



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 18:00.]

The Deputy Chair: — Welcome to the Standing Committee on Crown and Central Agencies. Our Chair, Terry Dennis, is not here tonight. So it is my duty as Deputy Chair to chair the meeting this evening.

I'll introduce myself. My name is Erika Ritchie, Deputy Chair. Also present this evening is Daryl Harrison, Terry Jenson, Dana Skoropad, and substituting in for Steven Bonk we have Todd Goudy. And other members present is Betty Nippi-Albright.

Today we will be considering the estimates for vote 33, Public Service Commission; vote 175, debt redemption with a focus on Saskatchewan Gaming Corporation; and vote 153, Saskatchewan Telecommunications Holding Corporation.

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

Subvote (PS01)

The Deputy Chair: — We will begin with vote 33, Public Service Commission, subvote (PS01).

Mr. Reiter is here with his officials. As a reminder to officials, please state your name for the record before speaking and please don't touch the microphones. The Hansard operator will turn your microphone on when you speak. Minister, please introduce your officials and make your opening comments.

Hon. Mr. Reiter: — Thank you. I'll take the opportunity to make some very brief opening comments. And as you mentioned, I will start with introducing our officials.

We have with me here today Ray Deck, who is the Acting Chair of the Public Service Commission; Claudia Burke, who is the acting assistant Chair of the Public Service Commission; Glenda Francis, executive director of corporate services; Carolyn Lewis, executive director of human resources service centre. And we have other ministry officials are standing by as needed.

The Public Service Commission, or PSC, provides human resource services for executive government and a few other agencies of government as well. PSC helps ministries ensure that they have the right human resources in place to help government deliver on its objectives. There are approximately 11,000 employees who work in this area of government.

The Public Service Commission works with ministries in areas such as labour relations, staff recruitment, employee assistance, and learning and development. PSC also works to support diversity and inclusion. And the Public Service Commission also has an employee and family assistance program to provide counselling and other services to employees.

The Public Service Commission provides a number of other services to ministries as well, and I look forward to discussing them in terms of the estimates this year. And I'll turn it back to the Chair and officials, and I'd be happy to take questions.

The Deputy Chair: — Thank you, Minister Reiter. I will open the floor to questions and invite Betty Nippi-Albright to begin.

Ms. Nippi-Albright: — Thank you so much, Madam Chair. And thank you to the minister for giving a brief overview. What I will do and ask is if — I have a number of questions — but will ask if you need more time in terms of getting the information, I am open to having this provided not today, because I know sometimes you need to talk to several other individuals and you don't have the answers right at that moment. So I would ask that those questions, to have the answers presented perhaps within a week or two if there's . . . Yeah, sure.

Hon. Mr. Reiter: — We'll certainly endeavour to get you the questions tonight. At times, as you know from other estimates, we have to huddle quickly. If we're not able to do it within a brief period of time though, we'll certainly endeavour to get back to you with the answers.

Ms. Nippi-Albright: — That's wonderful. Thank you so much. Thank you for working with me. Thank you.

So I'll start with some questions around the Public Service Commission. So my first question is, does the Public Service Commission track average increases for out-of-scope salaries across government year over year?

Hon. Mr. Reiter: — Just to clarify, you said average increases?

Ms. Nippi-Albright: — Yes. Just tracking average increases for out-of-scope salaries across government year after year.

Hon. Mr. Reiter: — Okay, just give us a minute. If I could just get clarification. You said "track." Are you going to want then the last several years of increases? Is that where you'd be going with that?

Ms. Nippi-Albright: — Well like what I would like to see is a kind of a continuum of how does that look. Like how does that data look like over a period of time?

Hon. Mr. Reiter: — Just give us a minute, sure.

Ms. Nippi-Albright: — Thank you.

Hon. Mr. Reiter: — I'm just going to get Ray to . . . There's a couple components to this. I'm just going to get Ray to walk through that for you.

Mr. Deck: — My name is Ray Deck. Again, Acting Chair. So there's two main components related to out-of-scope compensation. So the first component I'll speak to is relating to the salary ranges for out-of-scope, and those increase through the year in a lockstep method that mirrors what is given to in-scope. So I can tell you the increases. So April 1st of 2017, there was zero economic adjustments for out-of-scope. April 1st, 2018, again there was zero economic increases. April 1st, 2019, there was a 1 per cent increase to the salary ranges. And then April 1st, 2020, there was a 1.3 per cent increase in salaries and a 1 per cent increase in pensions. And then April 1st, 2021, a 2 per cent increase in economic adjustments. And then April 1st, 2022, just this month, another 2 per cent. So that's the salary range.

But the way out-of-scope people, outside the scope of the collective agreement, move within the range is performance pay. And they're given set percentages that if you meet or exceed or have an outstanding performance, that's all tracked, and it mirrors what we provide to in-scope people in some sense. Actually in-scope folks get a 4 per cent increase on their increment date automatically. It's an automatic thing. Our out-of-scope folks, if they fully meet, they'll get a 2 per cent increase. So that just gives you a sense of how those increases work.

Ms. Nippi-Albright: — Thank you for that. I actually used to work as an out-of-scope in the area, so I'm quite familiar with how that merit increases occur and base. You don't automatically get one. You have to meet or exceed it to get an increase.

However, as you were talking I was like, oh I've got to ask this question. I know as out-of-scope employees, at least this has been my experience in the past working where I worked, is that out-of-scope employees have — what are they called? — agreements, work plans, for lack of a better word. I forget the . . . accountability agreements. And with accountability agreements, we have target measures and how things are going to look at within a year, what do our hopes . . . And then at the end of the year we have an evaluation to see if we have met them, exceeded them. I also am curious to know with those out-of-scope — in particular, senior management — I know that there's a top-up in terms of incentives for them to achieve . . . They do get incentives.

So I guess my question with that is, has there been incentive increases for senior leaders like executive directors, vice-presidents within the public service sector?

The Deputy Chair: — I'll just interject and note that Greg Lawrence has now joined the committee.

Mr. Deck: — So again, Ray Deck. So you're correct. Out-of-scope folks still have work plans right through to the deputy level. And those work plans lay out objectives that need to be met, and beyond that, behavioural objectives, so living the values, those kind of things. So that's part of our performance management system. Those are set at the beginning of the year, and they're assessed at the end of the year. What I described earlier around performance pay, that's what we get.

And I want to just clarify that I think what you're referring to is the arrangements that are in the commercial Crowns. In executive government there is no incentive pay or bonus structure. What I described as our performance management system, that's the only pay increases that our out-of-scope people get to move from the bottom to the top of the range.

Ms. Nippi-Albright: — Thank you. So you, Minister, said there was over 11,000 employees across the public service sector. Do you have that broken down across ministries and agencies?

[18:15]

Hon. Mr. Reiter: — So these are the FTEs [full-time equivalent], and I think I'd said approximately 11,000. As far as the last count it was 10,956. In Advanced Education there's 118; in Agriculture there's 311; Corrections, Policing and Public Safety there's 2,306; in Education it's 252; Energy and

Resources is 261; Environment is 487; Executive Council is 73; Finance is 333; Government Relations is 183; Health is 356; Highways is 1,327; Immigration and Career Training is 268; integrated justice services is 162; Justice and Attorney General is 1,039; Labour Relations and Workplace Safety is 170; Parks, Culture and Sport is 422; Public Service Commission is 300; SaskBuilds and Procurement is 727; Social Services is 1,769; Trade and Export Development is 93. And then that's your total of 10,956.

Ms. Nippi-Albright: — Thank you. I just want to go into a little bit about some insights to the impacts of COVID-19 may have had in the last two years related to sick leave, general absenteeism in the public service. So can you tell me about any insight into how COVID has impacted sick leave and general entitlement use and/or general absenteeism in the public service?

Mr. Deck: — It's Ray Deck. And so average days utilized by FTEs in 2019-20 were 8.5 days. And in 2020-21, it actually went down fairly significantly, went down to 7.69 days. And our thought is that, well people were largely working from home at that point. If they had a sniffle, they were at home and they had technology. They could work from home. So yeah, during those COVID years the actual sick leave utilization went down.

Ms. Nippi-Albright: — Beautiful. This is going back. I apologize for going back on some of these. So I'm wondering how many people are contracted by the ministry and not FTEs?

Hon. Mr. Reiter: — So officials tell me that . . . I think I just want to be clear. The question is, how many employees not including the FTEs, like how many employees under contract. Is that right?

So Public Service Commission, I'm told, don't have any for the PSC but individual ministries may. But the PSC does not keep track of that. It would be the individual ministries that keep track of those.

Ms. Nippi-Albright: — Thank you. Thank you. That's helpful to know. So I'm going to go back to this one I asked earlier about. Would you be able to submit data that shows and that tracks the average increases for both out-of-scope employees and in-scope employees? Is that something that you would be able to present within a few weeks?

Hon. Mr. Reiter: — Well we're able to give you those numbers right now. I'm going to get Ray to walk through those again. So you know, as he mentioned earlier, the in-scope, there's the amount negotiated under the CBA [collective bargaining agreement], and then there's that automatic sort of in-grid . . . That may not be the right terminology I'm using, but the 4 per cent increase versus what he walked through with the out-of-scope. So I'm just going to get him to walk through those actual numbers with you now.

Mr. Deck: — Yeah, so Ray Deck again. And the economic adjustments that I'm going to give you, they're the same as what I gave you before. And those are applicable to both in-scope employees and out-of-scope. So again, April 1st, 2017 there was zero economic adjustment; April 1st, 2018, zero per cent economic adjustment; April 1st, 2019, 1 per cent economic adjustment. April 1st, 2020 was a 1.3 economic adjustment and

a 1 per cent increase to pension. April 1st, 2021 was a 2 per cent increase. April 1st, 2022 was a 2 per cent increase.

So those are economic adjustments that move up the salary ranges for both in-scope and out-of-scope. In-scope people move from the bottom to the top by an automatic annual increment of 4 per cent, and generally we had about 3,700 in-scope employees who were eligible for an increment during the year.

Our out-of-scope folks don't get that automatic increase. They get performance pay. So if you're not meeting standard, you might get a zero per cent increase. If you're learning a role, you might get a one and a half per cent increase. If you're fully meeting as an out-of-scope employee, you get a 2 per cent increase. If you're exceeding your expectations, you get a 4 per cent increase. And if your work was truly outstanding and really exceeded, you'd get a 6 per cent increase.

And again, both in-scope increments — the 4 per cent — and those out-of-scope performance increases go to the max of the range. You can't go above the maximum of the range. So that's how our pay system works.

Ms. Nippi-Albright: — Thank you for that. I'm just going to move on to some discussion around questions around collective bargaining. So just so that I have a better understanding, so is the Public Service Commission, are they engaged in all collective bargaining on behalf of the government? Is that correct?

[18:30]

Mr. Deck: — Ray Deck. So we don't lead bargaining for the whole public sector across government. We lead main-table negotiations with the SGEU [Saskatchewan Government and General Employees' Union] bargaining unit that is within executive government. And we also lead main-table negotiations with CUPE [Canadian Union of Public Employees] 600 bargaining unit within executive government. So those are our two tables that are within executive government.

We do provide some support to some other agencies that have various levels of ability to do bargaining on their own. So we lead or we provide support to SK Arts and that's an SGEU table. We provide support to Sask Crop Insurance and that's an SGEU table. We provide support to Conexus Arts Centre and there's two tables there: IATSE [International Alliance of Theatrical Stage Employees] and a separate unit, RWDSU [Retail, Wholesale and Department Store Union]. We support Legal Aid Commission. That's a CUPE unit as well. Water Security Agency is Unifor Local 820. And then Saskatchewan Public Safety Agency is also within SGEU.

So in essence there are other employers, like the commercial Crowns, the health districts. They do their own bargaining. And what I've described is the support that we provide to those tables.

Ms. Nippi-Albright: — Thank you. So can you tell me how many collective agreements are expected to be negotiated in this fiscal year? And you've chatted a little bit about, you've been having some discussions. Tell me more about that and . . .

Mr. Deck: — So our main, our big bargaining unit is SGEU, and that collective agreement expires September 30th, 2022, so this

coming September. The CUPE 600 unit within executive government already expired. That expired September 30th, 2021. We actually have not commenced bargaining on that table yet. We're expecting to actually start active negotiation in the fall on that one.

I can give you the rest of those other agencies that I listed. So SK Arts, that agreement expires September 30th, 2022. Crop Insurance expires September 30th, 2022. Conexus Arts Centre, June 30th, 2022. The second Conexus Arts Centre agreement with RWDSU expires January 26, 2023. Legal Aid Commission is September 30th, 2021. Water Security Agency is December 31st, 2023. And the Sask Public Safety Agency is the same SGEU expiry, September 30th, 2022.

Ms. Nippi-Albright: — Thank you. So would the Public Service Commission feel that the time and resources that are dedicated to collective bargaining in this fiscal year will be more or less or about the same as last year?

Mr. Deck: — And sorry, is your question the resource . . .

Ms. Nippi-Albright: — Would the Public Service Commission feel that the time and the resources that are dedicated to collective bargaining in the fiscal year, will it be the same, more, or less?

Mr. Deck: — So I'll attempt to answer your question. And in essence every time we're getting ready to go to bargaining and the bargaining table, we essentially follow a very similar process, that in preparation for going to the bargaining table we'll look at issues that have been raised by the union. We'll look at grievances to determine if there's themes emerging from that. We'll go to every ministry and talk to them about their experience with the collective agreement, and if they've identified any issues that they would like us to address through bargaining to make things more efficient for management, those kind of things. And that's really the process we use to put together a management proposal package.

And I can tell you that the SGEU follow something similar. They have a convention where they get together and they talk about the same sorts of things, and that's how they put their bargaining proposal together. And then we get to the table and trade packages and start the negotiation process. Aside from main-table negotiation, we've also instituted a process where in between rounds of bargaining there's ongoing dialogue, and we're continuously problem solving with the union and addressing issues on an ongoing basis. And that's really served us well, both sides. And it's served us in terms of establishing kind of a strong working relationship with the SGEU particularly.

Ms. Nippi-Albright: — Thank you. So just how many collective agreements were negotiated in this fiscal year, affecting which ministries or agencies?

Mr. Deck: — I just wanted to point out that I mentioned that the CUPE agreement expired September 30th, 2021, but they've asked to defer bargaining until the fall. And that's really the same time when the SGEU agreement's going to expire and main-table negotiations with them are going to occur. So we really haven't engaged in main-table bargaining anywhere else.

Ms. Nippi-Albright: — Thank you. Can you speak to the types

and quantity of third-party contracts that are undertaken by the PSC to fulfill collective bargaining?

Hon. Mr. Reiter: — Sorry, can I just get you to clarify? Did you say at the end . . . You said third-party contracts, but did you say collective bargaining?

Ms. Nippi-Albright: — Yeah, to fulfill collective bargaining, so how many third-party contracts that are undertaken by Public Service Commission to fulfill the collective bargaining.

Hon. Mr. Reiter: — Officials are telling me they negotiate directly with the third parties.

Ms. Nippi-Albright: — Okay. So last year it was mentioned that as far as the Public Service Commission employees, there is one Chair, an assistant Chair, eight executive directors, and 21 senior business partners. Is this an accurate reflection of all the positions at the Public Service Commission?

[18:45]

Hon. Mr. Reiter: — So what you described is part of the senior management team. And when I had read the ministry-by-ministry breakdown earlier, it mentioned that PSC has 300 FTEs, so that's the total in the Public Service Commission. Again what you had mentioned earlier is part of the management team. But I'm going to get Ray now to give you a breakdown of the different units.

Mr. Deck: — So once you're ready, I'll provide that.

Ms. Nippi-Albright: — Go for it.

Mr. Deck: — Okay. You're right. There is an assistant Chair of what we call centres of excellence, and that division has 70.8 FTEs. We have one assistant Chair of our business partner division. That's the one where you referenced there was eight business partner exec directors. That division has 92.5 FTEs. Then the HR [human resources] service centre; that's the division that manages pay and benefits and administrative issues. We've got an exec director responsible for the HR service centre and 126 FTEs. Then kind of a corporate central group. We've got an ED [executive director] of corporate services with 14.5 FTEs. And we've got a small communications shop, exec director of communications, I think with about five or six people. So that makes up our full team.

Ms. Nippi-Albright: — So just building on that question I asked. So what are the salary ranges for those positions at that and across the public service?

Mr. Deck: — Okay. I've got a few different classification groups that I'll explain to you. So the employees that work in our human resource service centre that do management of the pay and benefits, generally speaking they're in-scope levels 6 and 7. And so the salary range as of October 2021 is, let's see, \$1,735 per week up to \$2,175 per week. And we've got level 7s that are \$1,874 per week up to . . . and the top of the range is 2,349. So that's our in-scope folks.

The out-of-scope group, so the two assistant Chairs, their salary range is 136,000 generally per year up to 177,000 per year. Our exec directors, so that's the exec directors of our business partner

team and exec directors of our centres of excellence, their salaries are 112,000 per year up to 146,000 per year.

And then a lot of our working HR consultants . . . Oh sorry. Senior business partners, their salaries are 93,000 per year to 120,000 per year. And then I guess our front-line HR business partners are 76,000 to 99,000. I'm rounding. These are round numbers.

Ms. Nippi-Albright: — So just thank you for that. What I would like to know is, what is that total salary cost for 2017-18, '19-20, '21-22, those years? What is the total salary cost for in-scope staff, and same question with out-of-scope staff?

Hon. Mr. Reiter: — So in this case you're asking for right across executive government as opposed to just the PSC, correct?

Ms. Nippi-Albright: — Yes.

Hon. Mr. Reiter: — Okay.

Mr. Deck: — So I can give you total payroll by year starting from 2016-17, and then I'll explain the breakdown. So total payroll for 2016-17 is 914 million; total payroll for 2017-18, 905 million; total payroll for 2018-19, 913 million. For 2019-20 it's 911 million. And then 2020-21, that's 952 million. And the breakdown of those numbers I gave you is, of that number, 37 per cent is generally speaking for out-of-scope salaries and 63 per cent for in-scope.

Ms. Nippi-Albright: — Okay. I have four minutes left. So do you have initiatives that are targeted at Indigenous employment, diversity, equity, or inclusion initiatives to report?

Mr. Deck: — So yes, there's quite a few initiatives. So I'm going to try and indicate as many of them as I can in the time we've got left. So in terms of Indigenous recruitment and retention and awareness building, there's a couple things. We've got Indigenous awareness training that I can tell you 6,685 employees have taken that training. We are also seeing many ministries that are going the next step and offering 4 Seasons of Reconciliation. So for example, PSC is going to have everyone of our staff taking that training to build our awareness in this area.

Several ministries have appointed senior Indigenous advisors that they can consult and get advice from. We've also done a lot of work to try to build a more inclusive workplace. And in that regard, we've developed an inclusion strategy, an action plan, and toolkit. And that strategy and those toolkits have been embedded in every ministry. Every ministry has an inclusion committee. And we have a corporate committee that works to add to the toolkit to build awareness around trying to create a workplace where people can be their authentic self and be heard and feel safe and welcome.

We're also doing a lot of other work with ministries in terms of seeing a bit more in terms of traditional ceremonies such as pipe ceremonies, the medicine walks, sweats. We brought in elders and facilitators to teach about the history of colonization and the impact of residential schools.

We've done a lot more training that I mentioned. Let's just see. We're doing some work with the Johnson-Shoyama as well

around First Nations training. We're exploring cultural competence and assessing individual and team competence in this area to try and build awareness and again build a more inclusive workplace. We've got a lot of training in a number of other areas, like we offer disability awareness training. We offer training in Respect in the Workplace. So really trying to do a lot of things to try and create a positive culture in the workplace.

[19:00]

Ms. Nippi-Albright: — Thank you so much for your time. My time is up. And thank you. Have a good evening.

The Deputy Chair: — Having reached our agreed-upon time for consideration of estimates today, we will adjourn consideration of these estimates and take a brief recess to switch out officials. Minister Reiter, did you want to make any concluding remarks?

Hon. Mr. Reiter: — Yes, thank you. First of all I'd like to thank you, Chair. I'd like to thank the member for her questions tonight, the officials for their time and work tonight, also the committee members as well, and of course Legislative Assembly staff as well. So thank you, everybody.

The Deputy Chair: — Ms. Nippi-Albright, did you have anything you'd like to remark?

Ms. Nippi-Albright: — I would like to also thank those that are giving up their evenings to sit with us this evening. And hopefully we'll get into our nice, warm cars later on this evening. So thank you so much for making this as painless as possible. So you have yourself a good evening.

The Deputy Chair: — All right. With that, we will adjourn consideration of estimates and take a brief recess to switch out officials.

[The committee recessed for a period of time.]

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Debt Redemption
Vote 175**

The Deputy Chair: — Good evening. Next up is Saskatchewan Gaming Corporation under vote 175, debt redemption. I'll introduce the member present, Nicole Sarauer, asking questions today. We have Minister Morgan here with his officials. As a reminder to officials, please state your name for the record before speaking, and please don't touch the microphones. A Hansard operator will turn your microphone on when you speak. Minister, please introduce your officials and make your opening comments.

Hon. Mr. Morgan: — Thank you, Madam Chair. Before we get started, I'd like to introduce the officials that are with me tonight. I am joined tonight by Kama Leier, vice-president of finance and risk; as well as Steve Tunison, senior vice-president of marketing and communications; Blaine Pilatzke, vice-president of corporate services; Shanna Schulhauser, director of communications. And my chief of staff, Charles Reid, is here, and upstairs watching and making notes to make sure I don't make a mistake is Mike Aman, one of our assistants.

The last time SaskGaming appeared before your committee was a few weeks ago to facilitate the study of Bill 49, *The Saskatchewan Gaming Corporation Amendment Act*. Seeing as that information relating to online gaming is on the official record, I will focus my comments on other developments at the corporation.

Madam Chair, like so many of the industries in our province, casino gaming was not immune to the impacts of the COVID-19 pandemic. After a difficult 2020-21, the last fiscal year saw the beginning of a return to more normal operations. Despite being closed for the majority of the first quarter of 2021-22, SaskGaming reported income before payment to the GRF [General Revenue Fund] of \$12 million year to date. This is a considerable increase from the same period in 2020-21 where the corporation reported a five point million dollar net loss. SaskGaming also reported 53.3 million in revenue year to date, an increase of \$22.4 million due to the temporary closure of the properties.

Madam Chair, on June 20th Casinos Regina and Moose Jaw reopened with mandatory masking, capacity restrictions, and limits on alcohol service. After an over-six-month hiatus, guests were eager to enjoy the always entertaining customer service they had come to know and love. They were greeted to a new touch bet pit in Central Hall at Casino Regina, as well as updated slot machine themes and exciting new marketing promotions at both properties. Employees were equally enthusiastic to be back in the workplace and were trained on SaskGaming's refreshed GameOn 2.0 customer service program.

Only a few weeks later on July 11th, those public health measures were lifted in full. Casino Regina's newly renovated Union Station Restaurant + Bar served its first customers on July 13, and the Show Lounge reopened on November 3rd with a concert by Barney Bentall & The Cariboo Express.

On the topic of renovations, the corporation continues to make incredible headway on its property refresh at Casino Regina. These renovations are part of a multi-year facilities modernization plan, and to date approximately 80 per cent of the casino has been updated. SaskGaming kicked off these renovations in January 2020 and continued with them throughout the pandemic to support the Saskatchewan economy, construction industry, and local subtrades. The corporation expects all renovations at Casino Regina to be completed by early 2023, at which point renovations at Casino Moose Jaw will commence.

In 2021-22 SaskGaming also made several notable technology upgrades, including installing a new linked progressive slot jackpot between Casinos Regina and Moose Jaw and updating the Bally slot machine system, installing the new touch bet pit in Central Hall at Casino Regina, and other significant upgrades that supported the renovations.

The corporation also made headway on a new slot EFT [electronic funds transfer] system that will allow Players Club members the ability to download and upload promotional and cashable credits from slot machines to their accounts, and a new responsible gaming pre-commitment tool that will allow Players Club members to set time and monetary limits on their slot machine play.

Madam Chair, it is important to note SaskGaming continues to make Indigenous employment a priority. While the pandemic disproportionately impacted its ability to meet its Indigenous representation target, SaskGaming continues to fill vacancies and focus on positive net hires. However, with the target sitting at 39.5 per cent, it is expected the corporation will fall short of meeting its target of 41 per cent for 2021-22. Full results will be reported in the corporation's annual report, which is released in July.

SaskGaming is also in the early stage of the collective bargaining process. The first agreement to expire is PSAC [Public Service Alliance of Canada], which is the corporation's largest bargaining unit and represents gaming employees at Casino Regina. As always, SaskGaming is committed to the bargaining process and reaching fair and reasonable agreements with all its bargaining units.

Finally, the corporation's looking forward to 2022-23 and a returning to a year of full operations with the launch of a new online gaming platform in Q2 [second quarter], and continuing to turn a significant profit for the First Nations Trust, Community Initiatives Fund, Clarence Campeau Development Fund, and the people of Saskatchewan.

With that, Madam Chair, I will conclude my opening remarks and welcome any questions from the members of the committee.

The Deputy Chair: — Thank you, Minister Morgan. I'll open the floor to questions and recognize Ms. Sarauer.

Ms. Sarauer: — Thank you, Madam Chair. And thank you, Minister, for your opening comments. I apologize. I was trying to take notes while you were providing those opening comments, but I think I missed a little bit and I want to just clarify. You mentioned, Minister, that SaskGaming reported an income of \$12 million year to date before reporting to the GRF. Is that correct?

Ms. Leier: — Year to date it's 53 million revenue, for 12 million income before the GRF. Sorry, it's Kama Leier.

Ms. Sarauer: — Thank you. Fifty-three million revenue. Twelve million income.

Ms. Leier: — Yes.

Ms. Sarauer: — How much of that was sent to the GRF then? Or is that for this . . . What year is this for?

Ms. Leier: — This is for this year, so it's March. It would be for the third quarter ending March 30th, 2022. So, so far 6 million has been sent to the GRF.

Ms. Sarauer: — Thank you. Thank you for anticipating my follow-up question. That's good to hear after the reported loss from the annual report of 2020-21 of being over 13 million. There's clearly been a turnaround that's happened.

Hon. Mr. Morgan: — Yeah. I don't think I would go, it's fair to call it a turnaround as much as a reopening because, you know, with the properties closed it was just, there was . . .

Ms. Sarauer: — I understand that with the properties closed there was some financial savings as well. Of course the hit was significantly more than the savings of having the properties open. Could you speak to that a bit?

[19:15]

Hon. Mr. Morgan: — Yeah. It was not simply the lost revenue. There was cost in maintaining the security of the premises and insurance, utilities, etc. Kama can probably give better detail on what those ongoing costs were.

Ms. Leier: — Would you like more detail?

Ms. Sarauer: — Please, yeah. Thank you.

Ms. Leier: — So we had a \$13 million loss. However it would have been greater had we not aggressively managed our expenses. We did everything we could to save expenses. Unfortunately people were laid off at the time. Had we not laid off people, the expense would have been higher, the loss.

Ms. Sarauer: — What is the projected revenue for '22-23?

Ms. Leier: — The expected revenue for '22-23 is 101 million, which would be overall a net income of just about \$24 million. And that's before payment to the GRF.

Ms. Sarauer: — Minister, you had mentioned, and I think the last time we talked with SaskGaming, about the renovations that had occurred. And I know you had mentioned this a lot in your opening remarks, Minister, but could we provide some more detail as to the renovations that have been ongoing since 2020 and the status of them at this time?

Hon. Mr. Morgan: — I'm told that they're not complete yet but are not far complete. I think we would regard them as being 80 per cent done. And I haven't gone on a tour, but maybe you and I would like to go some time. But it's a fairly major makeover, and I'll let Kama or somebody give you some more details. And the goal is, once that's complete, is to move on to Moose Jaw and do a similar kind of a makeover there. So I know it's . . . Anyway, go ahead.

Mr. Tunison: — Yeah, it's Steve Tunison. I can speak to that. So as the minister had mentioned, approximately 80 per cent of Casino Regina's has been completed thus far, with the remaining 20 per cent to happen this year. Everything has been done from the Union Station Restaurant all the way west to where the old bar and CR Express restaurant used to be. So that entire element is done.

So starting with the Union Station Restaurant, we did that in '19-20. East end and Central Hall was done in '20-21, and the west of Central Hall past that — we now call it the Crossroads food outlet — was done this past year. And we will do the west end and the Show Lounge area, including the crush space outside the Show Lounge, in this fiscal year.

Ms. Sarauer: — So the remaining 20 per cent is the Show Lounge area that needs to be completed.

Mr. Tunison: — That's correct. Yeah. Yeah.

Ms. Sarauer: — What's the . . . You said you anticipate that that will be completed by this fiscal year?

Mr. Tunison: — Yes, it will be completed. I think the timelines that we're looking at is somewhere in February, having that completed in this fiscal year.

Ms. Sarauer: — Thank you. I appreciate the update and all the work that's been going on with that. And perhaps once that's completed, the minister and I can take a show in together at your fine establishment.

Mr. Tunison: — We'd be happy to host you.

Ms. Sarauer: — I will say that the acoustics are phenomenal at the Show Lounge. I'm a huge fan of seeing music there. I'm curious to know what the stages will be, after the casino in Regina is completed, with the other property.

Mr. Tunison: — Well that . . . We haven't yet done the detailed planning for Casino Moose Jaw, but we do know we'll have to do it in stages so that we don't close. So like sort of what we've done in Regina is, when we take a section on, we'll do one-half of it while the other side is still open, and then swap. And hopefully that process will follow suit as well. A lot of staging, a lot of thinking through the project management of it to ensure that the facility can remain open, functional, and viable during the time where, you know, a lot of major renovations are happening.

Ms. Sarauer: — Do you have a projected timeline for completion on that project?

Mr. Tunison: — That should be completed in the next fiscal year completely.

Ms. Sarauer: — The Casino Moose Jaw?

Mr. Tunison: — Yeah. So we'll have Regina done by the end of '22-23, and Moose Jaw will be '23-24.

Ms. Sarauer: — Okay. Thank you. You had mentioned that there had been a renovation to The Last Spike, the restaurant and bar.

Mr. Tunison: — That's correct.

Ms. Sarauer: — At Casino Regina. Can you speak a bit about the profitability of the restaurant and bar?

Ms. Leier: — So for '22-23 we have a \$1.5 million loss budgeted for the restaurant. We do use the restaurant to drive traffic, to bring traffic to the rest of the casino.

Ms. Sarauer: — Just so that I understand, there is an understanding that the restaurant and bar will operate at a loss, but it's been determined that it's still important to maintain it.

Hon. Mr. Morgan: — That's part of the business model, and I think it's like that in a lot of casinos, that the food service is there to prevent people from leaving or attract them to come in, with the idea that they would stay there. So it's — I don't know what the right term is — a loss leader. They use the term "to drive

business."

Ms. Sarauer: — Has there been any work to try to close that gap in loss of revenue? And if so, what was that?

Mr. Tunison: — We do quite a bit of analysis with respect to food and beverage, to ensure that we're competitive with the customers that we have that would eat elsewhere. So we do look at how other restaurants operate, what their costs are, and then we try to be competitive, if you will.

But with, you know, the cost of goods and our cost structures, etc., it does operate at a loss, but we try to minimize it as much as we possibly can while staying competitive with the rest of the market. We try not to be where we're the cheapest in town, but we also understand that we can't be the most expensive area in town.

Ms. Sarauer: — Thank you. What about the Show Lounge? What does that operate at?

Ms. Leier: — Similar to the food and beverage, the Show Lounge does operate at a loss. For '22-23 we do have a budgeted negative net income of 810,000.

Ms. Sarauer: — Can you speak as to what work is being done to attract performers, entertainment to the Show Lounge? I would understand that there'd be some competition between the Show Lounge and other venues in the city.

Mr. Tunison: — Yes, actually we work with a company called Analog who is our . . . They're our buyer and they operate the production aspect of our shows. So you know, he's aggressively, or the company's aggressively out in the market looking for shows to fill the facility for every Thursday, Friday, Saturday we can get. And on opportunities where, you know, if we get a mid-week show that we think we can sell or a mid-week show we think we can fill the building with, we take options at that, too. But we do try to have somewhere in that neighbourhood of, in a typical year, somewhere between 100 to 110 acts perform in the Show Lounge a year. And that doesn't take into consideration we use it for poker tournaments and other things like that as well.

Ms. Sarauer: — I understand it's been a difficult time bringing in entertainment right now and having them . . . There's been lots of instances where entertainment was supposed to come and has had to cancel for a variety of reasons last minute. I'm curious to know for this upcoming year how many dates are booked so far. And is there a projection for what that operating loss will be?

Mr. Tunison: — The numbers at the beginning of the year based off of what we thought we could get numbers of shows, based off of our average annual number of shows, along with the poker tournaments and other special events that we would have, the things that are probably . . . We weren't able to attract a lot of US [United States] acts up, so that's why you saw Barney Bentall as our first show, followed up by a lot of Canadian acts, which are tremendous and have sold out and done very, very well. But we're starting to see those American acts come again and, you know, we had I believe seven shows that were postponed based off of inability — like we're a stop on a tour typically — and based off the inability of those individuals to get up to Canada and then make their tour work. So we did have seven shows that

were postponed, but we rebooked them at later dates. And we did have two that were cancelled and we offered refunds for those two particular shows over that period of time.

Ms. Sarauer: — Thanks. And then just to my second question, do you have a projected loss for this upcoming year?

Ms. Leier: — That would be the 810,000 for the Show Lounge overall. That would be all in there.

Ms. Sarauer: — I thought that was the actual. That's the projected. And the actual?

Ms. Leier: — Okay, sorry. So '22-23 budget, we're budgeting for an \$810,000 loss.

Ms. Sarauer: — What was the actual loss for the year prior?

Ms. Leier: — Okay, sorry. For '20-21 the actual loss was only 218,000 because we didn't have any shows. My apologies for the . . . [inaudible].

Ms. Sarauer: — Oh, I'm sure it was my fault, I promise. It's been a long day, definitely not your fault. Minister, you had mentioned the GameOn 2.0 customer service program. Could you speak a little more about that?

The Deputy Chair: — Could I ask you please to come to the desk there to answer the question? Thank you.

Mr. Pilatzke: — Sorry. Blaine Pilatzke. So our GameOn 2.0 program is essentially an enhancement of a previous customer service program we had, which was GameOn. And it really is about training our staff to greet guests, anticipate needs, and be knowledgeable about all of the stuff that we offer, engaging the guests. So we do provide some training around that.

It flowed out of some work we did around guest-experience strategy, and we engaged a consultant to assist us with that. So through mystery shopping and things of that nature, we found that although we had a good customer experience for the most part, we were a bit weak in terms of greeting and engaging guests, and that's what we've really focused a lot on in terms of this particular program, is to equip our staff to have the confidence but also the skills to engage guests.

[19:30]

Ms. Sarauer: — Thank you. What was the cost of the creation of this new customer service program?

Mr. Pilatzke: — We did it primarily in-house, using our own resources. In terms of the consultant that we utilized, I believe it was around \$200,000.

Ms. Sarauer: — And have you done subsequent satisfaction surveys of customers yet, since implementing?

Mr. Tunison: — So as we were conferring, like the GameOn 2.0, when we first launched it, we did a handful of courses and then we were closed for COVID. So then we restarted it and then had another closure. So this will be the first full year. And we started, we kicked them off about a month ago again, putting

everybody through it again as a reminder and as a refresher. So we anticipate that that will drive the increased satisfaction scores for this year.

But I will sort of point out, we do measure ourselves against, and we did do a satisfaction survey within the last 12 months where our actual scores have improved over the previous one. And it went from the 56th percentile to the 57th against organizations that are casinos or entertainment-based without a hotel, so based off a company that we use. And the second element to that is on our mystery shop. Our mystery shop scores have remained quite high.

We just felt very strongly, based off of the work that we had been doing previously and needing to keep the customer satisfaction training fresh, we needed to refresh it and retrain it so that we are focused on attitude in greeting guests, entertaining, engaging, etc.

Ms. Sarauer: — Thank you for that detail. You had mentioned that you moved from the 56th to the 57th percentile. Can you explain in what regard that score is for?

Mr. Tunison: — So you know, I don't have the survey in front of me, but the survey sort of gets at customer satisfaction based off of a series of questions from a company called NBRI [National Business Research Institute]. That is the consulting firm that we use. And so when it's a percentile-based they would, you know . . . So how the whole industry works, we'd be compared to the whole industry.

So it's kind of a weird number if you will because you're compared to how things are happening at that time and that time frame. It's not an absolute number that moves up or down, if you will. So when we do that, we're always hopeful that we're going to have improvements and we did this time around. But I think we are hopeful that we would at least hold where we were previously.

Ms. Sarauer: — And is that for both Casinos Regina and Moose Jaw?

Mr. Tunison: — Correct. Yes.

Ms. Sarauer: — Thanks. How many FTEs does SaskGaming currently have?

Mr. Pilatzke: — I'm Blaine Pilatzke. Our budgeted FTEs is 593 but we generally run under that. As an example, for 2021 we ended up with 342 FTEs as a result of the closure and only reopening in June of 2021. So there is some flexibility, but that is what the budgeted number was.

Ms. Sarauer: — Thank you. How many are anticipated for 2022? Do you think you'll hit the 500 or will it be lower again?

Mr. Pilatzke: — We've budgeted the 593, but we generally run under that as a result of deploying staff to try to meet guest demand. It really is driven by our operations largely. And so we'll come under, probably by year-end, by 30 or 40, 50 FTEs I would think.

Ms. Sarauer: — So you're expecting it to be lower but probably

above 500?

Mr. Pilatzke: — Historically that's essentially where we've ended up.

Ms. Sarauer: — Thank you. How many of those are in scope?

Mr. Pilatzke: — So for in-scope, we have 410 budgeted FTEs.

Ms. Sarauer: — And out of scope?

Mr. Pilatzke: — 183.

Ms. Sarauer: — You said those are your budgeted numbers. What are your actuals?

Mr. Pilatzke: — Our actuals were 223 for unionized FTEs and 119 for non-unionized.

Ms. Sarauer: — Can you explain why you budget for such a higher number than your actuals?

Mr. Pilatzke: — Our operations department builds schedules and budgets as based on hours of operation. And they anticipate, they anticipate absenteeism and a number of other things in terms of having those hours to operate. And so as a result of trying to align with guest demand and managing staff when it's slower, we bring fewer staff in and build the schedule. So we generally budget, budget for the worst and then actively manage our FTE account or, if you will, hours as best we can to try to reduce that number.

Ms. Sarauer: — So would that result in more overtime or . . . I'm just trying to bridge the divide here.

Mr. Pilatzke: — Actually our overtime numbers are relatively low for the corporation because of our complement of staff. We have a number of part-timers that we can bring in and allocate those staff when guest demand is the highest or when we see these ebbs and flows of the business.

Ms. Sarauer: — And your part-time staff, how many are part-time?

Mr. Pilatzke: — It's a 60/40 split — 60 full-time, 40 part-time approximately, give or take a couple percentages.

Ms. Sarauer: — Thank you. What is the year-over-year increase in out-of-scope compensation?

Ms. Leier: — So for '20-21 out-of-scope, we paid 11.517 million. Our budget for '21-22 is 14 million. So we only have numbers to the end of Q3 at this point. We're still finalizing year-end.

Ms. Sarauer: — Okay. What about in-scope compensation?

Ms. Leier: — In-scope compensation for '20-21 was 5.596 million, and our budget was 11.999 million.

Ms. Sarauer: — Thank you. Minister, in your opening remarks you spoke a bit about the goal that SaskGaming has with respect to the percentage of Indigenous employees. I want to speak to

that a little bit. Could you talk about the initiatives that SaskGaming does to reach the goal that I understand you're not going to be able to achieve this year, but you're getting pretty close and still much higher than other . . .

Hon. Mr. Morgan: — I think the goal is in excess of 40 per cent, and I think we're just 39.5 or something, you know. But we have a strong desire to do that and we have a close relationship with the casinos operated by SIGA [Saskatchewan Indian Gaming Authority Inc.] and want to try and do as well we can. But anyway, I'll let . . .

Mr. Pilatzke: — In terms of our Indigenous employment efforts, in 2018-2019 we crafted and developed . . . And I think I spoke about this perhaps previously about an Indigenous employment strategy. We upgraded that, if you will, or at least revised that in 2021-22 and had a look at it and refreshed it. Given the environment changes that occurred as a result of COVID, we knew that we had to . . . We tried to adapt some of our practices a little bit to try to be more successful, particularly with a focus on non-unionized recruitment in terms of fitting those type of vacancies.

So we have a whole number of things that we do. I mean, one of the things is . . . Obviously the recruitment of equity groups is very much a desire and we're quite proud of the efforts that we've made in that regards. But in terms of our job postings, preference is given to qualified persons of Indigenous ancestry. We encourage applications from qualified people with Indigenous ancestries. We do have a number of relationships with community groups and Indigenous communities in which we recruit from. Essentially our recruiting area is within one hour of Regina essentially, and Moose Jaw. And of course there's overlap between those two properties.

So we do lots of community support work. We do have an Indigenous employee network that has been established in the corporation. And it really provides employees with a forum to share ideas, celebrate culture, and work together to create opportunities to help achieve success, both in work and home environments and in our efforts to recruit in Indigenous communities.

So as I said, in '21-22 a refresh of the Indigenous employment strategy did occur. The strategy contains essentially four recommendations, if you will, or four areas of focus. And it's to continuously reaffirm that the environment is culturally aware and culturally inclusive for Indigenous employees.

We also try to find ways to help better recruit Indigenous employees and to integrate them into a culturally inclusive workplace. And special emphasis is placed on recruitment and inclusion of Indigenous talent in the areas where SaskGaming is well below the 50 per cent goal, such as I said, non-unionized and corporate positions, as well as Casino Moose Jaw, which is quite a challenge given the labour pool that we have available there.

And we also, you know, we try to build upon current initiatives and new initiatives yearly to better retain and advance Indigenous employees while they're employed at SaskGaming. And as an example, in '21-22 we developed what we are calling the operational management development program with a focus on

Indigenous candidates, but others as well, and to try to bridge that gap between front-line positions, which many of our Indigenous employees work at, and bridging them into the management group, providing them with the skills and the ability and hopefully prepare them to take on some greater responsibilities within the corporation as vacancies arise. So quite pleased with that, and that's one of the big initiatives we had in '21-22.

We also have developed a series of training modules for our management group, one of which is really about a manager's guide to onboarding. And that was developed, including a new pre-arrival, day one, two-week checklist to assist managers in the onboarding process, particularly around for Indigenous employees making the transition into our workplace.

We are doing some work around the adoption of 4 Seasons of Reconciliation, which is an online training program. It will be core training, compulsory training for all of our staff, and we're quite pleased. And that was something we entered into in '21-22 as well.

We've had a number of engagement meetings with the University of Regina, First Nations University of Canada, Saskatchewan Indian Institute of Technologies, and Sask Polytechnic as well in terms of trying to recruit into those professional positions, if you will, the corporate positions that we struggled in the past to fill with Indigenous candidates.

[19:45]

Hon. Mr. Morgan: — Does that give you . . . [inaudible].

Mr. Pilatzke: — Yeah.

Ms. Sarauer: — It is, yeah. And you spoke a bit about where I was going, and I think you anticipated I was going, which was the challenge around ensuring that the percentage goal that you're wanting to meet is also reflective in out-of-scope positions. So I am excited about the work that's being done with SaskGaming in ensuring that there is a goal to be met there as well. Could you share what the percentage is currently of Indigenous employment for out-of-scope positions currently?

Mr. Pilatzke: — So currently we are at approximately . . . It depends on the area. So in the corporate office as an example, we're at about 29 per cent. At Casino Regina, I don't know because we track these things by property, if you will, and we essentially have three properties. We're at about 43.8 per cent in operations in Casino Regina. In Casino Moose Jaw, we're at 27.4 per cent.

Ms. Sarauer: — And that's for out-of-scope positions? Corporate executive management-level positions? Okay. That's great to hear. And did you find that the work that you've been doing, the programs that you've mentioned, are moving that percentage higher?

Mr. Pilatzke: — So we've just launched it and so, yes and no. Lately we've had some successes I think in terms of recruiting in some areas, but we have a number of vacancies for hard-to-fill positions, such as IT [information technology] as an example. We've been trying to find Indigenous candidates, qualified Indigenous candidates. Well finding any qualified candidate for

those vacancies has been a bit of a challenge over the last period of time.

So I think we will see, we will see success as we move forward. And I think the minister talked about net hires. And that's such an important concept for us because, you know, right now we're engaged in replacement staffing. We lost a number of people as a result of the casino closures and what have you. So we're hiring at approximately 50 per cent, but we're losing Indigenous candidates at approximately 50 per cent as well. So you know, what we're on is a bit of a treadmill in terms of trying to increase that net Indigenous hire rate so we can move those numbers in a positive manner.

Ms. Sarauer: — So there's been a retention challenge right now. Is that what you're saying? And why is there this retention challenge at this time?

Mr. Pilatzke: — Well we do have exit surveys. And essentially two reasons: there's just many, many opportunities out there that's not shift work and non-traditional hours. And you know, I think that we have done a positive job in terms of training Indigenous candidates, and you know, perhaps being a dealer or a slot attendant for all your life isn't necessarily what they want. So they're getting some additional skills, and they're able to get alternate employment both in the private and the public sector, which is really positive. So it's really those non-traditional hours. I think that it's shift work definitely as well, which makes it a challenging work environment.

Ms. Sarauer: — Absolutely. We have a bit of time left. I'd like to ask a few questions about the online gaming platform that you mentioned, Minister. I know we had the chance to chat about this a bit in bill committee, but I'd like to hear a bit more detail today if that's possible.

Hon. Mr. Morgan: — Yeah, it's a project that's under way. And vendor selection, I understand, is completed, and they're in the process of finalizing all the document selection. And we expect to come online . . .

Mr. Tunison: — We still think it's going to be sometime in the second quarter.

Ms. Sarauer: — So what will this look like once it's completed for the general public?

Hon. Mr. Morgan: — Yeah, you'll be able to download an app, set up an account on the app, and there'll be a number of different games that you'll be able to play. I'm not much of a gambler, but it's FanDuel and a bunch of competing ones that are in the marketplace already. I see your colleague over there is smiling, so I think he probably would be able to give you a more in-depth answer as to what they are. Minister Reiter is far more updated on the different . . . so he and I, we're sort of stickhandling it through.

My goal was to get it in place and to have a partnership between SIGA and the Government of Saskatchewan where the revenue was ultimately split and that it would not be subject to the existing requirements. They would be able to set whatever new programming they want. The remaining portion would come back to the government, would flow back into the GRF.

And I understand from my discussions with the folks at SIGA and FSIN [Federation of Sovereign Indigenous Nations] that they're optimistic that it's coming together as they expect that it will. But from what it will look like on your phone, I have confidence that it will be a professional and competent gaming experience.

Ms. Sarauer: — Thank you for that. Correct me if I'm wrong, there will be a five-year exclusivity contract for SIGA. Is that correct?

Hon. Mr. Morgan: — That's correct.

Ms. Sarauer: — And then how long does the 50/50 revenue sharing continue for?

Hon. Mr. Morgan: — During the same period of time.

Ms. Sarauer: — At that point what will happen? Will there be a renegotiation of the contract or what happens?

Hon. Mr. Morgan: — There was some discussion as to what an appropriate first-time period was. Some people were of the view that it should have been a shorter time period so that people would be able to move on if it wasn't working out as well as they want it to. Some people were of the view that it should be a long period of time sort of reflecting the long term. So the five-year period, the sense was that that was long enough it would allow everybody to work the bugs out, get everything operational, and then try and see how that would work on that period of time.

All going well, I would expect that it would continue to be renewed for longer periods of time afterwards, as the game work framing agreement is right now. So it would be some kind of a similar time period, 5 or 10 years or whatever a long-term arrangement might be on it.

We're always mindful that we're subject to the federal legislation in the Criminal Code as to gambling not being legal in Canada except insofar as it's authorized by provinces, so we're subject to the direction that's there from the federal government. And then there's the issue of the ownership of the slot machines must be owned by the province. So the whole issue is dependent on what will happen, whether the federal government may decide to do something different with the legislation, and that would be a trigger point to review things earlier. Our hope is that the federal government would leave it in place and would not weigh in with a different legislative agenda at this point in time.

Ms. Sarauer: — Right. Have you been hearing rumblings that they might make changes to this, Minister?

Hon. Mr. Morgan: — I'll be honest. I have no idea what the federal government is going to do on much of anything. We hear it in the news. I know they've reached out and done some things on child care, some things on tax issues. And they seem to have an — I don't want to use the term "agenda" — but wanting to support Indigenous people in the province, in Canada. So I don't know if that's part of the agenda or part of the plan. I did have a meeting with Minister Lametti some time ago on a variety of other issues, and they were talking at that time about wanting to be as supportive as they could of First Nations. And I certainly agree with where they want to go overall.

But I worry about whether they might inadvertently do something that upsets what we think is a really good program. We're the only jurisdiction in Canada that's proposed a 50/50 split, a partnership recognizing that they would have the ability to control or participate from an operational point of view, vendor selection, everything else. And they've been outstanding to deal with on things.

Ms. Sarauer: — Thank you. What is the anticipated revenue for 2022-23 with respect to online gaming?

Hon. Mr. Morgan: — Yeah, I think we're anticipating gross revenues of \$15 million, with 5 to \$6 million in net income. Seven years out they're looking at revenues having gone up to \$70 million with a net of 40. I think all of those numbers are speculative. And while we're optimistic and hopeful that they're in that range or more, I don't know. Other jurisdictions are further down the road at having things operational, so we can look at where they are and see how things are as we go forward.

Ms. Sarauer: — Thank you for that. Coupled with this, of course, is the challenge around addictions and problem gambling, especially when we're talking about, you know, a gambling app available to anybody, any time, anywhere. Could SaskGaming please speak to how they are planning on addressing this issue?

Hon. Mr. Morgan: — Yeah, I think you're right. The issue of responsible gaming is really significant. We want to . . .

Mr. Tunison: — I can add to this.

Hon. Mr. Morgan: — Oh, okay. Right.

Mr. Tunison: — Yeah, I can add to that. So with respect to online gambling, 100 per cent of all play has to be tracked through an account to ensure individuals are both 19 or older, that they live in the province of Saskatchewan or within the IP [Internet Protocol] address to allow them to lawfully play. And having all players tracked allows us for more robust options with respect to responsible gambling.

And the online platform will have such things as time and spending limits. It'll have all sorts of features that'll be made available around, you know, the player-initiated features to put their spend habits or their bet habits or their time limits up front. There would be a promotion of informed players' choices on an ongoing basis, where the information is made available to players with regards to, you know, prize structures, percentages, self-diagnostic tools — those sorts of things.

And then the third element is we have the gambling provider action such as, you know, work with self-exclusions, play breaks, and access to staff that are trained to identify and help those with problem gambling.

Ms. Sarauer: — Thank you. Those time and spending limits you'd mentioned, those would have to be initiated by the client, the player?

Mr. Tunison: — Yes.

Ms. Sarauer: — Is there anything that will be the other side

initiated? Are there ad pop-ups, or what sort of other things . . .

Mr. Tunison: — Yes, there is. So, like that was sort of that second type, you know, the promotion of information to those informed players with pop-ups, information letting them understand what they're doing, the prize breakdown, the structures, the percentages, etc.

And then the third is intervention from the perspective of the gambling provider. So you know, when we went to market looking for a turnkey solution, this was an extremely robust part of the thing that we were looking for. And you know, those three types of things are, I would say, in many ways world class.

Ms. Sarauer: — So it's sort of an elevated intervention system?

Mr. Tunison: — Correct. Like the initial things would be like, you know, put your information in, put how long do you want to play, what's your budget, that sort of thing. And then as data's gathered and information is accessed and people are reading reports, you're able to then understand how people's play works and what we need to do, similar to some of things that we would do inside the casino now.

Ms. Sarauer: — Thank you. Being cognizant of the time, I will conclude my questions. I will take the opportunity to thank the minister and his officials for his, for all their answers to my questions, sometimes a bit rambling, my questions. I appreciate your succinct and thoughtful answers to them. Also to you, Madam Chair, as well as the members of the committee, thank you for being here this evening as well as staff, especially Mr. Park and the folks at Hansard and legislative services. Thank you for this evening.

Hon. Mr. Morgan: — Madam Chair, I would just be in favour of the comments made by my colleague. I want to thank the committee members and you, Madam Chair, the building staff, Legislative Assembly Services, broadcast services, and the people that are working an evening when they might not otherwise be.

[20:00]

But I would like to use this opportunity to thank all of the staff at SaskGaming, whether they be management staff or PSAC members. These are the people that are working hard to create a successful business, move careers forward, and we thank them for what they're doing. And we're glad that the pandemic is behind them enough that they're able to be operational, making money again. And hopefully that continues on, Madam Chair. Thank you.

The Deputy Chair: — Thank you, Minister Morgan, and member Ms. Sarauer. Seeing no more questions, we'll adjourn consideration of these estimates. Minister Morgan, would you like a brief recess to switch out officials?

Hon. Mr. Morgan: — Yeah. Three or four minutes just to move officials in and out will be fine.

[The committee recessed for a period of time.]

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

Subvote (ST01)

The Deputy Chair: — Moving on to Saskatchewan Telecommunications Holding Corporation, vote 153. I'll introduce member Trent Wotherspoon. Minister Morgan is here with his officials. As a reminder to officials, please state your name for the record before speaking and please don't touch the microphones. The Hansard operator will turn your microphone on when you speak. Minister, please introduce your officials and make your opening comments.

Hon. Mr. Morgan: — Thank you, Madam Chair and committee members. I am pleased to be here today on behalf of SaskTel and the Government of Saskatchewan to discuss the latest estimates for SaskTel.

I'd like to take a moment to introduce the officials from SaskTel who have joined us today. With me today is Doug Burnett, president and CEO [chief executive officer]; Charlene Gavel, chief financial officer; Doug Kosloski, vice-president, corporate counsel and regulatory affairs; Michelle Englot, director in government relations; Scott Smith, senior director of finance; and I also have my chief of staff, Charles Reid, here who is in the Chamber. And upstairs in my office tonight to make sure we're not making mistakes, so he can pass notes to us, is Mike Aman, our senior MA [ministerial assistant]. So if you see him coming in, it means I've said something wrong. So I'm hoping you don't see him.

After I provide some brief opening remarks regarding SaskTel's 2021-22 fiscal year, I'll be pleased to discuss any specific points or issues brought forward. In this latest financial year which concluded on March 31st, SaskTel had capital expenditures of over \$300 million, which were used to strengthen their province-wide operations, streamline customer service, and develop their extensive networks. Across Saskatchewan, much like in other parts of the world, families and businesses continue to demand faster, more efficient, more reliable, and more secure connectivity.

Without a doubt the pandemic accelerated these pre-existing trends. However SaskTel is meeting this challenge head-on and has been strategically building capacity across their networks to further increase the coverage and quality of service provided to wireless customers. For example, SaskTel completed 126 wireless projects in 2021-22. That includes the construction of 25 new towers, four LTE [long-term evolution] capacity additions at 64 towers, as well as the introduction of 5G on 37 towers. SaskTel's wireless network now boasts over 1,000 individual sites, providing coverage to more than 99 per cent of the population.

In 2021-22 SaskTel has also made impressive strides to bring their most advanced internet technology to more communities. Through the rural fibre initiative, SaskTel is investing approximately \$100 million to bring infiNet service to 45 Saskatchewan communities, which will in turn benefit over 60,000 rural families and businesses. SaskTel anticipates that this

multi-phase initiative will take until the end of 2023 to complete. That said, SaskTel has already turned on fibre service in the communities of Balgonie, Biggar, Langham, Pilot Butte, Kindersley, and Meadow Lake since first announcing the initiative in late 2020. Last month SaskTel was also pleased to introduce their infiNet 1 Gig service for all current infiNet communities, and even faster services are possible down the line as SaskTel continues to evolve and scale their network.

While moving ahead to bring infiNet to more of the province, SaskTel also carried out important investments to strengthen and maintain their other fixed broadband internet network, which continues to successfully serve 467 communities in the province. With DSL, which stands for digital subscriber line, SaskTel completed speed upgrades in 36 communities, including 13 Indigenous communities. They also launched DSL internet and MaxTV stream at a few locations for the very first time, including the northern hamlet of Timber Bay. As a result of these efforts, over 360 DSL communities in Saskatchewan now have access to the CRTC [Canadian Radio-television and Telecommunications Commission] benchmark 50/10 speeds.

There's no question that SaskTel remains driven to provide an extremely high level of customer satisfaction. In a not-so-distant past, any pursuit to improve customer service was usually seen as an inward-looking exercise. However, with new technologies and innovative services being developed all the time, SaskTel has branched out to build relationships and collaborations with many exciting innovators.

To enable smart city initiatives, SaskTel has extended their partnership with Waterloo-based eleven-x. Additionally, after announcing the launch of the living laboratory at the University of Saskatchewan in 2020, SaskTel has announced an MOU [memorandum of understanding] with Australia's Smart Paddock which will bring advanced livestock monitoring and GPS [global positioning system] tracking solutions to Saskatchewan farmers. Looking ahead, we continue to see strong opportunity for SaskTel to act as a bridge between tech and Saskatchewan industries.

In summary, SaskTel this year showed what it means to balance short-term customer service goals with longer term technology and innovation objectives that will certainly benefit our communities and our province. With the strategic investments planned over the next few years, I'm confident that SaskTel will continue to deliver for Saskatchewan people. Madam Chair, that concludes my opening remarks. I look forward to any questions that might arise.

The Deputy Chair: — Thank you, Minister Morgan. I'll open the floor to questions, and recognize Member Wotherspoon.

Mr. Wotherspoon: — Thank you. Thank you, Minister. Thank you, Mr. Burnett, and all the leadership at SaskTel for being here tonight, and all those that are involved in this very important work each and every day across the province.

Maybe where I'd like to start is — a few different areas that I want to canvass here tonight — but just connectivity. And you laid out many of the activities and many of the undertakings SaskTel has taken on to connect Saskatchewan in this last year. You highlighted as well some of the undertakings in the year

ahead.

Maybe just off the top, I'm looking for a bit of an update on any success in accessing federal funds on this front. Of course, we know there's been federal broadband dollars that have been available, and I've heard some new commitments there as well. I think we've talked at some length as a committee, frustration that we haven't been able to secure those dollars in Saskatchewan in a meaningful way to date.

But I'm looking for a bit of an update on the application for those dollars and whether or not we've received some of late.

Hon. Mr. Morgan: — The simple answer is we have not. We have applied to CRTC for 9 and the Universal Broadband Fund for 11. And we were not successful on any of those, although the CRTC did award to FlexNet and to some other carriers some funding for some areas. I'm not sure I necessarily agree with the choices that they chose to select, but nonetheless, any time that the federal government and anyone else funds and there's more access in the province, it's a good thing. We will continue to apply, lobby, and put pressure on the federal government.

Mr. Wotherspoon: — That's good, and that's important. As far as the other dollars that have been received from the federal government, not through SaskTel but to other vendors or other providers, do you know how many dollars we're talking about there?

Mr. Kosloski — So Doug Kosloski. FlexNetwork received \$9.5 million. That was announced two years ago, I believe.

And then there were some recent announcements, and I apologize I don't have that handy. But there were some recent announcements just this year and late last year of some smaller communities under the rapid response stream of the Universal Broadband Fund. That was a stream where some communities like Shaunavon and some First Nations received some funding.

Mr. Wotherspoon: — Thanks. Thanks for that. I would suspect . . . It seems that it's sort of a point of frustration, I think, for at least our committee that we haven't been able to secure those dollars. What is it that the federal government is telling us when we're making these applications and . . .

Hon. Mr. Morgan: — I think that their intention is to want to deal with private providers rather than one that's government-owned, that they will feel they're supporting more community members rather than another level of government. We certainly disagree with that. We think our provincial Crown corporation does remarkably good work and would benefit citizens of the province by having some of the funding flow through them.

[20:15]

To the extent that it comes into the province, we're naturally pleased that money is coming. But it would be, if they chose not to award the grants to SaskTel, it would be nice if they sat down and said, okay where are you planning to go or where have you gone already, rather than, instead of just saying, oh well we'll give it to this particular applicant. Because the FlexNet is one, it was already a large amount of SaskTel coverage there already. And I think one or two of the newer ones were ones that either

SaskTel had it covered or had planned to in the relatively near future. They had ran roughed-in fibre, whatever else. So the money that's being spent is not giving Saskatchewan residents as much benefit as SaskTel thinks it should.

Mr. Wotherspoon: — Yeah, not the maximum value for those dollars deployed for sure. It, you know — and this isn't a criticism of SaskTel or the government — it's a frustration and criticism of the federal government on this front and what seems to be a failure to recognize the value and importance of supporting connectivity in our province. Have they been clear in their communication that one of the problems, one of the reasons they're not proceeding is because in Saskatchewan it's a Crown telecom that . . .

Hon. Mr. Morgan: — No. You know, we're one of the jurisdictions that does have a significant size, on a percentage basis . . . [inaudible] . . . You know, other areas of the nation are covered by Bell, Telus, and Rogers as the larger carriers that are there. So we're sort of maybe a bit unique in that area. But there hasn't been much or any kind of a meaningful debrief as to what they might do.

My request certainly would be that they would sit down and have a discussion, their officials to our officials, to say, okay we're planning to do this; we're planning to do that, and set aside the issue of whether it's a government entity or a private entity so that we can maximize the benefits for our citizens. So I certainly agree with your comments.

Mr. Wotherspoon: — No, thanks for that. And have they expressed concern that it's a public entity and that's one of the reasons that . . .

Hon. Mr. Morgan: — They have not, no.

Mr. Wotherspoon: — So this is . . . We're sort of . . .

Hon. Mr. Morgan: — That's our speculating, yes.

Mr. Wotherspoon: — Do you know how many dollars have been deployed by the federal government on this front? What are the different pools they've had?

Hon. Mr. Morgan: — Within the province, the significant one is the FlexNet. The other ones that came in province would be significantly smaller. But how much they've done across the nation elsewhere, I don't know.

Mr. Wotherspoon: — Yeah, just sort of wondering that per capita piece. And you know, in many ways too this is there to support, I think, rural and remote and northern communities. We have a stronger case to make than, you know, more dense populations, other jurisdictions.

Hon. Mr. Morgan: — You're correct in that. It was a long time before there was any money that had gone out. And it was going out in other areas, and I can't speak to why Saskatchewan was not getting what other provinces were getting, either on any basis or on a per capita basis.

And you're right, our population is well spread out. So those funds would be used to give our people better connectivity that

are living in rural or remote areas. You know, we've spent a large amount of money improving cell phone coverage across the province. We've covered almost all of the major roadways across the province. Virtually every reasonable-size town or village has got coverage. We have a thousand towers across the province. It's a large number. And we'd still like to have better coverage in northern areas and in the deeper rural areas.

Mr. Wotherspoon: — So they haven't stated that it's because it's a Crown entity or public entity. Have they stated any other reasons as, you know . . . Maybe that one thing I know is that because we have a Crown utility we've, you know — and the investments that have been made by Saskatchewan people on this front — we have good coverage in lots of places. We have a lot more coverage we need to provide. Are we receiving updates from the federal government that they feel that we have adequate coverage? What are they sharing with us?

Hon. Mr. Morgan: — I would not be able to speculate on what their thought process is, but I'll let Mr. Burnett make a couple of comments.

Mr. Burnett: — I could add just a couple comments. First of all, they are still in the process of working through, I think, a lot more applications than they anticipated receiving. The federal election I think also slowed them down. So they really just in earnest got to the bulk of the applications this spring, so they're still working through that process.

Another possible strike against Saskatchewan is simply that if you have 50/10 in those communities already, you don't qualify for these grants. And Saskatchewan has done a great job of rolling out 50/10 to a large number, in fact to, I think 360 of our communities have 50/10. So the areas where we really need the funding is primarily in northern locations and those types of locations. And so those would be two reasons why we may not have seen any funding yet. We are still hopeful that we will be successful on some of the applications that we've put in.

Mr. Wotherspoon: — Right. No, thank you for that, and best wishes with those applications. And you know, certainly just a plea to the federal government that Saskatchewan people are the ones that have invested in that network that we have within this province, and the gaps are still significant for those that are impacted.

And you know, those federal dollars are, should be shared in an equitable way, and it's critical that Saskatchewan's able to leverage those dollars and that SaskTel is able to leverage those dollars. So thanks for that work.

Just to the minister on this front, have you had any undertakings with federal ministers on this front? Did you anticipate anything on this front?

Hon. Mr. Morgan: — We're hopeful that we'll be able to have some discussions going forward. During COVID, there was not a lot of communication between any of the federal ministers and the province. And when there was, it was usually a brief discussion, a telephone conversation, and a commitment that you were going to have a meeting later on once the pandemic lifted. So I'm hopeful that as we go forward, we're able to do something.

Their election certainly slowed down everything that was taking place. There was, you know, a federal election, and not that long before that we had an election. So during that period of time there was not a lot taking place.

Mr. Wotherspoon: — No. Thank you. Well, best wishes to all the leadership of SaskTel on this front, and again to the federal government, I think it's incumbent that Saskatchewan receive its equitable share. And I think it's also important for us as a province to be hearing, you know, what the concerns have been to date because it doesn't seem to be fair that Saskatchewan has been shut out to date.

Just moving along to the work on connectivity, and of course there's different tools to connect Saskatchewan that are being used — fibre, the various towers. If you're looking at the total expenditure in the next fiscal year, '22-23, associated specifically with expanding connectivity, can you share what that is and then break out the different areas — the various towers and fibre — and then just compare that to I guess what the trend has been over the last couple fiscal years?

Hon. Mr. Morgan: — We had, over the last number of years, a significant push to increase the number of cell towers. The cell build-out is, I wouldn't necessarily say complete, but it's reached a level where they're shifting towards increasing the amount of fibre into smaller or rural communities. The larger centres have been completed.

Mr. Burnett mentioned about the 50/10 that exists, a lot of areas in that probably procured some federal funding. And 50/10 has been held out as sort of a reasonable yardstick for coverage. But if you're in a home that's got somebody that's a gamer, somebody that's watching Netflix, two or three other people doing online learning, 50/10 will not be sufficient. It will slow down significantly from that. That works really well for one or two people.

But some of the things that are there, so an increasing number of the places where there is 50/10 are now being offered infiNet or upgraded coverage to try and increase that. But over the next year the budget is significantly enhanced, and that will be focused on connections to the home in a number of communities. So I'll let Mr. Burnett provide the particulars on that.

Mr. Burnett: — Thanks, Minister. As you're probably aware, we're budgeting for \$337 million capital expenditure this year. Over the next five years we anticipate spending something in the order of about \$1.5 billion. The lion's share of that capital will go towards technology advancement.

Maybe just breaking it down a little bit kind of along the lines that the minister mentioned. We intend to spend approximately \$82 million. We've budgeted to spend about \$82 million this year. Inside of that envelope are two or three main categories, the first being kind of a reduced expenditure on the nine major centres. We are now getting near the end of completing all of the nine major centres in the province and so that amount is actually reduced, to your question in terms of how is it shifting.

A category which has increased this year is the amount that we are spending on rural fibre, driving fibre deeper and deeper into rural communities. We are now to the point in the most recent

announced program of providing fibre to communities as small as 1,000 people. And that is a significant accomplishment when you look around Canada and see that very few communities even close to 1,000, are covered by the large providers.

By far, the largest budget item this year is on our wireless network. We are budgeting to spend \$110 million on our wireless network, over half a billion dollars over the next five years. That will be a significant increase from where we have been in the past. It's driven primarily by the fact that we are in the process of replacing our previous 4G supplier, which was Huawei, with a new supplier, Samsung, as are the other national carriers all in the process. Both Bell and Telus had a large portion of Huawei equipment in their wireless network. So really there was no choice as there was kind of a ban or potential ban hanging over everybody's head.

And we're all in the process of slowly moving to 5G and had to make a decision as to who that network vendor would be. We, in our case, chose Samsung. Quite happy with Samsung, and we will spend almost all of the . . . I think 105 of the 110 million will be spent on replacing the Huawei equipment and adding the 5G equipment. There's another 5 to \$7 million that will be spent simply on capacity enhancements on the existing network and moving things around that, that type of thing.

We also have a very large wireline network, as you can appreciate, and we have budgeted \$80 million for that. A large portion of that is just growth, so demand is a big piece of that budget. And there's customer-type requirements as well, and as the network grows we also have core requirements. So both the network and the core will need to grow as more and more customers sign on, as well as we continue to enhance our TV offering and our internet offerings. That is all kind of under that umbrella.

And finally the last big expenditure, not directly towards technology I think as per your question, but certainly necessary and supportive, and that is simply our customer support systems that go along with that. So our CRM, our customer relationship management process, we are in the process of evolving that to line up with our wireless process so we have one view of the customer. It will allow us to enable customers to do more self-serve and self-install, and simply give us . . . make it easier for us to serve the customer and the customer really to do business with us. So those are kind of the large chunks.

[20:30]

Mr. Wotherspoon: — Well thank you very much. The rural fibre investment, you, you know, gave a number for each of the other amounts there. The rural fibre, what's being dedicated there?

Mr. Burnett: — Rural fibre is \$35 million.

Hon. Mr. Morgan: — We're also working with a number of private providers to try and either enter into contracts with them to designate an area that they want to carry on in or just do the installation, whatever. Not considering it as being a competitive issue, just a matter of trying to get as many opportunities in the province to try and have fibre put into various communities.

Mr. Wotherspoon: — And is that what we've talked about before, where there was a policy in place I think for sort of a two-year hiatus to compete with a community, for example, or a region that might be provided by another vendor?

Hon. Mr. Morgan: — That would be correct.

Mr. Wotherspoon: — As far as the customer support piece that supports all of this, what sort of expenditure does that require this year?

Mr. Burnett: — That, together with our IS [information services] systems that's also supported — it's kind of a mixed bundle — is 65 million.

Mr. Wotherspoon: — And now is that function contained within the corporation or to a contractor within Saskatchewan?

Mr. Burnett: — It's all systems within the corporation. The work is done by a combination of SaskTel employees and contracted consultants that have different skill sets, you know, as necessary.

Mr. Wotherspoon: — Now I'd heard something about, you know, does this connect to this work here, the contract that had been in place with ISM before? And now has ISM been acquired by Kyndryl, I understand? And I understand that there's a . . . It's been suggested to me that there's a change where there was sort of nine jobs here in the province with ISM that may not be in the province anymore now with this acquisition or this change of service. Can you provide some context on that?

Mr. Burnett: — Yeah, I'm not completely familiar with the takeover or what work is remaining in the province as a result of that takeover. I can tell you ISM does provide some consulting work for us. They do a fair bit of work on the billing side for us. And so if they've decided to move their building facilities, that could potentially have led to jobs moving from Saskatchewan to another location.

Mr. Wotherspoon: — Okay, but we don't have an update as to . . . Like, so I'm hearing that there's a few jobs that have been impacted. We're not sure of the status of those?

Hon. Mr. Morgan: — Yeah, we don't know.

Mr. Wotherspoon: — Okay. Yeah, so I've just had it raised with me, and I guess I raise it with you and maybe it's worthy of some follow-up. It sounds like there's talks about where there used to be nine, you know, good local jobs in one area that seem to be now being moved out of Saskatchewan, and another situation where there's four other people local to Regina that will be displaced by this change apparently as well. So I'll identify it. I know that employment in Saskatchewan is something that we all value, and I think it's been a point of concern for some folks that are impacted on this front.

Hon. Mr. Morgan: — We'll certainly make some inquiries.

Mr. Wotherspoon: — The minister identified that the 50/10 standard really isn't adequate in many ways for, you know, high traffic for a busy home or a busy business location. What is the goal now for . . . Is there a new standard that's being established

by the government and/or SaskTel?

Hon. Mr. Morgan: — 50/10 worked really well for a number of years and still works relatively well. In a lot of areas, a lot of communities, it's very adequate. The gold standard or the better standard right now would be a fibre connection into a home, and then it's virtually whatever the customer negotiates with SaskTel for whatever program is available. And I think we've got one that goes up to a gig now?

Mr. Burnett: — Yes.

Hon. Mr. Morgan: — So, yeah.

Mr. Wotherspoon: — Thanks for that. When you're talking about the mobile network or the wireless network, could you break down a little bit of what that looks like? I think in the past we've talked about the different size towers on this front, the Fusion towers being the larger ones, and I think they run at about a million dollars. On the cell phone tower piece, I think they were, if I recall, \$120,000, you know, or something. Different radiuses that the . . .

Hon. Mr. Morgan: — Your numbers appear to be accurate. The large towers are about a million dollars. The small ones are slightly over 100,000, and I'll let them answer as to the number of each. And there is a significant different radius of the coverage that's on them. In rural areas the larger towers are far more efficient. If you're trying to cover an area along a highway, you'd put one every whatever-number-of-towns apart to try and maintain good coverage. The small towers, you would put in neighbourhoods within Regina or Saskatoon or something. But I'll let you . . .

Mr. Burnett: — Yeah, happy to just give you a quick rundown on the wireless technology. So the macro towers — we call them macro — are the large towers and they are about a million dollars a tower. And they will broadcast for somewhere in the neighbourhood of a 20- to 25-kilometre radius. We use those towers, you know, primarily in more rural locations, not so much in communities. Although, you know, for a large community, we may put one of those in. But because they have such a large radius, they work well for covering large distances and catching, you know, farms, highways, different communities that might fall within that radius. So those are a million dollars a tower. We put in, I think, about 89 of those under the Wireless Sask program just a couple years ago, and we covered a number of gaps in highways, those kinds of things.

The next from there that we did put in, we put in a number of 100-metre towers. They were the small towers. And they are, you mentioned I think, about 120,000. We put in, I think, 107 of those or 105 of those in small communities around the province. They greatly improved the cell coverage. They have about a 6-kilometre radius, and of course they work fantastic in a small community.

And then Fusion, that you mentioned, is a technology that we add on to. In some instances we build towers, but primarily we add it on to an existing tower. And that is a fixed wireless solution, so it broadcasts from a fixed location on the tower to the homes that might be around. It would require a receiver. And so we serve about 700 communities through Fusion. It is an ideal solution

where it just isn't feasible to plow copper or fibre to each of those 700 communities. You just can't make a business case out of it. But you can get that signal.

I can tell you the Fusion technology today is limited at 10 gigabits, which is in our opinion something that needs to be upgraded. As the minister mentioned, 50/10, that will soon be I think falling by the wayside. That is, by the way, the CRTC standard, 50/10. They are looking for 100 per cent of the homes to have 50/10 by 2030, just to put it all into perspective. We've certainly come to the conclusion that there are a lot of instances where 50/10 is not sufficient. Fibre on the other hand . . . I should mention that 50/10 is the maximum speed that we can get out of the copper, at least under today's technologies.

Fibre, as you may have seen recently, we can get 1 gig and have turned up all of our fibre communities to 1 gig service. So that is a significant jump from the 50/10 and, as we go forward, we'll continue to allow any communities that get fibre to be able to access the 1 gig. And it's 1 gig downloaded; it's 500 megabits up. And both are becoming extremely important, particularly for gamers and those types of folks. I think that pretty much covers the wireless technology.

Hon. Mr. Morgan: — To put up a tower, you actually need three things. You need to have available land and support for the community that they don't want . . . And it's been surprising. A number of communities have said, we don't want to see it but we want the coverage. The reality of it is . . . [inaudible] . . . You need to have a piece of land that's owned or can be acquired by SaskTel; fibre up to it, and that means one of the fibre lines that are going down the highway or an adjacent area would be able to access the land; plus of course electricity to it. The towers almost all would be equipped with battery backup, so if there's a disruption in electrical service that they would operate for, how many hours? Usually 24 or . . .

Mr. Burnett: — Yes.

Hon. Mr. Morgan: — Roughly 24 hours the cell phone coverage would be there. You know, in some situations where the power outage is longer than that, then the batteries will run out.

Mr. Burnett: — I wonder if I could just add to . . . I should have mentioned 5G just in terms of the evolution of the wireless technology and what that will do for us. Today we're using 4G. It simply stands for fourth generation; 5G, fifth generation, fifth generation technology.

We will be using Samsung. They are our sole provider, both for the RAN [radio access network] and the core. It will allow us to provide speeds well in excess of a gig, you know, as we add more spectrum and more technology to it. Some of the larger providers are already looking at providing speeds of 1, 2, and even 3 gigabytes and so our wireless network will evolve to that, as will our Fusion network and our towers in rural areas. So you know, today we do have an issue with coverage and speed in rural areas. As we deploy 5G, it will help significantly with some of those issues. So that's the push to get that out quickly.

Mr. Wotherspoon: — Thanks for . . .

Hon. Mr. Morgan: — You know, 5G coverage exists in this

building, and right now it's 300 megs.

Mr. Wotherspoon: — Right.

Hon. Mr. Morgan: — So if you like, we'd be glad to sell you a new phone.

Mr. Wotherspoon: — Thanks for that information as well. Maybe just very specifically then, the number of new towers, the small towers, the \$120,000 towers, and then the macro towers, the \$1 million towers, how many more are being brought online in this current fiscal year?

Mr. Burnett: — We won't be adding very many more. I would say maybe in the neighbourhood of about 30 of the large towers, if I remember correctly, and I don't believe we're putting up any small towers.

Mr. Wotherspoon: — Just a very specific question here, just because, you know, it was a point of public conversation at one point just a little while back and I was just looking for an update. It was a surprise to me to hear from Ministikwan First Nation — and I know each First Nation of the 74 across the province are going to be in different situations for connectivity — but hearing from the chief and council there that they had connectivity to the internet, but they don't have any cellular coverage.

And I know they've been, I believe, working with the minister's office at times trying to get that resolved, a community of over 1,000 residents. Has there been a resolution on this front, or is there a plan in place to make sure Ministikwan First Nation has cell coverage?

Mr. Burnett: — We've been in contact with Ministikwan. I wouldn't say that there is a solution that has been agreed upon to this point. We will continue to look at options to see what it is that we can do to help them. You know, one of the things is, as I say, as this 4G network evolves, the coverage in all of these locations will improve. With 5G it may well be that you don't need to even add new towers, so it's a matter of trying to balance how long it might take to get there with the needs we have today. So we are in communication with them.

Hon. Mr. Morgan: — I think your point is valid that the First Nations are often spread out. It's not one community that's easy to service. They're often spread out over a large number of miles. It's more like a farming community or something. So having said that, I think the desire is to try and provide the best possible coverage, whether it's on-reserve or otherwise. And they're working towards whatever options are available and continue to do so.

That is one of the things that would have been part of the applications to the federal government, would have given more First Nations coverage.

[20:45]

Mr. Wotherspoon: — Is Ministikwan unique? You know, it was a surprise to me, to be honest, and this exposes that I wasn't aware of that, you know, just the divide on this front. I sort of would have thought that larger First Nations that would have sort of a population of over 1,000 people would have cellular

coverage. So is Ministikwan an outlier? Or is that rather common for many other First Nations across the province as well?

Mr. Burnett: — I would say that there are many First Nations that are underserved. But just to give you a sense of why, the minister touched on it just briefly in terms of how widespread they are. Many of the First Nations cover large square kilometres. So we're looking at say one First Nation that is 50 to 100 square kilometres in size and has about 900 people, population. When you serve a community of 900, it's about two square kilometres, just to give you a sense of how much easier it is to cover communities versus rural, really sparsely populated areas. And so as a result, it's not just the size of the population but whether or not you can actually service them in a feasible way. And so we are very much looking for solutions that will allow us to do that.

And one of the things that we have done is we have established a rural broadband partnership program where we are working with small ISPs [internet service provider]. I think the minister mentioned a little bit about this earlier. And we are providing some capital, some assistance in exchange — it's a partnership program — for them to go to some of the First Nations and see what might be a feasible solution. It would be a fixed wireless solution, like I talked about before, where one system broadcasts and several can receive. And I think today we are working with about 26 First Nations on trying to advance that type of a solution.

Hon. Mr. Morgan: — It'll depend on . . . The roadway that goes through may have better coverage. The people that are more removed might have lesser coverage unless they're able to get a Fusion tower. But one of the applications before the feds was for Ministikwan specifically.

Mr. Wotherspoon: — That was my understanding as well. And it's different tools that you're using then for, like, say a rural agricultural portion of the province where there's, you know, maybe very few homes within the area. So is there different tools and technology you can deploy in a spot like that as opposed to a First Nation where you've got larger population but it's, you know, distributed obviously broader than a township or a city?

Mr. Burnett: — Yeah. There are a few technologies. Of course we have copper out to most of those locations today, which does get some rudimentary internet to some of those locations.

But probably the primary solution for this is going to be low-orbit satellites, you know, the type that are put up by Elon Musk and Starlink. We don't view those as a competitor so much as, you know, a way to supplement internet service to some of the more remote locations. And the way that works, of course, is they do have limited capacity, but for a single farm it would be fantastic. For a larger community, probably not so much. And so if we can't get to some of those farms with technology like Fusion or like 5G, those will help us to cover some of them, but not the deep, deep, remote farms.

Mr. Wotherspoon: — No, thanks for that. To the minister: what's the dividend policy for the current fiscal year? And then what's the dividend plan for this year?

Mr. Burnett: — The '22-23 plan has been approved with a 70

per cent dividend.

Mr. Wotherspoon: — More specifically to the minister on this front: is there any active review of that dividend policy for, you know, an invaluable Crown like SaskTel at this time?

Hon. Mr. Morgan: — The dividend is comparatively small compared to the capital spend. You heard the numbers before; we're talking literally in the hundreds of millions of dollars. So the dividend policy would not impact what the capital spend is, you know. I mean, it's a small amount, and the GR [General Revenue] budgets on what the returns are going to be from the various Crowns.

SaskTel makes the decisions on what it's going to do by way of a capital spend based on what it needs to do to maintain debt/equity ratio or return on equity. So that's sort of the process that they go through. They make a recommendation and it would usually be accepted, as long as they were doing everything.

The capital expenditure . . . And I appreciate the point you're making is that more money would be better. We're probably approaching the capacity of contractors and individuals to install, where you can only . . . By putting more money in, you generally bid up the available suppliers, the people that are doing trenching, laying, whatever else. So I think their position that SaskTel would take is that they are maximizing everything they can do right now to do it.

Naturally we'd like to have some money from the federal government. It would enhance some things, and we think it's an appropriate sharing to have happen. But I understand the point you're making, but the intention would be to continue the existing dividend policy.

Mr. Wotherspoon: — Well I won't debate the matter further because I know our time is limited. The minister knows my position, that I think it's in need of a review at this point. And SaskTel's such a valuable Crown to the people of the province, and connectivity's so transformational economically and in people's lives that, you know, I think we have to enable it, of course, and while keeping rates, importantly, affordable and keeping SaskTel competitive in our urban markets.

Hon. Mr. Morgan: — Your point is well taken, and the overall practice is to continue to do it. The dividend that's projected for this year is a 20 per cent reduction over the previous year, with the intention that we want to maximize the amount of capital investment that could be made.

Mr. Wotherspoon: — Right. With respect, connecting a bit, to labour force within the province — more specific to SaskTel's labour force specifically — where are you at with labour force development and needs, challenges on this front? And maybe just speak to some of the initiatives that you're taking on to address those challenges.

Mr. Burnett: — Sure. We do survey our folks once a year just to kind of take their temperature in terms of engagement, development. We do have a couple questions aimed directly at the need for development, so we do a lot of in-house development and some specific skills training, those types of things that are driven by the business.

Just generally speaking, I would say that with the work-at-home initiative and it becoming more acceptable, there is more pressure on our workforce these days from competitors. What we have found is that some of our very highly skilled folks are in demand because all of the national carriers are doing the exact same thing we're doing. They are in the process of changing out their 4G network. They are in the process of building fibre networks. And so there are very few individuals in high demand that have the skills to plan and execute on those types of initiatives.

So we have lost more than our usual share of people who can go to work, say for Telus, tomorrow without changing their address. Their kids still go to the same school, virtually no change, presumably making more money. So the attraction-retention piece has become a little trickier from that perspective. It's much easier for folks to move on to other opportunities.

Having said that, we do not have a single position that I'm aware of that we have not been able to recruit for, so it is becoming more of a challenge. We do do more in-house training, but generally speaking we have been successful in recruiting the talents that we need.

Mr. Wotherspoon: — No, thanks for that information and the work and the focus on this front. With respect to the retention challenge specifically and a bit of the emerging trend that you've assessed here in some of the high-demand areas, could you speak to those sort of high . . . those roles that are in high demand and any other efforts to try to address that retention challenge? Or do you feel as times move on that that might stabilize a bit as well?

Mr. Burnett: — We do a number of things to try and stave off people leaving. We do identify what we would describe as some of our key folks, and we have what we call stay interviews with them. So we want to make sure they're happy. We want to understand what it is that might cause them to consider to leave, and to the extent that we can address those issues, we do. We have created a number of jobs that are now work-from-home jobs, so that those employees who may be tempted to leave because they would prefer to work at home rather than in the office would have that option with us as well.

So we are being relatively proactive to the extent that we have the opportunity to work with folks who have indicated they're thinking about leaving. We're meeting with them and certainly trying to make sure they understand how valuable they are. So there is a significant focus on retention specifically.

Mr. Wotherspoon: — No, thanks for that. Could we get an update around the representation within the workforce or the representative workforce, and just maybe some statistics on where we're at on different fronts and what sort of progress is being experienced?

Mr. Burnett: — Like percentages? Is that kind of what you'd like?

Mr. Wotherspoon: — And a bit of a trend if you're able with those percentages.

Mr. Burnett: — Sure. So I would say just talking within the telco, we have a representation of about 10.2 per cent Indigenous folks, and that has been trending up although very slowly. For

visible minority, our representation percentage is 12.2 per cent, and that number has been increasing rapidly. What we are finding is that many visible minority folks have some of the technical skills in particular that we are looking for, and that's what's driving that up. Folks with disabilities, we're at 7.2 per cent, and I think that's relatively flat. And percentage of women is at 40.5 per cent, and again that has stayed relatively flat I would say over the last few years.

Mr. Wotherspoon: — And this remains a focus to continue to find progress on all of these fronts? Is that fair to say?

Mr. Burnett: — It absolutely is. We get reports on what progress, how many people are hired, how many fall into each of those categories, every month.

Mr. Wotherspoon: — And as far as, sort of, the executive roles, have you experienced any turnover in the last year, or are you anticipating any imminent changes on that front?

Hon. Mr. Morgan: — Doug's still here. He's here tonight, and we're not planning on retiring him any time soon.

A Member: — That's good news.

Mr. Burnett: — You didn't mention termination, but no retirement. No, it's been relatively stable. Very fortunate to have what I think are an excellent executive team. I do anticipate that we will have a couple of folks eligible for retirement within the next year. And we have made a change at our customer sales and support, our vice-president, customer sales and support position. We had recruited an individual from Ontario who decided not to stay for long, and we have since filled that position with an acting person.

Mr. Wotherspoon: — Thanks for that. Did you utilize Boyden on the executive search for that role?

Mr. Burnett: — No, we didn't. No, we did that in-house.

Mr. Wotherspoon: — In-house.

Mr. Burnett: — Yeah.

Mr. Wotherspoon: — Maybe a question for the minister as CIC [Crown Investments Corporation of Saskatchewan] minister. I've noticed that the executive roles sort of across the Crowns have consistently been filled utilizing or going through the process with Boyden, an executive search company. I think that that's a departure from how the Crowns have gone about this in the past, working with various different executive search companies. Could you speak to the policy purpose of one provider?

[21:00]

Hon. Mr. Morgan: — I'm guessing that it was a choice made at CIC that they would've had, you know, some kind of request for qualifications and that may be the company of record for doing that. I think they're a Saskatchewan company, but I know little about them and did not participate in the selection at all.

Mr. Wotherspoon: — Okay. So as minister you're not aware of

a policy change that has brought sort of all those processes and consolidated, well maybe not consolidated but . . . [inaudible].

Hon. Mr. Morgan: — I'm not aware of any.

Mr. Wotherspoon: — Last year your government acted on executive compensation with some significant reductions of the executives' compensation. Where does that policy stand this year?

Hon. Mr. Morgan: — It's continuing. It was a permanent change.

Mr. Wotherspoon: — As Minister of CIC, are you aware of any significant challenges that's created by way of either legal challenge or retention issues or recruiting issues?

Hon. Mr. Morgan: — I can't say that there was none. I reached out and talked to all of the CEOs and had discussions with the COOs [chief operating officer], and my question was whether that was affecting any of the senior staff. And there may have been one or two, but by and large it was accepted.

Mr. Wotherspoon: — With respect to any privatization conversations or equity stake by private capital, has there been any activities in the last fiscal year and are there any considerations in the current year? Anything that would be considered privatization or an equity stake or a partnership?

Hon. Mr. Morgan: — I'll let you put the question to Mr. Burnett as well, but from my perspective there's been none. If somebody wants to have a meeting, asks for a meeting, I usually have the calls screened before it goes. And I would not take a call or take a meeting from anybody that has that as part of their planned agenda. So the answer to your question is no, not on the agenda at all.

And I know this question came up at one of the other Crowns some time ago and there had been something, an overture that had been made. I haven't discussed it in preparation for today's meeting. So if you want to ask the question to Doug or any of the other officials here, go ahead.

Mr. Burnett: — I can tell you that I have had no discussions regarding any equity stakes in SaskTel.

Mr. Wotherspoon: — Okay.

Hon. Mr. Morgan: — As I indicated at the outset that I would have people upstairs for something, I'm told the individual boards chose to use Boyden. And what the discussion was with CIC, I don't know, but there was decisions that were made at each of the individual boards as they went through the process. Sorry, I didn't hear your answer, but I trust it was adequate.

Mr. Burnett: — Well it . . . [inaudible] . . . The answer was that I have not had any equity discussions.

Mr. Wotherspoon: — Okay. Just looking for update around accounts receivable. Of course it's been a couple years where there's been economic hardship for many households through COVID and facing economic challenge. What are you seeing by way of accounts receivable? Do you see growth on that front?

How are you doing with the deferral? I know there was the deferral program and then the collection that was required. Just looking for an update on where those accounts were at.

Hon. Mr. Morgan: — Well I'm going to let the officials give you that. As you're aware, during the more serious lockdown portions, we waived a lot of the charges for data overage. And now we're in, I think, our second month of no charge for long-distance service to or from Ukraine into the province.

Mr. Wotherspoon: — Right.

Hon. Mr. Morgan: — And that we expect, not that I'm . . . We expect to continue throughout whatever the issues are in Ukraine, and we certainly hope it doesn't. They're, I think, looking at it on a month-by-month basis. But at the beginning I know there were some issues that the . . . our receivables were going up. And I'll let . . . Go ahead.

Ms. Gavel: — Charlene Gavel. Yeah, the interest deferral program was really quite successful. In fact the receivables did go up, but we were very successful in collecting to the extent that we normally would. So we did worry given the time through COVID and, as you said, financial hardships that there might be additional bad debt which we accrued for in the prior year but have reversed this year. So what we saw was that bad debt didn't at all increase, and I think that the program was very helpful in making that happen.

Mr. Wotherspoon: — No, that's good, and I'm cognizant of the time. I see Madam Chair giving me the signal here. Just before I close out, we just urge the attention to consider the interest rate on some of that collection that maybe has folks in a precarious situation right now. Obviously you need to get your dollars back, but you certainly don't want to leave somebody in a spot where they just aren't able to catch up.

But noting the time on the clock, I just want to say thank you so much to the minister, to CEO Burnett and all the leadership that's here tonight and all the workers, all the teams that are involved in the work of SaskTel each and every day within this province. It's invaluable to the people of our province, and to them I say thank you.

Hon. Mr. Morgan: — Madam Chair, to you I would say thank you. To the committee members on both sides, I would thank them as well as the building staff, broadcast services, the Legislative Assembly Service, but particularly the staff at SaskTel who are here not just tonight but they work continuously, and a lot of the people that work late nights, the security services, etc., for SecurTek, etc., and during the last few days were in the southwest corner of the province trying to restore coverage as quickly as they could. And we know that they were out in cold, unpleasant weather trying to deal with at-risk conditions. And for that, I think we continue to thank them. So to all of the workers at SaskTel, thank you.

The Deputy Chair: — Thank you, Minister Morgan. Thank you to member Wotherspoon. Having reached our agreed-upon time for consideration of these estimates today, we will adjourn consideration of these estimates. I want to thank the minister and his officials for being here this evening, and of course to the committee members, legislative services. And I would now ask

a member to move that this committee do now adjourn.

Mr. D. Harrison: — I so move.

The Deputy Chair: — Okay, Mr. Harrison moves. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — This committee stands adjourned to the call of the Chair.

[The committee adjourned at 21:08.]