



# **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

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## **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

Mr. Fred Bradshaw, Chair  
Carrot River Valley

Mr. Nathaniel Teed, Deputy Chair  
Saskatoon Meewasin

Mr. Steven Bonk  
Moosomin

Mr. Ken Cheveldayoff  
Saskatoon Willowgrove

Mr. Greg Lawrence  
Moose Jaw Wakamow

Hon. Tim McLeod  
Moose Jaw North

Mr. Doug Steele  
Cypress Hills



[The committee met at 15:59.]

**The Chair:** — Good afternoon, everybody. Okay, we're going to have to quit talking about hockey for just a little while here while we get started. I'm Fred Bradshaw, the Chair of the Crown and central committee and I want to introduce the members.

Substituting for Steven Bonk we have Gary Grewal. Also along with us today we have Ken Cheveldayoff, and substituting for Greg Lawrence we have Terry Dennis. Substituting for Tim McLeod we have Terry Jenson, and substituting for Doug Steele we have Hugh Nerlien. Also we have Nathaniel Teed, who is the Deputy Chair here, and we also have along with him, Trent Wotherspoon.

Before we begin, I'd like to table the following documents: CCA 25-29, SaskTel: Responses to questions raised at the December 20th, 2022 meeting; CCA 26-29, Law Clerk and Parliamentary Counsel: 2021 bylaws filed; CCA 27-29, Law Clerk and Parliamentary Counsel: 2022 bylaws filed; CCA 28-29, Law Clerk and Parliamentary Counsel: 2021 regulations filed; CCA 29-29, Law Clerk and Parliamentary Counsel: 2022 regulations filed.

We will now do the consideration of Bill 97. And today we will be considering four bills: one with the Ministry of SaskBuilds and Procurement, one with SaskTel, and two with SGI [Saskatchewan Government Insurance].

#### **Bill No. 97 — *The Architects Amendment Act, 2022***

##### **Clause 1**

**The Chair:** — We'll begin with Bill No. 97, *The Architects Amendment Act, 2022*, clause 1, short title. Minister Carr is here with her officials. And I'll ask the officials, when you speak to please state your name for *Hansard* if you would. And don't touch the microphones or Anne will come and slap your hands. The Hansard operator will turn on your microphone when you begin speaking to the committee.

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

**Hon. Ms. Carr:** — Sure. With me today, I have Laine Goertz-Kaeding, and she'll be here to help me answer some questions; and of course, my deputy minister Kyle Toffan.

And opening comments. So the Government of Canada and the European Union have negotiated a mutual recognition agreement to recognize professional qualifications, allowing labour mobility for architects.

The Ministry of Trade and Export Development was engaged throughout this process. The Minister of Trade and Export Development has provided a letter to the federal government indicating Saskatchewan's support in adopting this mutual recognition agreement.

The Saskatchewan Association of Architects is the regulatory body for architects in this province, operating under *The Architects Act, 1996*. The Saskatchewan Association of

Architects was engaged with, throughout the mutual recognition agreement negotiation process and indicated that legislative changes would be required in order to legitimize the mutual recognition agreement in the province.

*The Architect Amendments Act, 2022* makes minor amendments to allow for the definition of trade agreements, and includes subsections providing the Saskatchewan Association of Architects the authority to issue licences to practise architecture to those covered under trade agreements. It also provides the authority to draft regulations identifying signed agreements.

The federal government has indicated its mutual recognition agreement is to come into effect in January 2023, and is aware that Saskatchewan will be making legislative changes to allow this to occur.

And with that, we will take questions from the committee.

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

**Mr. Wotherspoon:** — Thank you. Thank you, Mr. Chair. Thank you, Minister. Thank you, officials, for your time here today. The bill seems fairly straightforward. I would just want to get a sense of where the key stakeholders are on this, and that's the Saskatchewan architects association. Of course they're invaluable on this front. You identified them. They play a very important role in the province. Certainly their members and their member businesses play such a vital role in this province economically, building the infrastructure that we all can be so proud of and with the integrity that we can count on.

So I just want to get a full understanding of your consultation with the Saskatchewan architects association and any concerns that they've identified with you on this front.

**Hon. Ms. Carr:** — So I guess just to your question, the Saskatchewan Association of Architects really is the only group that we actually consulted with because it isn't a broad spanning group of stakeholders. They are the stakeholders. And before we spoke to them, they were actually dealing with the relation committees of regulator organization of architects.

And so they had negotiations and discussions with them which brought them to this point to come to us and say, we would like to see these changes within legislation. And of course the change truly is to recognize their professional qualifications and allow labour mobility for architects. And there were no concerns.

**Mr. Wotherspoon:** — Yeah, and just to be clear, the association, is it fair to characterize that the association itself was advocating for this very change?

**Hon. Ms. Carr:** — Yes, it is fair to assess that.

**Mr. Wotherspoon:** — Just the importance of being engaged with stakeholders and listening to these members is critically important. I know there is opportunities to, I think, learn from and work with, you know, professionals like this.

Certainly when you look at the architects in Saskatchewan,

they're outstanding, as well as the operations, the school in Moose Jaw, the polytechnic is very important to our province, very important to our economy as well. They're certainly one of the professions that are so critical when we're looking at procurement and maximizing economic benefits as well, maximizing value, and engaging those professionals that we're so proud to have within this province, building those businesses and always doing so in such a creative way and growing that employment.

Is there anything in this bill, any change that will strengthen the recognition and improve local procurement for Saskatchewan architects in this legislation?

**Hon. Ms. Carr:** — So I guess as far as Saskatchewan procurement, there's nothing specifically in this bill. But what this bill will allow them to do, because of the mobility aspect of it, is actually give them the opportunity to not just work in Saskatchewan but be able to qualify to work in other provinces if they have an opportunity to get jobs there.

**Mr. Wotherspoon:** — Well thank you very much. I knew the bill was pretty straightforward. I've had consultations myself. I appreciate the minister responding here today. I'll continue to urge, in that whole piece around, you know, government procurement, better recognition for the incredible value that's gained when we're better engaging Saskatchewan companies, Saskatchewan professionals, Saskatchewan workers in that exercise. It's so important to the communities and businesses and workers across Saskatchewan and ultimately about getting best value for Saskatchewan people.

So I don't have any further questions at this time.

**The Chair:** — Mr. Teed, do you have any questions?

**Mr. Teed:** — None from me.

**The Chair:** — Okay. Seeing no further questions, we will move on to the bill. Short title, clause 1, is that agreed, short title?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

**The Chair:** — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Architects Amendment Act, 2022*.

I would ask a member to move that we report Bill No. 97, *The Architects Amendment Act, 2022* without amendment. Mr. Cheveldayoff has so moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. And we will have a brief recess to change out officials.

[The committee recessed for a period of time.]

**Bill No. 90 — *The Telecommunications Statutes (Borrowing Powers) Amendment Act, 2022***

**Clause 1**

**The Chair:** — Okay, we are back and we'll move on to Bill No. 90, *The Telecommunications Statutes (Borrowing Powers) Amendment Act, 2022*. Clause 1, short title.

Minister Morgan is here with his officials. Before we begin, I'll ask the officials to please state their names before speaking, and please don't touch the microphone, Mr. Morgan. The Hansard operator will turn your microphone on when you are speaking to the committee. Minister, please introduce your officials and make your opening comments.

**Hon. Mr. Morgan:** — Thank you, Mr. Chair. I'd like to thank the officials for coming as expeditiously as they were able to. We usually tell people to be ready somewhat early, but this is a record, and I want to thank the committee for doing very good work.

I'm pleased to join committee today to allow for the consideration of Bill 90, *The Telecommunications Statutes (Borrowing Powers) Amendment Act, 2022*. Joining me today from SaskTel are Doug Burnett, president and CEO [chief executive officer]; Charlene Gavel, chief financial officer; Doug Kosloski, vice-president, corporate counsel and regulatory affairs; and Michelle Englot seated behind me, who is government relations.

As you may recall, the purpose of this bill is to amend section 32(1) of *The Saskatchewan Telecommunications Act* and 17(1) of *The Saskatchewan Telecommunications Holding Corporation Act*, with changes that will result in an increase to SaskTel and SaskTel Holdco's maximum aggregate borrowing limit.

SaskTel's borrowing limit would be increased from 1.8 to \$2.9 billion, which would provide SaskTel with the additional financial "headroom" as well as flexibility to fund new initiatives or other key priorities over the medium to long term.

Mr. Chair, Saskatchewan people expect consistent and reliable access to quality communication services. It impacts how they keep in touch with loved ones, how they work, and how they run their businesses day to day. Throughout its history, SaskTel's constant innovation has allowed it to meet and exceed these high standards and continue to deliver exceptional customer service.

Mr. Chair, SaskTel plans to continue delivering the future to customers through significant investments into their infiNet network, 5G wireless network, and further digitization. These initiatives require a massive amount of capital just to get off the ground and despite SaskTel's strong financials and solid standing in the market, some of these capital expenditures must be funded through debt. Items such as the spectrum acquisition also present huge one-time costs but are necessary to support communication systems. With additional borrowing capacity, SaskTel's ability to plan its finances will be strengthened, as will its ability to properly execute on transformational or strategic initiatives that benefit Saskatchewan people.

Our government remains committed to protecting the ongoing

financial health of SaskTel and any future . . . taken on by SaskTel will continue to be subject to approval by Finance, CIC [Crown Investments Corporation of Saskatchewan], and cabinet. Mr. Chair, I know during second reading last fall that the opposition voiced their strong support for SaskTel and our need to protect its competitive position, so I anticipate that they will be in support of Bill 90 today. I am pleased to now answer any questions.

**The Chair:** — Thank you, Minister. And are there any questions? Mr. Wotherspoon.

**Mr. Wotherspoon:** — Well thanks so much. Thank you, Mr. Chair. Thank you, Minister. Thank you, leadership and officials of SaskTel that have joined us here today and for your work every day, and all those that work for SaskTel and that are a part of such an extraordinary and important Crown corporation in our province.

Just a few questions. This lifts sort of the debt ceiling or enables some borrowing that's been described as needed and important by the minister. What are the timelines that you anticipate to exercise that debt ceiling that's been lifted?

**Mr. Burnett:** — I don't think we have a timeline. I don't believe there's a timeline associated with using it. This will certainly give us a significant runway. We did anticipate the possibility of running out of debt within the next three, threeish-type years. But in terms of when we would actually use the 2.9, that will really depend on, kind of, the infrastructure and the different expenses that we experience.

**Mr. Wotherspoon:** — And can you describe a little bit of the debt situation for SaskTel itself and maybe just the state of affairs as far as what's maturing and being refinanced, replaced into the market right now, and what sort of increases you're incurring in doing so. I guess probably, I suspect you're accessing sort of 5-year, 10-year rates. Maybe just speak a little bit to what's being refinanced, you know, that's maturing, and then also the increased costs for new debt.

**Ms. Gavel:** — Charlene Gavel. So we take debt on as required with our plan. So we have debt issued on our statements right now starting in May '14, and then we have some that was issued in June 2020. So there's about probably 15 different sort of tranches of debt within here.

The balance that's outstanding in terms of long-term debt at the end of March — the last audited financial statements — was 1.347 billion. The interest rates vary depending on the year and when it was issued. We do get our debt through the Ministry of Finance, so they'll help us find the best rates, etc. So we're in very good shape in terms of the rates that we pay.

**Mr. Wotherspoon:** — Thanks so much. And what's that profile look like as far as like, do you have a fair amount maturing right now at this period that you're then having to replace or refinance? What's that look like?

**Ms. Gavel:** — We do have some maturing in 2024, and that would be about 50 million. And then the next is December '25 at 50 million. And then it varies. It goes out to June 2060 is the latest.

**Mr. Wotherspoon:** — And what kind of increases are you forecasting on that refinanced debt?

**Ms. Gavel:** — Sorry?

**Mr. Wotherspoon:** — What kind of increases by way of rates are you anticipating for the debt that will be maturing, needs to be refinanced?

**Ms. Gavel:** — So the last issue that we got was at 2.37 for an effective rate. Depending on what market . . . [inaudible] . . . it might be a little bit higher when we issue new debt into the next year, but you know, that was what was issued in June.

**Mr. Wotherspoon:** — In June?

**Ms. Gavel:** — Yeah. June was 2.37, as an effective rate.

**Mr. Wotherspoon:** — Can you speak a little bit to, I guess just the debt-to-capital ratios, the debt-to-equity ratios for the Crown, and what's anticipated when you look at the infrastructure needs and the spend that's planned for, say, the next five years.

**Ms. Gavel:** — So our current debt-to-equity ratio target is to be below 55 per cent, and that's been in place for quite some time. Right now we're at about 54.7 per cent. We are in a couple years of high-capital intensity, so we do expect it to go to about 55.9 for the '23-24 year and the '24-25 year. At that time our capital spending will decline a little bit as planned. So within the fifth year of our plan, the debt ratio is down to 51.9 per cent, so well within industry standards, lower than our other telco peers.

**Mr. Wotherspoon:** — Thank you. And obviously SaskTel plays such an important role in connecting Saskatchewan. And when we look at some of the gaps that still exist that we want to close and ensure connectivity by way of internet and cell coverage, could you speak a little bit to, Mr. Minister, any progress with the federal government in accessing some of the federal broadband dollars or connectivity dollars that Saskatchewan and this Crown are deserved?

**Hon. Mr. Morgan:** — On Friday of last week, Minister Hutchings was in Saskatchewan and made an announcement under the Universal Broadband Fund that will cover projects in northern Saskatchewan. We do not have the details from that office yet. I think it's fair to say it's supposed to, intended to cover some areas of Hanson Lake Road, Jan Lake, and I forget the third. But we don't have that in writing, but that's what she indicated on the phone, and she said that was public information.

So the expectation is that there'll be something that we'll follow up in the near future. Do we know a dollar amount? Or I guess we don't yet.

**Mr. Burnett:** — We don't. No, we don't have the specifics in terms of what they announced . . . [inaudible].

**Hon. Mr. Morgan:** — But it's important for those areas of the province that don't have coverage yet. We hope that it is significant enough that we will be able to move ahead our work. In most of these things, there's some capital expenditure by the federal government and by SaskTel. So we'll hope to have some information soon.

**Mr. Wotherspoon:** — Thanks. And as discussed in the past at committees and on the floor of the Assembly, it's just so important that we really make that case, you know, to secure the funding that Saskatchewan people deserve and that this, you know, invaluable Crown corporation deserves to connect Saskatchewan, this very important project.

With respect to the Hanson Lake Road, Jan Lake, some of the communities along the way, this has been a big concern, the gap in coverage along that road. I know that road well. Usually when I'm on it . . . Well sometimes I'm up for meetings, but lots of times you're up for wonderful fishing and paddling.

[16:45]

But I know we've represented and advocated over a number of years the serious safety concerns and isolation and vulnerability that exists along that important corridor and the communities along the way because of the lack of connectivity there. Could you speak specifically about how extensive that project will be along the Hanson Lake Road? Like how far, and then what other communities will be . . .

**Hon. Mr. Morgan:** — I don't know, but I know going from Candle Lake all the way up to the Manitoba border is an area that we would want, whether it would all happen all at once or over a period of time. But those areas of importance have been for some time. So we're pleased that the federal government has come forward with an investment announcement on it. So we'll know more as it goes ahead.

But along that road there are some communities. As we get close to the Manitoba border, there's a mining project that's under way, a provincial park, all of which should have coverage, not just for the convenience of the people that are there but also for safety issues. If something happens, a vehicle breakdown, somebody's hurt, whatever, that's how people phone 911. So it's an area that's of critical importance to the province.

Across the rest of the province, we have now over 1,000 cell phone towers, so the coverage is rather good. It is an area that is . . . I think we share the concerns. We've been meeting with the federal minister. And I had attempted to reach her a number of times and was really glad when we were able to connect and she said yes. And anyway she made the announcement in Meadow Lake last week. So we will be in touch with her staff and most certainly provide you with whatever information as soon as we get it from them. And then SaskTel will have to look and see how it fits in with their plans for whatever else has to take place.

**Mr. Wotherspoon:** — And do you know at this point whether this coverage will then address some of the concerns from communities like Whiteswan Lake or Little Bear? And you mentioned Jan Lake which is up the highway from the Hanson Lake Road. Will coverage continue up there to then Pelican Narrows as well?

**Hon. Mr. Morgan:** — I don't know. I don't know that. I don't know what the requirements are that they will put on there and how it fits with what SaskTel is doing. I think the goal is not for us to say to the federal government, oh, we only want it if it covers A, B, and C. We'll take it no matter what it covers. And we'll put it in and try and fit what their requirements are, the

conditions that the money comes with, and try and get it in place as quickly as we can. And I'm glad that it's happened, the announcements now, because we have a season coming up that we're going to be able to work through.

**Mr. Wotherspoon:** — Yeah, it's incredibly important obviously that we connect Saskatchewan, we do it in an economically viable way. And that's where access to federal dollars that have been made available to the rest of Canada are so critical.

You spoke to the project. I think you held back on giving the full federal commitment to this project, but could you speak to that? And could you speak as well to, so what our proportion as a province has been to those federal dollars around broadband and connectivity?

**Hon. Mr. Morgan:** — You know, the federal government doesn't necessarily have a formula that they're going to pay 20 per cent, 40 per cent, 60 per cent. They look at the project and say, this is something we want to fund.

A year and a half or two years ago, they made an announcement that we weren't aware of, money coming into the province in an area that was already being serviced or under way by SaskTel and by other providers. So had they chosen to phone us, we would have said, no, why don't you do it down the road somewhere else. So I've suggested that to the federal minister, that some consultation would benefit the citizens of this province. And I think she took that at face value. Hopefully that's the case that's there.

But no, to answer your question, I don't know what portion we would have to do, or whatever else. But I think the areas that SaskTel wants to cover would probably be similar to the ones that you would want, so we would welcome anybody's comments with regard to that.

**Mr. Wotherspoon:** — Thanks. And my question more specifically is about the federal dollars that are being let. It's incredibly important that we receive equitable treatment on this front. It's been a concern that we just haven't seen those dollars flowing to Saskatchewan in the way that I think they should be in an equitable way. And of course, it's my view that because of SaskTel that we can leverage those dollars and make them go distances that other jurisdictions will struggle with.

I know it's been frustration over the last couple years with the inaccess to those dollars that have been let by the federal government. Have you tracked how many dollars have been let by the federal government and what proportion of those dollars we've received as a province?

**Hon. Mr. Morgan:** — It's remarkably low. We've only had a very small amount of money that's come into this province. They've made a number of announcements elsewhere, so we've not got our proportionate share.

I raised the issue with the federal minister in the context of, is it problematic for you to give money to a Crown corporation in this province rather than to a private provider as you have in some other instances? Is there an issue with that? Is that seen as benefiting our province, our government, or whatever? Is that an issue? She assured me that it was not, that their intention was to



make the money available to anybody in the province that had applied, or whatever else. So SaskTel has applied for funding on the Universal Broadband Fund and any other fund that's available. And we'll continue to do that.

Anyway to answer your question about whether we're disproportionately treated, I can say I believe that we are. But I'm hoping that the federal government is able to get back to where we would like to see it and . . . [inaudible] . . . And hopefully by the time we're back here for committee again, we're able to give you some better numbers. But until we see the detail from the feds, we just don't have any more. But anyway it was the same areas that we had identified, same areas that were included in the application.

**Mr. Wotherspoon:** — Thanks. Since we're talking about debt, could you speak to what the debt servicing costs are and what they'll be for this year in the budget and what your forecast is on that front for the next number of years that you're able to provide based on what you know for what you're going to need to add by way of new debt and what you are going to be rolling over, what's maturing, and what you'll be placing back into the market?

**Ms. Gavel:** — So new debt for '23-24, we're approved at 200 million within the business plan that we put together. And as I mentioned, in terms of when debt's maturing, there's some in June 2024 and then December 2025, and each of those are 50 million.

**Mr. Wotherspoon:** — Thank you very much for that. And then just more specifically, do you have what the debt servicing costs are for the corporation in the next fiscal year based on the new debt that's . . . well the whole portfolio of debt? And then in the out-years obviously there's debt that's being added, then other debt that's being rolled over or being replaced at a higher rate. Just wondering what the debt servicing costs are for SaskTel this year and what the plans are in the next few years.

**Ms. Gavel:** — So for the year ended December 2022, the interest capitalization rate was 3.06 per cent. So that's all of our debt and the various interest rates. That's what the interest capitalization rate is. So we haven't necessarily figured out what the new debt is going to be issued at, but I don't anticipate that that will go up a lot given what we've seen in terms of overall percentage. It will go up a little bit given the markets, but I don't see it going up substantially.

**Mr. Wotherspoon:** — Thanks so much. And what's the total debt servicing cost for SaskTel, the actual cost of the interest if you will.

**Ms. Gavel:** — I don't have that with me right now.

**Hon. Mr. Morgan:** — We'll get you a number, what the aggregate debt was in the previous year.

**Mr. Wotherspoon:** — Thanks so much. And then anything that you're forecasting in a reasonable way. Or do we have . . .

**Ms. Gavel:** — So the interest on long-term debt at December 31st, 2022 is 11.4 million. When we look at all interest and then capitalized interest — we also get some finance income and

earnings — so our net finance expense as reported in our financial statements at the end of December was 7.9.

**Hon. Mr. Morgan:** — That was for 2022, so that answers the question so far as what it was. And then for 2023, we won't know yet because interest rates are still being . . . [inaudible] . . . But 7.937 for year ending December 31st, 2022.

**Mr. Wotherspoon:** — Obviously we've spoken to the importance of connectivity and of the undertakings of SaskTel on this front. We spoke about them in the Assembly recently with one of the announcements. And we also know how important SaskTel is by way of jobs and economic impact in the province. I've heard some fairly significant concerns described around work that was once done by, if you will, a SaskTel worker that's been outsourced over the last number of years and a significant number of jobs that are being described that are now being outsourced that were internal to the organization before.

I guess my urging would be that this a troubling trend and that with respect to the undertaking around connectivity, that we would look to be building and securing SaskTel jobs, secure jobs on these fronts. Or do you anticipate that project being a job that bypasses Saskatchewan workers or outsources significant amounts of that opportunity?

**Hon. Mr. Morgan:** — It's fair to say that the goal is to provide the work for Saskatchewan workers, but over the last number of decades where major projects have been under way, they have been completed sometimes by internal workers and sometimes contracted out. When there's a contracting out, there's a process under way to assess whether it can or is being done by Saskatchewan contractors and by Saskatchewan workers.

So there has not ever been, from our government, a political direction to try and farm out any more or any less than what's there. Those are business decisions that were made, are being made by SaskTel. If there's a specific one, a specific employee or something and you've got a release, we could certainly be glad to look at it. But I think any changes to the workforce are largely done by way of attrition or by way of retirement. I don't think there's been any layoffs or anything that . . .

**Mr. Burnett:** — No. Yeah, and maybe if I could just add a little bit to it. There have been no layoffs at SaskTel. And I would say that our philosophy in terms of using employees as opposed to contract, that philosophy has not changed for many, many years.

Certainly, you know, we look for efficiencies. Automation changes jobs. You know, I think at one point in time we had something like 800 operators. Today we have none. So as the jobs evolve, we have used attrition and training and those kinds of things to redeploy employees.

We certainly do supplement employees with contractors in different situations. You know, for example, a time constraint type of situation where it just doesn't make sense to bring on a permanent employee or even temporary employees, train them, when the work's anticipated to require a year — that type of thing. Also for specific skill sets that we just don't have, we supplement. And we also use contractors in some of our dealers and those kinds of things. But the overall philosophy in terms of using employees has not changed.

**Hon. Mr. Morgan:** — And, Mr. Chair, I'm glad we had the opportunity to answer this question, to the extent we're able to give some reassurance to the workers that there's nothing afoot. But it is definitely outside of the scope of what the bill is that's here before, so I would ask the members on both sides to ask questions in the context of the legislation.

**The Chair:** — Yes. Yes, could we stick along the lines of the bill, please.

**Mr. Wotherspoon:** — You know, thank you very much. I appreciate the questions . . . I mean, the point stands around just the economic impact of SaskTel, and the importance of it on so many fronts as well as the employment that it provides. But I respect that the Chair is urging me not to go further in that direction just now. I know the minister knows where I stand on these matters.

I appreciate the responses around, some clarification around the debt situation for the Crown. Obviously we need to make sure that it's viable. We're well on the record that, you know, we'd like to see a further reduced take of dividend during this period of time where we really need to have a hurry-up offence to make connectivity happen.

[17:00]

We see that as something that allows us to go further and faster with connectivity but also critically makes sure the financial foundation of SaskTel is strong and ensure its viability in making all this happen without bringing undue costs onto ratepayers in various communities.

So at this point, I don't have any further questions, Mr. Chair, and thank you to the officials.

**The Chair:** — Are there any further questions from the committee? Seeing none. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 4 inclusive agreed to.]

**The Chair:** — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: *The Telecommunications Statutes (Borrowing Powers) Amendment Act, 2022.*

I would ask a member to move that we report Bill No. 90, *The Telecommunications Statutes (Borrowing Powers) Amendment Act, 2022* without amendment. Mr. Jenson moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Are there any closing comments from you, Minister?

**Hon. Mr. Morgan:** — Thank you, Mr. Chair. I'd like to thank a few of the people that are here tonight: both yourself, the

committee members; the staff at Hansard; broadcast services; Legislative Assembly Service; the building staff; the security folks that work here; and my staff from my office who are here today, Mike Aman and Morgan Bradshaw; as well as the staff that work year-round at SaskTel, sometimes in inhospitable conditions as they are out trying to fix and maintain service in delivering. A lot of these people are members of Unifor, and we thank and respect them for the great work that they do and appreciate them not just today but every day of the year. So thank you, Mr. Chair.

**The Chair:** — Well thank you. Mr. Wotherspoon, any closing comments?

**Mr. Wotherspoon:** — Well I think I said thank you already, but thank you so much to the minister for his time and to all the officials, all the leadership of SaskTel. And just thank you for your commitment to this Crown and to the people of the province and to all those that are connected to this important work as well.

And the minister missed . . . Fred Hill is here too. We should give him a warm hello there as well, so shout-out to Fred. Thanks so much.

**The Chair:** — Yeah, I like Fred's first name. Anyway, we're going to have a short recess now as we come back in to our next bill.

[The committee recessed for a period of time.]

### **Bill No. 92 — *The Automobile Accident Insurance (Miscellaneous) Amendment Act, 2022***

#### **Clause 1**

**The Chair:** — Okay, next we have Bill 92, *The Automobile Accident Insurance (Miscellaneous) Amendment Act, 2022.* We'll begin our consideration with clause 1, short title. I'll ask the officials to please state their name before speaking to the microphone, and please don't touch the microphones. A Hansard operator will turn your microphone on when you're speaking to the committee. Minister Morgan, would you please introduce your officials and make your opening comments.

**Hon. Mr. Morgan:** — Thank you Mr. Chair. I'm going to introduce the officials from SGI. For purposes of the discussion today we have two bills, and I'm proposing to allow the members to ask questions back and forth between the two bills however they choose to. And I realize you're obliged to vote them off separately, but for purposes of the discussion today, I'm proposing we deal with them together.

I'm joined today by a number of officials from SGI: Loreley Chekay, general counsel; JP Cullen, chief operating officer of the Auto Fund; Randy Stoneham, vice-president of Auto Fund operations; Meghan Moormann, senior director of Auto Fund delivery, support and driver services; Kim Hambleton, director of shareholder relations.

I'd like to highlight a few things from each bill, starting with *The Automobile Accident Insurance Act.* Amendments to this bill specify the insurance requirements for highly automated vehicles while operating in a research, pilot, or testing environment. In

these early phases, the planned approach is to allow testing of these vehicles by way of a permit. The proposed changes provide SGI with the regulatory authority to prescribe insurance requirements for automated vehicles while operating in a research, pilot, or testing environment phase.

There are also a couple of proposed language clarifications and updates. One is to ensure the maximum aggregate amount of the counselling benefit for immediate family members is applied per claim and not per collision. So if there is a vehicle that had several people in it, the limit was not clear whether it applied to each individual or everyone who's there. So this clarifies that it's based per individual.

The second is to clarify that a person being held on remand pending resolution of a criminal charge is eligible for an income replacement benefit. This is because anyone serving a prison sentence is not eligible for an income benefit, but the courts have interpreted that being on remand does not equal a sentence of imprisonment.

Finally, SGI is also replacing the term "wheelchair" with the broader term "mobility aid."

For *The Traffic Safety Act*, the first amendment enables SGI to adjust demerit points assessed under its driver improvement programs when a customer successfully appeals their points under the safe driver recognition program to the Highway Traffic Board. Essentially that means if someone wins the appeal on their safe driver points, SGI will automatically remove the corresponding demerit points under the driver improvement programs. The officials will be able to clarify why there's two separate programs, and the idea is to prevent inequities where you're found liable under one but not under the other.

The next, SGI has a proposed change that will allow drivers to produce proof of licence and registration in an electronic format, which is in line with the direction other jurisdictions are moving. This will be completely optional for customers, and they will still have a physical driver's licence.

There are also some clarifications required regarding when a court-ordered driving prohibition expires for purpose of reinstating driving privileges. SGI has worked with the Ministry of Justice on those clarifications.

And finally, there is a proposed change to clarify that the limitation period to commence an action for a non-economic loss, also called pain and suffering under *The Automobile Accident Insurance Act*, also applies to actions for bereavement damages. This change was previously made to that Act, but also must be made to this Act as well.

With that, Mr. Chair, I would be pleased to direct questions to the appropriate officials to answer questions.

**The Chair:** — Well thank you for that, and thank you for using the KISS [keep it simple, stupid] method on both of these bills. I certainly appreciate that. Mr. Teed, do you have any questions?

**Mr. Teed:** — Yes, thank you, Mr. Chair. And thank you to the ministers and officials from SGI. Thank you for the work you do. It's an honour to be asking questions today as the official

opposition critic for SGI. I'm going to hop right into it. I just have a few questions here, and I'll go through them.

First, pertaining to the automated vehicles, my first question is: are there any current automated vehicle testing situations happening in Saskatchewan at this moment? Or is this change more in line with industry standards we're seeing across the board?

**Hon. Mr. Morgan:** — This is anticipatory at this time. We're expecting to have applications or requests for that. And I think you will have heard in the media the different comments that are made from people falling asleep in their vehicles, not falling . . . whatever the issues are as they go forward. So I think our province wants to be aware of, and consistent with, what's taking place in other jurisdictions. But I don't believe there's any current applications. Is that correct?

**Mr. Teed:** — Is it in line with industry standards that we're seeing third-party insurance being offered for folks who operate these cars with these self-driving components? Or is that, again, whereas we're building on . . .

**Hon. Mr. Morgan:** — The expectation under our statute, sort of the underlying theory, is that SGI insures motor vehicles and people that are involved in . . . It's not an option. If you're driving or operating a motor vehicle, or being licensed, it's here. But if somebody were to come in with a unique type of vehicle or something different, then they may . . . We'll look at whatever the appropriate requirements are.

A poor comparison might be an out-of-province semi-trailer coming in from another jurisdiction. It will have Ontario licence plates and will be insured under that jurisdiction. So it may be the same type of thing. Somebody comes in with a testing automated vehicle and then if it comes from another jurisdiction, there may be something. But I think what SGI will want to ensure is that whatever vehicle comes in, it's appropriately insured, appropriately regulated, to protect the citizens of this province.

**Mr. Cullen:** — Yeah, you covered it.

**Mr. Teed:** — I guess my next question is, have we had any incidents with self-driving cars in Saskatchewan? Or have we seen any . . . In the legislation, it kind of talks about Workers' Compensation, Saskatchewan Health, you know, being involved in any court cases. Have we seen anything like that so far?

**Hon. Mr. Morgan:** — I don't think we're aware of any. I can certainly give you examples of situations where the people would have been better off. I was going down Albert Street early in the morning, and there's somebody going about 20 kilometres an hour weaving back and forth. And at first I thought it was somebody having a medical emergency or highly impaired. I caught up, and the person is driving with their knees putting their contacts in.

So in any event — I don't think it was anybody that was in this room — but in any event, there are certainly situations where self-driving vehicles will . . . there will be a strong, a need for it or desire on the part of people in our province.

[17:15]

But I think the goal that SGI must have is that there's appropriate safety and that, and the technology has to get to that point because more and more cars have got lane assist and a number of technology features already that are I think keeping somewhat safer than they had been.

**Mr. Teed:** — Thank you. I'll move on to the counselling benefit. And my question around that was just, what data goes into a change of a figure like this? Certainly we welcome a change in the amount, the per-claim, not per-accident. I think that will work well for folks. Is there a sweet spot where you're seeing folks using through the 5,000? Or is this again an industry standard kind of level of coverage being provided?

**Hon. Mr. Morgan:** — There was a lack of clarity as to whether it applied per collision or per applicant or per person. So I think whenever that happens or there's questions arising either as a result of a court case or people asking the questions, I think SGI's mindful of that and then comes back and says, okay we ought to clarify that the next time the Act is open. So I'm glad that that's happened. But I'll let the officials comment as to the appropriateness of the amount of the increase.

**Mr. Cullen:** — Yeah, is that something we could follow up on? The rate, the amount that's set? I don't know what the calculation is, so I don't want to give a misleading, you know, bit of information.

**Hon. Mr. Morgan:** — We'll provide you with that, a one-pager as to what the calculation is. And on that they'll give you a couple from other jurisdictions.

**Mr. Teed:** — Appreciate that. No, and then that probably kind of even answers the question that there is a calculation that this is based around and all of that. Appreciate that.

I'm going to just ask a question around the remand aspect of this legislation. We know that there are quite a few folks who are sitting in remand in our justice system. How much income replacement benefit may be owed to those folks with this change? Or does this change represent a fresh start going forward? Like is this a financial liability that we now may have to pay out quite a bit of money to these folks that now may be eligible?

**Ms. Chekay:** — So the current practice is that in the event that someone was on remand and wasn't receiving income replacement and they were subsequently acquitted, we would then back pay. So they never missed out on the benefit, they just didn't get it at the time they were in remand. So this just provides clarification that they would now get it at the time in remand until . . . in the event of either acquittal or conviction. At the time of conviction, they'd no longer be eligible because then they'd be subject to a sentence.

**Mr. Teed:** — Okay, perfect, thank you so much. I'm going to dive into Bill 93 with the demerit point reversal. And the legislation provides some clarity around, now it's easier for the appeal process to . . . [inaudible] . . . How was the process handled before? Was it very convoluted? Is that why the legislation draws out to make it very clear?

**Hon. Mr. Morgan:** — I'll let Loreley give some particulars. But if you were involved in a motor vehicle accident and you

disputed or were unhappy with the determination as to who was at fault, you can resolve that by going to small claims court. And that would determine effectively if it was an action for the deductible. So that's a determination that you are not responsible. And then the points that had been levied would be reversed.

Another situation might be where Highway Traffic Board made a determination that you were not responsible for something. And do you want to . . .

**Ms. Chekay:** — I'm actually going to defer to JP on this one.

**Mr. Cullen:** — Hi, JP Cullen, SGI. So the safe driver recognition program is really a financial penalty or benefit that is applied to a person's safe driving record. The driver improvement program is actually a safety program that's designed to remediate poor driving behaviour.

So they're actually distinct programs. So part of the challenge at times is in the situation the minister described, where a safe driver recognition penalty might have been overturned by the Highway Traffic Board, that information didn't necessarily align with the driver improvement program because it was distinct. It was recognized that this is a misalignment of the intention of both programs, so we're harmonizing them, effectively.

**Mr. Teed:** — Thank you. Moving into digital licence and registration insurance. This is certainly an exciting area. I know myself, I'm a bit of an Apple user and an Apple fan. And I remember the day that they announced that driver's licence on the cell phones in their fancy Apple showcases, I guess you could say.

So with this legislation opens the door. Do we have a timeline in place for when Saskatchewan might have Saskatchewan driver's licences being able to put in those wallets? Is it in the plans or in the works?

**Mr. Cullen:** — JP Cullen, SGI. Currently we're trying to develop the capability for that. I think the movement toward actually implementing an electronic driver's licence or other forms of proof of insurance or those things, that's going to take a bit of policy development and probably working through. What the legislation does is it enables us to then proceed.

So now the course of stepping that out is incumbent on a number of other decisions. As you might know, we're going through a corporate transformation process so we want to make sure we have the information infrastructure to manage any form of electronic documentation. And so it will be a work-in-progress over time.

**Hon. Mr. Morgan:** — I think the goal would be to try and bring that in place as soon as the transformational piece is in place. And I know they're working on it, and it's a huge project for them because it deals with virtually every aspect of their business. But I think most of us are used to having a boarding pass on their iPhone, as well as Apple Pay with a credit card, and their vaccine passport, and a variety of other things.

So I think this will make it a significant convenience for somebody that's using it. I can imagine how much easier it is where you'll have a split screen — one will have your driver's

licence, and your boarding pass on the other side and whatever. So yeah, it's going to be a good piece.

**Mr. Teed:** — Thank you so much. That's all the questions that I have today.

**The Chair:** — Are there any more questions from the committee? Seeing no more questions, we'll proceed to vote on the clauses. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 26 inclusive agreed to.]

**The Chair:** — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: the automobile insurance (miscellaneous) amendment Act, 2022.

I would ask a member to move that we report Bill No. 92, the automobile insurance (miscellaneous) amendment Act, 2022 without amendment. Mr. Grewal has so moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

**Bill No. 93 — *The Traffic Safety (Miscellaneous) Amendment Act, 2022***

**The Chair:** — Okay, we will now move on to Bill 93. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clauses 1 to 7 inclusive agreed to.]

**The Chair:** — Okay. Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Traffic Safety (Miscellaneous) Amendment Act, 2022*.

I would ask a member to move that we report Bill No. 93, *The Traffic Safety (Miscellaneous) Amendment Act, 2022* without amendment. Mr. Dennis so moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Minister, do you have any closing comments?

**Hon. Mr. Morgan:** — Yes, Mr. Chair, I'll be brief. You might update your script to say "His Majesty," but I'll leave that to you and your officials.

I just would like to thank some of the people that are here today. I would be remiss if I did not recognize and thank Fred Hill for being here. The staff from my office, Mike Aman and Morgan

Bradshaw. I would like to thank you, Mr. Chair, the members of the committee, the staff at Hansard, the people at broadcast services, the Legislative Assembly Services, the security, and the building staff.

But specifically today, the staff at SGI in Regina and throughout the province for what they are doing, in preparation for today's meeting and the work that they do throughout the year. These are polished professionals that do a very good job of looking after vehicle safety and maintaining insurance for our residents in Saskatchewan and elsewhere. So I thank them. Thank you, Mr. Chair.

**The Chair:** — Thank you, Minister. Mr. Teed, do you have any closing comments?

**Mr. Teed:** — I will echo thanks from the minister here today.

**The Chair:** — Thank you. The committee Clerk will now hand out the draft report to the committee members.

Minister, you can leave, and officials if you so desire. I know you want to stick around because this is quite riveting.

Okay, committee members, we have one final item of business. You have before you a draft of the sixth report of the Standing Committee on Crown and Central Agencies. It summarizes the business undertaken by the committee since November 17th of 2021, and we require a member to move the following motion:

That the sixth report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

I recognize Mr. Cheveldayoff.

**Mr. Cheveldayoff:** — Thank you very much, Mr. Chair. I so move:

That the sixth report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

**The Chair:** — Mr. Cheveldayoff has moved:

That the sixth report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

This concludes our business for today. I would ask a member to move adjournment. Mr. Nerlien has moved. Is that agreed?

**Some Hon. Members:** — Agreed.

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

[The committee adjourned at 17:30.]