



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Mr. Steven Bonk
Moosomin

Mr. Daryl Harrison
Cannington

Mr. Terry Jenson
Martensville-Warman

Mr. Greg Lawrence
Moose Jaw Wakamow

Mr. Dana Skoropad
Arm River

[The committee met at 16:58.]

The Chair: — Welcome to the Standing Committee on Crown and Central Agencies. I am the Chair, Terry Dennis. With us today we have Mr. Steve Bonk, Mr. Daryl Harrison, Mr. Terry Jenson, Mr. Jeremy Cockrill, and Mr. Dana Skoropad and Ms. Aleana Young.

I'd like to table two documents: CCA 17-29, Crown Investments Corporation of Saskatchewan: Report of public losses, October 1st, 2021 to December 31st, 2021; and also CCA 18-29, Saskatchewan Government Insurance: Responses to questions raised on August 23rd, 2021.

Today we will be considering three bills: two with SGI [Saskatchewan Government Insurance] and one with SaskGaming.

Bill No. 50 — *The Traffic Safety Amendment Act, 2021*

Clause 1

The Chair: — We'll begin with SGI, Bill No. 50, *The Traffic Safety Amendment Act, 2021*, clause 1, short title. Minister Morgan is here with his officials.

Before we begin, I'd ask the officials to please state their name before speaking into the microphone. As a reminder, please don't touch the microphone. The Hansard operator will turn your microphone on when you're speaking to the committee.

Minister, please introduce your officials and make your opening comments.

[17:00]

Hon. Mr. Morgan: — Thank you, Mr. Chair. I am joined today by officials from SGI — Lindsay Ferguson, associate general counsel; and Kwei Quaye, vice-president of traffic safety; as well as Charles Reid, my chief of staff.

Mr. Chair, we have two legislative decision items that are here before you, and I know you've just brought forward the one. What I would suggest is that we open the floor to questions on both; they are interrelated. So to the committee members, however they choose to ask questions we will do our best to answer them, regardless of which piece of legislation they're for.

The first piece that's up is *The Traffic Safety Act*. It deals with stunting and excessive speed, which are a growing concern in the province. Although racing and stunting are already illegal, the language of these offences is vague and is open to interpretation. The proposed amendments clarify the offence by specifying what behaviours constitute stunting and racing.

The proposed changes also provide the authority to suspend driver's licences and impound vehicles when a driver is charged under *The Traffic Safety Act* with stunting or racing. In addition, SGI plans to increase the monetary penalties for these offences, which will be done through regulations.

There are also two proposed changes regarding regular speeding

offences. The first clarifies that municipal speeding offences can be charged under the Act. The second is to create a presumption that all speed signs are presumed lawfully established and erected.

These changes are a final step in closing a loophole where it was interpreted that the signs marking speed zones in municipalities had not been designated as official signs. There are already fixes put in place to address that, but these proposed changes will clarify the sections in the Act pertaining to speeding so that they are simpler and less confusing.

The next proposed change would clarify that suspended drivers are allowed to participate in driving assessments required by SGI. Without clarifying the legislation, these drivers could be ticketed for driving while suspended or driving while disqualified.

The other legislative decision is for *The Automobile Accident Insurance Act*. As you can see, the proposed changes echo the amendments in the other Act around allowing suspended drivers to participate in driving assessments. In this case, it's to ensure that they continue to have insurance coverage under the Act.

Mr. Chair, with that we would be pleased to answer whatever questions that committee members may have.

The Chair: — Okay, just for clarity if we just could ask questions on Bill 50 first and then we'll kind of write those clauses off . . .

Hon. Mr. Morgan: — However you choose to do it. And, Mr. Chair, if the questions do spill over we'll answer the questions in any event.

The Chair: — Perfect.

Hon. Mr. Morgan: — And then whatever works for the committee members in here.

The Chair: — That's great. Thank you. Okay, questions. Ms. Young.

Ms. A. Young: — Thank you, Mr. Chair, and thank you to the minister and your officials. I don't have a great deal of questions on either piece of legislation, but I do have a few and I will try and be succinct. Hearing the Chair that we are beginning with Bill 50 but understanding there is some overlap, I think I will start there just more so as a matter of due diligence. And I'm wondering if yourself or your officials can perhaps summarize for the committee the nature of . . . essentially who requested the bill and what prompted the changes coming forward as well as who was consulted. I would anticipate municipalities as well as policing through the enforcement portion would be folks who were spoken with.

Hon. Mr. Morgan: — There's always consultation done by SGI and I think the sources were somewhat different. The stunting and excessive speed I know specifically came from Saskatoon City Council and from the mayor. That's where I originally received it, but I think it's come forward from additional places as well. I think the reason for it is that stunting and the excessive speed are somewhat of a marked departure from the routine

driving 5 or 8 kilometres or 10 kilometres above the speed limit. This is something that should be treated more seriously, and that seemed to be the direction that came from Mayor Clark. SGI, when they go forward with these type of changes, are looking more towards the roadside suspension and the seizure of the vehicle. It seems to prevent individuals that will rack up three or four or five convictions over a three- or four-day period. So it seems to avoid the repeat things that are there.

We don't yet . . . at least I don't have any information as to what the monetary penalties will be. Those will come forward as changes or amendments to *The Summary Offences Procedure Act*, and the ask that we have from the municipalities is that those changes be somewhat significant or more significant than they would be. Now I wonder whether the officials have got any information. And then the speed signs, that's as a result of a court decision from the traffic court — made a determination without it being raised by council — but they made a determination that there was no proof that had been given that the signs were lawfully established. To go back and try and re-prove those or do it would require going back to when the signs were posted, what city council minutes were done. So this eliminates that and prevents a judge from making that kind of a determination because the presumption is there. It's always open to somebody to want to challenge that or question that.

And then the last one is one that I think originated at SGI — and you correct me if I'm wrong — and that was the issue where if an individual had been suspended and was going back for testing or training, even with an SGI official in the vehicle, they could be without insurance or subject to an offence. And I think it was a gap that was recognized. I don't think there was a ticket given.

Ms. A. Young: — So this is essentially just closing a . . . I don't know if loophole is appropriate . . .

Hon. Mr. Morgan: — Closing a loophole, if that's what you like to use. Yes.

Ms. A. Young: — Yes, sure. So a question that I suppose could apply to both Bill 50 but also Bill 52 in regards to drivers partaking in evaluations — just to ensure I understand — all the individuals who conduct the in-car driver evaluations are employees of SGI?

Hon. Mr. Morgan: — I don't know that.

Mr. Quaye: — Kwei Quaye, SGI. Yes, some of our employees, for instance, driver examiners take some drivers out who have been asked to be evaluated as a result of an issue with their driving. There are also cases where we have organizations that deliver these driver evaluation programs for us. And they might also be, you know, allowed to take these drivers out if they are suspended.

Ms. A. Young: — Thank you. And is this in response to . . . I mean, I believe we've discussed it; it is closing a loophole. But I'm also curious if the officials or yourself, Minister, can offer any insight as to whether there's an increase that SGI has seen in drivers — what am I trying to say here? — essentially individuals operating without insurance.

Hon. Mr. Morgan: — I think it's what it's intended to close, the

potential for that kind of issue. I'm not aware of a situation where an individual was ticketed for it or an individual was involved in an accident during that period of time. But it was something that was identified by the officials and they thought it was appropriate to close it off. And I think it would be an embarrassment to the system to have an individual that was involved in an uninsured accident with an SGI official in with them while they were being tested. So I realize it's probably a small risk, however they're recommending that we close and deal with it, and I'm fine with that.

Ms. A. Young: — Thank you. No further questions on Bill 50.

The Chair: — Thank you for that. Seeing no more questions, we will proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 16 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, 2021*.

I'd ask a member to move that we report Bill No. 50, *The Traffic Safety Amendment Act, 2021* without amendment. Mr. Bonk moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 52 — *The Automobile Accident Insurance Amendment Act, 2021*

Clause 1

The Chair: — Next we'll move to Bill 52, *The Automobile Accident Insurance Amendment Act, 2021*. We'll begin with consideration with clause 1, short title. Is there any questions?

Ms. A. Young: — Sure. Just one important clarification just for myself, if I can beg the officials' indulgence just to make sure my understanding of the bill is complete.

Similar to Bill 50, the efforts made to ensure that drivers maintain that insurance coverage under driver evaluation. This is specifically for suspended and disqualified drivers. Is that correct?

Mr. Quaye: — Kwei Quaye, SGI. Yes, that's correct. We have drivers who for one reason or the other have been suspended and the requirement for them to get their licence back is to demonstrate that they can still drive safely. And this demonstration is done either through one of our driver examiners taking them out on the road test, or it could be done by an occupational therapist working for one of the medical agencies that help us with the evaluations to take them out.

But these drivers, because they are suspended technically under law, do not have any coverage. So we are just trying to close that loophole.

Hon. Mr. Morgan: — We worry about individuals that are driving while suspended. It's a problem in our province.

I'll give you a couple of stats. There's approximately 55,000 suspended drivers in the province. Approximately 10,000 of those drivers are suspended for not completing a course or training requirement. It may be somebody that's older and is in the process of abandoning their licence. There's about 600 to 1,000 drivers per year suspended for medical reasons who are required to either complete a driver ability assessment or a more comprehensive assessment conducted by a specialized occupational health . . . [inaudible] . . . So the goal is that when people get behind the wheel, they are both qualified and competent to drive. So I think SGI is to be commended.

Ms. A. Young: — Thank you, Minister. Just perhaps to set everyone's minds at ease, not being a lawyer myself and being somewhat new to reading legislation, just really wanting to make sure that I fully understood that this is specifically for drivers who are suspended, not necessarily drivers taking training programs for other reasons.

[17:15]

I know this is . . . Uninsured drivers in the province is a concern certainly to everyone who cares about the safety of roads and the integrity of people travelling on them in the province. But we do have, as has been stated, a number of individuals who unfortunately do drive without insurance, often driving without a licence as well in the province just due to some of the costs that can be associated with obtaining a driver's licence in Saskatchewan if you didn't have one previously.

This work comes across my desk largely through my Immigration critic roles. And if you don't have a driver's licence and you have to take driver's ed, it can be quite cost prohibitive. I understand it can cost up to, you know, 900, \$1,000 which could be a significant hit for people and unfortunately in many cases can lead to people driving uninsured.

And so just wanted to really clarify that there's no unintended consequences in regards to making it harder for people who should have a licence and should have insurance to obtain it. But I hear that from the officials. And thank you. No further questions from me.

The Chair: — Thank you. Seeing no more questions, we'll proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 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 Automobile Accident Insurance Amendment Act, 2021*.

I ask a member to move that we report Bill No. 52, *The Automobile Accident Insurance Amendment Act, 2021* without amendment. Can I have a mover?

Mr. Jensen: — I move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried. We'll now have a short recess to switch officials.

Hon. Mr. Morgan: — Mr. Chair, if I could just briefly, I'd like to thank the officials that are here today as well as the staff and officials that work the rest of the year at SGI, and thank them for their work — not just for prepping for today, but for all of the work that they do.

And thank you to you and the committee members and Hansard, Legislative Assembly staff, and all the building staff for everything that they do to make these things . . . I know this is longer hours than what they might ordinarily have, so thanks to everyone.

The Chair: — Thank you, Minister Morgan. And thank you to the staff, too, as well.

[The committee recessed for a period of time.]

Bill No. 49 — *The Saskatchewan Gaming Corporation Amendment Act, 2021*

Clause 1

The Chair: — I'd like to welcome us back here and welcome Mr. Wotherspoon who joined us here. Our next bill will be Bill 49, *The Saskatchewan Gaming Corporation Amendment Act, 2021*. We will begin consideration with clause 1, short title. Minister Morgan, you have more officials to introduce on the SaskGaming Corporation.

Hon. Mr. Morgan: — Thank you, Mr. Chair. The officials that are with me today: on my right is Susan Flett, president and CEO [chief executive officer]. On my left is Steve Tunison, senior vice-president of marketing and communications; and behind is Kama Leier, vice-president of finance and risk; and Shanna Schulhauser, director of communications. And I believe my chief of staff, Charles Reid, is back there as well.

We are here today to facilitate the study of Bill 49, *The Saskatchewan Gaming Corporation Amendment Act, 2021*. The legislation amends *The Saskatchewan Gaming Corporation Act* and facilitates the introduction of an online gaming channel in the province.

As mentioned in my second reading speech, SaskGaming and SIGA [Saskatchewan Indian Gaming Authority Inc.] have entered into a unique, first-of-its-kind, collaborative partnership to establish online gaming in Saskatchewan. SIGA will operate

the online gaming platform while SaskGaming will provide conduct and management oversight. As part of this partnership, net profit from online gaming will be split between the First Nations Trust and the Government of Saskatchewan on a 50/50 basis.

Further to this, amendments to the gaming framework agreement were also announced by SLGA [Saskatchewan Liquor and Gaming Authority] and FSIN [Federation of Sovereign Indigenous Nations] on September 23rd, 2021. The GFA [gaming framework agreement] amendments, along with amendments to this Act, will allow for SIGA to operate the online gaming platform and provide for the agreed distribution of profits.

Mr. Chair, our government is committed to working closely with First Nations in Saskatchewan to advance economic reconciliation. That was certainly a key feature of the second reading debate on this bill, and I want to reinforce its importance yet again. Saskatchewan is now the only province to engage in a meaningful, mutually beneficial partnership with First Nations on online gaming and sports betting. In fact it was Chief Bobby Cameron who called the establishment of this partnership reconciliation at its finest. I would be remiss if I did not once again acknowledge those Indigenous leaders who helped bring this partnership to life.

Chief Bobby Cameron; Chief Darcy Bear; SIGA board Chair, Reg Bellerose; and Zane Hansen of SIGA worked tirelessly to ensure that all of this came together. They have made this economic reconciliation possible, and for that we cannot thank them enough.

Mr. Chair, the officials with me today will be able to provide an update on where things are at in the establishment of this online gaming channel, including the RFP [request for proposal] process which was conducted in the fall, financial projections, and next steps including the timeline for the channel's rollout. They will also be able to speak to issues relating to responsible gambling and how that translates to the online environment.

With that, Mr. Chair, I am going to conclude my opening remarks, and we will be prepared and ready to answer whatever questions come forward.

The Chair: — Thank you for your opening comments, Minister Morgan. I will now open the floor for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you, Mr. Chair. Thank you, Minister, for your time here tonight and to you and your officials for your work on this important front. It's a good thing to see coming together, and I want to recognize all those that have been involved in that work and to offer thanks.

And of course I want to recognize just all the leaders in gaming within . . . Indigenous leaders across our province. So thank you to Chief Cameron for his leadership and his voice, and to Zane Hansen and his team over at SIGA, and Chair Bellerose.

What SIGA has accomplished is really a remarkable thing, and over many years. And they have an exceptional reputation and history in management in gaming. And certainly the First Nations

Trust presents an important opportunity to distribute, and mechanism to distribute, those dollars to First Nations across Saskatchewan.

So this is a positive development, and I simply want to thank and recognize all that have been involved in it. I am interested in the updates that you identify around the process, the RFP, the market space that's being projected, the sorts of revenues that folks might be able to plan towards.

Ms. Flett: — I am happy to report that there was an open, completely transparent competitive bidding process that was undertaken to seek out possible vendors. So this request for proposal was issued in the fall — October 8th I believe it was — and it was open for a period of four, five weeks. The evaluation committee was comprised of representatives from both SaskGaming as well as SIGA, and these officials thoroughly assessed, you know, all the operational, the technical, financial capabilities of all of the submissions that had been submitted. And then they also sat through a number of presentations from a short list of possible vendors.

So I understand that a recommended supplier has been identified and the recommendation has been made, but a contract is yet to be finalized. I do understand . . . SIGA tells us that they are very close — like literally a day or two away from having a contract finalization. So I know they're very excited to be able to announce very soon.

For the financial projections, again without a finalized contract in place, I can talk in general terms about what was submitted. And these are again numbers that SIGA had submitted. In general terms, we're looking at sort of a partial year this year of being online. And so with that, revenues are expected to be around in that 15 million range. And when we're looking at net income, we're talking about 5 to 6 million in net income. And again that's for a partial year. I believe about seven years out, we're looking at revenues more in the ballpark of about 70 million and net income to be approximately 40 million in that time frame.

Mr. Wotherspoon: — Thank you. Thank you very much for the projections as well and the forecasts into the future. Certainly those are valued and substantial resources for the First Nations Trust. With respect to the actual process now, the contract's almost completed. And what's the timeline then until there's a platform that would be operational?

Ms. Flett: — So from the time that the contract is signed, it takes approximately, we understand, four to six months to be able to launch. And so during that time, all of the things that need to happen behind the scenes — you know, testing the IT [information technology] platform and finalizing marketing, you know, financial plans, those kinds of things, any partnerships that will come out of this . . . So that takes us into approximately the second quarter of this fiscal year when the online will launch.

Mr. Wotherspoon: — Thanks for that as well. And those that would frequent the platform, or the customers if you will, would those — and mind my ignorance — would those be folks that would be right across Canada? Do they need to be Canadians, that would be utilizing the site?

[17:30]

Ms. Flett: — So this will be a provincial . . . online for the people of Saskatchewan only. So every province has their own. And it's something through geolocation that the site is able to recognize whether you have a Saskatchewan IP [Internet Protocol] address. So it will be available for Saskatchewan residents only.

Mr. Wotherspoon: — And can you just identify who the competitors in this market space will be for Saskatchewan customers?

Ms. Flett: — You know, our biggest competitors are going to be the grey market. It's going to be the illegal sites that are already operating. And we don't necessarily have stats on that because they don't, you know, publicly announce. But we do know that there are big players like DraftKings, OpenBet, you know, platforms like that, that will be the predominant players in the market, like they are everywhere in Canada.

Mr. Wotherspoon: — Well thank you very much. I wish all well that are going to be making the platform come to life. I've full confidence in SaskGaming, but I have full confidence in SIGA. They have such an exceptional organization and such a great history in gaming.

I just want to make sure I'm clarifying with the minister if there's any concerns that have been identified, with respect to this platform or the agreement and the way that it's been structured, from any Indigenous leadership in the province. I know I saw the glowing endorsement, a very strong statement from Chief Cameron. That was wonderful to see. But I'm just checking to see if there's been any challenges brought forward.

Hon. Mr. Morgan: — No. The recommendation, I think, came from SIGA as much as anyone else. The comments that you made about having confidence in both SIGA and SaskGaming, I would echo those. I would agree with you completely. SIGA has been a really superb partner, and SaskGaming officials have worked tirelessly to try and do it.

But they were some months ahead of where the provincial government was, and they had been wanting to do this for some years. So when we went to them and said we are ready to go do this, they want to just to take the ball and run with it.

So the choice of vendor, I think, was unanimously supported. And I'm not aware of any issues from SGC [Saskatchewan Gaming Corporation] or from SIGA with regard to the choice. If any of the officials want to comment on that? But it was a decision made by the officials of both entities, and I understand both were well pleased.

Mr. Wotherspoon: — Thank you very much. I don't have any further questions here this evening.

The Chair: — Thank you. Seeing no more questions, we will proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 8 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Saskatchewan Gaming Corporation Amendment Act, 2021.*

I'd ask a member to move that we report Bill No. 49, *The Saskatchewan Gaming Corporation Amendment Act, 2021* without amendment. Mr. Harrison moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That concludes our business for today. Oh. Is there any closing comments, Minister Morgan? Sorry.

Hon. Mr. Morgan: — Thank you, Mr. Chair. I won't be long, but I would like to thank the officials at both SIGA and SaskGaming. Mr. Wotherspoon raised his supportive comments and I couldn't agree more. Somehow it scares me when we agree on something that much. But we had really good co-operation from our officials as well as Zane Hansen, Chief Bear, Chief Bellerose, and Chief Cameron. So we thank them because they've taken it forward. And we're very hopeful and optimistic that it's going to produce a really good result.

The officials that are here today, I'd like to thank them for coming out and the staff and the officials that work at SGC year-round. And, Mr. Chair, to you and the committee members, thank you and the staff at Hansard, LAS [Legislative Assembly Service], and the building staff. We often don't thank those people and recognize them often enough or well enough. So thank you, Mr. Chair.

The Chair: — Thank you, Minister Morgan, for your comments. Mr. Wotherspoon, do you have any closing comments?

Mr. Wotherspoon: — Just real briefly, and I've already put this onto the record, but thank you so much to the Indigenous leadership in this province, to Chief Cameron, to Chief Bear, and to Chief Bellerose for their involvement in this process. For SIGA and Zane Hansen for their leadership. And certainly to SaskGaming and all the officials that have been involved in making this happen.

So thank you to you, Mr. Minister, for your time here tonight and to all those that make this committee happen, especially this very fine Chair. Thanks to everyone.

The Chair: — Thank you very much for those comments. That concludes our business for today. I'd ask a member to move a motion of adjournment. Mr. Skoropad has moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. The committee stands adjourned till the call of the Chair. Thank you.

[The committee adjourned at 17:36.]