



STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

Mr. Greg Brkich, Chair
Arm River

Mr. Doyle Vermette, Deputy Chair
Cumberland

Ms. Nancy Heppner
Martensville-Warman

Ms. Lisa Lambert
Saskatoon Churchill-Wildwood

Mr. Eric Olauson
Saskatoon University

Mr. Doug Steele
Cypress Hills

Mr. Warren Steinley
Regina Walsh Acres

[The committee met at 15:10.]

The Chair: — I want to welcome everybody to the meeting today. I'm the Chair, Greg Brkich. Doyle Vermette is the Deputy Chair. Other members are Nancy Heppner, Lisa Lambert, Eric Olason, Doug Steele, and Warren Steinley. We have a substitute for Doyle Vermette of Nicole Sarauer.

**Bill No. 40 — *The Interpretation Amendment Act, 2016*
*Loi modificative de 2016 sur l'interprétation***

Clause 1

The Chair: — This afternoon the committee will be considering Bill No. 40, *The Interpretation Amendment Act, 2016*. This is a bilingual bill. I will ask the minister to introduce his officials and to make any opening remarks if he has any at this time.

Hon. Mr. Wyant: — Well thank you. Thanks very much, Mr. Chair. I'll keep my comments brief because I know there's a number of questions that people would like to ask us. To my right, Doug Kosloski, Q.C. [Queen's Counsel], general counsel from Crown Investments Corporation; and to my left, Darcy McGovern, Q.C., the director of legislative services.

Mr. Chair, I'm pleased to offer opening remarks concerning Bill 40, *The Interpretation Amendment Act, 2016*. Members of this Assembly will be aware that *The Interpretation Act, 1995* operates as a law of general application to provide interpretive direction and assistance for all forms of statutory documents. The bill makes two main changes to the Act.

The proposed amendment to section 27 provides that:

'privatize' means, with respect to a Crown corporation, the transfer to the . . . [public] sector of all or substantially all of the assets of the Crown corporation, the controlling interest of the Crown corporation or the operational control of the Crown corporation . . . [by a variety of listed methods].

It will not include a winding-up and dissolution of the Crown corporation or other restructuring of the Crown corporation. The bill also provides for the ability to use the regulations to add additional methods of transfer of control that will constitute privatization if appropriate.

The definition is based on the World Bank definition of privatization. It will clarify what transactions will be considered a privatization under *The Crown Corporations Public Ownership Act*. It will also clarify what the term "privatized" means in any other Act, regulation, or bylaw that uses the term going forward.

The second set of amendments are proposed to ensure that the death of the monarch will not create undue legal problems or complications in our statutes. This is an interim measure until each of the references can be changed individually.

The amendments will provide that where the sovereign is a king, any reference to queen in the statutes shall be interpreted

to be king and vice versa going forward. An amendment will also be made to the standard enacting clause for legislation so that Her Majesty will be changed to His Majesty where applicable.

Thank you, Mr. Chair. Those are my comments. We're prepared to answer any questions that the committee has.

The Chair: — Okay. Any question or comments from committee members prior to clause by clause consideration of the bill? Ms. Sarauer.

Ms. Sarauer: — Thank you, Mr. Chair. And I'd like to thank the officials for being here this afternoon. Before I get started on the questions that I have — and I know I do have colleagues here with me who have several questions as well — I would like to table a few motions for the committee's consideration.

The first one, as we well know, the bill that we're discussing this afternoon offers a definition for "privatize" with respect to Crown corporations. As a result, this bill will have very significant policy impacts on each one of our Crown corporations, as well as Crown Investments Corporation. Therefore we feel it only makes sense and it's prudent and incumbent on this committee that we have all necessary officials here present to ensure that we can ask questions and dig into all the impacts that this bill can and will have on each one of our Crown corporations.

[15:15]

So with that, I would like to move the following motion:

That this committee requests the following appear as witnesses to provide their expertise and knowledge on how this bill will impact each of Saskatchewan's Crown corporations and their holding company: Blair Swystun, president and CEO of CIC; Mike Marsh, president and CEO of SaskPower; Ron Styles, president and CEO of SaskTel; Susan Flett, president and CEO of Sask Gaming; Andrew Cartmell, president and CEO of SGI; Shawn Grice, president and CEO of STC; Doug Matthies, president and CEO of SaskWater; and Ken From, president and CEO of SaskEnergy.

The Chair: — Will the committee members take the motion as read?

Some Hon. Members: — Agreed.

The Chair: — Okay, agreed. All those in favour of the motion say aye . . . [inaudible interjection] . . . Do you want debate? Okay. All those in favour say aye. All those opposed say nay.

Some Hon. Members: — Nay.

The Chair: — I believe the nays have it. The motion is defeated.

Ms. Sarauer: — Sorry, Mr. Chair, could we have that on recorded division?

The Chair: — Yes.

Ms. Sarauer: — Thank you.

The Chair: — All those in favour of the motion raise their hand. All those against the motion raise their hand. The motion is defeated. Ms. Sarauer.

Ms. Sarauer: — Thank you, Mr. Chair. Maybe if that motion didn't pass, hopefully this one will. As I said, the crux of this bill will offer a definition for privatize, which is of course directly related to the privatization of Crown corporations and, as we all know, deals completely with *The Crown Corporations Public Ownership Act*, which was established to ensure that a decision to privatize a Crown corporation reflects the will and the right of the people of Saskatchewan. It highlights that the legislative process is best served by a public debate before a decision, a very serious decision to privatize a Crown corporation, is carried out.

That legislation requires a policy committee to provide the opportunity for representations by members of the public when a Crown is privatized. Therefore it seems reasonable, and it seems like the only appropriate course to allow for public hearings on this bill. This is the same course that was taken last year when SLGA [Saskatchewan Liquor and Gaming Authority] was removed from *The Crown Corporations Public Ownership Act* to allow for its privatization. Public hearings were held at that time.

Because when this bill, or if this bill passes, it will result in *The Crown Corporations Public Ownership Act* not being utilized in the way that perhaps it was originally intended, or utilized as frequently as it would have, had this bill not been tabled and then potentially passed. It's important that we have these public discussions now because when this bill goes through, we won't be able to have those public discussions in the future.

So with that I would like to move the following motion:

That the Standing Committee on Intergovernmental Affairs and Justice hold public hearings on Bill 40, *The Interpretation Act*.

And just to say, Mr. Chair, I would be fine with . . . Because that would create some logistical issues that we obviously wouldn't be able to conclude our discussion today, I would be happy to adjourn this committee to meet at a later time to allow for the public to have the opportunity to be present to make those submissions.

The Chair: — The motion for the committee:

That the Standing Committee on Intergovernmental Affairs and Justice hold public hearings on Bill No. 40, *The Interpretation Act*.

Any discussion? All those in favour say aye.

Some Hon. Members: — Aye.

The Chair: — All those opposed to the motion say nay.

Some Hon. Members: — Nay.

The Chair: — I believe the nays have it. A recorded division.

Ms. Sarauer: — Thank you.

The Chair: — Will the ayes raise their hand? Will the nays raise their hand? Motion is defeated. Ms. Sarauer.

Ms. Sarauer: — Thank you, Mr. Chair. Minister Wyant . . .

The Chair: — We will now begin, if that's done, the motion. We will now begin consideration of clause 1, short title. Ms. Sarauer.

Ms. Sarauer: — Thank you. Again thank you to the officials for being present this afternoon. Minister Wyant, maybe the first and best place to start is with respect to the definition of privatize that you have said several times in the House that was used as the template for this definition. You had mentioned that there was a World Bank definition that had been used. I'm wondering if you can table that document at committee today?

Hon. Mr. Wyant: — We're certainly prepared to table the piece. I'm not sure, Mr. Chair . . . We'll be prepared to table that.

The Chair: — Thank you. If you have it right now, our clerk can grab it. If not you can just hand it . . .

Hon. Mr. Wyant: — I think we have a copy, yes.

The Chair: — Thank you.

Ms. Sarauer: — We only have a limited time where we can discuss this bill. I think it's really important that we have a copy of this definition available for committee here, so if you could provide it immediately, that would be great.

Hon. Mr. Wyant: — We're prepared to table it.

Ms. Sarauer: — Thank you. While I'm waiting for a copy of that, perhaps I'll ask a few questions in the interim. We've spoken a little bit in our debate speeches about some concerns regarding *The Business Corporations Act* and how that may apply to the future makeup of what these Crown corporations will look like once they need to be restructured in a way so that shares can be sold publicly. What sort of analysis has been done within the ministry as to the implication of *The Business Corporations Act*?

Hon. Mr. Wyant: — Well, perhaps I'll just answer it this way. As you know, *The Business Corporations Act* doesn't apply to any of the Crown corporations that currently exist. How those corporations would be structured going forward with respect to any particular transaction will very much depend on the nature of the transaction. So it's speculative at this point in time to make any comments as to what the corporate structure of any particular corporation may be as a result of a transaction that comes forward.

So whether that's a new piece of legislation which sets out different parameters, whether that's a conversion to a business

corporation under *The Business Corporations Act*, that remains to be seen. So in terms of an analysis, there's been none done because there's no transaction to consider.

Ms. Sarauer: — So no, just so I understand, no analysis has been done as to what the implication will be for any future changes to the structures of the Crown corporations?

Hon. Mr. Wyant: — No, no. And as I mentioned in the House today, the fact of the matter is that until you have a transaction in front of you that sets out the parameters of any particular arrangement, it would be speculative to determine what kind of, what any legislation or what any changes to that legislation would look like.

And so there can be any number of different kind of business organizations that are established, whether that's a sale of shares, whether that's any number of things. And whether or not *The Business Corporations Act* will apply will depend on how the corporation is structured. So there's been no analysis done. And I think I mentioned in the House today to suggest that an analysis be done on any kind of potential reorganization of a Crown, not knowing what a particular transaction looks like, I think would be, well would be an impossible task.

Ms. Sarauer: — So no work has been done yet to determine what it will mean for the Crown corporations once these share structures will be set up. Because once the bill comes into effect, all of the Crown corporations may sell up to 49 per cent of their shares. So presumably then the Crown corporations that are directed or want to sell up to 49 per cent of their shares will have to go through a process of creating a share structure because right now that doesn't exist.

Hon. Mr. Wyant: — That's correct.

Ms. Sarauer: — Because all of the shareholders are Saskatchewan . . . basically, the public. So what analysis has been done with respect to setting up a share structure for this bill once this bill comes into effect?

Hon. Mr. Wyant: — There's been no work done with respect to establishing a share structure for any of the Crown corporations because there's no transaction to give any consideration to. So depending on what kind of a transaction, if one comes forward, there'll have to be an analysis done in terms of how that corporation is going to be restructured in order to accommodate that transaction.

So there has been no work that's been done in respect of establishing share structures. There's been no work done with respect to the establishment of a reorganization of the Crown because we don't know what any particular transaction may or may not look like.

Ms. Sarauer: — So it sounds to me like the Crown corporations are completely unprepared for the changes that will come into effect with respect to this bill.

Hon. Mr. Wyant: — Well because there is no transaction, it's impossible to prepare for anything. And once there is a transaction, if a transaction comes forward that calls for the sale of equity in the company or the establishment of partnerships

. . . Because in the establishment of a partnership you may not need to change the share structure. Once that transaction is presented, there'll be an analysis done. There'll be a determination on what needs to be done in terms of the structure of the corporation to set the corporation up to accommodate the parameters of that transaction.

So there has been no work done, and no work will be done until such time as there is a transaction to give some consideration to, and full consideration of the transaction, not only the share structure but tax implications, implications to the ratepayers, the implication to taxpayers.

Ms. Sarauer: — So just so I understand, and further to that, no work has been done to ensure that the majority shareholders' rights — the Saskatchewan people, assuming that if upwards of 49 per cent of shares are sold — will be protected from any type of minority shareholder rights under *The Business Corporations Act* or any shareholder agreement that may or may not come into creation at a later date.

Hon. Mr. Wyant: — Once a transaction is presented to give some consideration to, and you have mentioned unanimous shareholders' agreements or shareholders' agreements, rights of minority shareholders can be dealt with through those types of agreements. It can also be dealt with through legislative changes, depending on how the corporation would be restructured, to accommodate the transaction. So all those . . . That full analysis will be done once . . . if and once or when a transaction is presented for consideration, including minority shareholder rights, including any other aspect of a corporate transaction.

Ms. Sarauer: — Okay.

Hon. Mr. Wyant: — So to simply say that, what have you done to protect minority shareholder rights? We haven't done anything to protect minority shareholder rights. But when a transaction comes forward, in order to limit minority shareholder rights, that can be done by agreement. It can be done by legislation. It can be done in any number of ways. But the fact of the matter is until you have a transaction, until you know what you're faced with, you can't make any of those decisions.

The Chair: — Ms. Sproule, sorry.

Ms. Sproule: — Thank you, Mr. Chair. Mr. Minister, just a few questions. First off, I'm just wondering what prompted the government to do this. Were there specific Crowns that asked for this? Or if you could just share with the committee sort of the thinking and the initiative that came forward to lead to this bill being introduced in the House.

Hon. Mr. Wyant: — There was no initiatives brought forward by any Crowns, and there was no initiatives brought forward by any private corporation or private investors. To be perfectly blunt with you, the impetus to change the legislation was a defect in the original legislation which was brought forward by the previous government.

Ms. Sproule: — So what was that defect, in your opinion?

Hon. Mr. Wyant: — The fact of the matter is that the entire

piece of legislation is premised upon one word and that word is “privatize,” and that word is not defined in the legislation. And you’ll recall that during debate in the House in second reading speeches that were provided, a number of people had spoken to the fact that the word “privatize” can mean any one of a number of things. This legislation seeks to define that word in a specific way based on the World Bank definition. But if you’re looking for the reason why the impetus is here for this legislation, it’s to correct a deficiency in the legislation.

Ms. Sproule: — Now typically when there’s a problem with definitions in a particular piece of legislation the definition is changed within that particular piece of legislation. You chose a very circuitous and maybe questionable way of doing this and you instead turned to *The Interpretation Act* of Saskatchewan for a place to change a definition that’s very specific to a particular bill as you indicated.

[15:30]

Now I know that you and your officials sitting with you know the role of *The Interpretation Act* when it comes to legislation and being interpreted in the courts. That’s a very specific role. As you know in the committee, or in my opportunity to speak to this in adjourned debates, I did a pretty exhaustive search of the use of *The Interpretation Act* for this kind of definition and it’s just not heard of. It’s simply not heard of. Nowhere in the Commonwealth have we seen any attempt to use an interpretation Act for this kind of definitional work.

So I would be very interested to hear from your committee whether you consulted with the Law Society of Saskatchewan, or any law societies in terms of whether this is an appropriate use of *The Interpretation Act*. Or is this something that you made up?

Hon. Mr. Wyant: — Well first of all let me just clarify. This legislation isn’t changing the definition of anything. It’s providing a definition. And I know in the House when we were in debate and in question period and in petitions that have been presented, that was the comment that was made, that we’re changing the definition of privatize. We’re not changing anything. We’re simply providing a definition. The position of the Ministry of Justice and lawyers within the Ministry of Justice, who I have a great deal of respect for and I know you do too, have advised that *The Interpretation Act* is a perfectly reasonable place to make the . . . to add the definition to the legislation. And I read the material that you provided too, and I respectfully disagree with it.

Ms. Sproule: — Why would you not put it in the Act itself?

Hon. Mr. Wyant: — Because our view of life is that *The Interpretation Act* is an appropriate place to add the definition.

Ms. Sproule: — Okay, I’m going to ask more about that in a minute, but how did you come about to choose the particular definition in which you’ve just provided I believe to my colleagues, the World Bank definition? What other definitions did you look at? How many did you look at? Why did you choose this one over others? Which ones were disregarded and seen as insufficient for your purposes?

Hon. Mr. Wyant: — Well we chose the World Bank definition because it was a standard definition, and so we looked at that definition. We considered it to be an appropriate definition for the word “privatize,” and that’s why it’s in the legislation.

And as you had mentioned before, and a number of your colleagues had mentioned, there’s many definitions to “privatize.” I rather suspect you would’ve been, you would’ve disagreed with any definition that we would’ve brought forward with respect to the change in *The Interpretation Act*. But that’s the one we chose because it was . . . Well perhaps there’s one that you might have agreed with, but . . .

Ms. Sproule: — Well I think there’s quite a few, Mr. Minister, that we would at least like to have an opportunity to discuss and maybe discuss with the public of Saskatchewan.

When you say this is a standard definition, by what sort of rubric did you determine it was standard? It’s simply not available on the Internet, so how did you decide? It’s not. I’ve searched, so maybe I’ve missed the link, and I’ve asked about that before. But what is it about the World Bank definition that you found particularly standard?

Hon. Mr. Wyant: — Well we’ve tabled that definition of the World Bank. We think that it’s a neutral definition by a neutral agency, and so that’s why we chose that.

Ms. Sproule: — All right. Did you look at other definitions? Can you share with the committee what other definitions you looked at?

Hon. Mr. Wyant: — I won’t provide the committee with the legal advice that we received, but as I mentioned before, the definition from the World Bank is the one that we chose to proceed with.

Ms. Sproule: — Will you share with the committee how many definitions you may have considered?

Hon. Mr. Wyant: — No.

Ms. Sproule: — And is that because it’s privy to solicitor-client privilege?

Hon. Mr. Wyant: — Yes, that’s correct.

Ms. Sproule: — Perhaps you could share with the committee some of the aspects you were looking for in the definition, what sort of attributes you were looking for in the definition.

Hon. Mr. Wyant: — Well we think that the definition is rather flexible to be honest. You know, it applies for . . . It allows for a number of different scenarios, so whether that’s a share sale, whether that’s a lease management, whether that’s partnerships, whether that’s any number of things. And so we thought it was a pretty fair definition in order to proceed with.

Ms. Sproule: — Did you have any discussion on the percentage amount? Was there anything around the 10 per cent mark or 15 per cent mark? Was 49 per cent the only level of privatization that you would consider not to be privatization, or were there discussions with you and your colleagues perhaps or with

consultation with other organizations within the province outside of your legal advice?

Hon. Mr. Wyant: — Fifty-one per cent and 49 per cent, they're not in the Act. What the Act seeks to deal with is the transfer of a controlling interest in the corporation. So the idea was to ensure that the controlling interest of any particular corporation, if there was, if the corporation was subject to the review of a particular transaction, that the controlling interest of that corporation would remain with the province of Saskatchewan.

Ms. Sproule: — So could you maybe just provide us with some ideas what you're contemplating once this Act goes through? I know you've said you don't have any particular proposals in mind because none of them have come forward, but surely you would have some sort of scenarios that you . . . I know the Premier has opined on this himself. So what sort of scenarios would you think the government might entertain once the bill is passed?

Hon. Mr. Wyant: — Well that would be speculative to determine, you know, to comment on what we might or might not consider appropriate in the terms of the legislation once it's passed. I think that that analysis has to be done once the transaction's presented for consideration by the Crown and by cabinet. And so that would be speculative.

I mean, you know, you've been a practising lawyer. The fact is that there are many, many, many, many different kinds of corporate organizations and corporate structures that can be developed with respect to the sale of equity, whether that's common shares, whether that's preferred shares, whether those are convertible to ventures — any number of things. And so it would be very speculative to speculate on that.

Ms. Sproule: — That's exactly what I'm asking you to do, is to speculate. What sort of circumstances . . . No other Crown, no other provinces in this country has done this. No other territory in the Commonwealth has done this. So surely you must have had something in mind when you felt that it was necessary to define not . . . what isn't privatization by privatizing 49 per cent of an organization, or less than a controlling share.

So surely you have had discussions with people in the business community with your vast contacts that you have as Attorney General and as Minister of Justice, with your contacts within cabinet, with your contacts within business, you know. You have a realm of possibilities here.

So is there anything when you lay awake at night and you think about this, like what could possibly happen? Like this has not been done in any other jurisdiction, so what is it that's driving you here?

Hon. Mr. Wyant: — What's driving us is to ensure that, as we move forward, we're concerned about the best interests of the people of Saskatchewan and the survival of Crown corporations. Any particular transaction . . . And what we would be looking for, I think, and again this is speculating but you've asked me to speculate so I will: transactions that would improve the balance sheet, transactions which would improve the return on equity to the people of Saskatchewan, transactions

which would ensure that the vital public services that are delivered by the corporations continue to be provided by those corporations to the people of Saskatchewan. Those are the kinds of things I think we would be looking at in any particular transaction. And that's . . . Those aren't limited. There would be a number of other things, but I think key to any particular transaction would be those.

Again, the overriding principle is what would be in the best interests of the people of Saskatchewan, the taxpayers of Saskatchewan, and those Crown corporations in terms of their balance sheets and their return on investment.

Ms. Sproule: — Thank you very much, Mr. Minister. A few months ago, we talked a little bit about . . . well we talk about it every day when I read the petition, but section 149 of the federal *Income Tax Act* requires that unless a Crown corporation is 90 per cent owned by Crowns and various permutations, that income tax would be applicable. Now you had mentioned a few months ago that it may not be applicable under certain circumstances.

So I'm just wondering if you could share with the committee what circumstances or arrangements do you think the federal government would agree to where you say an artificial structure is created that would effectively privatize SaskTel using an arrangement not described above to circumvent section 149?

Hon. Mr. Wyant: — Well I'll answer it this way: I'm not an expert on the *Income Tax Act*, but there are provisions in the *Income Tax Act* which will allow an organization to seek relief from any particular provision of the Act.

But I want to just go back to what I had said before and kind of expand a little bit on it. Any transaction that's going to be considered — and there are none but if there was one to be considered — the benefit to the taxpayer, the return on investment, the strength in the balance sheet would all have to be considered in light of the fact that there could be potential tax consequences. So that would all have to be taken into account.

You can imagine the scenario where there would be a transaction which actually increases the return on investment to the people of Saskatchewan, taking into account the income tax provisions, income taxes consequences if there are one. So simply to say that there's going to be potential tax consequences, there may well be tax consequences but they would all have to be taken into account when you're determining what's in the best interests of the Crown, what's in the best interests of the province, and the taxpayers of this province.

Ms. Sproule: — Could you refer the committee to the particular clauses of the Act where you're seeking relief. Do you have the numbers of the *Income Tax Act* clauses?

Hon. Mr. Wyant: — As I mentioned, I'm not an income tax expert. So as you've probably seen a copy of the *Income Tax Act*, it's quite large. So I don't have those references but we can provide them to you. There is certainly some ability of the Parliament of Canada, through legislation, to exempt any transaction. That's their legislation. So they can amend the

Income Tax Act if there is no specific provision in the *Income Tax Act*.

We haven't had any discussions with the Parliament of Canada. We haven't had any discussions with any tax advisers with respect to what any particular transaction might look like because we don't know what that is. And so once there's a transaction, if there ever was one, a full analysis of that would take place, including what options would be available on the tax side.

Ms. Sproule: — It seems that you may be willing to put some of our Crowns at risk, and certainly the income tax implications, if you're hoping that the federal government will provide that relief. If you're taking that chance, you know, would you be willing to sort of put your position on the line if the federal government says no at that point?

Hon. Mr. Wyant: — What I said was, and you know, you put words . . . You said words that we were prepared to put a Crown corporation at risk. That would not be the intention of the government to put a Crown at risk. There would have to be a full and complete analysis, including what options were available with respect to every aspect of the transaction.

As I mentioned before, we would look at transactions which were in the best interests of the people of Saskatchewan in order of strengthening the Crowns, perhaps return on investments, strengthening the balance sheet. But until there is a transaction in front of us, we can't do that analysis.

Ms. Sproule: — All right. This one part of the phrase in your new definition, or the World Bank definition, is "other restructuring of the Crown corporation." Actually that probably wouldn't be found in the World Bank definition, but what exactly does that mean when you say other restructuring of Crown corporations? What do you have in mind there?

Hon. Mr. Wyant: — The intent of it is to provide, to ensure that there's some further clarity and to adapt to any changing circumstances that may be there. So there could be changing circumstances with respect to any particular thing. So it allows flexibility to allow a Crown to be kind of nimble in adequately responding to changes. So that's the reason that it's there.

Ms. Sproule: — Would this include contemplating something like a joint venture or a partnership?

Hon. Mr. Wyant: — I think the provision is more specific to potential restructurings within the Crown. I know that there's been a number of comments made with respect to establishing partnerships. Certainly we don't want with any particular transaction that would establish a joint venture or establish a partnership to be hamstrung by . . . prevented from doing that by virtue of the fact that the definition is stringent. So it just allows some flexibility and some clarity.

Ms. Sproule: — Now when you took the World Bank definition . . . I haven't seen it yet, but I'm assuming it doesn't refer specifically to Crown corporations. It would have been more in line with . . . Is it more in line with business corporations and not Crowns?

[15:45]

Mr. Kosloski: — The definition refers to a state-owned enterprise.

Ms. Sproule: — And so are you aware of any other jurisdictions that have adopted this definition? What other countries are using this definition for state-owned enterprises?

Mr. Kosloski: — The information that the World Bank provided in their materials with respect to this piece, which as you'll note is an illustration of possible approaches to key drafting issues in the preparation of such a law, their material refers to certain other countries where privatization Acts have been used.

But more specifically to the definition, it refers . . . And it's a two-part process where they say, means a transaction or transactions utilizing one or more of the methods referred to in article 18 resulting in the sale to private parties of a state-owned enterprise . . . [inaudible].

And then in 18 is where the definition specifically refers to the:

public offering of shares;

sale of shares through negotiated or competitive bids;

sale of the assets and business of a State owned enterprise;

management or employee buyouts . . .

lease, management or concession contracts.

They say, any other method that the agency considers appropriate. And I think the definition that's before the committee today talks about any other method prescribed in the regulations which, as the minister mentioned, provides for a flexibility. If there is a type of transaction that comes forward to be referenced, then this would be flexible enough to be able to accommodate that new type of transaction.

The Chair: — Ms. Beck.

Ms. Beck: — Thank you. Minister, my question is about the nature of any consultation. Were there consultations undertaken with regard to this bill, when you were preparing this bill, with CIC [Crown Investments Corporation of Saskatchewan]?

Hon. Mr. Wyant: — Well we wanted to make sure that we . . . We consulted with CIC. The legislation has a direct impact on Crown Investments Corporation, so there was some discussions.

Ms. Beck: — Can you elaborate at all on the nature of those consultations? Were there frequent consultations? Was it over a long period of time?

Hon. Mr. Wyant: — I think the answer is it was as long as we felt necessary in order to ensure that we had the proper legislation in front of the House.

Ms. Beck: — Were there any consultations undertaken with individual Crowns?

Hon. Mr. Wyant: — No. No, the consultations were with CIC.

Ms. Beck: — In 2015-2016, CIC provided \$297.2 million in dividends to the Government of Saskatchewan's General Revenue Fund. Was there an analysis on what this bill could potentially mean for dividends provided through CIC to the GRF [General Revenue Fund]?

Hon. Mr. Wyant: — No, and the reason for that, as I've already stated, is until you know the nature of a particular transaction, it's impossible to determine what the potential impact, a benefit or a negative impact, would be on any particular dividend that was paid by a Crown to CIC. So that analysis would be done if and when a transaction is presented for consideration.

Ms. Beck: — So there's no ability to undertake any sort of modelling based on different scenarios. I mean that's a fairly significant \$300 million to the GRF.

Hon. Mr. Wyant: — As I mentioned in the House today, any modelling with respect to that would literally take up all the resources of the Ministry of Justice and Finance because there is almost to say an infinite number, not quite, of potential transactions — whether they're equity transactions, whether they're partnerships, what those look like, how much of an interest perhaps is part of that transaction. So until you have the details of a transaction, you can't do any kind of modelling on or any analysis on what the impact will be.

As I've mentioned before, the primary driving interest here is to ensure that we protect the interests of the people of Saskatchewan, and that dividend is very important to the people of Saskatchewan. So you could envision a transaction that increases the return on investment, that increases the dividend, I suspect that increases the balance sheet, that increases the return on investment.

So unless you know what the transaction looks like, you can't do an analysis on what the impact may or may not be with respect to any dividend that's paid by a Crown. And I think that you would understand that.

Ms. Beck: — I can certainly understand that there would be a number of possible transactions, but surely some would be more likely than others. I think in second reading and in other places, there have been some, presented by yourself and other members of government, in terms of scenarios. So you can't do all of the scenarios, but there's no ability to do any of the modelling with any of the scenarios?

Hon. Mr. Wyant: — You wouldn't know what to model. I mean, is it 5 per cent? Is it 10 per cent? Is it a partnership? Is it a joint venture? Without knowing what the expectations of your partner would be or your equity holder, it would be impossible to do that analysis. That analysis would be done at the time, or if and when a proposed transaction is presented. And that's when that analysis would be done.

And again what we'll be looking for is to ensure that the best interest of the Crown, the best interest of the people of Saskatchewan are protected in any particular transaction.

So you can speculate on any one of a number of things. You can talk about partnerships. You can talk about an equity sale. You can talk about convertible debentures. You can talk about preferred shares. You can talk about bond issues. You can talk about anything. But until you know what the nature of the transaction is and what the expectation of your partner or equity holder is, you can't do that analysis, and nor would we even start to try that.

Ms. Beck: — So the parameters then will be the best interests of the people of Saskatchewan.

Hon. Mr. Wyant: — As I've said, there'll be a number of things. We want to make sure that we're acting in the best interest of the people of Saskatchewan, the best interest of the Crown. We want to strengthen balance sheets. We want to increase return on investment. All those things will be considered if and when a transaction comes forward.

Ms. Beck: — Strengthen the balance sheets of the Crown corporations?

Hon. Mr. Wyant: — Yes.

Ms. Beck: — So you've commented here that you don't know what these transactions would look like, and therefore no analysis has been done about how this process will impact the Crowns.

Hon. Mr. Wyant: — That's correct.

Ms. Beck: — So if I may, the process seems to be flawed when we're talking about literally hundreds of million of dollars to the GRF. This government moved SLGA out of the Crown protection ownership Act last year and did consultations, an analysis, and proposed a plan to privatize liquor stores. Here there's a process where there has been no analysis. We've had no ability to call witnesses. When there's so much at stake, hundreds of millions of dollars as we've established, why wouldn't you follow a different process to sort out a solution here?

Hon. Mr. Wyant: — I respectfully disagree. I don't think that there's anything's at stake here. And you wouldn't be able to do the analysis in terms of what's at stake or whether the process . . . I don't think this process is flawed at all. I'll tell you what I think was flawed, the fact that when the legislation came forward in 2007 that the government of the day neglected and refused to define the Act. And you have to ask yourself the question, why was that? The fact is, is that this entire piece of legislation is premised on one word which the government refused to define at the time. We're just simply correcting that deficiency in the legislation.

Ms. Beck: — Going back to that decision, were there amendments that were proposed at that time by the opposition to define privatization?

Hon. Mr. Wyant: — No.

The Chair: — Mr. McCall.

Mr. McCall: — Thank you very much, Mr. Chair. Thank you

very much. If this was such a signal act of good stewardship on the part of this government to fix the definition of privatization in the legislation, why didn't you run on it?

Hon. Mr. Wyant: — Well I'll answer it this way. We're not looking at a single transaction. We're looking, as the result of review of this legislation, to bring clarity to the legislation. So that's what we've done and what we intend to do.

Mr. McCall: — I've heard from the Premier as late as SUMA [Saskatchewan Urban Municipalities Association] about how, you know, the way that they can open up something like SaskTel to all these partnership opportunities, and they just needed to change the legislation. Again the timeline matters here because in 2004 when this legislation was passed there wasn't a peep said about the definition of privatization. That wasn't part of the 2007 election campaign. It wasn't 2011. It wasn't in the by-election where you were brought to this House, Mr. Wyant, and it certainly wasn't part of the 2016 campaign.

So in terms of this being such a great idea for stewardship of these public assets, when did this come forward? What's the parentage of this measure?

Hon. Mr. Wyant: — Parentage of the measure is a review of the legislation that identified a deficiency in the legislation, which we are fixing by this piece of legislation that's before the House.

Mr. McCall: — When did that review take place?

Hon. Mr. Wyant: — There was no consideration of changes to this legislation prior to the election in 2016. The issue had come up and I consulted with my officials in the Ministry of Justice after that time with respect to this legislation. And that's the time frame for bringing the change, in terms of the decision to bring the change forward.

Mr. McCall: — The request came forward from yourself after the election. When after the election?

Hon. Mr. Wyant: — As you know, there's a process. I don't make decisions individually. Certainly the comment came out with respect to the deficiency in the legislation, which was identified, and that's when the change came forward. I can't tell you the exact date as to when I began, or we began as a cabinet to consider the change, but it was certainly after the 2016 election.

Mr. McCall: — Where did the suggested change originate from? Did it come from CIC or did it come from cabinet? Where did the suggestion come from?

Hon. Mr. Wyant: — Well I want to be careful not to breach cabinet confidence on this matter, but the fact is that the discussion had happened between a number of cabinet ministers in respect of the deficiency within the legislation, and that's when the change was identified.

Mr. McCall: — What prompted that consideration? Was it the deliberations around what to do with SaskTel in the light of MTS [Manitoba Telephone System] and the Bell Canada purchase thereof?

Hon. Mr. Wyant: — No.

Mr. McCall: — Then what prompted this work?

Hon. Mr. Wyant: — It was a review of the legislation and an identification of the deficiency . . . [inaudible interjection] . . . Well you can take the answer for what it is.

Mr. McCall: — Yes.

Hon. Mr. Wyant: — It's the answer. But there was no consideration given of any particular transaction or any particular Crown when the decision was made to amend the legislation.

Mr. McCall: — So this didn't come forward from CIC as part of their stewardship of Crown assets?

Hon. Mr. Wyant: — No.

Mr. McCall: — This came forward, this was definitely from cabinet?

Hon. Mr. Wyant: — I'm not going to talk about the cabinet decision. I can tell you that it was a discussion between a number of ministers that came up with the . . . that identified the deficiency in the legislation and the decision to make the change. And then of course that decision was made by cabinet.

Mr. McCall: — In terms of, and maybe this question is best placed to Mr. Kosloski, but in terms of other partnerships that SaskTel has engaged in previously — I think of the partnership with Huawei and Athabasca Basin — would that partnership be possible? How would that partnership be treated under this legislation?

[16:00]

And if it wasn't . . . If this is about getting to partnerships and taking these Crown assets and improving the bottom line for the people of Saskatchewan, as you're saying, then how was it that they were able to do that partnership with Huawei in 2014?

Hon. Mr. Wyant: — This change will provide greater clarity in terms of what would be considered a privatization and what wouldn't. I'm not familiar with the transaction that you've spoken to. There's certainly nothing currently existing that prevents the establishment of different kinds of relationships that may be outside the parameters of a privatization.

But again this legislation is intended to define the word "privatize" so that certain transactions can proceed that might otherwise not be able to proceed under the existing, under the legislation which . . . Well, given the definition and the fact that we're defining that word, there's no clarity in the legislation as to what that word means. And no one from the opposition in any of the second reading speeches has given any clarity to what was intended at the time the legislation was passed with respect to what that meant. So this legislation simply defines that.

There was three members that sat on your side of the House, in government, that sit on your side of the House. None of them

have spoken to what the intent of the legislation was. And it would be interesting to hear their comments to cabinet ministers.

Mr. McCall: — I guess I'd be interested to hear the comments from Mr. Kosloski because he was certainly there and has served the public long and honourably with the Crown Investments Corporation and would have been there in September 24th, 2015 when the announcement was made for the partnership with Huawei Canada and the Athabasca Basin Development Corporation and SaskTel.

Surely CIC is the holding corporation for SaskTel and the other Crown corporations. If not, the Ministry of Justice would have been providing advice to the corporation at that time as to the advisability or the possibility of that partnership. There was nothing that stood in the way of that partnership going forward.

Can Mr. Kosloski tell the committee about that particular instance, and whether or not there was any analysis done as to the relationship of that partnership to the Crown corporation public protection Act?

Hon. Mr. Wyant: — The fact of the matter is that with respect, and I'm not familiar with the transaction, but the nature of the transaction . . . [inaudible interjection] . . . the nature of the transaction, and I'm not familiar with the transaction, so it's very difficult for me to comment on it. I'll let Mr. Kosloski make a comment on it, but I'm not sure in terms of his knowledge of it, but I'll let you.

Mr. Kosloski: — I'm not familiar with the details of that transaction, but certainly can get information with respect to that transaction with Huawei.

Mr. McCall: — Maybe to ask the question a different way then. In terms of — and again I say this out of respect for your long service to the people of Saskatchewan, something that is recognized by the fact that you're a Queen's Counsel — in terms of the work at CIC since the passage of the Crown protection Act, have there been partnerships that were viewed through the lens of that legislation that were turned down on the grounds that they constituted privatization or did damage to the terms of the Crown protection Act? Can you provide us any instance of that happening?

Mr. Kosloski: — So there aren't any that I'm aware of. Certainly we wouldn't . . . We'd follow the law. As you know, we were part of creating that piece of legislation, and certainly we know the gravity of that legislation. So anything that we would look at, we would certainly follow and analyze. So to answer your question, not aware of any.

Mr. McCall: — Not aware of any instances where the legislation stood as an impediment to partnerships or different ventures that might be possible? And this is again over a decade-plus of experience with the Crown protection Act.

Mr. Kosloski: — I won't delve into any specifics. What I will say is that, like any other law in the province of Saskatchewan, we look at various aspects, including this piece of legislation, *The Crown Corporations Public Ownership Act*. In any transaction that we may consider, it's certainly part of the

analysis. So SLGA, that wasn't part of us, but that was part of the analysis for government. ISC [Information Services Corporation of Saskatchewan], certainly we looked at the law of the land, and that was the advice that we gave to pursue that. So when we do look at transactions, we've followed the laws and we look at the laws and their applicability. That may be overly general, but that's what we do.

Mr. McCall: — So again this is about opening up the enumerated Crowns protected under the terms of the Crown protection Act to up to 49 per cent divestiture, 49 per cent sale.

Mr. Kosloski: — Well this provides clarity, as the minister has said.

Mr. McCall: — Again there have been different instances where this has been part of the . . . in the question of what constitutes, you know, what's protected under the Act, what's not. And the minister would have us believe that this was separate and apart from the considerations of SaskTel.

And he's also looking for . . . he doesn't want to comment on hypotheticals, and I appreciate that. But how would this particular piece of legislation impact something like the potential offer that was made by the Saskatchewan Indian Gaming Authority around the purchase of the Saskatchewan Gaming Corporation? How would that, you know . . . And I'm presuming that there would have been some analysis done on the part of government for that and that it wasn't just written on the back of an envelope and it wasn't just some kind of a political misdirection. So how was that analyzed under the terms of the Act at the time? And in turn, how would that be impacted by what's under consideration here today?

Hon. Mr. Wyant: — I hope this answers your question. As you recall, with respect to the Gaming Corporation, that the government had requested the concurrence of the opposition with respect to their approval to move forward with the transaction. And when that concurrence wasn't provided, then the transaction didn't move forward. But that would have been the sale of, as you know, of the casinos. And so the only analysis that was . . . The only request that was made was the request for concurrence by the opposition with respect to the sale of those assets.

Mr. McCall: — So how would that particular venture be adjudicated under, you know, after Bill 40 passes? I'm presuming you'd be able to sell 49 per cent of that without needing to go looking for concurrence from anybody, and being able to completely circumvent the Crown protection Act and not bother to go to the people of Saskatchewan to get a mandate for the plan, which was why that legislation was passed in the first place. So how would that happen?

Hon. Mr. Wyant: — If, after this legislation is passed, there is a transaction which transfers control of a Crown corporation to another entity, that would . . . any potential, that would trigger the legislation. If it doesn't transfer control, it doesn't trigger the legislation.

Mr. McCall: — So you could sell 49 per cent of any of the given Crowns, and again sit here and tell us about how it's all hypothetical, and you wouldn't want to comment on

hypotheticals. But you could sell any one of those 49 . . . You could sell any one of those protected Crowns under the Crown protection Act, that the government you're part of has stood in three separate general elections and supported, and not bother to go to the people of Saskatchewan to get their permission in a referendum or in a general election as was the case with SLGA. Is that correct?

Hon. Mr. Wyant: — If a transaction were to come forward for consideration that had the effect of transferring control of the corporation from the Government of Saskatchewan — the people of Saskatchewan — it would trigger this legislation. But I want to remind the member of some of the considerations that would need to go into the consideration and that was the strengthening of the return on investments, strengthening the balance sheet, looking to see what the best interests of the corporation were.

And we may disagree — and we obviously do — as to what may or may not be in the best interests of the people of Saskatchewan, but that would be the primary consideration.

Mr. McCall: — And with all respect, Mr. Minister, the only guarantee we have of that is your word. There's the Crown protection Act, which sets out very clearly the terms by which these highly valued public assets would be privatized or not, or be sold off. What we've got, you know, from yourself here today is, just trust me and it'll of course be a great deal. There's no need to go to the people to check through a referendum. There's no requirement to go to the people and check through a general election. You're saying, trust me.

Hon. Mr. Wyant: — Any changes to any legislation which would be required to be made as a result of a particular transaction would have to come to the House for debate. So there would be debate in the House through a legislative process. That's where the discussion would happen because, as I mentioned before, there is nothing in the current Crown Acts that allow the sale of any equity which would allow the investment from the Auto Fund or an investment for Workers' Compensation. There's nothing in the legislation which allows that to happen.

So any changes to the legislation that would be occasioned as a result of any particular transaction would need to come to the House for debate, and that's where we would have that discussion.

Mr. McCall: — But not to the people through an election or through a referendum, as is the current terms of the Crown protection Act.

Hon. Mr. Wyant: — The Crown protection Act wouldn't apply to anything that wasn't a privatization, and that's the whole point of this legislation.

Mr. McCall: — I'll cede the floor to my colleagues who of course have more questions.

The Chair: — Mr. Meili.

Mr. Meili: — Thank you, Mr. Chair. What I'd like just to get on record, Minister, is we've talked about all of this analysis

would need to be done if there was a transaction in the works, if there was one in consideration, and it hasn't been done because there isn't one in the works. I just want to make sure that that's actually the case, that there are no existing transactions being discussed or having been discussed in recent past.

[16:15]

So I'll just go one by one here. Have you, any other ministers of the Crown, any other members of your government been involved with discussions with a potential purchaser of the sale in whole or in part of SaskPower?

Hon. Mr. Wyant: — No.

Mr. Meili: — Have you, then looking into . . . Well sticking with SaskPower, has Mr. Marsh, the president and CEO [chief executive officer], or anyone else working within SaskPower been having those discussions with potential purchasers, to your knowledge?

Hon. Mr. Wyant: — I'm not aware of that.

Mr. Meili: — Okay. Would they be under any authority to do so?

Hon. Mr. Wyant: — No, not without having some board approval to have some ongoing discussions. That would be a discussion, I would imagine, that they would have to have with the board.

Mr. Meili: — I'll continue.

Hon. Mr. Wyant: — Or have some directions from the board.

Mr. Meili: — Okay. To continue with that line of questioning, have you, any other ministers of the Crown, any members of your government, been involved in any discussions with a potential purchaser of SaskTel?

Hon. Mr. Wyant: — Well I'll answer that this way. I mean, the fact that this legislation has been proposed has created some interest, but there's been no formal discussions and no formal negotiations with respect to any kind of transaction on any Crown.

Mr. Meili: — Could please describe "some interest" to me in more detail?

Hon. Mr. Wyant: — As you may know, the MTS transaction in Manitoba generated lots of discussion with respect to the telecommunication interest in Saskatchewan, or in Canada. And so as a result of the fact that we brought the legislation forward, there's certainly been some interest. But as I've mentioned, there's been no formal negotiations, no formal offer, and no formal discussions between any member of the government and any potential suitor for that corporation or any part of it.

Mr. Meili: — Again that potential interest, I'd like to know a bit more about that. What form has that interest taken? How has that been brought to your attention?

Hon. Mr. Wyant: — Well these matters have never been

brought to my attention. I think it's fair to say that there have been some inquiries with respect to the company as a result of the legislation. But as I've said, there's been no formal discussions. There's been no formal negotiations. There's been no offer. But you can imagine that within the industry that that would generate some interest by those players. But certainly I haven't been participating in that.

Mr. Meili: — Could you tell me who has been participating in that?

Hon. Mr. Wyant: — SaskTel's a very complicated business, and of course they have relationships with a number of other companies across the country with respect to sharing agreements and the like. So as I've said, there's been no formal discussion, no formal offer with regard to any interest in acquiring any interest in SaskTel, but you can imagine that the fact that this legislation has been tabled has generated some interest in industry. So I can't be specific in terms of what that interest is, except for the fact that there's been some interest that's been expressed.

Mr. Meili: — And it is interesting that the introduction of the legislation which you've sort of described as just cleaning up the language is actually bringing that kind of attention, sending those signals I think to markets, to companies, and to the people of Saskatchewan that SaskTel and other Crowns are for sale. And that interest seems to have appeared.

I'm still not . . . I'm feeling like there's something missing here because you're telling me that there is interest. That interest must have presented itself in some way that you know about it and the counsel knows about it. I'd like to know in what way that has presented itself and who's been having those discussions.

Hon. Mr. Wyant: — I don't have any of the particulars of that. All I can tell you is that from my understanding there has been some general discussion, some general interest with respect to this particular piece of legislation and what may or may not be possible. But I haven't been privy to any of those discussions.

Mr. Meili: — Okay, I'm just, I'm interested because it appeared that your . . . the counsel did feel necessary to not have you say no to that question. So I'm just wondering what's gone on that makes it that a no is not a clear answer when asking whether or not any discussions are going on about the sale in whole or in part of SaskTel.

Hon. Mr. Wyant: — Well as I mentioned, there's no dialogue going on. There's no ongoing discussions, no formal consideration of anything that's been going on with respect to the sale of any interest in SaskTel. And the Premier's been clear about that.

Mr. Meili: — But there have been approaches from companies?

Hon. Mr. Wyant: — Well approaches may be too narrow. I think interest is a better word.

Mr. Meili: — Can you tell me what companies came forward to express that interest?

Hon. Mr. Wyant: — I don't have any particulars of that.

Mr. Meili: — Right. Who within SaskTel would be able to provide us with those particulars or tell us what sort of negotiations are going on?

Hon. Mr. Wyant: — Well as I mentioned before, there are no negotiations going on.

Mr. Meili: — Okay. Let's talk about Sask Gaming. Is there any discussion going on with ministers of the Crown at this time or any other members of your government in regards to sale in whole or in part of Sask Gaming?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — And is anyone within Sask Gaming having those discussions about selling individual casinos or sales of a section of that company at this time?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — I'm just wondering if Mr. Kosloski is aware of any such discussions going on, any of those interests that have presented themselves in regards to SaskTel or any of the other Crown corporations.

Mr. Kosloski: — Can you clarify your question please?

Mr. Meili: — So we've heard from the minister that interests have come forward in purchase, in whole or part of SaskTel, and I'm just wondering if you are aware of any more details on those interests.

Mr. Kosloski: — No. No.

Mr. Meili: — You're not aware of which companies or who might have been receiving those expressions of interest?

Mr. Kosloski: — No. And I wouldn't categorize them as expressions of interest. I would just suggest that in the industry, conversations go on all the time.

Mr. Meili: — Okay. I'll continue on. When it comes to SGI [Saskatchewan Government Insurance], have there been any discussions by ministers of the Crown, any members of your government, in regards to the sale in part or in whole of Sask Government Insurance?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — And in terms of the president and CEO or other people working within SGI, is there anyone authorized to or having those discussions at this time?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — Have there been any formal or informal expressions of interest in the purchase, in whole or part?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — The next one on my list is STC [Saskatchewan

Transportation Company]. That's a bit of a special case and probably bears a little bit of commentary in this context, as the sale, the privatization of STC has been described as being wound down, but it's being . . . The parts are being sold.

A Member: — Therefore the need for a definition, apparently.

Mr. Meili: — Yes, well it wouldn't actually . . . We have a little bit of chatter from one of the committee members saying there was a need for a definition. Well looking at the definition in Bill No. 40, it would say that a sale of the assets and business of the Crown corporation as a going concern would be considered privatization.

So it's just interesting to note that it's a fairly slippery application of *The Crown Corporations Public Ownership Act* and likely of Bill No. 40. In regards to STC, I think would . . . I wonder if the minister feels that the Saskatchewan public can really be confident in the ongoing application, even of this new bill, to protect Saskatchewan's Crowns, given the way in which STC is being sold off and privatized.

Hon. Mr. Wyant: — It's not being . . . Just to clarify, it's not being sold as a going concern; it's being wound down. So I mean it's . . . You can characterize it whichever way you want, but it's being wound down. The assets are . . . The business is not being sold as a going concern.

Mr. Meili: — So the assets are being sold. Is that correct?

Hon. Mr. Wyant: — Yes, the assets will be sold but not as a going concern.

Mr. Meili: — Yes, and are any of the routes being sold? Will any of that business interest in terms of the actual operations be sold?

Mr. Kosloski: — No.

Mr. Meili: — They're simply being vacated. Okay. All right, I'll continue on. SaskWater. Have there been any discussions in terms of privatization, or sale I should say, in whole or in part by members of this government of the sale of SaskWater?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — Any interest from companies in purchasing elements of that?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — And finally, SaskEnergy. Has there been any discussion by members of this government with potential purchasers of SaskEnergy in part or in whole?

Hon. Mr. Wyant: — Not that I'm aware of.

Mr. Meili: — Has there been any interest from companies coming to people working within SaskEnergy or within the government of purchase in whole or part of that business operation?

Hon. Mr. Wyant: — Not that I'm aware of.

The Chair: — Mr. Forbes.

Mr. Forbes: — Thank you. Thank you very much. I appreciate the answers here but they leave more questions. I appreciate just the questions, the answers you gave around STC. Did you need Bill 40 to pass? It seems the members on the committee, some members feel from the government side that has to pass in order for the windup of STC.

[16:30]

Mr. Kosloski: — Sorry. I keep pressing this white button and getting into trouble here.

A Member: — It was the ejection button.

Mr. Kosloski: — Well it's not working.

So there are provisions in *The Crown Corporations Act* to wind down and dissolve STC presently. This provision certainly clarifies that with respect to the position of STC.

Mr. Forbes: — Can you tell me which section specifically speaks to winding up? The language is up, not down, and so winding up Crown corporations.

Mr. Kosloski: — Section 13 of *The Crown Corporations Act* speaks to an order in council Crown, which STC is.

Mr. Forbes: — And that's not *The Crown Corporations Public Ownership Act* that . . . No. Okay, so it's a different one. But that Act has been passed, right? So this is a clarification. When we've been talking a lot, we've been talking about *The Crown Corporations Public Ownership Act*. There's nothing in that Act that is a barrier to STC being wound up.

Mr. Kosloski: — That's correct.

Mr. Forbes: — That's correct. So this Bill 40 does not need to pass for the government of the day to wind up STC. Is that right? Am I understanding you? Is that correct?

Mr. Kosloski: — Well it certainly provides clarity with respect to STC and the provision that a privatization does not include a windup. It certainly clarifies any doubts about that.

Mr. Forbes: — In what section are you referring to?

Mr. Kosloski: — I'm sorry?

Mr. Forbes: — What section of *The Crown Corporations Public Ownership Act* are you referring to that needs clarification?

Mr. Kosloski: — It's the definition of privatization that's being clarified.

Mr. Forbes: — My question was, what section of the Crown corporations public ownership are you referring to?

Mr. Kosloski: — I'm sorry, which . . . The use of the word "privatization" is throughout the Act.

Mr. Forbes: — I'm asking for a clarification around winding up in *The Crown Corporations Public Ownership Act* that has been passed. I want to make the connection between the two, and I'm not seeing any reference to that. And so when you say there's a barrier or it needs clarification, I'm asking you to be more clear . . .

Mr. Kosloski: — I didn't say there was a barrier. I said this provides additional clarity.

Mr. Forbes: — And where is that problem in *The Crown Corporations Public Ownership Act*?

Mr. Kosloski: — Definition of privatization.

Mr. Forbes: — I'm asking you to give me the section and number that causes the problem.

Mr. McGovern: — Mr. Kosloski has made reference to the term "privatization," which is an undefined term in the Act. The term "privatization" appears in sections 3 and 4 of the CCPO [*The Crown Corporations Public Ownership Act*], and I think that's . . . if that assists the member with respect to the specific provisions. With respect to *The Crown Corporations Act*, section 13 . . .

Mr. Forbes: — Mr. Speaker, Mr. Chair, the question, be clear, is about winding up and the language around winding up. I'm not asking you about "privatization." I'm very aware of that word in this Act. I'm not aware of the word "winding up" in this Act, and so when you're giving clarification, there's no word "winding up." There's no word "dissolution."

And if you look on the bill that we're dealing with right now, it says, ". . . but does not include a winding-up . . . [or] dissolution of the Crown corporation or other restructuring of the Crown corporation." You seem to be creating a problem that doesn't exist in this bill.

And I'd also ask you to tell me . . . And I'm not asking for the word "privatization." I'm asking for the word "winding up," and I'll repeat that, the word "winding up." I don't see it in the World Bank definition either. So I'm wondering where did that come from. Where did that come from?

Mr. Kosloski: — I won't press the eject button. So again, this is a clarifying point and it was one of dissolution, winding up, and other restructuring. And it was to clarify that if the government ever wanted to restructure a Crown corporation, that they could do so without getting into a debate about privatization of that Crown corporation.

Mr. Forbes: — Okay. I'm just not getting very clear answers here. So it seems that you don't need to pass Bill 40. You know, the minister's been very clear he doesn't like to speculate. This thus has no impact on STC because you cannot identify the section that there's a problem with, and you also have failed to say that, with the World Bank definition that you used, that there was no reference to winding up or dissolution. So you added that in from somewhere because I haven't heard an answer to that question.

But what I do want to say, and I'll get the minister on the record

of this, he's portrayed a timeline of shortly after the election. On April 4th, I believe, 2016, a group of ministers started to look at this whole issue around Crown corporations. And the minister in many answers has said that the bottom line has been building a better business model, or better returns from the Crowns, and he's even said, why not?

So during that whole period of time we saw the deficit of this province, the Finance minister who could not give a straight answer of how much money this province was running out of. And clearly the ministers were looking for ways to improve the returns on the dividends, and maybe that wasn't going to be a partnership. But clearly if you could sell one of the ones that weren't making money, and you know, this has been on the sight for many of the cabinet ministers in this government to sell STC. And they've talked about the \$11 million. The Premier's even bounced it up as high as 17 million even though the Crown has never actually had a subsidy of \$17 million.

So clearly during that timeline we've had the Minister Responsible for STC say that it would never be sold. And even up to even January or February, the minister was saying it would never be sold. But there was a group of ministers that were talking about this, and talking about winding up, which wasn't in *The Crown Corporations Public Ownership Act*. So clearly they were developing a window of opportunity with selling off, or in their terms, a new term, winding up, even though it's a common lexicon in business, winding up. So it didn't need to be defined and you're not defining it in *The Interpretation Act*. Or dissolution — it's not defined anywhere but is a common term. But all of a sudden you felt the real need to do a definition of privatization.

Minister, do you want to comment on that timeline of how you folks prepared to sell STC, in full knowledge?

Hon. Mr. Wyant: — I hope I get . . . I hope I answer this correctly. This legislation was tabled in the fall. And as I mentioned before, it was tabled in order to bring some clarity to the existing piece of legislation which wasn't there before. The discussion with respect to STC certainly came forward at a later time. The discussion wasn't with . . . STC wasn't held in conjunction with the decision with regard to the amendments to this Act. Did that help at all?

Mr. Forbes: — Well you may say that. I'm not sure if I actually think . . .

Hon. Mr. Wyant: — I said it on the record.

Mr. Forbes: — Okay. But we've heard that you've said that there was a group of cabinet ministers who have been talking about this since shortly after the election. And we knew that there were huge, huge budgetary pressures that became clear after the election, not before the election. This government did a lot of work to contain concerns about the free fall that this government and its mismanagement was creating.

You know, I would anticipate that CIC would be bringing forward ideas about how they could work with this. So you know, this idea must have been started at some time around STC, I assume, in the early summer for this legislation to come out in early November.

So the timeline really causes a lot of questions. And so one of the questions that remain and you haven't really answered is, is there anything in *The Crown Corporations Public Ownership Act* that would've hindered or stopped the sale, of windup of STC?

Hon. Mr. Wyant: — I think the answer to the question is that certainly this legislation brings some clarity to the word "privatize" in the legislation, so that it removes any ambiguity with respect to whether it is or whether it isn't.

Mr. Forbes: — But there's lots of questions now around winding up. In fact, Minister, and your officials have got it wrong. You keep referring to it as a winding down, but it's a winding up. And you folks are the architects of this language, so you have several terms that are floating around, like "dissolution," "winding up." And one that I would be really interested to hear is your take on the word "successorship" because that's one that I know the workers at STC are very interested in, and you've decided not to define that. And that has huge implications in the business world.

[16:45]

Hon. Mr. Wyant: — Well I'll just make the comment on the word "successorship." I mean, I don't think there's any need to define that in here simply because of the fact that it's already defined in other legislation and defined by reference to case law. So we know what that word means. We don't know what the word "privatize" means, and that's why there's definition being brought.

Mr. Forbes: — To be specific, what laws, what Acts are you referring to in terms of successorship, and what case law have you used to put your mind at ease around that term in this Act?

Hon. Mr. Wyant: — We're certainly prepared to table the definition of successorship. We don't have . . . We can certainly spend some time looking it up. I'm sure you don't want to waste our time or your time doing that. But we can certainly . . .

Mr. Forbes: — No, I'm not a lawyer here, but I just did some research on this. And of course the main one that comes up when you google is really "successorship" is in the employment Act around . . .

But we've seen this government drop the ball around STC, not understanding that the workers there are covered by federal labour law, the Canadian Labour Code, not *The Saskatchewan Employment Act*. And so here is something. We know of at least one other Crown corporation that is covered by the Canadian Labour Code and not *The Saskatchewan Employment Act*. Can you name that company?

A Member: — SaskTel.

Mr. Forbes: — It is SaskTel. I just wanted to make . . . [inaudible] . . . All right, thank you for that answer because, I mean clearly the Minister of STC wasn't aware that his corporation was governed by the Canadian Labour Code, and we have quite a shemozzle right now in the Canadian labour relations board because of that. And the clarity when you sought around privacy, but then clearly didn't deal with issues

around making sure that in the business of the day . . .

Now it's interesting because *The Crown Corporations Public Ownership Act* didn't talk about dissolution or windup. So really what you're doing is you're adding something new. You're not clarifying; you're adding a new element to this. You're adding a new piece to this because dissolution isn't spoken to in the Crown corporations public ownership and neither is winding up. It talks about sale of assets in the normal course of business, which we all see that with auctions of SaskPower trucks, that type of thing. But it doesn't speak to dissolution or winding up, does it?

Hon. Mr. Wyant: — If you were to ask me what, as a lawyer, I consider the word "privatize" to mean, it would be this definition, but it would not include a winding up or dissolution. I don't think that's a winding up or a dissolution, to privatize. So I think just simply from looking at the word, I wouldn't think that the word "privatize" should include the dissolution or winding up.

Mr. Forbes: — Okay, so what in . . . You feel that this bill needs to be passed in order for STC, the windup to go ahead?

Hon. Mr. Wyant: — This bill adds clarity to that word so as to not have any confusion. I think if there was to be a debate about whether or not the word "privatize," without it being defined, would include a dissolution or winding up, I would say the answer is no. But what this does is clarifies that formally so that we all know exactly what it means.

Mr. Forbes: — Now you haven't been able to identify in the world book model or definitions that there is an actual reference to winding up or to dissolution. So I assume it's not there. And you haven't been able to identify a need. Nobody asked for this. But clearly it seemed that there was a timeline that involved cabinet ministers who needed to have this done in order to proceed with, whether it be SaskTel and what might happen there, and clearly what we're seeing now with STC and the way to avoid any public involvement.

Today we've had the committee here. Each one of those folks on record voted against bringing witnesses to have a better, fuller discussion about this. Don't you think it's the intent, that you're actually impeding the intent of *The Crown Corporations Public Ownership Act*, that your side voted on in 2004, that there was a role for the public to be involved in this?

Hon. Mr. Wyant: — No, I don't think so. I mean the fact of the matter is that the word is in the legislation and it was undefined.

Mr. Forbes, you were at . . . You were part of that government when this legislation was brought forward. It was a government piece of legislation. And no one from your side, none of the ministers, none of the members on your side of the House that were there at that time have offered any explanation as to why it wasn't defined.

I will tell you this. I work with a fine group of lawyers at the Ministry of Justice. I don't think anyone at this table would disagree about the quality of the type of people that are there. When the legislation was drafted, I can't imagine that anyone

from the Ministry of Justice, knowing their drafting policies, knowing their drafting manual, would have forgotten to define that word. And so I think it's incumbent on someone to explain to the people of Saskatchewan why you didn't do it.

And so the fact that we are now bringing forward a definition is completely responsible in order to clarify legislation that's already been passed. Because legislation, just like a document — and you can speak to anyone you want; you have two lawyers sitting there — legislation and agreements without definition are meaningless. And so from a drafting perspective, unless you put a definition into the Act, the Act has no meaning. And so I'm not sure how we can be criticized for wanting to amend a piece of legislation through *The Interpretation Act* to properly define the word which the government of the day refused to do.

Mr. Forbes: — You know, I have to say, as a cabinet minister and very proudly involved with that passage of that bill in 2004, here we have a situation where you're saying, well a piece of legislation isn't worth its salt unless it comes with definitions. But you won't define winding up. You won't define dissolution. You make, sir . . . You hide it under this discussion about a World Bank model, but that doesn't refer to it in its suggested models.

I have a question though. You said earlier that there was no definitions offered in the second debate speeches on this bill, but you didn't refer to which bill that was. Was that in 2004 when the Sask Party had an opportunity. Many members spoke to it. I haven't looked at the *Hansard*, but I'm sure you've had your officials look back through that time where even our Premier had an opportunity to define or offer a definition. Were there definitions then? Is that the time when you were talking about the missed opportunities? Or are you throwing this back, as we often hear from the Sask Party now, it seems to be always the opposition's fault for what has happened, and not you taking full responsibility for what we're seeing here today.

Hon. Mr. Wyant: — With all due respect, there's a responsibility on the government of the day, when they're passing legislation, to be clear in terms of what the legislation should mean. Well you can laugh if you want, but the fact of the matter is, the fact of the matter is, this was a government bill. This was your bill and it was deficient. So I'm not sure what more I can say about that, Mr. Forbes.

Mr. Forbes: — You're not answering the question. Were there definitions offered by the Sask Party opposition in 2004 when they all voted for that bill, and they all felt it was fine. Were there definitions or concerns raised at that time?

Hon. Mr. Wyant: — I'm not aware that there were any.

Mr. Forbes: — We don't recall that there weren't. I mean it seemed to be quite . . . People of the day, of which now you can point at the three of us who were from that time period, but if you look across that period there, now these folks are all new and they can make a new impression on their folks. But if you look in cabinet, many of those folks, including the Premier, was there to vote for it. And so was the Deputy Premier there to vote for it. So was Minister Harpauer who, I believe, is . . . Is she CIC?

A Member: — Has been CIC.

Mr. Forbes: — Has been CIC. She has been there. She was there to vote for it.

So you just look across that front row, many of them were there in 2004 to vote for it. I don't recall them making any suggestions about definitions. And so while you can throw it back at us, I think that your point that you just made about the government of the day has full responsibility for clarity, I have to tell you there's lots of questions of this bill. And the fact that you've really stymied any kind of public participation on this is really, really shameful.

Hon. Mr. Wyant: — Well, Mr. Forbes, I'll repeat for the record and for everybody that's watching: it was a government bill. It was your responsibility. I'll leave it at that.

The Chair: — Ms. Sproule.

Ms. Sproule: — Thank you very much. Thank you, Mr. Chair. I just want to follow up on some comments that were made earlier, Mr. Minister. And in particular, I recall being at the SUMA convention where your Premier announced, someone asked him a question about Bill 40. And he said, well what if, you know, we wanted to add broadband capacity to SaskTel and we wanted to make it into a national provider so it could compete with . . . I'm paraphrasing. And you may recall when the Premier said this in answer to a question. It was at the bear pit session, I believe. And you know, SaskTel may want to compete on a national stage, and therefore it requires this type of definition on privatization in order to be able to do that, or there was some commentary to that point.

Now earlier you indicated that there was, once the bill was released, there was indications of interest in what the bill is purporting to do. Do you know if that came after the Premier made that announcement at SUMA, or was that what led him to make those comments at SUMA?

Hon. Mr. Wyant: — I'm not aware of the timing of it in terms of the comments that the Premier made relative to . . . I'm not aware. It's hard for me to answer that question.

Ms. Sproule: — Yes. SUMA was in February.

Hon. Mr. Wyant: — Can you just clarify the question?

Ms. Sproule: — My question is, you indicated earlier when Mr. Meili was questioning you that there were, not expressions of interest, but interest came about after the bill was introduced last fall.

And in February, your Premier indicated that he thought it might be a good idea or an opportunity at least for SaskTel. And we've heard from other sources that SaskTel is certainly of considerable interest in this bill, the definition changed to . . . creation of your definition of privatization.

Anyways, the Premier said at SUMA that, you know, well what if we wanted to nationalize SaskTel and make it competitive with the other providers? We would need access to capital or . . . And again, I'm paraphrasing, but I remember him talking.

And you'll recall that there was some idea that SaskTel would really benefit by this particular definition because then they could reach out to some other providers.

And I know that, you know, he's made trips down to the States and may have been in conversations with folks down there. Are you aware of the Premier . . . Is he aware of these expressions of interest or the interest that's been shown? And is that what's driving that comment? Or did the interest come after he talked about SaskTel in that fashion in early February?

Hon. Mr. Wyant: — I not sure of the nexus between any particular interest and the Premier's comments. I don't know the nexus between, or the timing of that. I just don't know that.

Ms. Sproule: — I'm not looking for a nexus. I'm just kind of wondering what the chronological order is.

Hon. Mr. Wyant: — I'm not sure what the chronological order is.

Ms. Sproule: — You're not aware when these interests came about?

Hon. Mr. Wyant: — No, I think that's fair to say.

[17:00]

Ms. Sproule: — Did you become aware that interests were there?

Hon. Mr. Wyant: — I guess I had mentioned before, I'm not aware that there's been any formal discussions or expressions of interest, just some general interest. And it would be hard for me to . . . I don't recall when I may have become aware of any general interest in the industry. This is, as I mentioned before, a very complicated industry with many relationships between service providers across the country. As you know, there's relationships between SaskTel and Rogers and Bell. So I can't answer the question in terms of when I may have become aware of any expressions of, or any kind of general interest. That would just be something that would happen within the industry, I think.

Ms. Sproule: — It's hard to understand how you know there's general interest without knowing when you understood that there was general interest. Either you're just . . . you heard something or you didn't, or you had a conversation or you didn't.

Hon. Mr. Wyant: — I certainly didn't have a conversation but, you know, there's . . . And I'm not really sure when I might have become aware that there was some general discussion in the industry about whether or not there was any interest. But I want to repeat that there has been no formal discussions, no formal offers, no formal anything. And I think I made the comment earlier, when the legislation was tabled, it would have generated some kind of interest within a number of different industries.

Ms. Sproule: — Thank you. I see time's running out. And I do want to ask a question about the source document that you've now provided in terms of where you came up with your

definition. Actually, that definition doesn't exist within this document. It appears in different bits and pieces that you appear to have cobbled together from the introduction, and then I think article 18, along with, as my colleague pointed out, this additional discussion about winding up, which doesn't appear at all in this document.

I've googled it, and when I see it, it's actually called a *Law on Privatization*. That's the name of the document. And if you look in the Google, it seems that it was used when the dissolution of the Soviet Union took place and a number of the Soviet states like Kyrgyzstan and Uzbekistan used it to tear up the assets of the Soviet Union. So I think Serbia also has created a law on privatization, using this particular document.

So I'm just wondering if you could share with the committee what date this document was created, if you have . . . There's no date on it. So is this . . . And also why you didn't, why you cobbled together only certain parts. Why you chose to use only the preface in article 18, and why you added other things to it in terms of winding up and dissolution.

Mr. McGovern: — Thank you, Mr. Chair. You know, as noted in the document that was provided, this was set out as an example of privatization laws, as an illustration of possible approaches to key drafting issues.

The key drafting issue that was in play here of course was with respect to the definition itself. The members referred to the way that operationally in that privatization law that they've set up, it's split, that there is the term "privatization" is defined in their article 2, ". . . unless the context otherwise requires," which is their definition provision.

And the member will know that this type of drafting is similar to the drafting used in model Acts under the UN [United Nations] and with the World Bank being linked to UN. So it does look more like a civil law document than a common law document in terms of how it's set up.

So what they provide with respect to unless the context otherwise requires:

"privatization" means a transaction or transactions utilizing one or more of the methods referred to in Article 18 hereof and resulting in either sale to private parties . . ."

And I don't need to read the rest of that, but by the express references to one of the methods referred to in article 18, article 18 is previously mentioned, then says that:

The Agency [Agency being the article under the Crown corporation here] may employ the following modes of privatization:

- (a) public offering of shares;
- (b) sale of shares through negotiated or competitive bids;
- (c) sale of the assets . . .
- (d) management or employee buyouts . . .
- (e) lease, management or concession contracts; or
- (f) any other method the Agency may consider appropriate.

And in this context, rather than just having the agency determine what's appropriate — which was felt as being, you know, a little bit too insular — that having a provision and regulatory authority in the Act as well, that would allow for identification of other methods of privatization that may be employed that maybe haven't been thought of or that might be appropriate could be added by regulation through that process.

And so rather than leaving out, you know, that split as you say, we've done that more in a common law tradition of including both of those provisions within that clause.

Ms. Sproule: — One of the other phrases that you've used in your definition is “the controlling interest of the Crown corporation.” That isn't in the definition, the World Bank definition. Can you explain why you added that to your definition?

Mr. McGovern: — “Controlling” is in square brackets at the top of the second page on privatization. So I think in this context the square brackets of “controlling” were taken out and employed in this circumstance.

Ms. Sproule: — Can you share with the committee what year this was established?

Mr. McGovern: — I mean, it was a document . . . Well, no, I guess I don't have a specific date for it.

Ms. Sproule: — Given the brief opportunity I've had to search this document online, it appears to have been prepared to assist in the breakup of the Soviet Union where there would have been a number of state-owned enterprises that would have had to have been privatized in one way, shape, or another. So I'm wondering if you could . . . I mean we could research it, but perhaps you could confirm with the committee what year this document was prepared and for what purposes.

As it says at the top of every page, it says:

The attached law is a composite of a number of examples of privatization laws. It is not intended to be a model law, but rather to provide an illustration of possible approaches to key drafting issues in preparation of such a law.

Now I'm wondering why you wouldn't have looked at part IV of the document here on privatization, because there under article 15 section (1), they talk about:

The [appropriate authority] may, by decree: convert a State owned enterprise eligible for privatization, which is not a public company . . .

So in this sense it seems that there is a distinction in the minds of the drafters between a state-owned enterprise and a public company. So when we're talking about Crown corporations and we think about them as public companies, but if they're saying they're not public companies, they're something else, there could be all sorts of enterprises owned by a state that would not be a Crown corporation in the sense that the people of Saskatchewan have come to understand it to mean.

So was there a deep analysis or any kind of drafting analysis of

where this document came from before you cobbled together your current definition of privatization?

Mr. McGovern: — Thank you, Mr. Chair. Through the Chair to the member, I think the member has hit on it precisely, as stated on the top of every page that, you know, this isn't a model law. Model law would be a circumstance where, for example I think the electronic commerce Act is a . . . Well, sorry, the international arbitration Act is model law, which would then suggest that word-perfect precision is to be adopted.

As you know, of course the World Bank isn't a legislative body. What's been provided by their legal group, given their experience with respect to privatization matters, is examples, possible approaches to key drafting issues in the preparation of such a law. And I think that's exactly what occurred here, that this wording was used as an example of dealing with this definition. We have, by using this as a neutral starting point with respect to, in terms of what are modes of privatization for example, it was viewed as being a useful starting point in that regard as a drafting aid in the preparation of the law.

But in terms of, you know, of making it more than it is in that way, I don't know that we would. It was offered as a drafting aid, and I believe it was used in that same fashion.

Ms. Sproule: — We've heard the minister many times say that he has used the World Bank definition, but I think what this establishes is that there is no such thing as a World Bank definition. There was a number of clauses that were put together as examples that could be used when drafting laws relating to privatization. So I think that's the first thing.

Secondly, you're intimating that this is a neutral definition, when you're selling off 49 per cent of a Crown. But 70 per cent of Sask Party supporters and almost 90 per cent of Saskatchewan people don't like this concept of privatization. So I'm not sure how you could suggest that it's neutral in any fashion at all. In fact it's highly political, and using *The Interpretation Act* in order to do that is also a very political move. So what would lead you to believe that this is a neutral definition?

Mr. McGovern: — Sorry. Just for clarification for the Chair, my use of the term “neutral” was with respect to the World Bank as a third party, as opposed to imputing any particular policy or program conclusion.

Ms. Sproule: — Perhaps I will turn to the minister then. Would you acknowledge that there is really no World Bank definition of privatization?

Hon. Mr. Wyant: — Well I think that what Mr. McGovern has indicated is that the World Bank, that the definition that the World Bank has given was used as a drafting aid with respect to this legislation, so I consider it to be authoritative with respect to the definition.

Ms. Sproule: — But you've only selected very small bits of a whole host of things that deal with privatization. So there's no definition of privatization in this document, and I think I'll just leave it at that.

In terms of the winding up and dissolution of the Crown corporations or other restructuring clause that's at the end, as my colleague pointed out, that's not found anywhere in the World Bank definition at all. But would you not say that by inserting this in the bottom of your definition for privatization that you're actually frustrating the original intent of the Crown corporations protection Act?

Hon. Mr. Wyant: — No, I don't think we are. I think we're clarifying the intent of the Act by providing a definition.

Ms. Sproule: — I think that's likely where we would have to beg to disagree on that, Mr. Minister. I'm going to turn the microphone over to one of my colleagues.

The Chair: — Ms. Sarauer.

Ms. Sarauer: — Thank you. We spoke a little bit earlier about the CRA [Canada Revenue Agency] definition or how the CRA uses some tax implications in relation to the sell-off of portions of Crown corporations and the CRA basic definition of privatization.

[17:15]

To me a logical progression, if one were to look into creating a definition of privatization, would be to look at what exists in Canada. And as we've spoken before, there's no other jurisdiction in Canada that has this definition that you're producing. Actually there's no jurisdiction in the . . . there's no Commonwealth jurisdiction at all that has this. And as has now been discovered, this one that was used, this World Bank document sounds like it's decades old. Why wasn't the CRA definition contemplated when drafting this bill?

Mr. Kosloski: — I'll speak to that. I don't believe the *Income Tax Act* has a definition of privatization. What it does have is distinction as to when an entity is a Crown-owned or a government-owned enterprise, and it has this 90 per cent, 10 per cent rule as to when it becomes a taxable entity. But I don't believe the *Income Tax Act* has a definition of privatization.

Ms. Sarauer: — But as you have alluded, it does talk about a 90 per cent threshold. So why wasn't that 90 per cent threshold contemplated in this bill instead of what we're learning it will be a 51 per cent threshold?

Hon. Mr. Wyant: — Well as Mr. Kosloski's indicated, the 10 per cent rule in the *Income Tax Act* simply defines when a commercial Crown would be otherwise taxable. As we've said a number of times, we've used as guidance the information that we got from the World Bank to define the work. So that's the answer.

Ms. Sarauer: — Right. A document that sounds like it's quite old and has not had any application or has not been applied in any other Commonwealth jurisdiction. Correct?

Hon. Mr. Wyant: — I'm not aware whether it has or whether it hasn't.

Ms. Sarauer: — Being cognizant of the time, I have other colleagues who'd like to ask a few questions.

The Chair: — Mr. McCall.

Mr. McCall: — The World Bank document, did that originate with the group of ministers that the minister's referenced earlier, or did that come from Justice?

Hon. Mr. Wyant: — It was provided by CIC.

Mr. McCall: — In terms of legislative process generally, when a bill comes forward and is brought to Justice for drafting, and when it's either coming from cabinet or going back to cabinet, is it not standard operating procedure to provide some kind of a précis to whatever the legislation and regulation committee, subcommittee of cabinet, as to what the impact of the bill is and also what the potential financial implications are of a given piece of legislation? Is that the general means of operating on the part of the government?

Hon. Mr. Wyant: — Well certainly with respect to the impact on any particular piece of legislation, cabinet needs to know what the potential impact is on that legislation. But the fact of the matter is that is an amendment to a piece of legislation of general application. And as I've mentioned a number of times tonight, we don't know what the impact of this particular change will be until we have a particular transaction to analyze.

And if you were to say to me or ask me whether we should analyze every potential situation that might arise as a result of the change in this legislation, I would tell you that would be ridiculous. So if and when a transaction comes forward, then it would be analyzed in terms of its impact, not only to the people of Saskatchewan, but with respect to the balance sheet, with respect to the interests of that particular Crown. But I'm not sure, when you're talking about this kind of piece of legislation, and I've mentioned it before, how you could possibly set out the consequences of every possible scenario.

Mr. McCall: — So in terms of the general application for the legislation, it applies to precisely one piece of legislation. Is that not . . .

Hon. Mr. Wyant: — At the present time, that's correct.

Mr. McCall: — I guess in terms of what the government is proposing and, you know, urging that we all take a flyer on in terms of the implications of this legislation, do you do that with any other pieces of legislation, just sort of, you know, it's all speculative so we can't be tasked with imagining what the impact is, financial or otherwise, to the people of Saskatchewan? Do you do that with any other legislation?

Hon. Mr. Wyant: — Well the answer would be no, of course not. But the fact of the matter is that — and I've said this a number of times — until you know what a transaction looks like, you can't possibly determine what the impact will be. I've talked about the benefit to the taxpayer of Saskatchewan, the benefit to the Crown, the benefit to the bottom line, the benefit to the balance sheet. Those will all be analyzed. But as I've said, you can't possibly analyze every potential transaction in terms of its ultimate potential consequences because there are literally hundreds and hundreds.

Mr. McCall: — So in the case of this legislation, in the case of

this legislation, the financial impact, let alone the potential tax loss to the federal government entailed by the door that this legislation opens, that's something you have no idea of and you claim that that's too onerous a task to do that kind of analysis. But when it comes to the impact on the ability of people to weigh in on this at either an election or at a referendum, that's clear. Is that correct?

Hon. Mr. Wyant: — As I've mentioned, you can't analyze the impact of any particular transaction until you see what the details of the transaction are. This legislation is simply set out to define the word "privatize" which was otherwise undefined in the legislation.

Mr. McCall: — Again that's been such an urgent cause on the part of your government that this has been a fuse that's burned for 13 years now. How do you live with that?

Hon. Mr. Wyant: — Well the Premier's been clear that the public interest will always take precedent with respect to the analysis of any particular transaction. Well you can complain about that, but the fact of the matter is that's going to be the case.

Mr. McCall: — What this bill does is open the door to sale of 49 per cent of any given Crown corporation that had previously been protected by the Crown protection Act. And that's something the minister knows full well.

Hon. Mr. Wyant: — But that's not entirely true because you don't know what the definition of privatization is. If a transaction came forward which impacted the definition and somebody wanted to challenge whether or not that transaction offended the Act or not, one would have to have that word defined. And who's going to define that but the court? And so it just seems to me that as legislators we have an obligation to make sure that our legislation is clear and definite. So you can leave the interpretation of your legislation to the courts. We choose not to do that.

Mr. McCall: — So you're part of the government that's so enthusiastic about due diligence that, you know, they waited 13 years to come forward — and three elections — with a definition of privatization for what has been a central issue in each and every one of those elections. To come forward months after the last election and then on top of that you'd have us believe that such is your fidelity to due diligence that you have no idea what the financial impact is or what the potential tax loss is for the people of Saskatchewan as regards the federal legislation, is that what you'd have us believe?

Hon. Mr. Wyant: — Once there's a transaction to give some consideration to, we will be more than able to assess what the impact of that transaction is.

The Chair: — Our time is getting done, but you'd wanted a quick comment, Ms. Sproule.

Ms. Sproule: — Okay. Just, Mr. Minister, I think it's really important for the people of Saskatchewan to understand. And it's a follow-up to my colleague's question. You've been in government now nine years — 2007. There was a number of years before that when this bill was in operation. What was it

that awoke you and your colleagues to the burning need for a definition such as this for privatization after the 2016 election? What led to that sudden realization? And why did it not happen when you first formed government if this is such an important issue?

Hon. Mr. Wyant: — Well I think I've answered that. The realization that there was a deficiency in the legislation which needed to be fixed, that's the impetus for this particular bill.

Ms. Sproule: — Well as you know, Mr. Minister, there are definitions in every bill. That's a common practice used in legislative drafting. Obviously it would have been a proper place to put it in the Crown protection Act. You've chosen *The Interpretation Act* for reasons that I don't think are correct or proper, but you've given your position on that. But in terms of this definition, I can show you easily 30, 40, 50 words in probably every piece of legislation that doesn't have a specific definition. And as you know, that is the way legislation is drafted.

So I'm finding the reasoning that you're providing is very thin. And I think we need to get a better understanding of this for the people of Saskatchewan. As I said, over 80 per cent of people are opposed to this bill, and yet you're plowing forward. You reversed the decision on libraries. I've presented a petition every day in the legislature for several months now asking you to consider reversing this bill.

You've made your reasoning clear, but I just wonder if you've had any thought about taking some time about this. This will fundamentally change the way Crowns operate in Saskatchewan. It's a change; it's not a clarity. And I think it would be helpful for all the people of Saskatchewan if you would at least put a moratorium on this so that you can do a little more examination of whether this is actually good for the people of Saskatchewan.

Hon. Mr. Wyant: — Well I'll disagree with your comment. It's not a change; it is clarity. And so the fact of the matter is that no one, in second reading debates, no one can provide . . . No one on your side of the House has ever provided a definition of privatization.

In your debates, you talk about there's lots of different definitions. And so if any particular transaction was to come forward that someone may consider to be a privatization, you're going to leave it up to the court to make a determination as to what that meant. And that's not the job of the legislature to leave the definition to the courts to make a determination as to what you mean. And so from my perspective, adding definition whether it's to an agreement, whether it's to legislation is fundamentally important to ensure the enforceability of that law or that agreement.

The Chair: — I just want to before we vote, table . . . the document was tabled is 6-28. I just want to get that in the record, the number. If we're ready to vote on the bill, it'll be clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Ms. Sarauer: — Mr. Chair, I'll be asking for a recorded division on each clause.

The Chair: — On each clause, okay. Clause 1, a recorded division on clause 1. All those in favour, say aye.

Some Hon. Members: — Aye.

The Chair: — Agreed. All those say nay.

Some Hon. Members: — Nay.

The Chair: — Nay. Okay. The ayes have it.

Clause 2, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — On division.

Ms. Sarauer: — Yes. I'd like all clauses on division.

The Chair: — Okay. With a division, it has to be a show of hands. So those in favour? Those opposed? The ayes have it.

Clause 3, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — On division. Then all those in favour? All those opposed? The ayes have it.

Clause 4, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — On division. All those in favour, raise your hands. All those opposed, raise your hands. The ayes have it.

Clause 5, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — On division. All those in favour, raise your hands. All those opposed? The ayes have it.

Clause 6, coming into force, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — On division. All those in favour, raise your hands. All those opposed, raise your hands. The ayes have it. Carried.

[Clauses 1 to 6 inclusive agreed to on division.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Interpretation Amendment Act, 2016*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. On division. All those in favour, raise your hands. All those opposed? The ayes have it.

I would ask a member that we report Bill No. 40, *The Interpretation Amendment Act, 2016*, a bilingual bill without amendment.

Mr. Steinley: — Yes.

The Chair: — Mr. Steinley has so moved. And is that agreed?

Some Hon. Members: — Agreed.

The Chair: — On division?

Ms. Sarauer: — Sure.

The Chair: — Okay, on division. All those in favour, raise your hands. All those opposed? The ayes have it. Carried. I want to thank the minister and his officials for being here today. Do you have any final comments?

Hon. Mr. Wyant: — Just to thank you, Mr. Chair, and thank the patience of the committee members. I also want to thank the members of the opposition for their very respectful questions. I especially want to thank Mr. McGovern and Mr. Kosloski for joining me here today, and to thank Hansard for their participation. So thank you very much.

The Chair: — Ms. Sarauer.

Ms. Sarauer: — Just briefly, I also would like to take the opportunity to thank the officials for being here and answering the questions, as well the minister for engaging in the dialogue and answering questions, as well as the committee for their patience.

And Hansard, I sometimes forget to thank you, so thank you so much for your work. And also special thanks to my colleagues for being here to ask some very important questions and engage in a very important debate today. So thank you very much.

The Chair: — The business for this committee being done, I would ask that a member move adjournment. Ms. Lambert. Is that agreed?

Some Hon. Members: — Agreed.

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

[The committee adjourned at 17:31.]