-21 as well, and we're going to continue to move towards that. We are committed to it. I mean, even during this interim period of being shut down we've done quite a bit of work around our Indigenous employment strategy, in particular around wellness. We see that as key in terms of retaining our employees and trying to ensure that our Indigenous employees, as well as others, have those necessary supports to be successful in the workplace and to remain in the workplace.

And so we continue to do that work. We've undertaken the development of a reconciliation framework that we'll be presenting for approval to the executive group. You know, we truly believe that SaskGaming has been a leader in economic reconciliation for many, many years in terms of our employment of Indigenous people. And recognizing that there's still work to do with respect to the 50 per cent, but we continue to move towards that 50 per cent.

Mr. McCall: — Thanks for that. And again we'll be watching with great interest how that proceeds. The Chair tells me I've got another 15 minutes to go on. He's a bit of a jokester, though, so I don't know if he's pulling my leg or what. But I guess one last other question in terms of the relationship of the Saskatchewan Gaming Corporation to the gaming framework agreement generally.

And again this is more properly the domain of the SLGA

[Saskatchewan Liquor and Gaming Authority] and the emergency payment that was made to keep that somewhat whole. In terms of gaming in Saskatchewan and the relationship with SIGA [Saskatchewan Indian Gaming Authority Inc.] and the GFA [gaming framework agreement], any sort of general comments on the state of affairs out through the gaming landscape in Saskatchewan?

Hon. Ms. Tell: — You know, when you asked about the gaming framework agreement, our obligation under the gaming framework agreement is of course to try and work toward and achieve the 50 per cent, right, of Indigenous employees that work at SaskGaming. But where we come into this, with respect to where it's applicable here, is the First Nations Trust and the Community Initiatives Fund, and that's that money that was announced by the government.

I think it was — let's see how much it was? — \$50 million in emergency funding to cover off our responsibilities under the Community Initiatives Fund and the First Nations Trust. And yes, the Clarence Campeau Development Fund, of course, is all a part of that. So as it stands today, what we inject into those particular areas is whole.

Mr. McCall: — When does that become limited or stale-dated? When does that run out? When will there be another injection of cash required?

Hon. Ms. Tell: — I guess it will be, you know, determined as it goes, you know, and if we reopen, depending on when we reopen — those types of things. As you said, there's no crystal ball here, and you know, we're just playing it as it goes, anticipating certain things and making sure that people remain as whole as we possibly can, and that's not always 100 per cent possible because the money's not coming in. But that emergency funds, I'm reasonably hopeful that it will get us to that point when we actually reopen and start bringing in the money again.

Mr. McCall: — Okay. With that, thank you very much, Madam Minister, officials.

Hon. Ms. Tell: — Oh, I was settling in for like five more minutes.

Mr. McCall: — Fred. He gives and then he takes away. He's a capricious Chair. But anyway, thank you very much.

Hon. Ms. Tell: — I just want to take this opportunity to wish Mr. McCall all the very best and I know you'll be speaking in the House, which is awesome. I'll look forward to hearing you. And it's been a pleasure being with you here at this committee over the years, and I'm sure your future looks bright and I think you're going to have a really good time. Thank you.

Mr. McCall: — Well thank you for that, Madam Minister. And certainly I think I recall meeting you at a table in a different room in this place; it seems like just a few short years ago. But thank you for all the great interactions we've had over the years.

Hon. Ms. Tell: — My pleasure.

Mr. McCall: — All the best down the road.

Hon. Ms. Tell: — Thank you.

The Chair: — Okay. We will conclude our consideration of Sask Gaming Corporation vote 139, Saskatchewan Gaming Corporation. It's statutory. Loans, subvote (GC01) in the amount of \$15,000,000. There is no vote as this is statutory.

We will now have a recess to bring in the officials from SaskTel.

[The committee recessed for a period of time.]

[16:15]

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Telecommunications Holding Corporation
Vote 153**

Subvote (ST01)

The Chair: — We will now begin our consideration of the main and supplementary lending and investing activities for vote 153, Saskatchewan Telecommunications Holding Corporation, loans, subvote (ST01). Minister Morgan, could you please introduce your officials and make your opening comments.

Hon. Mr. Morgan: — Thank you, Mr. Chair, and committee members. I'm pleased to be here today on behalf of SaskTel and the Government of Saskatchewan to discuss the estimates for SaskTel. Prior to my opening remarks, I would just like to introduce the officials from SaskTel who have joined us today. With me today are Doug Burnett, president and CEO; Charlene Gavel, chief financial officer; and Darcee MacFarlane, vice president, corporate and government relations; Michelle Englot, director of external communications; and from my office within the building is Molly Waldman.

Mr. Chair, I want to begin with some brief comments regarding SaskTel's 2019-20 fiscal year. Throughout the year SaskTel invested approximately \$263 million in capital improvements across the province to prepare its networks for future demand and to deliver a quality user experience for the people of Saskatchewan.

SaskTel continues to invest in and enhance its wireless broadband networks to bring wireless broadband and better cellular coverage to rural areas. Since 2018, SaskTel has built new small cell sites in 103 communities, some with populations as low as 50 people.

In addition, SaskTel continued to modernize its digital subscriber line, DSL, network to enable significant speed upgrades in 260 communities. As of March 31st, SaskTel boasts a wire line network that reaches nearly twice as many communities as its next-closest competitor, offering internet services in a total of 459 communities with 319 of those having speeds of 50 megabytes per second or faster.

In terms of other initiatives, SaskTel also continued to expand its fibre service to new neighbourhoods in the major centres and beyond, including Emerald Park, Martensville, Melfort, Warman, and White City. During the past fiscal year, 16,000 homes were passed with fibre and 16,000 customers were

connected to Infinet with speeds of up to 300 megabytes per second.

Another important driver at SaskTel is to improve access to their top-of-the-line entertainment services. In 2019-20 they expanded maxTV stream service to 350 communities throughout the province and added 28 new channels to the service.

Finally, I'd like to touch on SaskTel's contributions to keeping the province connected during the COVID-19 pandemic. SaskTel was pleased to provide some relief to its customers. And SaskTel employees worked hard to maintain essential communication services. Beginning in mid-March through to phase 3 of Re-Open Saskatchewan, SaskTel waived data-coverage charges for customers on post-paid wireless plans, noStrings prepaid wireless plans, and Fusion internet plans. SaskTel also provided free content to residential maxTV and maxTV stream customers to help keep them informed and their families entertained.

SaskTel's strategic priorities place their customers at the centre of everything they do, with the goal of providing exceptional customer service at every touch point. With a focus on building advanced and comprehensive broadband networks throughout Saskatchewan and transforming the company to embrace new digital capabilities — all with the goal of making it easier for customers to do business with the company and for employees to serve customers. With further investment put forward in this year's budget, SaskTel will continue to meet and exceed the communications needs of Saskatchewan people.

Mr. Chair, that concludes my opening remarks. And I look forward to questions.

The Chair: — Well thank you, Minister. Are there any questions? Mr. McCall.

Mr. McCall: — Thank you very much, Mr. Chair, Mr. Minister, officials. Welcome to the consideration of these estimates for Saskatchewan Telecommunications Holding Corporation. Always a highlight of my estimate dance card.

Although I don't know if I heard the minister correctly at the start, but I think he misidentified one of his staffers. And I don't know if he wants to take the opportunity to apologize to that staffer at this point, or perhaps we can do that in the wrap-up at the end. But nice to see you today as well, Molly.

Hon. Mr. Morgan: — If I have made a mistake, I'll consider over the estimates whether I wish to correct it or make it worse.

Mr. McCall: — Well it's always nice to have options, certainly.

Mr. Minister, if you could just give us a nice round figure in terms of what's happened in terms of what was estimated last year for borrowing for the corporation. And then what's happened in the course of supplementary estimates. And then the main estimate that we're here to consider today.

Hon. Mr. Morgan: — Sure, I'll let . . . I'm not sure whether Doug or Charlene is going to do that. I think you'll be aware that we made considerable additional investment in further cell tower coverage and added a large number of towers across the

province. Some of that will show up in these statements.

Ms. Gavel: — So I'm in the Estimates book on page 147, and this is the schedule of non-budgetary voted and statutory appropriation. So are you asking for '20-21, our estimates?

Mr. McCall: — Yes.

Ms. Gavel: — So we have budgeted to borrow \$339.9 million: 250 million of that will be long-term debt and the remaining 89.9 will be short-term debt.

Mr. McCall: — Thanks for that. In terms of supplementary estimates, any . . . I've got a lot of paper here and some of it gets a little . . . you know, unless Stacey gets me on the path. But that summarizes the borrowing requirements for the corporation for the year to come.

Ms. Gavel: — Yes.

Mr. McCall: — In terms of the measures that the minister had outlined — again which were greatly appreciated by the people of Saskatchewan and I think was exactly the kind of thing we want to see from a Crown corporation like SaskTel in a time of crisis for the province and indeed the globe — what was the price tag in terms of the different measures that the minister enumerated off the top?

Ms. Gavel: — Are you asking about the COVID impacts?

Mr. McCall: — Yes.

Ms. Gavel: — So we're still determining what those might be. You know, it's very hard to predict what's going to happen with COVID and the impact on some of the revenues and costs. In terms of waiving data-coverage fees, you know, that was probably in the realm of about \$600,000 a month. But you know, depending on activity and things like that, it can fluctuate. So we're still assessing the impact of all of these things as we progress throughout the year.

Hon. Mr. Morgan: — To an extent there was probably lost revenue. When the pandemic hit, people weren't going out buying new cell phones, so there was a loss of revenue that may come back fairly aggressively post-pandemic. So there was a loss at the retail level, and then there was issues whether the customer retention was going to be there throughout.

And I think the assessment of the corporation . . . And I'll let the officials speak as to whether they lost customers because of the service. But nobody else was providing any better or any different customer . . . We were all in it, in the same challenges. So there was certainly a loss or a reduction in the number of sales, and then I don't know whether there was an uptake on additional services being used by people who were housebound. But I'll let them maybe comment.

But I think at the end of the next fiscal, there'll be a better handle on what the loss in revenue was and what the uptake was, but there was certainly some loss in revenue at a retail level, and there was some loss of revenue on additional expenses and things like providing hand sanitizer, PPE [personal protective equipment] to employees. So anyway, I'll let . . .

Mr. Burnett: — Just to expand a little bit on what the minister said, it's bang on. What we're seeing is in addition to the, kind of, the overt things that we did to try and help our customers like waiving data overages and adding TV channels and waiving some of the internet charges, the impacts, the actual impacts of this is yet to be determined for us.

But some of the things that we are seeing is that customers, of course, when we waived the data overcharges, customers then started to play with their own plans in terms of maybe reducing from an expensive plan down to a cheaper plan. Just to give you a sense, because there's no data overage whether they were paying for a \$40 plan or a \$90 plan, so we saw . . .

Mr. McCall: — So was that just Hugh that did that?

Mr. Burnett: — We didn't see Hugh specifically. So there, you know, there's lots of that type of behaviour that's gone on that impacts us that you wouldn't think about in the first instance.

There's also some things like the arrangement that we have with our partner, our network reciprocity agreement. We share the costs of our network based on the amount of roaming that goes on. So the percentage of, say, Bell's customers that are on our network dictates how much of the operating costs they pay. And so there'll be some implications there when that all, kind of, is figured out.

So there's a few larger things like that have yet to come and what that will actually look like. They'll be significant, I can tell you that. The actual amounts, I think all of the carriers are having a very difficult time trying to predict what the actual impact is going to be of the pandemic.

Mr. McCall: — Is there any anticipation as to when that price tag might be sort of tallied up, either in an interim or in a more complete sort of way?

Mr. Burnett: — Well we are working on it as we speak. Some of the things won't even come to fruition until, say, September when the deferral program is done. Then we'll be able to get a better sense of how many customers are actually sticking around, how many of them just aren't paying their bills but will pay after September, versus how many are going bankrupt. So some of those types of things are hard to forecast right now. We'll start to narrow in on it, I would say over the course of the next few months and, you know, it'll be a fairly rough estimate for a couple months. And then I think we should have a pretty good handle, say, in two or three months, something like that.

Mr. McCall: — Are you anticipating a need to come back for further supplementary estimates, or will you be able to handle that on existing borrowing capacity? Or how is that going to be . . .

Mr. Burnett: — We do not anticipate needing to come back for additional capital. Our plans will be to look for ways to rightsize the organization and stay within the capital that's been approved.

Mr. McCall: — You'll forgive me. I hear the words "rightsized" and I want to hear more. What do you mean by that?

Mr. Burnett: — Well it's really about controlling costs,

understanding what our revenues will allow us to do. So by rightsizing, you know, we continue to do rightsizing on an ongoing basis. We have for a number of years, based on what technology is doing and what our revenue is doing. It would just be more of the same, except in this instance I think we're going to take a long, hard look at discretionary costs and managing those fairly tight-fistedly for the next little bit, at least till we have a very good understanding of kind of where we're going to be at when all the dust settles.

Mr. McCall: — In terms of the range of measures undertaken by the company in response to COVID, other jurisdictions, I think Telus had been offering free internet for low-income customers. Was there any particular rationale behind the measures that were taken by the corporation, both in relation to cost and to efficacy? Was there a broader menu of options that you were considering? And why were the ones that were settled upon settled upon?

[16:30]

Mr. Burnett: — Great question. I can tell you that I personally had discussions with the presidents of the other large companies. Never once was it about, kind of, have you got any other ideas for us? It was more about, oh okay, you're doing the exact same thing that we are doing. And the way we as an executive approached it was we wanted to make sure that we were doing those things that needed to be done to help to protect the most vulnerable in the community.

And so we thought that some of the things that would do that would be ensuring that they had affordable internet, ensuring that their cell bills were what had they contracted for. So we did things like we capped our data overages on our cell phones. I can tell you Bell and Telus did not do that. We always have had no data overages on our land-line internet. Bell and Telus took the step of putting that in place. We added a number of free channels to make sure that the entertainment value was there for kids that had to stay at home. We took a lot of steps to reinforce our network to ensure that, as the high demand for our services left the core downtown and moved out into residential areas, that our network could handle that shift in load. So we actually did work with Telus in particular to borrow some of their spectrum on a short-term basis to be able to cover some of those shifts.

So we did work together a little bit from that perspective, but the main thinking in our case was that we view SaskTel as having a role in ensuring that essential services are there and are up. And you know, our three primary focuses were the safety of our employees, the safety of our customers, and providing essential services. That was really our mantra and that's what we were focused on.

Mr. McCall: — The minister had referenced certainly the retail impacts of the COVID. Could the minister or officials describe how that worked its way through the company's operations and where we're at right now and what the future might hold. But I think of the store in the Cornwall Centre, for example, and how that is . . .

Mr. Burnett: — Would you like to understand how it evolved and now where we're going?

Mr. McCall: — And again, time is always so scarce and

precious. Feel free to give me the high-level treatment, but how did that evolve?

Mr. Burnett: — Sure. Well the retail component, which is primarily our stores and we call them our customer service technicians, the folks that are out in people's homes, those are the two customer-facing groups that we were very focused on initially. And again, we were focused primarily from the perspective of protecting our employees and protecting our customers.

So on the store basis we moved relatively quickly to reducing first the number of people in the store at a time. We had questionnaires up front that we would ask, you know, have you travelled recently, are you sick, anyone in your household sick — those types of things. And then we moved from that to closing the doors of the store physically but not closing the store. So you needed an appointment for a period of time to be able to get things done, and you could book that online or you could come to the store and book it, again just to control the flow of traffic, make sure that we could get things done.

And we also moved a fair bit to trying to help people self-diagnose and self-correct the problem, so that was going on in the stores and it was going on in a big way with our operations folks. So the people who would typically go into the homes, we quickly reduced the number of services that we would provide in a home to those that we thought were absolutely essential. So if your service was out, that was essential. If you needed an extra Max set top box, that was not essential. And so we ceased doing the in-home non-essential work, although we were prepared to in many instances drop off the equipment on the doorstep and then walk the customers through it if they were willing to do that. And so we did that for a period of time.

As things have now opened back up, we have just recently now completely eliminated that. We still have in place the personal protective equipment as necessary. So any time you can't socially distance, the folks use personal protective equipment and/or if the customer feels more comfortable that we do that, we do that.

So today we are back up and running completely in terms of external installs. You know, one of the things that we did stop doing is, you know, we have a very large fibre install program ongoing. So for a period of time we stopped our conversions from DSL to fibre, just believing that if it's just about essential services, they've got internet. The other is an improved internet but that's not essential. So it will put us behind, for example, in that program for a period of time, but we're now back up and running with those types of services. So things kind of went down like that and have now started to open up.

In terms of bringing people back in these locations, we now have increased personal protection, increased distancing, virtually the same things you see just about everywhere else. Our employees, some of them are a little hesitant to come back. I think we've taught them well — stay at home; stay safe — and you know, we're now trying to encourage them to understand we can do the best at keeping you safe at work, and that's our focus.

Mr. McCall: — So in terms of that division between remote work and people in the different offices and operations of SaskTel, I guess when this thing was at its height, what

percentage of SaskTel's workforce was working remotely? What was on site? And were there any layoffs that came in the course of these past months?

Mr. Burnett: — So we very quickly moved within a couple of weeks of this really starting to take off to having most of our employees work at home. And actually I'm quite proud of this, so I'll share it with you. We ultimately had 90 per cent of our workforce working at home. The other 10 per cent, a large chunk of those are folks that work remotely anyway, like our CSTs [customer service technicians], for example.

In order to do that, we deployed close to 1,000 additional laptops, and we did that in the course of two weeks. So we were able to get, as I say, 90 per cent of our folks working at home and, we believe, very productively. There are some groups that you can measure almost to the second — our call centre folks, you can tell what they're doing just about every minute — and so we know that they were as productive, and in some instances more productive than in the office, which is surprising. We also could manage, say, the number of projects that we are working on in the various stages, and those too continued to be on target and/or ahead of target.

So our folks, 90 per cent were at home. I'd say the vast majority were as productive at home. We tried to educate managers in techniques to stay in contact with their folks, and I think we've done a fairly good job of that.

To the other point, have we laid anyone off or has anyone . . . We actually made a very conscious decision that we weren't doing that, at least unless it became absolutely necessary, which it did not. Our call volumes did drop off, and we did have a very serious debate about whether or not we should be reducing the hours of our part-time folks. I think the call demand would have permitted that.

We decided, you know, kind of in the same vein as wanting to make sure that we were looking after the most vulnerable people, that that maybe was not the appropriate thing, and if we could, we would find other meaningful work for them to do. And that's what we did. So we opted to try and fill up their plate with other things that we hadn't gotten to. And so as a result, nobody was laid off, and you know, except in the very normal course of business, hours generally were not changed with a view to reducing hours.

Mr. McCall: — Thanks for that. And good to hear, I guess, another sort of aspect of the company keeping its obligations whole through this time.

Certainly SaskTel is a great corporate citizen and the province has a number of charitable endeavours on display throughout the province. And the mind does sort of wonder about the different title sponsor or name sponsor agreements that the corporation has throughout the province with various organizations, with various entities that are essentially, you know, dark and will be for some time to come, what sort of impact has there been had with the corporation in that regard? Is there some sort of *force majeure* clause in your different contracts, or are you carrying those through? And are there any sort of financial implications that aren't plain?

Mr. Burnett: — Yes, thanks for the question. Maybe I can brag about one thing and then more directly answer your question. So I'm very proud to be able to say that during this we did come to the conclusion that we probably wouldn't spend as much on some of our proactive advertising as we might otherwise in a normal period of time. And so we did make the decision to donate \$25,000 to the food bank, and did that. So I think that was just a point of pride for the entire organization.

More to your question, which is what are we doing with our sponsorships in those situations where events have been cancelled, along that lines. So we have had numerous discussions, and Darcee can jump in any time because Darcee actually has this portfolio. But I can tell you that we had active discussions about this. Our philosophy on this is that those sponsorships were there in the first place to try and assist volunteer organizations and small community groups that very much need the assistance. Some of them had already spent or had budgeted to spend some of the money that was earmarked to come from us.

And so we adopted an approach that we would work with each of those organizations to best understand, one, is there a way to defer the benefit that they maybe couldn't produce this year because they weren't holding an event, to the next time they hold the event, and/or is there an alternative event? Because some groups like the SJHL [Saskatchewan Junior Hockey League] and other organizations have held virtual events. Evraz, I think, is it the drive-in thing? ... [inaudible interjection] ... Right, so we've worked with those kind of groups to say, okay it's not what we signed up for, but let's see if we can make that work and still be able to provide support to the community and to the initial objective that that was built around.

So to date we have not clawed back any of the sponsorships. We have deferred and/or renegotiated kind of the benefit that we were looking for. And I think that it's actually provided some significant goodwill within the various communities to allow them ... It would simply have just compounded the hardships that they were experiencing. And so that's how we've dealt with it. And I can tell you we're continuing to work through some of them, but that's our approach.

Mr. McCall: — Well I tell you, my colleagues are going to start to think I'm some kind of like, self-centred homer. But I'm glad particularly to hear that about Evraz, because not only is it a Regina institution and a Regina-serving organization, but certainly southern Saskatchewan, Saskatchewan as a whole, I think, has an interest in the well-being of a place like Evraz. And they're going through some very hard times right now. So the more sort of certainty and things that they can count on, I know the easier the situation gets. So I'm very glad to hear that, and not just because it's the largest single employer in my constituency. So anyway, good to hear that.

Mr. Burnett: — Yes, we're pleased to do that. And you know, we're very pleased to do it, and Darcee probably can tell you all of the stories. But I think you'll find that just about every one of the associations that she's worked with, who have heard that we're not looking to get that money back, has breathed a collective sigh of relief. So I think it bodes well for our reputation as well in the future.

[16:45]

Mr. McCall: — Okay. So good to hear all these things. And I guess with the capital program at hand, is that an expansion or is that an acceleration of existing plans?

Mr. Burnett: — Our capital program?

Mr. McCall: — If you take my meaning. Are you adding things into the capital plan? And you know, you've got more cash on hand as per the booster shot and all of that.

Hon. Mr. Morgan: — No.

Mr. McCall: — And maybe this would be a great time for the minister to explain the booster shot to me because I'm still not sure I understand that.

Hon. Mr. Morgan: — The booster thing is something that will help all kinds of communities, all kinds of municipal infrastructure, and will help the province greatly. None of the money in the booster shot will affect this particular Crown.

So they had an existing capital program that had been in place, a multi-year program. This year they've added significantly more, but prior to the pandemic. They've added significantly more so they could do additional rural wireless. There was a lot of concern about people wanting more cell phone coverage, wanting more bandwidth when there was coverage. So we've added a significant number of towers across the province.

Mr. McCall: — Okay. I guess in that regard, committee members were provided an interesting survey that had been conducted by the Agricultural Producers Association of Saskatchewan and had some interesting aspects to that. But in terms of the APAS [Agricultural Producers Association of Saskatchewan] *Out of Range* report, they registered 75 per cent dissatisfaction with internet service.

And again now that we've gone through all the, you know, complimenting the corporation and all the great work, let's get into how it can get even better. But 75 per cent dissatisfaction with internet service, 68 per cent dissatisfaction with mobile service. Nearly two-thirds reporting daily disruption of mobile and/or internet service and there's a number of other concerns registered.

Does the minister or officials have anything they'd like to say in response to that sounding of public opinion?

Hon. Mr. Morgan: — I'll let the officials comment on it. I take some exception to, sort of, how they've done their calculation or whatever. The goal of SaskTel has been to maximize the benefit of every tower, every device that they have. So they look at the number of subscribers that would be benefited by a new tower. So I would suggest to them that we have some of the best coverage in Canada. We have in places, Alberta, Winnipeg, where their carriers will focus on the densely populated areas where you put up a tower or you add something else and you've got a lot of subscribers that are directly benefited.

In our province we're very thinly populated across the province. We have people in the North and we've got people in rural

Saskatchewan where you add a new tower and there's only a minimal number of people that are affected by it.

So the goal of SaskTel has been to identify the main roads, routes, and thoroughfares through there and any reasonable-sized community that would be appropriate to try and add on. So that's why they have added on the additional communities in addition to what was there. But there's still large areas where it's a rural area, the southwest corner of the province where it's large ranchland, and it does not pay to put up a tower where there is zero people that live in the area. But if you drive through the area on a grid road you will not have coverage on that. So you focus on where the people are. So I think we'll reach out to APAS, try and arrange a meeting and try and have some discussions with them. But we focused on trying to look at where people are and where we can best try and provide safety and security.

I'm just going to read these quickly. In the far North, which is an area that's even more thinly populated, we have added or have towers: two at Beauval; Black Lake; Brabant Lake; two in Buffalo Narrows; Canoe Narrows; Cigar Lake mine; Cole Bay; Collins Bay point; Denare Beach; Deschambault; Dillon; Far Indian Reserve; Fond-du-Lac; Green Lake, two; Ile-a-la-Crosse, two; Key Lake; La Loche, two; La Ronge, one, two, three, four, five in La Ronge; McArthur River; McClean Lake; Missinipe; Molanosa; Montreal Lake; Montreal Lake west; Patuanak; Pelican Narrows; Pinehouse; Sandy Bay; Southend; Stanley Mission; Stony Rapids; Sucker River; Thunder Hills; Weyakwin; Weyakwin south; Wollaston Lake, two.

So the idea is to try and provide some coverage so that if a person has to travel a distance to get coverage, they're not travelling for two hours to get it. But even with that number of them, with the size of the northern half of the province, I can't say that if you're at point X that you'll necessarily have coverage. But our goal is to try and provide more and more better coverage all the time. So that's the recent additions to the sites. And each one of those sites is called a macro tower which has got a coverage of what, 25 miles for a macro tower?

Mr. Burnett: — Yes, about 20. Yes.

Hon. Mr. Morgan: — So you know, around those towers there is relatively good service, so if there's a community there we've tried to add the towers so that it directly does it.

So to APAS, we'll like to sit down with them and say, okay this is where we have coverage, this is where we don't have coverage, and possibly make some changes to try and give some assistance to the people that are affected by it. But if they've asked somebody that's in an area that's not near a tower and not near where a tower is going to be because there's no community, they're not going to have either any coverage or satisfactory coverage. You focus on where the people are. If we tried to do a total blanket of the province, so you had 100 per cent coverage, the cost would be in the billions and billions of dollars.

So anyway, I'll let Doug answer a little bit more specifically. Sorry, I didn't mean to sound defensive.

Mr. McCall: — No, no, no. You nicely described the social mandate of SaskTel which, you know, is why it's consistently popular with the people of Saskatchewan. It's like the, you know,

when we went into deregulation and on. So, like, thanks.

Hon. Mr. Morgan: — You're exactly right. It's a utility that usually makes typically \$100 million a year for the province, but could make more. But we treat it not just as a profit centre. It is, and should be because it's owned by all of the people here . . . we treat it as a social utility and not worrying about every item or everything turning a profit. We try and make it so that there's a reasonable balance where we're giving as good service as they can.

Mr. Burnett: — Maybe I could just add a little bit to the . . . I think the minister has done a great job of . . .

Mr. McCall: — I think he took a lot of your best lines.

Mr. Burnett: — He might have.

Hon. Mr. Morgan: — You know, we're both lawyers, so you can expect more.

Mr. McCall: — Three opinions.

Mr. Burnett: — We'll play off each other.

You know, the APAS report, if I could, I'd say that there are a couple things that we agree with, but there is some facts in there that we question. So we too, I think, acknowledge that good internet and good cellular coverage is becoming more and more critical to all of the residents — business and consumer customers — in the province. And that rural coverage is not as good, obviously, and there are lots of areas where it needs to be improved. For us, as the minister described, it is very much a balancing act between what it is that we can do that has some inkling of a financial return, and that that is purely done on a social basis.

And if you were going to cover the entire province, say just to give everybody ubiquitous-type cellular coverage, we think that's about a billion dollars. If we were going to try and give everybody in this province fibre service, say, like we do in the city, that's somewhere between 5 and \$10 billion. Neither of those things are on realistically, at least from a pure viability perspective. So somewhere in the middle, we tried to find what are the worst-served areas that we can still afford to go and improve.

And by the way, we are not the only internet service providers in rural Saskatchewan. There are a number of them. More and more we are working hard with those folks to try and find a way to help them supplement their business case. They too have the exact same problem which we do, which is how do you do this viably and provide service. There's not enough people. The cost outweighs the revenues that you can generate. So we're working with them to see if there's a way that we might supplement their business case, possibly by providing backhaul, maybe a little bit of capital upfront, those types of initiatives. We're really just still trying to find our way, I would say, in working with those folks.

The one thing that troubled me a little bit about this report is the suggestion that a large number of folks were having, you know, one or two or more than two issues with their technology a day. That is not our network. That is not our network. I can tell you

that our network reliability is much higher than that. We do not have a network that's going down, you know, one and two times a day. So for me, those have to be comments about somebody else's service, or just a very disgruntled customer that, you know, maybe is exaggerating the problems they're having as a way of making a point. So our network functionality is far superior to what is being described in that report. Doesn't change the fact that service in some of those locations desperately needs to be improved. We agree with that.

To give you a sense of how we are trying to balance that 5 to \$10 billion nut, or a billion dollar nut with cellular, we're spending \$80 million dedicated to rural improvements this year out of our budget. You know, we'll spend one and a quarter, 1.4 billion, over the next five years on improving our network. They're huge numbers. And SaskTel has something in the order of about 900 cell towers.

Our next largest competitor, which is Rogers, has about 125. Rogers is building their network entirely based on where it's economically feasible to do so. So the fact that we have 900 towers, the minister, I think, mentioned the far North where we have something close to 50 towers. In just the North, excluding the far North — the North kind of in around P.A. [Prince Albert], those locations, kind of the COVID map, that North — we have close to 175 towers. That's more than what Rogers has in the entire province, let alone in the urban cities. So that's the constant balancing act that we have going on.

We are constantly trying to improve. That's the cellular side of the business. We're constantly trying to improve the high speed, the wireline side of the business, so we have two or three different technologies that we use. There's copper. There's the old copper network still. That provides service out to something like about 450 communities. We have this year moved the speeds of, I think, about 300 or 350 of those communities from a maximum of 25 to 50 megabytes per second, doubled the speed in about 300 communities. So we're continually trying to improve the service in those locations.

We've added the Fusion network, which is kind of a hybrid mobile and fixed network. And we are looking at whether or not there's some additional expansion there. This year, over the last couple years, in fact, we put 100 towers up in smaller communities, cell towers in smaller communities around the province — 105 actually. We added 34 Fusion towers. And we're adding another 15 towers — \$1 million a pop — 15 additional large towers just in rural municipalities, not necessarily in the communities, but in those areas that we think are the most underserved.

So there's lots of work going on, I guess, is my point, and I would say far and away significantly more work than anybody that is focused primarily from a bottom-line perspective.

Mr. McCall: — Well you're preaching to the choir on that one. But also the minister didn't come near to stealing all your good material, so that's nice.

But if you could perhaps . . . I appreciate that you're undertaking to meet with APAS to discuss the report, and I think that's a great thing. Perhaps if you could . . . That report was provided to members of the Crown and Central Agencies Committee. And if

you could undertake, if there's a formal response made to APAS's survey, to also provide it to the members of the Crown and Central Agencies Committee. And that would be much appreciated.

Hon. Mr. Morgan: — Yes. If there's a formal response made, we'll let you know. Our intention would be to ask the officials to meet with the minister to work through some of the things and try to get a better defined path forward. But if we decide we want to, given that they made the report, made public, we may want to do something. I don't really have an appetite to a formal rebuttal, but I think it's worthwhile to have the discussion with them. So if there is something done formally, we'll certainly make sure you get it.

Mr. McCall: — I see Molly taking a note, so I'll be looking to the response.

[17:00]

Mr. Minister, if you could inform the committee what's the state of affairs with Huawei and their potential involvement with the 5G network. It's another instalment in a long-running conversation that you and I have been having for these years. What's the latest on this conversation, Mr. Minister?

Hon. Mr. Morgan: — I'll try and give you the condensed version. As you're likely aware, the current cell phone network we have across the province is a 4G network, a fourth-generation network. The products that are in that network, both on top of the tower and the radio equipment at the bottom, are Huawei equipment almost exclusively across the province.

The product is competitively priced, works well, and is highly interoperable with the equipment used by Bell and Telus. So an Ontario customer of Bell travelling across Western Canada will travel seamlessly as they roam into Saskatchewan. It'll work the same with a Saskatchewan customer that's travelling in Eastern Canada. Their phone will work flawlessly as it should. There'll be no issues as they travel.

And we've looked forward as to what we might do in the future, so I think this is where the answer to your questions comes. Our partners, Bell and Telus, are moving towards the fifth-generation, or 5G network. Our Crown co. will have to do the same thing here. We are expected to and our contractual agreements with them require us to do the same as what our customer base here . . .

We were looking for some direction from the federal government as to what use we could make of Huawei equipment. The federal government has declined to weigh in or give us a direction for or against it. However given the international situations, Bell and Telus are indicating publicly that they are moving away from using Huawei on their core network for a variety of reasons. If they choose to do that, we will have to do . . . that will have to be a decision here. So the likelihood here is that we would not use Huawei for any of the core network for 5G. That would be the likely scenario that would take place.

At the present time SaskTel is going through tests of a variety of different types of equipment, equipment not publicly operable but wanting to determine interoperability: what would happen if

you went from a Huawei-served area to an Ericsson-served area, the coverage, the bandwidth, a variety of different things. So they're testing equipment from a number of different suppliers so that they will be in a position sometime later this year to make an announcement as to who their chosen carrier is.

I've been public when I've done media in the past few months, I think I've done media a couple of times, that although we're well served by the Huawei coming in on the 4G network, it would be highly unlikely that we would use it for the core 5G.

Mr. McCall: — Does the minister have any sort of price tag in mind in terms of what these . . . You know, you decide to go Ericsson; here's what 5G costs?

Hon. Mr. Morgan: — The 5G equipment would have to be purchased and installed. The existing 4G towers would not be used for an add-on of 5G on top of the same tower with a 4G. But in all likelihood, that wouldn't happen in any event outside of the major centres. A 5G, the signal does not travel very far. It's designed for densely-populated areas, high profit for SaskTel, but not suitable for large rural areas where you're trying to get the maximum coverage between towers.

So a tower and equipment on a tower typically has a lifespan of four to six years. So the equipment that's around the province right now would likely run out its lifespan or would be phased out over time. The equipment that is in Saskatoon and Regina that is Huawei 4G equipment, some of it will have to be taken down. That equipment would be repurposed and moved elsewhere in the province.

So the cost of bringing in new 5G equipment is a significant equipment, but no matter whether it's Huawei, Nokia, or Ericsson, or whoever it is, that equipment is going to be incurred in any event. But there will certainly be some cost to remove, relocate, and the change in carriers, something that is expensive to go through. But we're going to do that.

Mr. McCall: — So maybe to ask the question in a bit of a different way, in terms of, you know, some costs, what's going to be . . . is there anything that's going to be marooned out there when we decide not to utilize Huawei?

Hon. Mr. Morgan: — As in a stranded asset, we expect not to have that happen. The idea is that we would change things in blocks and would move things out of it. The additional costs that we wouldn't have had, had we not made this decision, would be the cost in taking down the equipment in the cities and moving that equipment out to relocating it somewhere else.

The towers that they've been using for the last while are a universal type of tower, so the tower would be able to be reused with any manufacturer's equipment on it. The land that the tower is on, of course, would continue, as well as the electricity to the tower and the fibre to the tower. So those things don't change, but the equipment at the bottom and on the top of the tower would get changed from Huawei equipment to another product.

Mr. McCall: — Okay. Has the minister or officials received briefings from any, like the Canadian security intelligence, CSIS [Canadian Security Intelligence Service]? Has the minister or officials received any security briefings outlining concerns about

using Huawei in the 5G network?

Hon. Mr. Morgan: — No, we haven't. We've actually, to the contrary, we've gone to . . . When minister Goodale was a federal minister, he was our Saskatchewan contact. And we went to him and said, we need some guidance and we need some direction; we're hoping that you'll make a ruling on it or give us some indication as to where you recommend that we go. I understand that it would be similar for Bell and Telus. There was a lack of direction from any of these.

We also tried contacting RCMP [Royal Canadian Mounted Police] and whatever. We didn't receive any direction to or not to use the product, or that the product was at any particular risk.

Mr. McCall: — Okay. Does the minister have a timeline, a more precise timeline in mind in terms of when this decision will be finally made? I appreciate you've foreshadowed and, you know, all of this, but when can we look for an announcement, Mr. Minister?

Hon. Mr. Morgan: — I think given that we're in an election year, so we try . . . The direction that I gave the officials was, I don't want to play around or look like we're trying to stall this until after the election. I'm going to put it out now that we're looking at making a change. I would rather have that out now than have somebody say we tried to conceal it or something. So we put it out now. I'm not sure what the timeline . . . It'll be over the next number of months for the testing to do. And depending on what the testing produces, I don't have an accurate timeline or an exact timeline. I'm expecting it'll be this calendar year sometime but I . . .

Mr. Burnett: — Yes, it's a long process, if I could just add. It's a very long process to select a new vendor. This is our largest network. And a part of the hesitation in giving you a definitive answer is it partly depends on the extent to which we can work with our partners.

So Bell and Telus have both done some extensive equipment evaluation and negotiation with all of the major vendors. And depending on the extent to which they can and are willing to share their evaluation and their pricing with us, we could virtually short-circuit that to a few months. Without it our CTO [chief technical officer] will tell me that it's somewhere between 12 and 18 months before you might get a new network going.

So we've had the discussion. That's not acceptable. But just to give you a sense, it's not a short period and there are a few factors that will impact it significantly.

Hon. Mr. Morgan: — CTO is the term, chief technical officer. The direction we have to take right now is following the lead of Bell and Telus. They've made the announcement that they're making the shift, so we have to follow suit. We rely on them for training, acquiring equipment, and a variety of other issues that we need to work in lockstep with them. So if we chose to go a different direction than they did, it would certainly be problematic over the next number of years. So when we're 3 per cent of the population, we look to them as major partners.

Mr. McCall: — One last question. Certainly the company has been through an awful lot in the past year, between the strike and

between COVID. It's bound to pose some questions about how's morale doing with the men and women who do the very important work we have for them in SaskTel?

Hon. Mr. Morgan: — I'm going to let him speak directly to the people that are front-line workers, but the ones that I've met are some of the most outstanding, committed, hard-working people. And whether they're in-scope, out-of-scope, they are an incredible group of people. So whether you go into a retail outlet, whether you've got somebody at your house because you clutched it up like I did, these people are phenomenal, true believers in the corporation. And I think they took this year with the things that took place and regarded that as an optimistic challenge and wanted to work their way through it. And to them, I commend and thank them.

As the pandemic started, we had a number of them working around the clock setting up the 811 lines and going back and forth with eHealth to say oh no, we need this service, we need that service. And I was amazed. And to them I can only say, thank you so much. And since that time they have been having to work in the field layered up with PPE and stuff like that. So I think the morale is probably better than ever because they've been challenged like never before. And to them I can only say thank you and how much we appreciate them, but I'll let . . .

Mr. Burnett: — Yes, I just would echo what the minister said. I think the folks at SaskTel probably perform best when you put a challenge in front of them. And I am extremely proud of how they have reacted to the challenge. I can tell you on a daily basis we get compliment after compliment after compliment from people who appreciate the extra mile that people have gone to deliver service, particularly in the height of the pandemic. We're starting to get some complaints now, back to typically, you know, where service isn't quite what they want.

But I'd love to have taken a survey of what morale was like, say at the height of the pandemic, because I think people were extremely proud of how quickly they were able to reorganize their teams at home. I think they took pride in the fact that they could be equally productive if not better productive at home. We have held constant management and all-employee videos and conference calls and shared many of the stories with them, and I do believe that the morale in the company is probably at an all-time high right now.

I expect that will probably come down a little bit as we start to ask folks and insist on folks coming back to work. As I say, we've trained them pretty well to stay at home and be productive, and now bringing them back there's some trepidation for sure. So you know, I would say morale is probably here and probably starting to float down a little bit as we start to return back because people are genuinely afraid that this isn't over and are we taking appropriate safety precautions, which I think we are. But you don't know that till you get out of your house and you come back to the office and we iron things out.

Mr. McCall: — Well, seeing Mr. Chair about to get his gaff out from under the desk and send me on my way, thanks very much, Mr. Minister, officials, for the consideration of these estimates for SaskTel. And thanks through you to all the men and women of SaskTel and the great work that they do for the people of Saskatchewan.

[17:15]

The Chair: — Well thank you. We will now conclude our consideration of Saskatchewan Telecommunications Holding Corporation. 2020-2021 main estimates, vote 153, Saskatchewan Telecommunications Holding Corporation, statutory. Loans, subvote (ST01) in the amount of \$339,900,000. There is no vote as this is statutory.

**General Revenue Fund
Supplementary Estimates
Lending and Investing Activities
Saskatchewan Telecommunications Holding Corporation
Vote 153**

The Chair: — And 2019-2020 supplementary estimates, vote 153, Saskatchewan Telecommunications Holding Corporation, statutory. Loans, subvote (ST01) in the amount of \$25,300,000. There is no vote as this is statutory.

Do you have any closing comments, Minister?

Hon. Mr. Morgan: — Thank you, Mr. Chair. I would like to thank the people on the committee that are here tonight for their time. I would specifically like to thank the building people from Legislative Assembly Services, Hansard, security, broadcast services, and the people that work in the building.

I want to thank as well the officials from SaskTel, not just for being here tonight but for the good work that they've done throughout the year. It's not often that I get to work with a CEO that's another lawyer that I feel is somebody I can truly relate to and bond with. I say that for the benefit of his staff so they know that we will gang up on them should we have to. They did, I think, incredible work through the pandemic and through some challenging times.

And I want to thank the member opposite for having raised the issues and given the opportunity to thank them. I know this is the last time that I will have the member opposite, Warren, in committee, and I want to thank him and wish him the very best as he goes forward. He's one of the truly classy people in this building, somebody I regard as a good colleague and a good friend. I remember when we gave him two schools in one day in his constituency and he actually teared up when he came over to thank me. To me he is the epitome of what an MLA [Member of the Legislative Assembly] should be, setting aside all the partisan and political differences. He's one of the best. So Warren, to you, all the best.

The Chair: — Thank you, Minister. And we will now recess until 6 o'clock.

[The committee recessed from 17:16 until 17:59.]

The Chair: — Good evening, and welcome back to Crown and Central Agencies. Danielle Chartier will be substituting for Warren McCall this evening. This evening we'll be considering the estimates for SaskEnergy, three bills, and concluding our consideration of the remaining estimates.

[18:00]

**General Revenue Fund
Lending and Investing Activities
SaskEnergy Incorporated
Vote 150**

Subvote (SE01)

The Chair: — We'll now begin our consideration of the lending and investing activities for vote 150, SaskEnergy Incorporated, loans, subvote (SE01). Minister Eyre, please introduce your officials and make your opening comments. And just a word to the officials: please state your name for *Hansard* when you're speaking. Thank you.

Hon. Ms. Eyre: — Thank you, Mr. Chair, members of the committee. Good evening. SaskEnergy officials accompanying me this evening are Ken From, president and chief executive officer of SaskEnergy; Christine Short, vice-president of finance and chief financial officer; Mark Guillet, vice-president, general counsel, and corporate secretary; and Randy Greggains, vice-president, customer service operations.

And, Mr. Chair, I'll provide a brief overview of SaskEnergy's operational and financial highlights from the previous year, a look ahead to this coming year, and then I would be pleased to take any questions.

Looking back, Mr. Chair, over 2018-19, income from operations for the 12-month period ending March 31st, 2019 was 134 million. While the March 31st, 2020 financial results have not yet been finalized, and despite unique challenges, SaskEnergy has maintained strong financial health and operational outcomes, with consolidated net income for 2019-20 estimated to be 66 million.

And I'd like to take a moment to highlight that number, Mr. Chair, 66 million. It may seem low when compared to 2018-19's 134 million. In fact, this is a return to a traditional income level for SaskEnergy corporation. The 2018-19 fiscal year created a record high for income, and was favourably impacted by a strong demand for natural gas, particularly from industrial customers, the one-time sale of some non-core assets, and the overall impact of a bitterly cold winter that year, which increased usage for our growing customer base.

The corporation maintains a healthy balance sheet, with a 55/45 per cent debt/equity ratio as of March 31, 2019. SaskEnergy's borrowing in the next fiscal year will be used to refinance long-term debt maturing in 2020-21, with the remainder used to support capital investment. SaskEnergy's number one priority is to maintain a safe and reliable natural gas system, as evidenced by its 99.9 per cent reliability rating. Thanks to the corporation's comprehensive and well-coordinated gas line safety and integrity programs and the efforts of its dedicated provincial workforce, most customers never experience an unplanned natural gas outage. Today's increased regulatory requirements and the public's expectation that SaskEnergy's 71 000 kilometres of distribution gas line and 15 000 kilometres of high-pressure transmission line will be operated safely, and these require ongoing investments.

In 2019-20 SaskEnergy invested over \$100 million in safety and system integrity efforts with a similar investment level expected

for 2020-21. Dozens of programs and hundreds of employees make up this safety investment. Programs include aerial and ground-based leak surveys, internal and external inspections of transmission lines, 24-7 remote monitoring of the system, and key infrastructure improvements. One area of focus continues to be distribution service connection upgrades. More than 24,000 upgrades have been completed since 2011 as part of this proactive program.

In addition, SaskEnergy uses industry best practices to protect its gas line system and works closely with industry associations, regulatory bodies, and other natural gas utilities across Canada to benchmark safety practices and technologies. These programs and practices are especially important during Saskatchewan's harsh winters. Record-setting natural gas usage days are happening more frequently. On January 15, 2020 for example, a new daily natural gas usage record was set at 1.55 petajoules. SaskEnergy's system design, gas purchasing strategy, and safety programs are critical so that even on peak record days, the system is able to safely and reliably meet customer requirements.

In terms of capital spending, Mr. Chair, demand for natural gas in Saskatchewan has never been higher. While SaskEnergy's customer base expands every year, it is the continued growth of our industrial sector that is contributing most to this increased usage. In 2019-20 demand from SaskEnergy's industrial transmission customers increased for the fifth straight year. With increasing industrial demands and nearly 2,500 distribution customers added in 2019-20, SaskEnergy must plan and build years in advance to meet the natural gas needs of its growing customer base.

In 2019-2020 SaskEnergy budgeted approximately \$300 million on capital projects related to integrity programming and increasing pipeline capacity, allowing the corporation to bring additional gas into the province. In October 2019 work was completed on a 62-kilometre transmission gas line expansion south of the city of Saskatoon. This project more than doubled the capacity to the east side of the city and was vital to meeting the growing energy needs of residential, commercial, and industrial customers in the Saskatoon and surrounding areas.

Additional projects along the Alberta border will continue in 2020-21 as close to 70 per cent of SaskEnergy's natural gas supply now comes from that province. This includes new facilities such as additional compressor stations at strategic points on SaskEnergy's system, allowing it to optimize its provincial pipeline system. It is critical that we keep pace with customer growth and manage our capital investments while also continuing to enhance public safety. When it comes to customer focus, with a customer base expected to reach 400,000 during the coming year, SaskEnergy remains dedicated to its customers, investing in initiatives to meet their expectations.

In addition to safe and reliable service, SaskEnergy understands that customers expect affordable, stable natural gas prices. Customer surveys continue to indicate a majority of residents and commercial customers want stability, especially during the winter months when the most gas is consumed. On April 1st, 2019, SaskEnergy implemented its lowest commodity rate in 20 years. Combined with its delivery rate, SaskEnergy's total residential gas utility rate is the third-lowest in Canada with no rate change expected in 2020. SaskEnergy continues to use

innovative solutions to enhance value for its customers. This includes internal process improvements and energy efficiency rebates and assistance programs.

In conclusion, Mr. Chair, SaskEnergy, like other companies throughout the world, is experiencing unconventional business and operating conditions at the moment. In addition to the global economic impact of the COVID-19 pandemic, the oil sector has experienced a significant downturn which has a number of implications for SaskEnergy corporation. The full impacts of the pandemic and the downturn in the oil sector have not yet been fully quantified as they are still ongoing.

As a company that exists to serve its customers, SaskEnergy has had to be quick-thinking and flexible in order to respond to the current business environment, which could have impacts on its own business plan as well as the plans of its large commercial and industrial customers. When customer situations and forecasts change, utility business plans have to follow suit, although SaskEnergy will not waver when it comes to its commitment to providing customers with similar levels of service and value that they expect and deserve.

The corporation's strongest assets are its people. The employees of SaskEnergy are innovative, dedicated, and hard-working, which has never been more evident than in the recent months. They continue to rise to meet the challenges of a growing province, a changing natural gas industry, and the extreme impacts of a global pandemic and oil market downturn. SaskEnergy remains financially and operationally strong year after year because of them.

Thank you, Mr. Chair, and we'd be pleased to answer any questions from the committee.

The Chair: — Thank you, Minister. Are there any questions? Ms. Chartier.

Ms. Chartier: — Thank you, Mr. Chair. And thank you to the minister and the officials tonight for being here and having some time to answer a few questions.

I just want to go back to the 2019 furnace rebate program. We had a little bit of a conversation about that last year. And so in September 2019, we were chatting about the furnace rebate program, and at that point in time, I believe that you had issued 60 cheques and you had said that there were just over 200 that were in application at that point. I'm just wondering where you landed in terms of that furnace rebate program.

Hon. Ms. Eyre: — Ken, did you want to answer this?

Mr. From: — I need to get to my page. I'll try and find the page where I can give you some numbers that you're looking for in terms of the number of folks that we helped there. If you'll recall the rebate was for \$650 for the first furnace replacement and that furnace had to meet certain conditions of high efficiency. The idea there is to help people lower their bills and be more efficient and reduce the greenhouse gas effect.

In 2019, 840 rebates were given throughout the program in 110 different communities. So that was a very good reach that we had. And most of that work is done through our network

members, and that's how we were able to do it in the 110 different communities.

Ms. Chartier: — So your original . . . In committee last year, you said your target was 1,500. So why do you think you were almost halfway below the target?

Mr. From: — Hard to know exactly. But there was a slight downturn in the economy and some of the network members commented on that and they were very appreciative. The customers that did receive that were very appreciative of the fact that we were offering that rebate to them.

So a forecast and actuals, there's always going to be a variance. Understanding all the nuances of customer behaviour is probably difficult. But you know, there were a lot of things that happened in last year that were unique events.

Ms. Chartier: — So the program ran between August and November. Is that correct?

Mr. From: — Yes, I think that is correct.

Ms. Chartier: — Okay. Just in terms . . . like your original target was 1,500 and I know that the program was set to end in November. Any reason why it wasn't extended, recognizing that you were below that target number?

Mr. From: — The rationale behind that is that we're not really wanting to do a bunch of furnace replacements in people's homes during the winter. The easiest time for contractors is during the summer and fall periods.

Ms. Chartier: — Is there any reason then it's not being reintroduced then?

Mr. From: — We're having discussions to look at, is that a program that we want to supplement. And there's a variety of programs that we're looking at, and that's just one of them. One that I do want to talk about, if I might take a minute . . .

Ms. Chartier: — I will probably ask questions about that.

Mr. From: — Okay.

Ms. Chartier: — The TAP [tune-up assistance program] program?

Mr. From: — Yes.

Ms. Chartier: — Yes, I do have some questions around that, but I want to talk a little bit more about this.

Hon. Ms. Eyre: — And I'll just add very quickly, Mr. Chair, that in light of the season of when that was rolled out, obviously we've gone through the reasons for the program. It was a good opportunity to upgrade to a higher efficiency and natural gas furnace before winter, but it went over well and was very positively received. I know network members have said it was, and this is just quoting one, ". . . very effective in driving more business for the company especially in a season where we don't typically sell a lot of furnaces." So positively received in light of the numbers that we had.

Ms. Chartier: — So how much does a furnace cost? It's usually about \$6,500. I think this was about a 10 per cent offering. So who was your target in this program then, like putting that lens on that not everybody has \$6,500 to purchase a furnace?

Mr. From: — The target there was people whose furnace was nearing the end. We were not looking for people who were increasing from a relatively mid-efficient one to a new one. That's up to them. But we were looking to get people off the very worst efficiency furnaces and into a new one. And if that helped, that was great. And we understand that not everybody can take advantage of that, but we had a good take-up on that from that offer that we had.

[18:15]

Ms. Chartier: — I'm not sure. Like just in terms in thinking about your target, it's great that 840 people have a new furnace, but I'm not sure I would say . . . Like that's better than not having people uptake, but I am concerned that this program maybe left out some key people who could've tapped into a program that had a socio-economic lens taken into consideration.

Hon. Ms. Eyre: — Well I'll just say, I mean, we can't forget that this is just the one program, right? So from 1999 to 2019, for example, SaskEnergy offered financing through TD Bank [Toronto Dominion Bank], for one, and almost 18,000 loans were taken out for \$116 million, for what were basically equipment subsidies. And that's a lot of furnaces and water heaters during that time, right? So I think that's important to remember.

And so instead of investing in another loan program, SaskEnergy decided to invest in a rebate program such as this furnace rebate, which was also something that network members supported. And they still offer financing, you know, often at pretty competitive rates, the network members, because they want the business. So financing still exists. And with the furnace rebate you're actually getting a better deal than you were when perhaps SaskEnergy was supporting the loan program, you know — \$650 per unit, for example, instead of \$400 per unit.

And don't forget also that, you know, the program offered a rebate for 650 for the first furnace replacement, 350 for the second. So just I think important context as well.

Ms. Chartier: — I'm just curious though how many people are replacing two furnaces in a home?

Hon. Ms. Eyre: — I know of several.

Ms. Chartier: — Yes. What number of people would you anticipate replacing a second furnace in a home, the \$350 rebate?

Mr. From: — I don't have any numbers or data to really answer that question.

Hon. Ms. Eyre: — But I do have anecdotal. I know of a number of people who mentioned that they actually were going to invest in two furnaces.

Ms. Chartier: — I represent a constituency where that wouldn't be . . . And there are many people across the province who are \$200 away from not being able to pay any of their bills. So I

haven't spoken to too many people who were looking at replacing two furnaces. But I'm concerned about making sure that the programs that we offer meet people's needs.

So in terms of the \$6,500, the general cost of a furnace, with this program, did that cost have to be paid or was it a financed program? So you'd get the \$650 rebate. So I'm assuming that you would have had to pay the rest of the cost of the furnace and not finance, or maybe I'm incorrect about that.

Mr. From: — This program was run through contractors. And the owner of the home would have purchased their furnace from a contractor that was approved, and the arrangements that they might have are unknown to us.

Ms. Chartier: — In terms of SaskEnergy developing the program though, like what I'm asking is, would this have been possible to make over payments, over a period of time, or was the SaskEnergy rebate only if you paid outright for your furnace?

Mr. From: — Again the rebate was handled through the network members. And any commercial arrangement that the network members had with an individual, that's up to them. We provided the rebate. They may well have financed it in some manner through their contractor. We don't know that.

Ms. Chartier: — But that wasn't precluded. That was not stipulated by SaskEnergy.

Mr. From: — That was not a condition. No.

Hon. Ms. Eyre: — No. And as I've stated, Mr. Chair, I mean SaskEnergy decided to invest in this rebate program which was something that network members supported. But they still offer financing — that's important to remember — and as I say, at often very competitive rates.

Ms. Chartier: — So obviously network members support this because that was August to November. We talked about this last year. It was a bit slower time and it was an ideal . . . to run it. And I'm all for supporting small business, but this seems very much about supporting network members and maybe not quite as much about SaskEnergy customers.

Hon. Ms. Eyre: — I'll just say that . . . Let's remember that the SaskEnergy residential network was established in 1998. It has 148 residential network members in 49 communities throughout the province. They're required to pay an annual membership fee to be part of the SaskEnergy network.

But one of the goals of the network is to raise the bar in terms of quality furnace installations. And that's one of the main reasons that the program is offered through the residential network members because partly, SaskEnergy is offering a training component that's delivered to network members along with requiring a furnace commissioning checklist. So they have to meet criteria that's established by their own industry and that includes strict safety standards, fully qualified and licensed staff, and proper commercial insurance. So that's the rationale behind the network.

Ms. Chartier: — Oh, I'm not being critical of the network. You were actually explaining the network a little bit to me last year.

This isn't a criticism of the network itself. But if this is about quality furnace replacements, you'd think that we'd want to make it available to as many people as possible. And 840, I would argue, is a much lower number than you had anticipated, and then the program stopped.

Hon. Ms. Eyre: — Well then I would say again though, remember this is just one program and that, as I mentioned, from 1999 to 2019 SaskEnergy offered financing, you know, of over \$118 million. So that's quite a lot of assistance for equipment subsidies, and as I say, quite a lot of furnaces and water heaters.

Ms. Chartier: — Well let's chat a little bit about the TAP program. So just in your news release from 2020:

Only those selected will receive this one-time offer of a SaskEnergy Network Home Heating Tune-Up at no charge; as an added safety measure each homeowner will also receive a carbon monoxide alarm, two furnace filters, and up to \$100 in repairs if they are required.

So in June 2020, on the 22nd, you announced the renewal of the program for the fourth year. So I understand according to the news release that 401 clients were assisted in 2019. How many clients have you supported since its inception?

Mr. From: — We don't have that number right in front of us right now. We can undertake to provide you with that if you wish.

Ms. Chartier: — Okay. You don't know? Do you have any numbers beyond the 2019?

Mr. Greggains: — We have targets for this year. So we're running the program again this year, as we announced. And the program is targeted for people that need some assistance in looking after their home appliance. And we've targeted to significantly increase the reach of the program this year. So again, it's a target. We don't know what we'll be able to achieve based on uptake, but we're targeting significantly more than last year, so in the order of 800 customers. Sorry. Randy Greggains speaking. Sorry.

Ms. Chartier: — Thank you, Mr. Greggains. I've got a few more questions. So last year was 401, and you're hoping to double the uptake this year?

Mr. Greggains: — Correct.

Ms. Chartier: — Okay. And what is the cost of the TAP program? I guess you probably don't have these numbers either but broken down by fiscal year, including advertising and marketing.

Mr. Greggains: — We can undertake to get that to you. Again I don't have those numbers right in front of me right now.

Ms. Chartier: — Okay. That would be great if you could provide those to the committee. So just a question here. So SaskEnergy serves more than 397,000 customers in 93 per cent of Saskatchewan communities according to your '18-19 annual report. So in 2019, with 401 clients assisted, TAP served about 0.1 of SaskEnergy's client base. So you've told me your plans for expansion. How do you hope to get there? So you've set a

target. How do you plan to double?

Mr. Greggains: — So we're increasing the advertising for the program. We've tried to increase the reach by working with network members. Through various means of promoting the program we feel we can get a broader reach and get more people interested in the program and applying for it.

Ms. Chartier: — So the various means of promoting the program and increasing the reach, what will that look like?

Mr. Greggains: — I don't have all the details. Again I can undertake to get more details to you. But yes, we do things in the media, we do social media, we have other means of advertising; and like I said, we promote it through network members as well.

Ms. Chartier: — Okay. How many applications for TAP were received? I'm assuming that you might just have 2019 here.

Mr. Greggains: — Yes.

Ms. Chartier: — And so what would 2019, the number of applications, have been?

Mr. Greggains: — Sorry again I don't have that in front of me. We served all the fully qualified applications that we got.

Ms. Chartier: — And I guess that leads to my next questions about your terms and conditions: "SaskEnergy will select participants based on homeowner need, location, and such other criteria relevant to SaskEnergy. Not all applicants will be accepted into the program." So you've said you've served all the fully qualified applicants. What makes a fully qualified applicant?

Mr. Greggains: — One of the examples would be if there's not a network member in the vicinity. So if a network member is having to travel for an hour to do a tune up, it becomes difficult. So we look at proximity to network members in the province. That would be one of the qualifying factors.

Ms. Chartier: — That's one of them. Can you tell me some of the other ones?

Mr. Greggains: — I can get you a complete list of the program qualifying factors, so you have the whole list of what's there.

Ms. Chartier: — Okay. That would be great because I understand that the application asks for name, home address, and contact details, income, type of heating equipment, whether it's a furnace or a boiler. So are the criteria much broader than that, and who makes that determination on... Like do you have to meet all of the criteria or do you reach out? So these particular criteria — name, home address, contact details, income, type of heating equipment — is there more that is asked of clients following that?

Mr. Greggains: — No, no, that would be the criteria that you're applying for the program under. We would look at it and we would establish, based on what we set, if you qualify or not.

Ms. Chartier: — Okay. Okay, so I understand, and you've said this too in your comments, that selected applicants have to be

located in one of these communities, or within a 20-kilometre radius, which are home to SaskEnergy network members. So that's Emerald Park, Esterhazy, Estevan, Eston, Foam Lake, Gravelbourg, Hudson Bay, Kindersley, Leader, Lumsden, Moose Jaw, Nipawin, North Battleford, Paradise Hill, Ponteix, Prince Albert, Regina, Saskatoon, Swift Current, Unity, Wadena, Watrous, Weyburn, and Yorkton. Is there any reason why there aren't network members further north than that?

Mr. Greggains: — It would be based on them qualifying to be a network member. As we mentioned there are certain qualifications you have to have to be a network member. You have to meet quality of work qualifications. You need to have a storefront. You need to have a certain level of business licensing. So we'd like to pursue to have more network members in other parts of the province certainly. But this is what we have today.

Ms. Chartier: — Okay. Forgive me here, I couldn't find this, but is there a list of network members online?

Mr. Greggains: — It's on the website.

Ms. Chartier: — Okay, I must have . . . I am approaching 50, and I just started wearing progressives that I am fighting against here a little bit.

Mr. Greggains: — You're joining the club. That's good.

Ms. Chartier: — I've given up on them for the short term here. I do have some concerns that TAP isn't currently accessible to northern communities or even communities farther north than Prince Albert and Paradise Hill. Again when you put a socio-economic lens on the two programs we've talked about so far tonight, I think that there are probably people who would really benefit from this kind of program who are missing out. And so I'm wondering what SaskEnergy is going to do to rectify that.

Mr. Greggains: — So we'd love to broaden our reach of network members. If we could establish network members in other communities, we'd certainly like to do that. One of the aspects of the TAP program that we have here . . . We talked about carbon monoxide detectors, for example. That's part of your safety equipment in your home for home heating. So we've given our technicians in these northern locations carbon monoxide detectors, and they're going to assess the need for that equipment in a home when they respond to an issue in the home. So we are looking at other ways we can help serve these communities and help improve the safety of natural gas use in their homes.

[18:30]

Ms. Chartier: — Yes. So you said you'd like to expand the reach of network members to be able to access these programs. So how do you see being able to do that? Because I see a significant portion of the province underserved because there aren't network members there. So how will you go about increasing network members? Or what is the plan to do that?

Mr. Greggains: — Well we work closely with the Mechanical Contractors Association of Saskatchewan. We're in regular contact with plumbing and heating companies. It's certainly open for them to become a network member. We've got a membership

fee that's relatively modest, and we continue to talk to new companies about the advantages of being a network member. And they recognize, through programs like the furnace upgrade program and the TAP program, it is good for them from a business point of view as well. So we are trying to promote it.

Ms. Chartier: — So why are you hearing that there aren't any members further north?

Mr. Greggains: — I can't comment on the specifics of that. Obviously there's plumbing and heating companies in La Ronge. We would like to have them as a network member and we'd like to pursue that, but I don't know the root cause of why they haven't gotten there.

Ms. Chartier: — Have you attempted to recruit any of these companies, recognizing that there's a gap in equity of service?

Mr. Greggains: — We've had discussions with them. Now they have to understand they have to meet the criteria. So we work with expanding the network.

Ms. Chartier: — So we've talked about a program where you might have to pay close to \$6,000 out of pocket, or possibly finance, but we're not sure. It depends on what the network members choose to do in a program that isn't further north than Paradise Hill or Prince Albert. But you've talked about the carbon monoxide detectors and giving them to your technicians when there's a call. Can you give me a bit of a sense of what else you might be doing to improve people's natural gas bills who can't tap into these programs, or other ways that you're reaching folks who might not be served by these programs?

Mr. Greggains: — Well we continually try to educate customers on the benefits of energy efficiency, whether it's your building envelope, whether it's your appliances, even, you know, thermostat settings. So we have information on our website on how you can save energy different ways, you know, outside of investing capital in new equipment. So we do have an ongoing program of trying to educate our customers.

Ms. Chartier: — Okay. But you do recognize that there is probably a gap here in possibly lower-income households who own their home and would like their . . . You do see that there is a gap, that there are people who aren't being served by the existing programs.

Hon. Ms. Eyre: — I think it's important to emphasize, aside from some of those challenges, just the extension of natural gas service that has occurred under SaskEnergy's watch in last few years. If you'd like to get into some of the numbers, I mean that undertaking has been formidable and committed and very positive.

And so in terms of just starting there because that in of itself has been an undertaking, you know, natural gas service is now in La Ronge, Air Ronge, Lac La Ronge Indian Band, Ramsey Bay, Weyakwin. Approximately 1,695 customers in the area are now enjoying natural gas heating. Service lines connected customers, approximately 1,000 potential customers now have access to a natural gas main adjacent to their property.

So again there are a lot of numbers and a lot of communities and

outreach efforts that could be outlined in greater detail. But that has been a very positive thing over the last few years.

Ms. Chartier: — Oh, for sure. But that's about equity of service, and I recognize that that's no small feat getting natural gas service to places that maybe have been under-served, but as they should be because . . .

Hon. Ms. Eyre: — It is. I will just say it is about equity of service, but it is also . . . There are quite a lot of terrain issues and economic feasibility issues in terms of that terrain, right? And just the logistics and infrastructure of northern service just to start with, so swamp bedrock and the lack of larger business loads that are needed to balance out the cost of installation of a gas line distribution system. Those are not insignificant either.

Ms. Chartier: — Oh, no. And I've had an opportunity to chat with clients in Air Ronge about . . . It comes with an expense to people there as well who are putting in the service too.

But just moving on here. And I just again want to flag and emphasize that when developing programs to support folks, that recognizing that . . . I mean I don't know how I'd come up with \$6,000, and I have a good income. And so I think about my constituents and people across the province who are in the same boat or actually even probably not the same boat, a more challenging boat than I'm in.

Sorry, I'm just going to reorganize here. In terms of safety, and I know, Minister, you chatted a little bit about that in your opening comments, and I'm not sure I made notes quickly enough here. But in the auditor's report on page 135, the recent auditor's report:

Without properly designed and effective processes to operate pipelines safely, SaskEnergy faces the risk of fires or explosions caused by ignition of the natural gas that has leaked from transmission pipelines. This can cause serious injuries, death or significant property damage.

And I believe there's three recommendations in the auditor's report. Has SaskEnergy accepted those recommendations?

Hon. Ms. Eyre: — Yes, they have. Sorry, I spoke for Ken. I was keen, keener than Ken. Yes, though we can report this evening that all three recommendations have been implemented.

Ms. Chartier: — Implemented or accepted?

Mr. From: — Implemented.

Ms. Chartier: — Okay. Okay. And when did that take place? Because the auditor's report obviously was just released.

Mr. From: — Correct. So the auditor's report . . . And I want to thank the Provincial Auditor for the work that they've done. They do a great job. A lot of our programs do get audited. And we have the Canadian Energy Regulator which audits us. We have various provincial bodies that audit certain parts of our work, and the Provincial Auditor did one this year as well on some very specific parts.

I talked to her and we went over the report. And I can tell you

that the items that were there were, without trying to diminish them, they were mainly around documentation. Our processes are relatively good. They're tested with all the different industry associations that we do. And there were some recommendations how we can improve, and those recommendations were made to us and they were fully implemented just last week.

So we have met all those concerns. It was relatively easy for us to do and, in fact, some of the recommendations were already caught by our internal processes that we could do some improvement on. So great work by the auditor, and we do appreciate when we get those audits that they're finding things that we can improve upon, and we look at those as opportunities.

Ms. Chartier: — Well I'm glad to hear that. As the former Chair of Public Accounts, it always made my heart happy when recommendations were both accepted and implemented. So I'm glad to hear that the report came out and they're already attended to.

In terms of the safety and system integrity spending, am I correct that in '19-20 it was 126 million last year? Did I catch that? I made notes for myself, but I'm not sure if I'd made it previously — 126 million in '19-20.

Mr. From: — That sounds like a number that is reasonable, yes.

Ms. Chartier: — Okay, can you tell us a little bit about what was done in that spending? Or maybe just confirm that number. And can you give me a little bit about what that included?

Hon. Ms. Eyre: — If I can start, Mr. Chair, I have it as 125 million for '19-20. That was managed across the province to maintain safety, integrity, reliability of the system. There were a number of initiatives to cut down on the public coming into contact with buried infrastructure: the Sask 1st Call, dig site supervision, enhanced permitting processes during excavation all contributed in cutting down damage to natural gas lines.

So those were some of the initiatives. There were more employees committed to safety-related tasks than any other job within the corporation, and these range from service and maintenance technicians, mechanic operators, engineers, gas controllers, planning and dispatch representatives. And overall the program's resulted in an overall total damage reduction of 37 per cent in the past five years. And Ken, if you want to add anything on that.

Mr. From: — Sure. With respect to our safety initiatives, there's two sides to it. One is capital that we invest in upgrading, for example the service tees that we have in Regina and Saskatoon, just as an example. And there's also operating dollars that we use to inspect our pipelines, to inspect for any leaks, to inspect for the pipeline integrity. You know, can we detect any defects in the pipes? So we have a very robust program. We are meeting our targets in terms of our safety initiatives and our reliability initiatives.

As the minister pointed out, our reliability is 99.99. And that extra nine is significant, I might add. So the natural gas system throughout Canada is a very robust system. It's very reliable. And we're very pleased to report that we continue to take that safety and reliability as kind of job one, if I could use that phrase.

Ms. Chartier: — Okay. So, sorry, you said meeting targets. So reliability you said was 99.9?

Mr. From: — 9.

Ms. Chartier: — Nine . . . 99.99. And what is included? How do we define reliability?

Mr. From: — Basically you can look at reliability as, if there's 24 hours in a day we, on average, to all of our customers supply it at 99.99 per cent of that time. So it's a time-based reliability.

Ms. Chartier: — And what is your target for safety? And your measure for . . . target, targets, measure, or measures of safety?

Mr. From: — Well our targets on safety, whether it be for personal or other things is always trying to get to Mission Zero. You know, that is our aspirational target. We always work towards that. But we recognize that, you know, there are things that occur during the year. And we do keep track of our vehicle accidents, personal injuries, slips and falls, things of that nature that our service folks encounter all the time.

Ms. Chartier: — And so obviously Mission Zero is an aspirational target around slips and falls and . . . Can you just go through that list again here of the things that you track for safety?

Hon. Ms. Eyre: — I think Ken might need his progressives.

Mr. From: — I think so. If you're looking at the work environment safety first, obviously employee and public safety is at the core of all of our activities. Part of that is looking for hazards, you know, hazard identification, risk assessment and mitigation, sharing of learnings to promote awareness when you're on the job site.

One of the things that is key for us is when you get to a job site, you have to have a safety moment. You have to look and see what's going on, check your conditions. If you leave that work site and come back, you must again check the conditions — what has changed, if anything, and do I have another risk that has popped up while I was away.

So it's a very robust system. You know, by listing a few, I'm doing it a disservice in contracting it that way. All that I can tell you is that the pipeline industry in general, throughout Canada in particular, is an extremely safe industry. We understand risk, both from the infrastructure point of view and risk to our employees and risk to the public. And we take all of that very, very seriously and we develop programs that are . . . There's many, many programs that we do for each site.

We monitor. We check. We identify hazards. We do what we call management of change. If anything changes, how do we manage that? Have we thought of all those things? We use process safety to find out where there might be a thing that we changed. For example, in a compressor station, we may have changed something with the pressure. Have we taken into account all the implications that could come from that? All those are documented and they're filed with our regulatory bodies.

Ms. Chartier: — So around the safety in terms of measures . . . So obviously, as you said, it's a really robust system, but do you

have a set of measures that you use to say, like you said, around reliability, 99.99, and that's measured in a 24-hour, how often people have their natural gas. Do you have that same . . . What kind of format, or what do your measures look like around safety? Both on the operational and the infrastructure side.

Mr. From: — Okay. I'll give you the operational too, first of all. And again, some of these things can be quite technical in nature. And what we're talking about here is just a snippet of all the things that we actually track. For example, total recordable injury frequency is meaning how many injuries were there, based upon full-time employment. And we want to make sure that we are not outside of industry standard, like you said.

We have that Mission: Zero as our aspirational goal, but we do rank ourselves across Canada, using both on the transmission, the high-pressure side, and the low-pressure distribution: one through the Canadian Energy Pipeline Association, the other one through the Canadian Gas Association. And we do set corporate targets. And actually those targets form part of our benchmark that we have to succeed on.

Another one is lost-time injuries, again something that we would like to be zero. That's our aspirational goal. And we also have medical aid injuries that we track and compare year over year looking for trends, how are we improving.

[18:45]

We look at preventable vehicle collisions, and look at that all the time. And again what we're trying to do there is to have continuous improvement. We want the graph and the numbers to be increasing each year. And when there's not an increase each year, I can tell you that our board of directors gets our attention on that to say, why did this go up? And then what programs are you going to put in place to see that it can come down? So there's a whole variety of things that we do.

Hon. Ms. Eyre: — No, and I was . . . Sorry, Ken. Please finish.

Mr. From: — With respect to some of the things on the infrastructure side that can cause us grief, it's in the uncontrollable areas. The biggest thing for pipelines is what we call third party damage, meaning somebody outside of the organization has contacted that pipe and caused damage to it. And hopefully that damage does not mean a release of the gas or an ignition of the gas, because that could be quite dangerous.

So we do a variety of programs to ensure that people are not encroaching upon our gas lines, especially the high-pressure transmission lines. We will fly our right-of-ways to see if there's any construction going on. There are some facilities that are nearer high-density housing, such as near cities. We will check that almost every week to make sure nothing is happening. And so we have people walking the lines as well.

We do a whole variety of things so that we are getting people to not hit our pipes. In the cities, we have obviously areas where there's pipes. We will put obstructions, hopefully artful ones so that it doesn't damage the look of the environment, but we'll put obstructions in place so that people can't, for example for whatever reason, drive a backhoe in there and start digging.

We look at our pipelines to make sure we have adequate depth coverage. You know, is there some erosion that's occurred over the number of years? We need adequate depth coverage so that a farmer in his field during normal farming operation does not contact our pipe and rip it up and cause potential safety issues for him and neighbours, but also cuts off the gas supply to industry and to others.

So the third party damage is one that we are looking at all the time. We were looking at different technologies to . . . how can that help. Instead of flying a plane, can we use a drone to cover off some of the high-density ones more frequently? Just looking at every way that we can. We check with all of our friends and neighbours in the associations to see what are they doing that we could maybe parlay onto and put into our programs.

So it's one where we have departments of people working on the safety of the high-pressure system, working on the safety of the employees, and then of course paramount to all that is to ensure that our customers are safe by having a reliable system with no leaks and chance of damage extremely, extremely small.

Ms. Chartier: — Thank you for that. That made me think about, on the infrastructure side, Regina Beach and the explosion at Regina Beach. So last year in committee you had told me that the majority of Regina Beach claims had been settled and that there are a couple wee little ones that are still out there for some final adjustments, but the majority has all been dealt with. You didn't have a breakdown last year of the total claims at that point, but I'm wondering if you have that. I don't know if it was ever tabled with the committee. And if not, do you have that number now?

Hon. Ms. Eyre: — And while you look for that number, Ken . . .

Mr. From: — Sure.

Hon. Ms. Eyre: — I'll just say, so in terms of that and just to the safety record, and I've been to . . . I don't know if you'd had an opportunity, Ms. Chartier, to go to the central monitoring room. It is quite incredible and impressive. And so there is that 24-7 remote monitoring of the gas line through the gas control centre, and leak surveys. So specifically to Regina Beach and that area, I mean, the entire gas line system is surveyed aerially for leaks every year. The ground surveys are also performed year-round. And so in an area such as that, Regina Beach, I know things have progressed extensively.

Mr. From: — With respect to Regina Beach and your comments or your questions regarding claims made against, in total there were 47 claims. All the insured claims have been settled. Of the uninsured claims there are only two that remain outstanding.

Ms. Chartier: — So only two of the uninsured claims outstanding. Of the 47 claims, how many were uninsured and how many were insured?

Mr. From: — Okay, this is a complicated answer because there's portions of each claim that are insured and uninsured. So it's not that we can just define it this way and that way and give you an exact breakdown that would sum up to 47. It won't sum to that because there's components of each in the claimed and unclaimed.

Ms. Chartier: — How soon are you anticipating those remaining two uninsured claims will be resolved?

Mr. From: — Our understanding is that one is under way. It is progressing. And it looks like the other one is not going to progress for whatever reason.

Ms. Chartier: — Progress in terms of having a resolve or resolve in the near future?

Mr. From: — What I mean by that is litigation.

Ms. Chartier: — Okay. So obviously this issue isn't quite completely closed, but hopefully sooner than later. Two outstanding. Okay. Has SaskEnergy had to cut off service to any other communities due to ground movement since that Regina Beach incident?

Mr. From: — Well if you'll recall, we removed the services at Regina Beach and surrounding neighbourhoods that were affected: Saskatchewan Beach, Buena Vista, Alta Vista, and a few of those. We have had other places — I think there were some around Buffalo Pound Lake — where the movement there required us to also shut in some of those services.

Ms. Chartier: — Indefinitely?

Mr. From: — Yes.

Ms. Chartier: — Yes.

Mr. From: — Yes.

Ms. Chartier: — So how many communities? Sorry, can I clarify just how many communities following that had to have lost service?

Mr. From: — My understanding is just the one community which is the Buffalo Pound area, yes.

Ms. Chartier: — And how many customers did that impact?

Mr. From: — Not many. It was like a handful. I don't have that exact count but it was not a big number. It was a few places that were in an area that had some significant land movement.

Ms. Chartier: — Yes. Okay, thank you.

Hon. Ms. Eyre: — And it's also important to mention that SaskEnergy will continue to serve more than 80 per cent of customers in that Last Mountain Lake area — right? — and that you've invested 13 million as a corporation in that Buffalo Pound and Last Mountain Lake area over the past few years.

Mr. From: — That is correct, Minister. It's not as if we have taken the gas away from everybody there. We recognize that it is a valuable service for them and we take no pleasure in removing a service from a customer, but we do take pleasure in knowing that they're now safe.

Ms. Chartier: — Forgive my ignorance here, but is there a way in a community like Buffalo Pound? I'm definitely not an engineer. There's lots of things I'm not, but that is one thing that

I'm not. Is there a way to ensure that they could have safe natural gas delivery in Buffalo Pound?

Mr. From: — Certainly before we go to that final step of saying that we have to discontinue service, we look at all options. Can we reroute the pipeline to get to them? And in some cases what happens is that their particular spot might be one that is isolated from an area that is more stable that would allow us to do that. But we do look at every option that we can to try and keep them on the system, but unfortunately in some cases it just is not feasible.

Ms. Chartier: — Okay.

Hon. Ms. Eyre: — And since that time, SaskEnergy has upgraded lines and installed flexible components, set up measuring devices, and so on. So it's been quite an effort since that incident.

Ms. Chartier: — Would the issue around Buffalo Pound be that it's cost-prohibitive to make it work, like extraordinarily expensive? Or is it just technically impossible to ensure its safety?

Mr. From: — It is really difficult to ensure safety when you're in an active slope area.

Ms. Chartier: — Yes.

Mr. From: — You know, you could put in a line this month and it's fine. Then all of a sudden we get an unusual rain event. And what rain does is it basically makes the ground slippery and it can move. So you could put it in, think you'll have it made, and then a month later it's not safe. So the only way that you can really ensure the safety is to simply not have that in that area. It's just too unstable.

Ms. Chartier: — Okay. Thank you for that. Is there a final cost associated with the explosion and the investigation, court matters, remediation — all those things?

Mr. From: — We don't have it summed up that way, so I can't really give you a total number of that.

Ms. Chartier: — How do you have it summed up?

Mr. From: — How do we have it summed up? We're in litigation still, so we don't know the final answer.

Ms. Chartier: — Do you have a to-date figure, how much it's cost to date?

Mr. From: — We don't have it with us. We could probably provide that for you if you wish.

Ms. Chartier: — If you could table that with the committee at your earliest convenience, that would be great.

Mr. From: — Sure.

Ms. Chartier: — Just in terms of the network members, I just want to double-check because I couldn't find network members on the website. And like I said, there could be all kinds of reasons

for that, but could you point me to where it is on the SaskEnergy website, the network member list.

Mr. Greggains: — If you'll bear with me for a couple of minutes.

Ms. Chartier: — I sure will.

Mr. From: — Maybe ask another question while we ... [inaudible].

Ms. Chartier: — Yes, that would be great. Thank you. The recent, the employee theft, the report on losses here ... Now where did I put that? The reporting from, this was August 2019 and the losses related to SaskEnergy. I understand it was discovered that an employee was misappropriating gasoline for personal use during the operation of corporate fleet vehicles. Can you tell me a little bit more about that? How did the employee manage to steal fuel for, I understand, 15 years? Is that correct?

Mr. From: — I believe that's the number, yes. If that was written down by us, then that would be the correct number. How this played out was an attendant at the gas station phoned us and said, we think something's going on. So we investigated and found something was going on and then we approached the employee. And we've all settled and I think monies were recovered, our estimated monies were recovered from the employee.

Ms. Chartier: — What was the estimated loss?

Mr. From: — It was filed in the report, so if you have the report you should ... We don't have that with us right now.

Ms. Chartier: — Do you know how much was recovered? Was it the full amount that was recovered?

Mr. From: — It's what we agreed on. Again it's an estimate on the theft. We don't really know exactly. We did our best work to try and forensically determine how many gallons we think it was. We had a number out there and we settled on that number.

Ms. Chartier: — So the employee wasn't charged?

Mr. From: — It was reported to the police.

Ms. Chartier: — And then the police make the decision on that.

Mr. From: — Yes.

Ms. Chartier: — Is the internal investigation closed?

Mr. From: — Yes.

Ms. Chartier: — Did the employee file a grievance, by any chance?

Mr. From: — All I can report is that it's been resolved, and the employee is no longer working for us.

Ms. Chartier: — Okay. So I think in the report it talked about a technical solution being applied to increase the data available for vehicle monitoring, and additional follow-up protocols are being developed. What was the technical solution that was applied to

make sure you've got data available for vehicle monitoring?

Mr. Greggains: — I can speak to that. We've got a system called Fleet Complete. So it plugs into the OBD [on-board diagnostics] port on vehicles and it tracks vehicle travel, and we marry that information with vehicle fill-up information so we can then monitor actual fuel consumption by vehicle and actual mileage. And then we go through a process of looking for outliers, and if we see outliers we can investigate further. So that's one of the tools that we're using.

Ms. Chartier: — Okay. How did this employee manage just to do this over such a long period of time?

Mr. From: — Well I think what it was, was he was . . . His daily or weekly thefts were small and so it was not noticed over a period of time until you get to the end. And quite frankly it was, like I mentioned to you, a third party that phoned in and said, we don't think this is your policy.

Ms. Chartier: — So you believe you've got protocols in place now to prevent this kind of thing from happening again?

Mr. From: — Yes, yes we do. Obviously when something like this happens we look at a variety of things internally. We have our own internal audit people look at what kind of procedures that we need to ramp-up and strengthen so that this doesn't happen again.

Ms. Chartier: — Thank you. And you've got an answer for me on the . . .

[19:00]

Mr. Greggains: — Like most websites there's multiple ways to get to spots, but I'll try to give you the simplest way or the way I would go there. So it's on saskenergy.com. If you click on "residential" there'll be a menu on the left-hand side and one of the items on the menu . . . There's a menu across the top that has "network members" as a menu selection. So if you select "network members" there's actually a search function that you can put in Regina or Assiniboia or whatever your community is and it will show you the closest network member.

Ms. Chartier: — Okay, thank you for that. That's good information. I guess our time is complete.

The Chair: — Yes. Okay, seeing that we've reached our agreed-upon time for questioning, we'll conclude our consideration of the lending and investing activities for SaskEnergy Incorporated. Vote 150, SaskEnergy Incorporated, statutory, loans, subvote (SE01) in the amount of \$261,400,000. There is no vote as this is statutory.

Minister, do you have any closing comments?

Hon. Ms. Eyre: — I would simply like to thank you, Mr. Chair, committee members, and Ms. Chartier. This will be our last estimates together. I just want to say thank you for all your engaged interest in the file and in estimates and all the very, very best. So I just wanted to acknowledge that engagement and passion that you've shown in all your work all these years. Thank you.

Ms. Chartier: — Thank you, Minister, and thank you to all your officials. Always we're really appreciative to have the opportunity to ask questions, and I appreciate your time. And I love committee so this is always fun for me, so thank you. And I actually have to run up to another committee upstairs.

The Chair: — Okay. Thank you.

Hon. Ms. Eyre: — Also I'd just like to thank the SaskEnergy folks who are here this evening — Ken and Christine and Mark and Randy — and my chief, Jeremy Brick, as well. Thank you.

The Chair: — Thank you, Minister. Okay, we will recess now to bring in the minister and officials from Saskatchewan Liquor and Gaming. Thanks.

[The committee recessed for a period of time.]

The Chair: — Well welcome back committee members. We have Nicole Sarauer substituting for Warren McCall.

**Bill No. 201 — *The Alcohol and Gaming Regulation
Amendment Act, 2019/Loi modificative de 2019
sur la réglementation des boissons alcoolisées et
des jeux de hasard***

Clause 1

The Chair: — We'll now be considering Bill No. 201, *The Alcohol and Gaming Regulation Amendment Act, 2019*, a bilingual bill. We'll now begin our consideration of clause 1, short title. Minister Makowsky, would you please make your opening remarks.

Hon. Mr. Makowsky: — Thank you, Mr. Chair. Some brief opening remarks as we discuss Bill 201, which will amend *The Alcohol and Gaming Regulation Act*. With me this evening are SLGA officials Greg Gettle, Clare Isman, Lynnette Skaalrud.

And this bill clarifies the SLGA authority to enter into agreements with third parties to operate liquor warehouses, respond to amendments to the *Importation of Intoxicating Liquors Act* the Government of Canada has introduced, and ensure parity in the sanctions for similar offences dealing with alcohol and cannabis. So that is my opening comments. I look forward to any questions there may from the committee.

The Chair: — I like them. They're short. Are there any questions? Ms. Sarauer.

Ms. Sarauer: — Thank you. Thank you, Minister, for your opening remarks. I'd like to start by just going through some of the changes in the legislation just so that we have a good understanding of what's happening here. Now can you specifically explain why there is a change being made to subsection 14(3). This is in clause 3.

Hon. Mr. Makowsky: — So my understanding, Ms. Sarauer, is that this is essentially housekeeping from some of the changes we made in 2016. It was missed and this just clarifies what is able to happen through the authority. So if there is any deeper detail wished, I'll turn it over to officials on that one.

Ms. Sarauer: — Thank you. So the changes in section 14(4)(a) and (b) are considered housekeeping? Or is that a more substantive change?

Hon. Mr. Makowsky: — Maybe there was a misunderstanding. But (f) is what I was talking about previously.

Ms. Sarauer: — Yes. No, I'm asking if this is also . . .

Hon. Mr. Makowsky: — (4)(a) and (b) is what I would call the substantial change, allowing for private third party warehouses for specialty liquor products in the province.

Ms. Sarauer: — Okay. Can you provide some further context as to why this change is being made?

Hon. Mr. Makowsky: — Yes, you bet. So first of all there is an increasing amount of interest on behalf of the people in the province of Saskatchewan who buy liquor products for having more opportunity to have different products within our province. We've seen increased . . . with private retail stores, again that selection of more products available.

And so I guess it initially stems from, as everything in a retail environment, what people are interested in consuming and interested in having. And so what we've seen in the province is that increased demand. And you know, this will allow anyone to have product landed in our province, to be able to have it here and not have to wait if they so choose to have that product selection in a more timely manner.

And it will give opportunities for businesses. There's been asks into myself for the opportunity to maybe get into this line of business if it works for them. So we have been doing this through the distribution centre, the DC, and again we rely on out-of-province warehouses to get a lot of that product in and a lot of times we have to wait for those. And this might give an opportunity for those who want to get into a business and employ a few Saskatchewan people in that narrow band of those specialty order products to do so.

I don't know, Greg, if there's any other comments you'd like to add to that.

Mr. Gettle: — No, I think you've covered . . . [inaudible].

[19:15]

Ms. Sarauer: — Two questions. Now, Minister, you specifically talked about specialty products, but this legislation doesn't say to establish and operate a warehouse in Saskatchewan for the storage and distribution of specialty products; it's "beverage alcohol." So is the definition of beverage alcohol wider than specialty products?

Hon. Mr. Makowsky: — So we're not specifically defining specialty products within the legislation. It is in the operating agreement if anybody does so choose to open one of these third party warehouses. So that's where that will be understood. And this was the intent, to have those lower volume specialty products if someone so chooses to get in that business to cover that.

And then the SLGA distribution centre to have those

high-volume, quick-off-the-shelf . . . we know those are going to be sent out to retailers and consumed in a short manner. So again the DC will focus on those high-volume products; and others, if they so choose, can get into the narrow line of specialty products, again in that operating agreement.

Ms. Sarauer: — Okay, Minister, I appreciate that. But words in legislation matter. And I just need you to confirm that this legislation, section 14(4), allows for an individual to ". . . operate a warehouse in Saskatchewan for the storage and distribution of beverage alcohol," which is wider than specialty products as you are describing.

Hon. Mr. Makowsky: — So I think I understand your question, Ms. Sarauer. SLGA, through legislation, has always had the opportunity to control the importation of liquor into the province of Saskatchewan. So we've always been able to do this. The amendments you're talking about just define it to include the beer section for example, and you know, allow us to have that accountability from the folks in the province about, you know, what SLGA is able to do. So this cleans up some of the language.

Ms. Sarauer: — Minister, you mentioned at the beginning of the discussion of this particular clause that it is a substantive change, more than clarifying, cleaning up the language as you had said. I'm just simply asking a yes or no question, whether or not this particular clause allows for the authority to enter into an agreement with any person, authorizing the person to establish and operate a warehouse in Saskatchewan for the storage and distribution of something more than what you are calling specialty liquor.

Hon. Mr. Makowsky: — It gives us the same authority, but you know, different language, so yes.

Ms. Sarauer: — So the answer is yes?

Hon. Mr. Makowsky: — Yes.

Ms. Sarauer: — Thank you. Can you explain the changeout in section 19.1(2) where you're replacing one clause with another clause? Is this a housekeeping or a substantive change, and can you explain the change?

Hon. Mr. Makowsky: — I'll ask Ms. Skaalrud to answer this question.

Ms. Skaalrud: — Hi. When the federal government made amendments to the *Importation of Intoxicating Liquors Act* in 2019, the advice we had from the Ministry of Justice was that we should make some amendments to our legislation to shore up Saskatchewan's ability to control the importation of liquor into the province. So as a result we took some sections out of 107 and moved them to a new section, 133.1. So the change you see in 19 is simply updating the section reference for 107 to the new 133.1.

Ms. Sarauer: — Thank you so much.

Ms. Skaalrud: — You're welcome.

Ms. Sarauer: — Minister, the change to section 67 removes the clause (a)(ii), a reference to brewers association. Can you explain this change?

Ms. Skaalrud: — I'm back. So with the change to section 14, that gives us more clear ability to enter into agreements for the distribution of liquor. We're removing the section specific to brewers distributors, who will now come under that section 14(3).

Ms. Sarauer: — Thank you. So just to clarify, they're not being limited. They fall under the new section.

Ms. Skaalrud: — Exactly.

Ms. Sarauer: — Thank you. Minister, could you explain why in the new section 133.1 ... This might get a bit confusing. Hopefully not.

Subsection (f), from what I understand, is not included. So I'm looking at, in the current Act, section 107(2), which was essentially moved to ... The wording was changed to make it prohibitive rather than ... Correct? Yes, to make it prohibitive instead of the way it is now. But when I look at the new section 133, subsection (f) of 107(2) is left out. And that states that:

A person who is not a minor may:

carry or transport beverage alcohol from the place at which it was lawfully obtained to a place where it may lawfully be had, kept or consumed or from that place to another place where beverage alcohol may be lawfully had, kept or consumed.

I'm assuming I just missed where it's moved. I just want to ensure that it's still in the legislation somewhere.

Hon. Mr. Makowsky: — It is in section 133.1 and now it's (g) I'm told.

[19:30]

Ms. Sarauer: — Thank you. Now, Minister, moving back to the change in allowing for third party agreements to establish and operate warehouses, can you explain why these different products, these specialty products that you're speaking about can't be moved through the current model?

Hon. Mr. Makowsky: — Well again, I think I mentioned before, maybe not, but this does take place in our province through the DC. And we hope with this line of business, if somebody does get into it, it will be readily available here in Saskatchewan. Currently we wait for sometimes very long times as we rely on other jurisdictions to import those products. And so again, this does happen. This just opens another line of business for those who may be interested to employ some people and get into that narrow range of specialty products.

Ms. Sarauer: — Won't this result in less product being moved through the distribution centre?

Hon. Mr. Makowsky: — I guess it would depend on the operating model. If the theoretical warehouse does open, they could distribute through themselves or they could have the option of using the current DC, and so that'll be determined into the future. And again it doesn't seem the trends for that specialty area ... It's growing and so you know, we'll see what transpires in

the future of course, but you know, it's not a concrete answer, but it depends what model those potential third party warehouses use.

Ms. Sarauer: — But just to clarify, it could potentially result in less product moving through the distribution centre?

Hon. Mr. Makowsky: — I suppose anything could happen. There couldn't be just this reason. There could be more people decide not to purchase alcohol, right? So there's a variety of things that could lead to less alcohol through the DC. I suppose it could, this change.

Ms. Sarauer: — Right, but this is a government decision through legislative change, so I'm assuming that SLGA has done some analysis as to how this might impact the work that happens at the distribution centre, since you are responsible for staffing people there. So what sort of analysis has occurred about what this change might mean for the distribution centre?

Hon. Mr. Makowsky: — Again to those comments I made before, it's difficult to say whether if a third party warehouse, if they decide to distribute through the DC so that won't ... It's unknown quite now what the effect will be on the volume of liquor.

Keep in mind this is only 5 per cent roughly of the products being moved through the DC, so not a huge tranche of the business through the DC. And you know, they're quite busy over there. They have a lot of product that goes through and there's, you know, several more retailers that we service compared to prior to 2016 when there was a different model.

And so you know, again we're just having product being physically in Saskatchewan, having a few jobs if someone wants to get into this business, and relying less on the Alberta and the BC warehousing system, and again having that shorter lag time.

So I don't think ... in terms of the number of people working at the DC, there's no plan to alter that.

Ms. Sarauer: — Thank you for that. Just to be clear because I think it's very important that we're clear for the record of this bill. When you say that you're only talking about a small percentage of what goes through the DC, this legislation does allow for all beverage alcohol to be dealt with. I understand what you're telling me the intent of the legislation is, but the wording of the legislation specifically says "beverage alcohol," so I just wanted to clarify that for *Hansard's* sake. Are there any plans for further steps in this direction with SLGA?

Hon. Mr. Makowsky: — So just to your previous comment, Ms. Sarauer, the intent is clarified clearly in the operating agreement, is my understanding. So there is that part of it as well. And in terms of the future, this is enabling legislation. We don't know who may step forward and get into this.

Certainly I imagine the current — I can't say for sure — but the current situation we find ourselves in with COVID-19 certainly is having an effect on, I'm sure, decisions to maybe possibly get into this area of the economy. But you know, there's no plans to enhance this or increase this. This is what we've decided to do with that potentially 5 per cent of the specialty products that go through the DC.

Ms. Sarauer: — Thank you, Minister. Just to clarify, using your words, this is enabling legislation that could open the door to further . . . should individuals approach you with potential business models.

Hon. Mr. Makowsky: — Yes. Just to clarify, it's an enabling agreement to allow someone to open a specialty warehouse.

Ms. Sarauer: — Where is the enabling agreement in the legislation?

Hon. Mr. Makowsky: — So again the ability to have other warehouses, third party warehouses or whatever they may be has always been available. It's always been this way for 30 years. We've had third party beer distributors for decades in the province of Saskatchewan. This just clarifies the ability to do so.

Ms. Sarauer: — But again, Minister, I go back to the fact that you said this is not a housekeeping change but a substantive change. So can you explain that?

[19:45]

Hon. Mr. Makowsky: — I'd just like to clarify, Ms. Sarauer, in terms of the word "substantive." You've come back to that, used that several times. So clause (a) and (b) was more substantive than (f) is what I was saying there, when I was referring to substantive.

Ms. Sarauer: — Yes, (a) and (b) was what I was talking about.

Hon. Mr. Makowsky: — More substantive.

Ms. Sarauer: — Okay.

Hon. Mr. Makowsky: — More substantive than (f). Yes.

Ms. Sarauer: — Minister, you mentioned in your remarks that individuals, businesses have already approached you about this change. Could you provide a list of who has spoken to you about this change with an interest in . . .

Hon. Mr. Makowsky: — I won't get specific into a list or, you know, a breakdown of that, but certainly we've heard from retailers in terms of the time it takes to potentially get a product into Saskatchewan. So in general there's been, you know, a general interest to get some of those products in quicker from our retailers.

Ms. Sarauer: — Minister, in your remarks you had a few times talked about this legislative change as a business opportunity for individuals, and in saying that you did mention that there were people who have approached you about this as a business opportunity. Who are the organizations or individuals who have approached you about this?

Hon. Mr. Makowsky: — I would say that, you know, I wouldn't want to . . . I would say in general that we've heard from retailers and restaurants that want the opportunity to get specialty products here in a timely manner. And I certainly don't have a list here of exactly who is interested, and I'm not sure they'd want me to say that to them about what they might want to do. So I think I'd leave it at that.

Ms. Sarauer: — Minister, is there a rule or legislation that is preventing you from providing that information?

Ms. Isman: — Good evening. Clare Isman. I think it would be freedom of information. People have definitely approached with a potential consideration of a business opportunity that would be protected information.

Ms. Sarauer: — Thank you. I appreciate that. What will be the process for providing these contracts?

Mr. Gettle: — So to answer your question, it's not really a selection process per se. It's more about as if businesses or individuals come forward and request to engage in an agreement. Then if they meet the qualifications, we would provide them with an agreement.

Ms. Sarauer: — Okay. So it won't be like an RFP [request for proposal] process or anything like that; it will be individual contracts with whoever approaches SLGA?

Mr. Gettle: — As long as they meet the terms and conditions, yes.

Ms. Sarauer: — Okay. Do you have an estimated number of how many individuals or companies you plan on entering into an agreement with for this?

Mr. Gettle: — It could be unlimited. There is no limit to the number of agreements. It's just based on whether or not people qualify.

Ms. Sarauer: — Thank you. Now, Minister, I understand the restrictions under privacy legislation. Could you provide the number of individuals or organizations who contacted you with respect to this change?

Hon. Mr. Makowsky: — So I'd say, without having a formal list or anything, I'd say it would be under 10 that have mentioned this possibility. And again, the operating agreement is a public domain. Anybody can see it, what the operating parameters are. And again the market will decide the number of folks who may be interested.

Ms. Sarauer: — Thank you, Minister. No further questions.

The Chair: — Thank you. And seeing no further questions, we will move on to the bill. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. It takes me a little longer. It's bilingual. I've got to do both sides here.

[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 Alcohol and Gaming Regulation Amendment Act, 2019*, a bilingual bill.

I would now ask a member to move that we report Bill No. 201, *The Alcohol and Gaming Regulation Amendment Act, 2019*, a bilingual bill, without amendment. Mr. Nerlien so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Mr. Makowsky, do you have any closing comments?

Hon. Mr. Makowsky: — Thank you for the questions and thanks to the officials.

The Chair: — Ms. Sarauer, anything?

Ms. Sarauer: — Yes, thanks. I'd like to thank the minister for answering my questions this evening, as well as the officials for providing all of the information that you provided tonight, and the committee for doing their work and continuing to do their work throughout the evening.

The Chair: — Okay. We will recess and bring in the minister and officials from SGI [Saskatchewan Government Insurance].

[The committee recessed for a period of time.]

[20:00]

The Chair: — Well welcome back, and welcome to the people from SGI. And we have a substitution for the NDP [New Democratic Party]. Nicole Rancourt is substituting for David Forbes.

Bill No. 197 — *The Automobile Accident Insurance Amendment Act, 2019*

Clause 1

The Chair: — We will now be considering Bill No. 197, *The Automobile Accident Insurance Amendment Act, 2019*. We'll begin our consideration of clause 1, short title. Minister Hargrave, would you please make your opening comments. And also I'd like to remind the officials if you speak, could you please state your name for *Hansard*.

Hon. Mr. Hargrave: — Thank you, Mr. Chair, and good evening. And I'll introduce my officials. And next to me is Andrew Cartmell, president and CEO of SGI; J.P. Cullen, vice-president of licensing and customer and vehicle services; Kwei Quaye, vice-president of traffic safety services; Ryan Smith, vice-president of Saskatchewan claims and salvage operations; and Lindsay Ferguson, legislative advisor; and my chief of staff, Angela Currie.

The first bill we're discussing this evening is Bill No. 197, *The Automobile Accident Insurance Amendment Act*. The first proposed change removes the references in the Act to "any law" and replaces them with reference to "any law or statute of any province, state or country," which clarifies that this means more than just Saskatchewan laws.

The next proposed change is one of the appeal provisions for which SGI and the Ministry of Justice share responsibility. The

proposed change would ensure that either SGI or a claimant must have leave of the court or a judge of the court before appealing a decision of the Court of Queen's Bench or appeal commission to the Court of Appeal. The existing Act provides for an automatic right of appeal. The Chief Justice of the Court of Appeal for Saskatchewan has requested this amendment to avoid requiring a full panel of the court to be engaged on an appeal that lacks merit.

There are also a variety of housekeeping changes and we'd be happy now to answer whatever questions you might have.

The Chair: — Well thank you, Minister. Are there any questions? Ms. Rancourt.

Ms. Rancourt: — Thank you, Mr. Chair. And I want to thank the officials for being here this evening. We've had to piece a whole bunch of different committee meetings in a short period of time, so I'm sure you might not have had a whole lot of time to get prepared for this. So I appreciate you being here this evening. And it's later in the evening for myself; I'm not sure . . . for a few folks here probably too, and so I appreciate again you taking this time and time away from your family to be here.

Yes, I do have some questions with regards to the changes in *The Automobile Accident Insurance Amendment Act*. When was the last time this piece of legislation was amended?

Hon. Mr. Hargrave: — That would be in 2018.

Ms. Rancourt: — Yes. I didn't think it was very long ago that we were having some discussion with some of these amendments. And a lot of the changes that are reflected through this piece of legislation is the gender-neutral language. Is that something that SGI is looking to do with changes to their legislation, or is this a government-wide change?

Hon. Mr. Hargrave: — It is an initiative from the Justice department. They're doing it to pieces of legislation; as they come up, they're trying to work them in. As you can well imagine, there's a lot of pieces of legislation. So it's sort of, as we're working on a piece to do something with it, we'll try to change that gender to make it gender neutral.

Ms. Rancourt: — I think that's appreciated for a lot of residents of the province. It looks like that's the direction we're going and it reflects all citizens. So that's appreciated.

Hon. Mr. Hargrave: — For sure.

Ms. Rancourt: — But since this piece of legislation was just amended two years ago, why was there a main push to make some changes to this piece of legislation again so quickly?

Hon. Mr. Hargrave: — The main reason it's coming forward is because of the Chief Justice of the Court of Appeal requesting that amendment. And so while we were doing that, then we took the opportunity to always correct any potential housekeeping that there might be, and again change a lot of the wording there to gender-neutral wording. Yes.

Ms. Rancourt: — And I see that there was some changes being made with regards to a person's licence being surrendered. Why

was it decided to make these changes?

Hon. Mr. Hargrave: — Could you clarify the question please?

Ms. Rancourt: — The changes to a person's licence being surrendered? There's some changes here with regards to if a person receives a driving suspension in another province or country, that that licence would be surrendered here if they had an accident someplace else.

Ms. Ferguson: — Good evening. It's Lindsay Ferguson from SGI, legislative advisor. I think that what you're mentioning is the change from any law to any law of any jurisdiction, any country. And that wasn't a change in policy or a change in procedures. It was just a change to clarify that if something happens to your driver's licence in another country or another province, then that follows you into Saskatchewan. It'll apply to your driver's licence here.

Ms. Rancourt: — So what is the current practice for receiving this information? How would Saskatchewan know if a person had that kind of infraction someplace else?

Mr. Quaye: — Kwei Quaye. We have, at least across Canada, an interprovincial record exchange system. That system has all the information on every driver in the country. If there is a suspension, it goes on that system. If you move to Saskatchewan, we query that system before we can give you a driver's licence. And if there's any issue with your driver's licence, you won't be able to get a driver's licence here in Saskatchewan. It's done across the country because we have the policy of one person, one record, one licence in Canada.

Ms. Rancourt: — And so if a person had their licence suspended in another country, would we be able to get that information in Saskatchewan?

Mr. Quaye: — If it's in the USA [United States of America] or even in Europe, the person is obligated to let us know if their licence is suspended or not. The record exchange right now just applies to Canada, but the person's obligated to let us know if their licence is suspended or not.

Ms. Rancourt: — So the terminology that's changed in this piece of legislation is already the current practice that's happening. Am I correct with that?

Mr. Quaye: — That's correct.

Ms. Rancourt: — Okay, so there won't be any changes of practice.

Mr. Quaye: — No, there won't.

Ms. Rancourt: — Okay. Thank you. One of the major changes within this piece of legislation was the appeal process. You made some reference to the Chief Justice of the Court of Appeal making this request. Why was this so important to make these changes?

Ms. Ferguson: — It's correct this was a request of the Chief Justice of the Court of Appeal. Currently a customer can appeal from the Automobile Injury Appeal Commission or the Court of

Queen's Bench to the Court of Appeal, and that appeal is on a question of law only.

So where in the current process a customer would have to go through the entire appeal process with a three-member panel of the Court of Appeal and then get their decision, whereas now they have a . . . It's like a preliminary application where one judge grants leave for them to proceed. So because it's a question of law only, the customer will find that out right at the outset that there's no question of law, whereas under the current process they'd have to go through the entire appeal process to find that out.

[20:15]

Ms. Rancourt: — So is this hoping that this will lessen the length of the procedural time?

Ms. Ferguson: — Yes, it'll lessen the work for a three-panel member of the Court of Appeal, and it also will lessen the work that a customer has to go through because there are many stages to a full appeal. And the cost is more as well, whereas the leave application is \$25.

Ms. Rancourt: — And is this only for the Injury Appeal Commission?

Ms. Ferguson: — It's for appeals from the Automobile Injury Appeal Commission or the Court of Appeal. So when a customer disagrees with SGI, they can either get redress from the Automobile Injury Appeal Commission or the Court of Queen's Bench. And then from either of those bodies, the appeal is up to the Court of Appeal.

Ms. Rancourt: — And how many appeals a year would be applied for?

Ms. Ferguson: — I can't answer that question, sorry. I don't know.

Ms. Rancourt: — Okay. I was just wondering if this will maybe make it easier for more people to appeal then. Would it maybe increase the amount of appeals that might happen?

Ms. Ferguson: — It potentially could, but I don't think it would. Because once an appellant will decide to appeal, once they have the decision of the body below and if they disagree with that decision, then they can appeal.

Ms. Rancourt: — Okay. Thank you. Yes, thanks. Very good information. So I think that was about all the changes that was happening with this piece of legislation, and so that's all the questions I have with this bill, Mr. Chair.

The Chair: — Well thank you. We will now go through Bill 197. Short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 71 inclusive 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 Amendment Act, 2019*.

I would ask a member to move that we report Bill No. 197, *The Automobile Accident Insurance Amendment Act, 2019* without amendment. Ms. Lambert moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 198 — *The Traffic Safety Amendment Act, 2019*

Clause 1

The Chair: — We will now be considering Bill No. 198, *The Traffic Safety Amendment Act, 2019*. We will begin our consideration of clause 1, short title. Minister Hargrave, would you please make your opening comments?

Hon. Mr. Hargrave: — Thank you very much, Mr. Chair. There are several proposed amendments in this bill touching on a variety of topics, so I'll just highlight some of the more notable changes.

One amendment removes an exemption for non-residents, which will ensure they are subject to mandatory training requirements to operate commercial semis in Saskatchewan. The implementation of mandatory training for class 1 vehicles on March 15, 2019 was done through regulations. The changes to rules around driver's licensing for non-residents required legislative change. As a result, the requirement for mandatory truck training currently does not apply to non-residents. This amendment ensures that anyone wanting to drive a semi in Saskatchewan will be subject to mandatory training requirements.

And there are also proposed changes regarding ignition interlock devices which prevent the driver from operating a vehicle if they have alcohol in their system. In Saskatchewan, if a driver is charged under the *Criminal Code* with an impaired driving offence, the driver is suspended from driving until the charge is stayed or withdrawn or the driver is acquitted. During this suspension period, the driver cannot participate in the ignition interlock program. In addition, if convicted of an alcohol-related offence, the driver cannot participate in the ignition interlock program until they have completed mandatory educational programming. The proposed changes would allow drivers to participate in the ignition interlock program before their charges are dealt with and without needing to complete an education course first.

The changes will hopefully result in higher participation and lower instances of individuals driving while disqualified. It also helps to address criticism that indefinite licence suspensions are unconstitutional because they treat a person as guilty before they resolve their charge in court.

While these changes were brought forward in the fall, they may be even more important now since the pandemic disrupted court

operations and drivers need to wait longer to have their charges dealt with.

Another proposed change deals with distracted driving in Saskatchewan. We have two laws that address distracted driving: driving while using or holding a cell phone, and driving without due care and consideration. Currently there is some inconsistencies in the sanctions between the two offences. Drivers caught for a second cell phone offence within a year are subject to vehicle impoundment. However for driving without due care and consideration, impoundments don't happen until a third offence. The proposed amendments would ensure consistency between these two similar charges, with impoundments becoming a sanction on the second offence for both.

I've only touched on a few of the many proposed changes in the Act, but we're happy to answer any questions you may have on any of the amendments.

The Chair: — Thank you, Minister. Ms. Rancourt, would you have any questions?

Ms. Rancourt: — Yes, I do. Thank you, Mr. Chair. The minister was correct. There is quite a bit of changes within this piece of legislation, and it really gave me a good opportunity to spend some time learning a lot more about *The Traffic Safety Act*. So I'm looking forward to having a lot of discussion with details within this piece of legislation.

And this is, I would say, a really important piece of legislation because this is what helps keep our roads safe and ensures that peace officers and any officials who are having to enforce these laws have the right information. So it's important that we do this right and we make sure that we do our due diligence with regards to reviewing the changes within the Act. So my first question is, when was the last time this piece of legislation was amended?

Hon. Mr. Hargrave: — That was also in 2018.

Ms. Rancourt: — Busy year. So why was it important . . . why were a lot of these changes not made two years ago? What was the difference between then and now?

Hon. Mr. Hargrave: — Well most of it is due to events that happened since the last legislation, for example, the semi driver training that came into effect in 2019. And as I said in my comments, a lot of that was dealt with in regulations. But the temporary foreign workers piece is legislation that had to change, and so that's why this is in this legislation.

On the ignition interlock system, that's in there now because court challenges, not in Saskatchewan, but court challenges in Alberta that had similar legislation. And so this is one where, on the advice of Justice, that should be changed. So that allows these people to operate their vehicle with the ignition interlock system before their charges are dealt with in a court of law.

And of course with the pandemic now, I mean that could take a considerable amount of time that a person that wants to contest the charge would essentially have to be without their vehicle and without their licence. And unfortunately some people then continue to drive while disqualified and that's additional charges

and an additional issue.

But by allowing them to use the interlock device, they can still use their vehicle to do whatever it is as long as there's no alcohol in their system. Unfortunately, you know, the system doesn't apply to an apparent driving charge due to drugs because the system can't detect . . . that interlock system can't detect drugs in a system.

Ms. Rancourt: — There was a lot of changes with regards to having the additional training for class 1 drivers a couple of years back, and I believe that came into effect March of 2019. And so after that was announced, there was some exemptions that were in place at that time but, to my understanding, were later reviewed. And one of them was with regards to farmers. And so are farmers needing to have this mandatory entry-level training?

[20:30]

Hon. Mr. Hargrave: — In March of 2021, everybody will have to have mandatory training, be it temporary foreign workers, be it farmers, or be it whatever. Everybody will have to have the mandatory training if they don't have their current class 1 licence. They won't have to retake, obviously, if they've had their class 1 licence.

Ms. Rancourt: — So if they already have their class 1 licence, they do not have to take this training?

Hon. Mr. Hargrave: — That's right.

Ms. Rancourt: — The whole time that they have their class 1 licence?

Hon. Mr. Hargrave: — If they have their class 1 licence and it's not an F endorsement because . . . Right? If it's an F endorsement licence, they'll have to take the training. And if it's a person that already has their regular class 1 licence, even though they haven't taken this hundred and twenty-one and a half hours of training, they won't have to retake it. It's considered experience and they're grandfathered into this current program. It applies to going forward.

Now the uptake on the hundred and twenty-one and a half hours has been very positive. We had another one in there, the 40-hour one, and the uptake on it was very, very minimal. Anybody that did take that, those 40 hours apply to the hundred and twenty-one and a half hours when they have to have the full hundred and twenty-one and a half. Those 40-hour people, by March of 2021, they'll have to go through the rest of the training and so if they've already taken 40 hours, that will apply to the hundred and twenty-one and a half.

Ms. Rancourt: — Is there any training that is needed to be done after a couple years or on a repeated basis?

Hon. Mr. Hargrave: — The training will only come into effect if your driver's licence and your merits require it. So if you've gotten penalties where your . . . Just like your class 5 driver's licence. If you get enough demerit points, you could have to retake your licence or take additional training. And I mean that would apply there too.

Ms. Rancourt: — So when we oftentimes think of the class 1 driver's licence, we think of semi-trucks. But there's a lot of other trucks and vehicles that wouldn't require a class 1 driver's licence. And so I'm wondering if everyone that has a class 1 will require that training.

Hon. Mr. Hargrave: — Class 1 is just for semis. So there's other classes. There's class 3 which is for different sized vehicles and so there's 3, 4. And so that's not a hundred and twenty-one and a half hours. They can get that through other training, yes.

Ms. Rancourt: — So my understanding under the definition on the SGI website is that the:

Class 1 vehicles — that is, power units and semi trailers, and trucks which have a trailer(s) or vehicle(s) in tow where the gross weight of the towed unit(s) exceeds 4,600 kg.

So could a truck with a pull trailer exceed that amount?

Mr. Quaye: — So the mandatory training is for semi drivers, so like you said, the truck pulling a semi. The weight consideration that you indicated there allows us to categorize between what goes into a class 3 category of licence as compared to a class 1 type of licence. So if you exceed the weight threshold that you indicated, you are required to do training to be able to drive it.

We have another category for people pulling trailers in excess of the weight that you indicated, where we allow them to have what we call an endorsement. I think it's a G endorsement on the licence and it allows them to drive and pull that kind of trailer as well.

Ms. Rancourt: — Okay. Because now a lot of people are getting RV [recreational vehicle] trailers and they're quite elaborate, you know. And so with the truck and the trailer and then sometimes they have a boat, I was wondering if it would get to the point that they would need to have specialized training or a licence for that.

Mr. Quaye: — There is a specialized licence for that. It's an endorsement on your licence. So when you are tested, you are tested with a special endorsement and that gives you the ability to pull that trailer. It's not the mandatory 121.5-hour training. That is reserved for semi drivers. I'm Kwei Quaye, by the way.

Ms. Rancourt: — So there is, in the oil and gas industry, there's big mobile rigs that might not be considered as semi trucks but they're very large motorized vehicles, and one would think that they would need some specialized training for those service rig drivers. Are they required to have this mandatory training as well?

Mr. Cullen: — Hi. I'm J.P. Cullen from SGI, obviously. What you're referring to are drilling units and they are allowed to operate under a class 5 licence with a G endorsement, so it's the extra training that was referenced by Kwei. It also is understood that those vehicles operate in a convoy and within a very confined radius. They don't travel often or very far.

Ms. Rancourt: — So would there be some occasions when they might have to travel on the highways and away from those locations?

Mr. Cullen: — Yes, that would happen. But as I said, they're travelling in convoys. That's part of the condition for that allowance, and it is very rare that that would occur. And these vehicles also travel at very low speeds, so that's another consideration for the allowance that we provide.

Ms. Rancourt: — Okay. And so with regards to the changes here, will there be any exemptions for any class of individual who would have a class 1 licence?

Hon. Mr. Hargrave: — After March of 2021 there's zero exemptions. So if you want to drive a semi after that you need . . . you either have had to have your licence already or you need the hundred and twenty-one and a half hours training.

Ms. Rancourt: — Okay. And do you guys have . . . Do you know how many people who currently have a class 1 licence and already have the training? Do you have those numbers?

Hon. Mr. Hargrave: — Overall there's about 60,000 class 1 licences in the province. Since we started the mandatory 121.5-hour training period, there's been about 750 people go through and achieve their licence there.

Ms. Rancourt: — That would be a small percentage of the people who have a class 1. What are you expecting the numbers to look like when this is mandatory in 2021?

Hon. Mr. Hargrave: — Well in an average year there's 2,000 new licences in a class 1, and we expect things to normalize, you know, after March of 2021. And we should probably continue to average the 2,000 drivers. We can't go back on the 60,000 that already have their licence, but anybody going forward. And we expect that to be in that 2,000 licence range.

Ms. Rancourt: — Is SGI considering to have an incentive for people who already have the licence to potentially take this training? It's always good to have the updated information. Would they be providing anything like that?

Hon. Mr. Hargrave: — No, there's no anticipated incentive to have that done, you know, in other jurisdictions anywhere. That's never something that has been done. Of those 60,000 licences, a lot just maintain their licence but they haven't driven a semi in some time, but they still have . . . That's their driver's licence. So yes, a lot of them don't drive semi any more, and some would maybe voluntarily take a refresher course. But no, there's no plan to incentivize.

Ms. Rancourt: — Thank you. One of the other changes within this piece of legislation which I found was very interesting to read about was the addition of having the automated and connected vehicles added to the legislation. And I believe in your remarks, Mr. Minister, that you indicated when you presented the bill in the Chamber, that at this time there was none of these vehicles that were registered in Saskatchewan. But obviously it looks like that's going to be in the future. And so can you tell me a little bit about what you're expecting these vehicles to potentially come to Saskatchewan, if you know if they're in other countries or other provinces? I'm not very familiar with them, so if you can give me some information that would be wonderful.

Mr. Cullen: — Hi, J.P. Cullen again, still with SGI for now. So when we speak of automated vehicles, there's different levels of automation. So when we think of full automation, which is class 5, that's quite a long ways out. We're not seeing that, and it will be a long time before we see that. However we are seeing lower levels of vehicle automation. It's on the roads now — class 1, 2, and even up to level 4. So what we are trying to do is prepare for the future and have vehicle automation identified in the legislation so that we can start to regulate it, really for the sake of safety. That's the primary purpose.

There's also been another development in agriculture through SeedMaster and the Dot implement which is already under way. And they were ready to go as early as two years ago. And we needed to catch up to that to allow for the safe operation of those vehicles when they cross public roads and those kinds of things. So that was the purpose of the amendment that we've put forward now.

Ms. Rancourt: — And so because this is such new legislation and new guidelines, was there any other pieces of legislation that you used for a platform? Like maybe some other province or country might have had it in their legislation? Where did you gather these guidelines from?

Mr. Cullen: — The development of vehicle automation in Canada is actually extremely collaborative, and all of the jurisdictions are working very closely together, sharing information. So a lot of the work that we are doing is modelled on what's gone on in Ontario, in some of the eastern provinces, New Brunswick, Quebec. And we share back and forth with each other all the time so that we can really develop the policy around these vehicles in collaboration with each other.

Ms. Rancourt: — And so there were some changes here that talked about having a vehicle permit for the automated and connected vehicles. Excuse me if I'm wrong or if I've read it wrong, but would there be a special permit when these vehicles come that an individual would have to get?

Mr. Cullen: — At this time, that's our plan, and that's really geared toward the work that we're doing with Dot. Dot's a piece of farm machinery, and so it typically doesn't fall under our legislation. However it is going to be interacting on public roads and so we needed to find a way to regulate its activity. And the permit system is what will work best for us because it keeps us very aware of where the vehicle is operating, how it's operating, and the times. And so we're really understanding what's going on. And again, it allows us to allow for the beneficial development of these vehicles but still keep the public safe.

Ms. Rancourt: — And so is there any thought that when those vehicles do come to Saskatchewan that the owner would have to get a permit? But also would they also have to get a vehicle registration on top of that?

Mr. Cullen: — Thanks for that. So the permitting system as it stands right now is really about the response to the development in agriculture and it's focused on safety. So a lot of how the development is occurring is in a test environment and so these are pilot projects. So the permit system works very effectively for that.

As we get further down the road and you see increasing levels of automation all the way up to full automation, I don't think we can speculate about, you know, the permit at that point or whether it's relevant. Of course they will have to be registered; they will have to be insured. And what this amendment does right now is set the groundwork for allowing us to do that over time.

Ms. Rancourt: — Okay. And when I was reviewing the information here, I was wondering if you can provide me a little bit more details of what 75.4(2) means when it says:

No person, other than a peace officer acting in the course of the peace officer's duties or any other person acting in the course of that person's duties, shall tamper with, obstruct or interfere with the operation of an automated vehicle or a connected vehicle.

Ms. Ferguson: — So this provision again was taken from Ontario and the driving consideration behind it is safety on the roads. And in particular, once these farm implements start operating on public roads or crossing public roads, we need to ensure that nobody is interfering with that operation. So this is drafted as an offence.

So along with the normal sort of, you know, tampering that can happen with a vehicle, there's also the idea that these vehicles are connected vehicles, so I think that this provision is also targeted at ensuring that there's no interference with that connection. So by that I mean through the internet or through the web.

So really it's just addressing public safety and making sure that these vehicles operate according to their permit. So the permit will outline the conditions of operation and the vehicles will have to strictly adhere to that. We'll make sure there's no interference with the permit conditions or the operation of the vehicle on the road.

Ms. Rancourt: — This is new to, I think, a lot of us. And so when I'm thinking of one of those farm equipment on the road and saying that no one can obstruct or interfere, would like a regular driver passing by, or if they had their Wi-Fi on on their cars, because you can buy that for your cars now, would that be included in obstructing or interfering?

Mr. Cullen: — Hi. You're right; this is new territory. So the way that these vehicles work — and you're speaking specifically of the Dot power unit — that's actually a closed connection between the power unit and the pilot vehicle so it's not like somebody driving past could use their cell phone or by accident interrupt that signal. It doesn't really work like that.

However we really have to be mindful of the intent to disrupt that signal and the potential for, you know, breaking that connection between the power unit and the Dot implement. And so that again is what this legislation is designed to do is to make that an offence.

There's also an important consideration here that, particularly in the testing phase, wherein safety is so paramount, we're really expecting the driving public to apply a different level of care and attention when they are around these vehicles. So we don't want people cutting them off. We don't want people coming in and potentially breaking the connection, inadvertently or otherwise,

through their driving behaviours. So it's sort of a catch-all way of just changing people's approach to a new type of vehicle and a new type of technology that's on the road.

Ms. Rancourt: — I think there'll be a lot of public awareness when this becomes a reality in our province for sure, so thank you for that.

So the next thing I wanted to talk about with changes with this legislation is in section 112. A definition of "signing officer" was added. Can you tell me the reason for this addition?

Mr. Cullen: — So a signing officer is an owner or an employee at an inspection station. We have hundreds of inspection stations around the province and they have the authority to sign off on vehicle inspections. Right now our legislation doesn't identify a signing officer, although it's a person that does work and performs that official function.

Where this becomes important is in certain circumstances where we might revoke that signing officer's authority for some reason. They have no legal mechanism for appeal because we don't identify them or give them official status in the legislation. So in essence what we're trying to do is identify them and give them that status so that they have all of the necessary avenues of appeal if it's necessary.

Ms. Rancourt: — So would this individual need any specific type of training to be required to be assigned the title of signing officer?

Mr. Cullen: — A signing officer is usually a certified technician, generally through an automotive trade. So yes, they're professionals in their field and they have been given authority to perform inspections and sign them off on behalf of SGI.

Ms. Rancourt: — Because there was other individuals here that were identified as well, like the inspector's station. The person needed an inspector's station certificate or an inspector mechanic certificate. Are these quite substantially different training that these . . . Like would the signing officer have to have those certificates in order to be the signing officer?

[21:00]

Mr. Cullen: — They would typically require the same level of training. What it usually is, it's an employee that . . . The owner is usually the — I'm sorry the other term is escaping me right now — the signing officer. In other instances it's an employee who has that same authority and can act on their behalf.

Ms. Rancourt: — Okay, because if a person owned an establishment that did that type of repairs but didn't have the training, they wouldn't be able to be the signing officer just simply because they own the facility. They would still need to provide that level of training, right?

Mr. Cullen: — That's true. Just being an owner . . . You have to have the necessary qualifications in order to be an inspector, yes.

Ms. Rancourt: — And in section 120, section 2 was eliminated. Can you explain why?

Mr. Cullen: — Hi again. So really that section was repealed because it was a change in terminology that no longer applied.

Ms. Rancourt: — Thank you. So one of the big changes in this piece of legislation was with regards to the ignition interlock program. And, Mr. Minister, when you were talking about that, you indicated that some of these changes came due to some of the court challenges regarding the ignition interlock system from Alberta. Could you give me some more information with regards to that?

Mr. Cartmell: — Andrew Cartmell. So this change is in response to a successful court challenge of the indefinite licence suspension in Alberta. So in Saskatchewan, if a driver is charged under the Criminal Code with an impaired driving offence, the driver is suspended from driving until the charge is stayed or withdrawn or the driver is acquitted of the offence. During this suspension period, the driver cannot participate in the ignition interlock program. In addition, if convicted of an alcohol-related offence, the driver cannot participate in the ignition interlock program until they've completed the mandatory educational programming.

The proposed change would permit participation in the ignition interlock program prior to the disposition of the charge and, if convicted, before completion of the mandatory education. So the proposed change would permit participation in that program prior to the disposition of the charge after serving the 90-day suspension and, if convicted, before completion of the mandatory education.

So it's a means by where an individual isn't unduly penalized, I suppose, because they're waiting for their charges to be heard in court. So it provides them a means of, we believe, driving safely with an ignition interlock system on their vehicle so they're more likely . . . they're then able to drive legally and continue on with their habits. We know they're not drinking and driving because of the ignition interlock system.

And I guess the court challenge in Alberta was, the feeling is that you're almost being considered guilty until you're proven innocent, which is backwards to what we normally like to think of our justice system as. So it was a means of addressing that problem that came up in Alberta and providing a means for citizens of the province who have been charged to have access to their vehicle in a safe, responsible way.

Ms. Rancourt: — So has there been a change in the length of time to have these cases seen in court?

Hon. Mr. Hargrave: — That's something that's sort of not in our control. That's in the court's control. There is no set time. But with COVID, of course, there's been a lot of court cases delayed. It's a slower system to work, and they're somewhat behind. So it is timely that we're doing this for people, that we're allowing them to have this ignition interlock system in their vehicle so they can continue to drive until their court case is actually heard.

But SGI has no ability to influence the court to rush it ahead. That's a court decision as to their calendar. And they're working out their calendar with the individual or the individual's lawyer and the courts.

Ms. Rancourt: — So how many impaired driving charges were laid last year?

Hon. Mr. Hargrave: — Last year there was unfortunately, and this is a really unfortunate number is 2,653, which was a very high number. Now if you want to look at something positive, the number of deaths that happened on our highway due to impaired driving was the lowest since we've maintained records. It was a 61 per cent decline over the last 10-year average. So we only had 21 deaths. Now 21 deaths is still 21 too many.

But the charges are there and the charges are there. We've worked very closely with all the police forces in Saskatchewan to increase enforcement. And especially since 2017 we've been paying additional funds to the police. We've funded additional police officers. We've funded additional automated licence-plate readers. And we've also paid overtime to police when they hold checkpoints. So SGI pays the overtime to bring those officers in to do those checkpoints. It's all in a strong effort to increase our enforcement. And we were not surprised when the actual number of impaired driving charges remained high because those people are still out driving impaired, but what we wanted to do was catch them.

And so the fact that those numbers are up and our deaths and injuries, our injury numbers are way down as well. It's the lowest as well. There was only 332 injuries, which was substantially down from the 10-year average. You know, we used to average like 6 to 700. So they're down substantially. So we like the strong enforcement. And the 2,653 is really still sad that there's that many, quite honestly.

Ms. Rancourt: — So in that number of impaired driving charges, does that include the drug-impaired driving charges as well?

Hon. Mr. Hargrave: — Yes, it does. There was only two drug ones . . . [inaudible interjection] . . . I'll just clarify that a little bit. A number of the people that are in accidents and charged, there's both in their system; they test positive for the alcohol, over the alcohol limit, and there may be some drugs in there. And we don't totally keep track of the combined ones.

Ms. Rancourt: — Is it easier to determine that a person's intoxicated with alcohol than it is to determine that they're intoxicated with drugs?

Hon. Mr. Hargrave: — Yes, it is. The short answer is yes, it's easier because the technology has been around for a long time on alcohol and so there's numerous devices. Besides the Breathalyzer there's a field test. A lot of the drug ones is used in the standard field sobriety test, and there are devices out, but they're newer. It's newer technology. So the police use a combination of the new technology plus the field sobriety test plus we have officers that are specially trained in detecting drugs and examining for drug testing.

Ms. Rancourt: — So how many people participated in the ignition interlock program last year?

[21:15]

Hon. Mr. Hargrave: — Well we don't have the exact number for last year, but it's very similar to this year. Currently we have

2,456 people on the ignition interlock.

Ms. Rancourt: — And that's under the old program where people have to be convicted in order to receive that interlock program?

Hon. Mr. Hargrave: — Well no, not really. Right now there's an exemption that has been put in place due to COVID and due to the court cases. So there's people currently that have not been to court yet that are on the ignition interlock because of an exemption due to the COVID and the delay in the courts. And with this legislation coming forward, we felt it appropriate to allow that exemption due to the pandemic.

Ms. Rancourt: — Because your officials are very knowledgeable about this program and people applying for that, with the changes to this legislation and if over 2,600 people were charged last year with impaired driving, how many more people do you think might be applying for this program if it's more readily available?

Hon. Mr. Hargrave: — Well we hope to 100 per cent try it because they'll be able to drive legally and they'll be able to drive safely. So we expect an uptake on the program once we get this so that you can, if you use the ignition interlock . . . If you get stopped tonight with impaired driving and charged, that you'll apply to have an ignition interlock while you're waiting for your thing to go . . . And so we expect there to be a number of people that apply for that. That's the purpose of the legislation, so those people can continue to go to work, take their kids to school, do whatever it is that they do, until their court case is heard and they're actually found guilty.

Ms. Rancourt: — And how much does one of those systems cost?

Hon. Mr. Hargrave: — The cost per year is about \$1,280.

Ms. Rancourt: — Is that the cost for SGI, or is that the cost for the individual applying for the program?

Hon. Mr. Hargrave: — The individual pays the cost.

Ms. Rancourt: — And does that include what the cost of the system is that you put on the interlock? I'm sorry, I've never had that installed in my car, thank God. But I'm assuming it's something that you need to install into the car. So does that include the complete cost of what that would be?

Hon. Mr. Hargrave: — Yes, that is the installation cost and the monitoring cost, so the monitoring is after.

Ms. Rancourt: — So it doesn't include the actual cost for the device itself, right?

Hon. Mr. Hargrave: — The device gets returned. So it's like a rented thing; you return it after you're . . . When they come to take it out of your vehicle, they keep the device and they can load it into somebody else's vehicle.

Ms. Rancourt: — And so when you say "they," is that other companies that are doing these installs or is this SGI itself that are doing the installs?

Hon. Mr. Hargrave: — Yes, an RFP goes out and there's a company that has been awarded that RFP. They have locations throughout the province: there's one in Prince Albert and there's one in most locations. I mean, not in every small town, but there's one in a number of locations right throughout the province.

Ms. Rancourt: — So is there any cost to SGI for increasing this capacity?

Hon. Mr. Hargrave: — Oh there's no cost to SGI. The cost is like the cost to the customer. And we want to ensure and obviously then the company that is installing, they want to make sure that they get as many people as they can that qualify for this to come and get it installed. There's a number of people right now that don't, and they drive illegally. And so you know, the company's worked to try to make sure that they get as many of those people as they can to install the device in their vehicles.

Ms. Rancourt: — Are you able to tell us which company this is that has that RFP?

Hon. Mr. Hargrave: — Yes, it's called Smart Start.

Ms. Rancourt: — And do they have the capacity to be able to meet what the potential need will be with expanding this program?

Mr. Quaye: — Kwei Quaye. Yes, they do. Smart Start is a well-established company. They provide services in some other jurisdictions across Canada. And if we have more people that have the demand, they have enough to provide the service.

Ms. Rancourt: — And this company provides the monitoring of those devices as well?

Mr. Quaye: — Yes, the company provides the hardware, so the customer doesn't own the hardware. It's installed in your vehicle and the company provides the monitoring service on behalf of SGI. So if there's any tampering with the device or if an individual drinks and tries to drive, all that information is captured and that information is shared with us so we can intervene and remedy sooner than later if there's an issue.

Ms. Rancourt: — All right. I think I'll ask more questions later about that, but thank you for that information. I wanted to talk a little bit about the field sobriety tests. In section 146.1(c), that was expanded. Can you explain the reason for the changes there?

Mr. Cartmell: — Andrew Cartmell. So the change was simply to align the terminology used in the legislation with that of law enforcement and other Canadian jurisdictions.

Ms. Rancourt: — Okay. And if a peace officer feels that an individual fails the field sobriety test, is the individual able to request to take a Breathalyzer test if they feel that they're not impaired?

Mr. Quaye: — Kwei Quaye. The officers usually use the field sobriety test if they don't have a device handy and they have reason to believe that the individual is impaired. Or if they don't, can't smell any alcohol but evidently the individual is impaired and they suspect that there might be a drug issue, they will apply the field sobriety test and depending on the results of the sobriety

test, they might take the individual to the police station to administer further tests.

Ms. Rancourt: — Because for some individuals, they might show signs and symptoms that they may look intoxicated, but it might be some other condition, a medical condition that they may have or some other issues. So does the individual who might be charged with this have that ability to request themselves to have further testing?

Mr. Quaye: — In terms of blowing into a device? If the officer feels that you are impaired, they have the option of taking you to the station to administer a device to ensure that either you are impaired by alcohol or they might suspect that you are impaired by drugs, and they might administer a drug test. And if both of them come out negative, then they might draw a different conclusion as to the situation causing that impairment at that point in time.

Ms. Rancourt: — So it would be up to the officer to determine whether that person would take a Breathalyzer. An individual can't request it themselves?

Mr. Quaye: — I cannot answer that. I don't know to the best of my knowledge.

Ms. Rancourt: — And is the field sobriety test conducted in the same fashion for all peace officers?

Mr. Quaye: — All officers that administer field sobriety tests undergo training, so it's a standardized training. In fact, it's called an SFST [standard field sobriety test]. We just call it standardized field sobriety testing, so there is rigorous training for each officer that is allowed to administer those tests. Not all officers can administer the test unless they're trained.

Ms. Rancourt: — Okay. Well thank you, that's important information to have. So it's always been illegal to drive under the impairment of drugs, but I know with the legalization of marijuana that more legislation and stricter enforcement was established. So with this piece of legislation, there was a lot of changes in section 146.2(2) with regards to drug impairment testing. Why were these changes made?

Mr. Quaye: — Kwei Quaye. There is no change, substantive change to the requirements for field sobriety testing. There is some language change in there. We were told by the police that based on the law, you cannot really fail a field sobriety test. You can fail to satisfy the officer that you performed that test properly. So we changed the language to align with that.

[21:30]

And we used to refer to them as, I think, experts, but they say that there's no really experts, so it's called an evaluator. So the language was changed to refer to evaluator. The person who administers the test is an evaluator rather than an expert, as it were. So it's just terminology changes to align with what we have in the *Criminal Code*.

The Chair: — We're going to call a quick recess here for just a little bit. We've got a couple of problems. So we're going to have about a five-minute recess.

[The committee recessed for a period of time.]

The Chair: — Okay. Welcome back, members, and we shall continue on. Ms. Rancourt.

Ms. Rancourt: — Thank you. So the question I asked prior to the break was with regards to the changes made with the drug impairment testing. And just like, what was said was it was the terminology with regards to the individual being qualified being called the "certified drug recognition evaluator" and that being changed to the "evaluating officer," that terminology. So the terminology was changed, but does that mean that the qualifications of the person changes? Or does the person have to have still certain qualifications?

Mr. Quaye: — Any officer that administers a standardized field sobriety test has to go through a prescribed training. So the qualifications do not change. Before you can administer any such test on a roadside, you have to go through that program.

Ms. Rancourt: — Thank you. So in section 148(6), it had a lot of changes and details repealed. Can you explain some of these changes?

Mr. Quaye: — It seems like a lot of redrafting, but the whole section was repealed and redrafted to accommodate for the allowance for an individual who has a charge of .08 or above to be able to go on an ignition interlock device. So that's the main essence of the changes in 148 and 148.1. It's the whole thing to allow for the use of an ignition interlock system for people with .08 and above.

Ms. Rancourt: — And so some of the repealed changes were with regards . . . and the statement, I believe, says, "an education or recovery program recommended by an addictions counsellor." And the minister indicated that there was this change so that people could apply for the ignition interlock program prior to potentially completing that program, the addictions or recovery program recommended by an addictions counsellor. Am I getting that right?

Mr. Quaye: — Yes, you are getting that right. Previously before you can go on an ignition interlock system, you have to go through the education program, whether it's driving without impairment program or alcohol and drug education program or something that is recommended for third class offenders after they've gone through addictions. This allows the individual to be able to go on the ignition interlock program, but you still have a period of time that you need to complete your education.

What we found was people, because they were not going on the education program right away, they couldn't have access to the interlock. But we wanted to incentivize the use of the interlock because it makes a big difference in terms of drinking and driving. So we've become more flexible. You can go and do your education and go on the interlock, but there's flexibility now. You do not have to do your education prior to going on the interlock, but you have to do your education within a prescribed period of time.

Ms. Rancourt: — Would there be a consequence if an individual did not get their recovery program completed in that set amount of time?

Mr. Quaye: — Yes, there is a period of time when, once you go on the interlock you have a set amount of time to be able to do it. If you do not do that then you are essentially not meeting the conditions of relicensing and your licence will be revoked.

Ms. Rancourt: — And so I don't see any of that information within this legislation. Will that be in the regulations then, the time periods?

Mr. Quaye: — You're right. The prescribed time periods are going to be put in the regulations once we have this change through the legislation.

Ms. Rancourt: — Okay, thank you. Actually I do have a question about the recovery program. Is there an issue with regards to wait times to complete those programs? Is there sufficient services out in the communities so that individuals can get those programs completed in a quick time frame?

[21:45]

Mr. Quaye: — We have three programs, as it were. Programs for so-called first offenders, a program for second offenders, and third offenders. The program for the first offender is what we call driving without impairment. It's an education program on impaired driving to encourage people not to drink and drive. For second offenders it's an upgraded program, as it were. It's called alcohol and drug education program and it includes a lot more complexity in terms of the type of programming that's provided.

When people offend for the third time or more, the requirement is that they access the addictions services that we have in Saskatchewan and avail themselves of that. And we need what I would call notification, but we need information back that they've completed that program.

With respect to the DWI [driving without impairment] program and ADE [alcohol and drug education] program, no, we don't have backlogs. We have services all around the province, contractors that provide these services for us. And I would say sometimes there is more supply in terms of service than demand, but we are able to meet this in a timely fashion.

Ms. Rancourt: — Okay. That's good to know that that isn't a deterrent for people to get the programs completed then. I just need a moment to review my notes. You're quick on those responses.

Got my question here. So I am in section 148 and I believe it's subsection (10), where it says the driver's "driver's licence reinstated if the driver pays the prescribed licence reinstatement fee." Is there any provisions if the individual has completed all the conditions that resulted in them losing their licence but is unable to financially pay the entire reinstatement fee, to be able to have their licence reinstated and a payment plan arranged?

Mr. Quaye: — I think all it's saying is you need to complete the prescribed program, and the onus for that is on the individual. We don't have a payment program for that. So whether it's DWI or ADE or you have to go through an addictions counsellor, it's on the individual to do that. And then to get your licence back, you have to pay the reinstatement fee. There is no payment plan for that. I personally am not aware of that being a stumbling

block for people to actually get their licence back in Saskatchewan.

Ms. Rancourt: — Can you explain to me what the reinstatement fee is?

Mr. Quaye: — It's \$75.

Ms. Rancourt: — I think what I was thinking of was sometimes when people have an impaired driving charge, it's due to the fact that they damaged some property while they were driving, and oftentimes they have to pay those fees to SGI in order to get their licence back, is my understanding. So how does SGI work with these individuals who maybe had one poor decision and caused a lot of damage to property and now have to pay for that? How can they get their licence reinstated to them if they still owe that money?

Mr. Smith: — Ryan Smith, SGI. So I think what you might be referring to is in the case where there's damages caused in a collision. And so where the individual is then responsible for those damages, we would aim to collect. We would work with the individuals, and through our central recovery unit we would arrange the payment plan that would be in place.

Ms. Rancourt: — And would they be required to have that completely paid before their licence would be reinstated, or would there be a plan that they can still have their licence without that being paid?

Mr. Smith: — So as long as they're active and contributing as part of the plan, they would be able to get reinstated.

Ms. Rancourt: — Okay. All right, thank you. Because yes, one poor decision and then if they can't get to work like the minister was saying. And making sure that they're still able to repay their debt but be able to have a licence. That's important.

All right. I noticed I forgot a question at the beginning. Excuse me. I'm going to just kind of go back in my notes here but it's with regards to the class 1 regulations. And we were talking about commercial truck industries.

I know there was some consultation with different commercial truck industries with regards to potentially changing the hours of service. Because my understanding is the provincial hours and the federal hours are different, so the province was looking at maybe making some changes in that regard. Can you give me some information with that?

Hon. Mr. Hargrave: — That's not under SGI's purview. It's Ministry of Highways and so SGI has no control over that.

Ms. Rancourt: — All right, thank you. One of the questions I had was with regards to the changes in the legislation with seat belts and ensuring that children are properly restrained in vehicles. And so can you explain some of the reason for the addition to section 248(4)?

Mr. Quaye: — I think the change you're referring to is to transportation network companies and the change is to align that with what we currently have for taxis, for instance. Your children, depending on your weight, etc., etc., will have a

requirement for different types of restraint systems. And the argument for taxis which we are applying to this, there is no way a TNC [transportation network company] operator can stock up in their vehicle all sorts of restraints just to put the right restraint on kids in the vehicle. So the onus is on the parent to be able to do that. So we're just aligning that with what we have for taxis for TNCs, because they are providing a service similar to taxi companies.

Ms. Rancourt: — So if the parent doesn't have the proper child restraints but needs to have a ride with a taxi or a ride-sharing company, can they still provide that? Can that company still provide that transportation for the child?

Mr. Quaye: — We're very much all about safety at SGI. And if you're asking my professional view on that, you know you put a kid in a vehicle without the appropriate restraints, knowing what could happen to the kid, the answer is no. It's something I wouldn't recommend.

We however understand there are families that have challenges and so on and so forth, so we do a lot of work community-wise through child restraint programs where we give out seats to communities and they reach the parents who are disadvantaged, so that they can have these restraints available. We of course cannot reach everybody, but we try because for a parent, a child is a very valued person. And our advice to the parent would be to try as much as possible to get the appropriate seat because it would be safe for that child. And the child, the probability of injury for that child is reduced.

Ms. Rancourt: — So my understanding is that if I give my daughter and her son, who is under seven, a ride . . . As the driver, if I'm driving the car, it's my responsibility to ensure that he's in a car seat. So if a taxi driver or a ride-sharing company was pulled over because the child wasn't properly restrained, would the driver be the person who would receive the ticket or would it be the parent receiving that ticket?

Hon. Mr. Hargrave: — In your example of you driving and your daughter and your grandchild in the vehicle . . . Because it's a private vehicle, you would be charged. In the case of a TNC or a taxi, it's the parents would be charged, not the driver of the TNC or the taxi, because it's their responsibility to ensure that they're in there properly.

Ms. Rancourt: — Okay. And when I look at the classes that are listed here in this section, it's "class PC, PS, PB, PT or LV." My understanding that school buses are under PS. So does this mean that all school buses will have to have proper child restraints for children under the age of seven?

Mr. Quaye: — The driver of the school bus is exempt. He or she is not liable for ensuring that the children are in restraints.

Ms. Rancourt: — Is the parent going to be expected to make sure that their child has proper child restraints on those buses?

[22:00]

Mr. Quaye: — About school buses . . . We're going to school buses. The knowledge that we have currently on school buses and the safety of those buses in incidents is, the way they are

designed, they are compartmentalized. They are specially designed to absorb shocks in the event of a crash. So seat belts are not required on school buses. It is based on the direction that we currently have for the design of those buses, the run of those buses from Transport Canada. So it doesn't apply to the situation that you're talking about.

Ms. Rancourt: — So I found it interesting why they were listed in this new section here. Is there a reason why that classification was listed?

Mr. Quaye: — That classification is listed . . . There are different types of school buses. So you can have the standardized school bus. I forgot what the name is, the long one. In some schools they will use a passenger van to . . . You can see them around, you know . . . [inaudible] . . . Those passenger vans have belts in them. The driver of the bus is not liable for the wearing or not wearing of the seatbelt in the bus. So that's why they are listed there.

Ms. Rancourt: — I know daycares oftentimes have those types of passenger vans or buses. Would they have to be licensed the same as what that classification would be here, as a school?

Mr. Quaye: — As a school bus, you mean?

Ms. Rancourt: — Yes.

Mr. Quaye: — I don't know the answer to that question. The school bus as defined in the vehicle regulations is a very specialized type of bus that meets certain criteria before it can be designated as a school bus.

If a parent is providing a ride for kids to go to school in a van that a daycare has, it is not automatically designated in that particular class. It would be probably a LV [light vehicle] vehicle that is being used for that purpose and under those circumstances. The driver, if it happens to be me, I have the responsibility to ensure that the kids are properly buckled.

Ms. Rancourt: — Okay. All right, thank you. One of the last amended sections here is subsection 280(2) and it talks about police officers being able to tow vehicles who are apparently abandoned and on a travelled portion. There was some changes to the terminology with regard from the original piece of legislation to this one. Can you explain why there was some changes to that terminology?

Hon. Mr. Hargrave: — The Act and the regulations have slightly different wording, so it was changed to align so that they are both the same.

Ms. Rancourt: — Okay. All right. Well thank you. And again I want to thank the officials for being here this evening. It's a late evening. And I appreciate your patience and the knowledge you have and all the work that you do for the province of Saskatchewan. We're really proud of SGI. And we're really proud of the company it is and the work that you guys do and all the folks and all the agencies across the province and . . . making sure that this legislation is up to date and current for standards.

And like I said earlier, so that when peace officers have to do their work, they need to make sure that they have some backing

behind them with legislation, so that when they have to make those unfortunate charges that keep us safe, that they know that they're going to stick in court and be solid cases. And as well in making sure that people who have had infractions are getting the services that they need so that they can change their behaviour as well.

So again thank you for having me this evening, and I'll let the Chair take it over.

The Chair: — Well thank you. And we will now continue on with Bill 198. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 37 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, 2019*.

I would ask a member to move that we report Bill No. 198, *The Traffic Safety Amendment Act, 2019* without amendment. Mr. Nerlien so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This concludes our business with Minister Hargrave and the officials from SGI. Minister, do you have any closing comments?

Hon. Mr. Hargrave: — Yes I do. Thank you very much, Mr. Chair. I just want to get one thing on the record, an answer to the one question that the member asked in relation to Bill 197. There were nine appeals to the Court of Appeal in 2017, I believe it was. So that was the answer; I wanted to get that on the record.

I want to thank the member for her questions. And I want to thank the rest of the committee for their diligence and staying and staying awake, and yourself, Mr. Chair, and the Hansard and legislative staff. I especially want to thank my officials, and especially Kwei Quaye, who is on holidays and still come in for a late night. I'm sure I'll pay for that one, but he's a wealth of knowledge and it's so important.

And the whole team believes in safety on our highways and have worked extremely diligently since I've been minister, in almost four years that I've been minister, about lowering the number of fatalities. I mean I'm very proud that in the last year we had the lowest number of fatalities on our highways since 1954, which is when records started being kept. And so I'm very proud of that. I'm very proud of the fact that even though impaired driving charges are high, the number of deaths and injuries are coming down dramatically.

And so I'm very proud of the work that the whole team there does, because it is a team. It is not just one individual. It's not the minister. I just get to sit up here in the front and answer a few of the questions. But we've got a solid team of people. And my chief

of staff and SGI work well together. And we're going to continue to work hard to make sure we do whatever is necessary in legislation and in awareness and in education to make sure our highways are safe for us members that travel all the time and our kids and our grandkids and everyone else, all the citizens of this great province. And so I thank them for the work that they do. They're not just an insurance company; they're a safety company, so I'm very, very pleased.

So anyway I want to thank you, Mr. Chair, and for your time. And due to the late hour I'll end with that. Thank you.

The Chair: — Well thank you, Minister. Ms. Rancourt?

Ms. Rancourt: — I'm finished with everything, so thanks.

The Chair: — Okay, good. I think we'll just take a real short recess here just to . . . [inaudible interjection] . . . Yes, and let the officials leave.

[The committee recessed for a period of time.]

General Revenue Fund Central Services Vote 13

The Chair: — Okay. We shall move on now. We have vote 13, Central Services, central management and services, subvote (CS01) in the amount of 51,000. There is no vote as this is statutory.

Property management, subvote (CS02) in the amount of 7,706,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Property management, subvote (CS03) in the amount of zero dollars, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Transportation and other services, subvote (CS05) in the amount of \$551,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Major capital asset acquisitions, subvote (CS07) in the amount of 21,517,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Information technology, subvote (CS11) in the amount of 18,185,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Provincial Archives of Saskatchewan, subvote (CS13) in the amount of 4,363,000, is that agreed?

Some Hon. Members: — Agreed.

[22:15]

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 790,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Central Services, vote 13, 52,322,000. I now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2021, the following sums for Central Services in the amount of 52,322,000.

Mr. Nerlien has so moved. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Finance
Vote 18**

The Chair: — Central management and services, subvote (FI01) in the amount of 7,452,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Provincial Comptroller, subvote (FI03) in the amount of 13,369,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Treasury management, subvote (FI04) in the amount of 1,594,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Revenue, subvote (FI05) in the amount of 21,584,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Budget analysis, subvote (FI06) in the amount of 6,635,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Miscellaneous payments, subvote (FI08) in the amount of 120,622,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Pensions and benefits, subvote (FI09) in the amount of \$163,642,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Personnel policy secretariat, subvote (FI10) in the amount of 513,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Research and development tax credit,

subvote (FI12) in the amount 5,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 2,633,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Finance, vote 18, 340,411,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2021, the following sums for Finance to the amount 340,411,000.

Ms. Lambert moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Finance — Debt Servicing
Vote 12**

The Chair: — Vote 12, Finance — Debt Servicing, statutory. Debt servicing, subvote (FD01) in the amount of 497,500,000. There is no vote as this is statutory.

Crown corporation debt servicing, subvote (FD02) in the amount of 15,700,000. There is no vote as this is statutory.

Finance, debt servicing, vote 12, 513,200,000. There is no vote as this is statutory.

**General Revenue Fund
Advances to Revolving Funds
Vote 195**

The Chair: — Vote 195, Advances to Revolving Funds, statutory. Advances to Revolving Funds, vote 195 in the amount of zero. There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Municipal Financing Corporation of Saskatchewan
Vote 151**

The Chair: — Vote 151, Municipal Financing Corporation of Saskatchewan, statutory. Subvote (MF01) in the amount of \$10,000,000. There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Opportunities Corporation
Vote 154**

The Chair: — Vote 154, Saskatchewan Opportunities Corporation, statutory. Loans, subvote (SO01) in the amount of 1,100,000.

There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Power Corporation
Vote 152**

The Chair: — Vote number 152, Saskatchewan Power Corporation, statutory. Loans, subvote (PW01) in the amount of 424,600,000. There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Water Corporation
Vote 140**

The Chair: — Vote 140, Saskatchewan Water Corporation, statutory. Loans, subvote (SW01) in the amount of 5,500,000. There is no vote as this is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Debt Redemption
Vote 175**

The Chair: — Vote 175, Debt Redemption, statutory. Debt Redemption, vote 175 in the amount of 1,534,328,000. There is no vote as this is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Sinking Fund Payments — Government Share
Vote 176**

The Chair: — Vote 176, Sinking Fund Payments — Government Share, statutory. Sinking Fund Payments — Government Share, vote 176 in the amount of 161,967,000. There is no vote as this is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Interest on Gross Debt — Crown Enterprise Share
Vote 177**

The Chair: — Interest on Gross Debt — Crown Enterprise Share, statutory. Interest on Gross Debt — Crown Enterprise Share, vote 177 in the amount of zero dollars. There is no vote as this is statutory.

**General Revenue Fund
Supplementary Estimates
Central Services
Vote 13**

The Chair: — Vote 13, Central Services, information technology, subvote (CS11) in the amount of 900,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Central Services, vote 13, 900,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2020, the following sums for Central Services in the amount of 900,000.

Mr. Nerlien so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[22:30]

**General Revenue Fund
Supplementary Estimates
Lending and Investing Activities
Saskatchewan Water Corporation
Vote 140**

The Chair: — Okay. Vote 140, Saskatchewan Water Corporation is statutory. Loans, subvote (SW01) in the amount of \$1,900,000. There is no vote as this is statutory.

**General Revenue Fund
Supplementary Estimates
Debt Redemption, Sinking Fund and Interest Payments
Debt Redemption
Vote 175**

The Chair: — Vote 175, Debt Redemption, statutory. Debt Redemption, vote 175 in the amount of \$39,869,000. There is no vote as this is statutory.

Committee members, you have before you a draft of the eighth report of the Standing Committee on Crown and Central Agencies. We require a member to move the following motion:

That the eighth report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

Mr. Nerlien: — I so move.

Mr. Nerlien has so moved. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Okay, now seeing we have no further business today, I will ask a member to move a motion for adjournment. Ms. Lambert moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned to the call of the Chair.

[The committee adjourned at 22:32.]