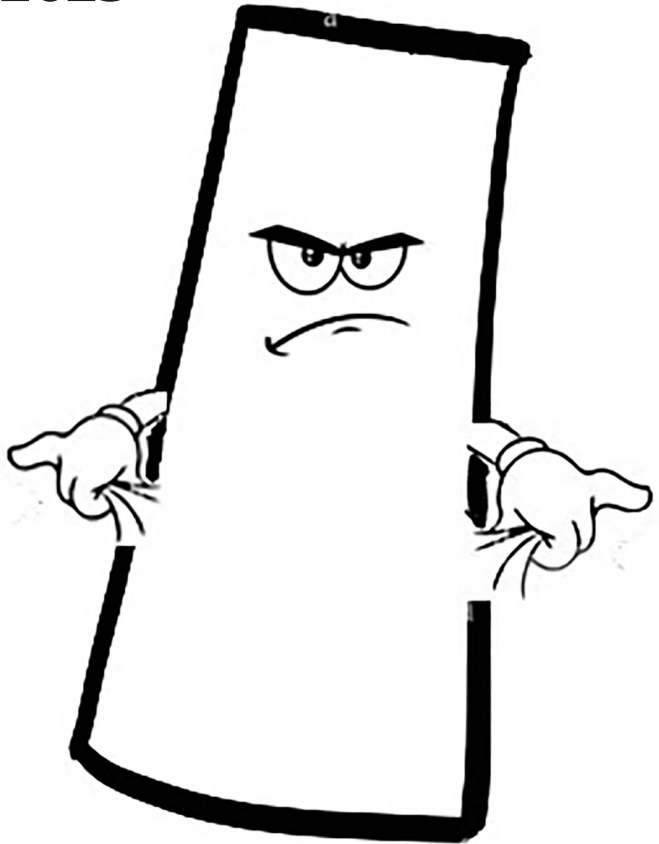


# ***Selling Saskatchewan***

***Now with more than a  
decade of privatization!***

***2007-2023***



***Canadian Centre for Policy Alternatives  
Saskatchewan Office***



This edition of Selling Saskatchewan marks our third update of the history of privatization, contracting-out of public services and public-private-partnerships under the Saskatchewan party government. Despite often claiming that they harbour no “privatization agenda,” we estimate that the government has sold off over \$1.2 billion in public assets and eliminated over 2,000 public sector jobs via privatization and out-sourcing since coming to power. In what follows, we identify, to the best of our ability, the most significant statements and policy decisions involving privatization, public-private partnerships and out-sourcing made in Saskatchewan since 2007.

## ***Legend***



Identifies government announcements or legislation regarding privatization



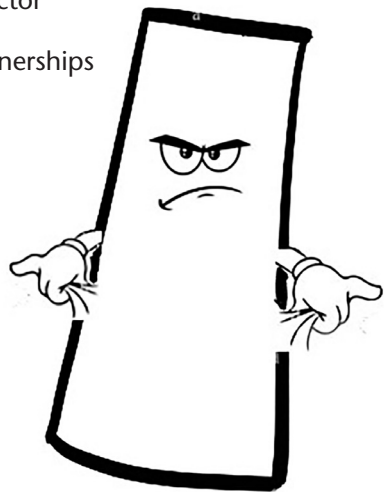
Identifies the total or partial sale of public assets



Identifies formerly public services and/or goods outsourced to the private sector



Identifies public-private partnerships





### **September 2007**

Saskatchewan Party leader Brad Wall unequivocally states that “Crowns are not going to be privatized and (subsidiaries) are not going to be wound down,” after Saskatchewan Party MLA Dan D’Autremont makes public comments suggesting a Saskatchewan Party government would wind down Crown-owned subsidiaries that compete with the private sector.



### **May 2008**

SaskTel contracts out some installation services of SaskTel Max and high-speed Internet services in homes to Jump.ca.



### **July 2008**

The Saskatchewan Party government finalizes the sale of its share of SaskFerco to Norway-based Yara International for \$783 million. Investment Saskatchewan had received more than \$209 million in dividends since its original \$68.5 million investment, made between 1989 and 1993.



### **October 2008**

The Saskatchewan Party government announces its “Saskatchewan First” policy for Crown corporations. The policy requires the Crowns to focus on investing within Saskatchewan, and instructs them to sell off their out-of-province investments wherever possible. Over the following three years, Saskatchewan’s Crowns sell well over \$150 million worth of holdings in Canadian and international companies.



### **March 2009**

SaskTel outsources its e-mail and conference call services to an out-of-province private company.



### **October 2009**

The Saskatchewan Party government releases its “Patient First Review,” which advocates for greater private sector participation in healthcare delivery.



### **February 2010**

The Saskatchewan Party government announces that more than 60% of its internal information technology work has been contracted out to private, for-profit companies.



### **February 2010**

The Saskatchewan Party government sells off 23 government-owned and -operated rental cabins at Greenwater Lake Provincial Park. These were the last publicly-owned cabins in the provincial park system.



### **June 2010**

The Saskatchewan Party government sells the Saskatchewan Communications Network (SCN) to Bluepoint Investment Corporation, a privately owned Ontario-based business. Bluepoint pays \$350,000 for the physical assets and film and video assets of the Saskatchewan-focused educational broadcaster. Just two years later, Bluepoint sells SCN to Rogers Media for nine times that amount.



### **July 2010**

The Ministry of Health releases its “Third Party Delivery Framework” for the contracting-out of day surgeries and diagnostic imaging to private health providers.



### **July 2010**

The provincial government outsources responsibility for inspecting boilers, pressurized storage tanks, elevators, escalators, and amusement park rides. Government inspectors are transferred to the newly-created Technical Safety Authority of Saskatchewan (TSASK), a not-for-profit company with a strong industry presence on its board.



### **August 2010**

Omni Surgery Centre — a private clinic — begins taking bookings for patients who are to undergo dental and arthroscopic knee surgery through the provincial government's Saskatchewan Surgical Initiative.



### **October 2010**

The provincial government announces a contract with Saskatoon Surgicentre — a private surgical clinic — to provide publicly funded day surgeries.



### **February 2011**

The Red Lily wind power project, owned by Ontario-based Algonquin Power, comes online near Moosomin. Under its 25-year contract with SaskPower, Algonquin expects to make at least \$8 million per year selling power to the province.



### **May 2011**

Regina Qu'Appelle Health Region (RQHR) begins contracting out 42,500 CT scans to Radiology Associates of Regina.



### **October 2011**

The Spy Hill Generating Station, owned by Ontario-based Northland Power, comes online. The natural-gas powered plant sells electricity to SaskPower under a 25-year purchasing agreement.



### **February 2012**

Saskatoon's privately operated surgical centre — Prairie-view Surgical — begins taking patients as part of a three-year contract to perform 7,200 day surgeries per year.



### **October 2012**

The provincial government creates a new Treasury Board Crown corporation — SaskBuilds — which advocates for public-private partnership (P3) procurement approaches for large-scale infrastructure in the province. Under the P3 model, private consortiums design, finance, build, and maintain public infrastructure under decades-long contracts.



### **October 2012**

The provincial government announces that it is automating the province's system for issuing hunting, fishing, and trapping licences. Operation of the online system is contracted to Texas-based ACTIVE Network.



### **November 2012**

The provincial government privatizes Information Services Corporation (ISC), the Crown responsible for registration of land titles, the personal property and corporate registry. 69% of ISC is sold, leaving government with a 31% share in the private company. In the three years prior to the sale, the Saskatchewan treasury received an average of \$16.2 million from ISC; after privatization that falls to \$7 million annually, despite the company earning higher profits.



### **November 2012**

The provincial government announces that former Prairie Farm Rehabilitation Administration (PFRA) pasture lands will be transferred to pasture patrons. The provincial government gives patrons the option to buy or lease the pastures, but encourages private ownership, declaring that “purchase is the best option for patron groups.”



### **February 2013**

The provincial government announces that all future liquor stores in the province will be privately owned and operated. Premier Brad Wall promises existing public stores will remain publically owned.



### **June 2013**

The North Battleford Generating Station, owned by Ontario-based Northland Power, begins operations. The largest private power plant in Saskatchewan, it brings SaskPower’s total use of privately-produced electricity up to roughly 20%. Northlands assures investors that the project “is designed to ensure predictable, stable and sustainable cash flows over the entire 20-year term” of its contract with SaskPower.



### **July 2013**

The provincial government announces that a new long-term care facility in Swift Current will be built using a \$108.5 million 30-year public-private partnership (P3) contract.



### **July 2013**

The provincial government contracts with a private company to undertake highway photo radar enforcement in construction zones.





### **October 2013**

The provincial government announces its intention to use a \$635 million public-private partnership (P3) contract for the construction of nine joint-use Catholic/public elementary schools in Regina, Saskatoon, Martensville and Warman.



### **November 2013**

The provincial government sells its 25% interest in the Meadow Lake Oriented Strand Board mill for \$30 million.



### **December 2013**

3S Health signs a 10-year contract with a private Alberta company (K-Bro) to launder the bulk of the province's hospital and health centre linens. Publicly run central laundries in Regina, Prince Albert, Weyburn, Yorkton and Moose Jaw are replaced with a new privately operated laundry facility in Regina. The deal costs 350 Saskatchewan people their jobs in publicly operated central laundries by the end of 2015.



### **January 2014**

The provincial government transfers control of livestock brand inspection services from the Ministry of Agriculture to an industry-led, non-profit corporation, Livestock Services of Saskatchewan (LSS) Corporation.



### **April 2014**

The provincial government announces that four public liquor stores will be privatized in the communities of Langenburg, Ituna, Ponteix and Kerrobert, resulting in the termination of 12 workers.



### **April 2014**

The provincial government announces that a new \$407 million integrated mental health rehabilitation hospital and provincial correctional centre in North Battleford will be built using a public-private partnership (P3) model.



### **May 2014**

The provincial government announces that the \$1.88 billion Regina Bypass project will be built as a public-private partnership (P3). For the first time in provincial history, a private company will be responsible for the maintenance and operation of the highway over a 30-year period.



### **September 2014**

Regina Qu'Appelle Health Region outsources 5,500 MRI scans to Alberta-based Mayfair Diagnostics.



### **November 2014**

The provincial government releases its Green Paper, "Future Options for Liquor Retailing in Saskatchewan." The Green Paper asks citizens to consider five retailing options, including partial and full privatization of liquor retailing and distribution in the province.



### **December 2014**

The Provincial Auditor reports that from 2009 to 2014, spending on private consultants by Saskatchewan government ministries has increased 228%, reaching over \$120 million in 2014. The Auditor finds that the Ministry of Central Services, which spent \$22 million on consultants in 2014, does not properly document why it needs consultants, and does not properly monitor or evaluate their performance.



### **April 2015**

The provincial government announces the expansion of Social Impact Bonds (SIBs) to fund social programs, and appoints a Legislative Secretary for Social Impact Bonds. SIBs are an alternative financing mechanism that allows private investors to invest in and profit from selected social programs.



### **August 2015**

The provincial government privatizes correctional food services to Compass Group Canada for \$8 million per year. More than 60 correctional employees lose their jobs as a result of the privatization. Objections over the quality and quantity of Compass' food leads to skyrocketing inmate complaints, a string of hunger strikes, and a government review of Compass' performance over the following several months.



### **November 2015**

The provincial government announces its new plan for liquor sales in Saskatchewan, which will see 40 public liquor stores replaced with private retailers, along with the creation of 12 new private stores. (This is later reduced to 11, when Prince Albert's city council rejects the idea of a new store there.) Government maintains that the new retailing model will be revenue-neutral compared to the previous public system, but no financial analysis is ever made public.



### **February 2016**

New legislation comes into force, allowing individuals to pay out-of-pocket for privately provided MRI scans. The following year, the Provincial Auditor reports that MRI wait times have actually increased since the arrival of for-profit providers.



### February 2016

Canadian Plasma Resources — a private, for-profit plasma donor clinic — opens in Saskatoon. Canadian Blood Services attributes a decline in volunteer donors to the operation of the for profit clinic.



### March 2016

Premier Brad Wall says that if his government is re-elected, they will enable the privatization of public liquor stores by modifying the *Crown Corporations Public Ownership Act* — a 2004 law, passed with Saskatchewan Party support, that protects the Saskatchewan Liquor and Gaming Authority and the province's other major Crowns from privatization. Wall maintains that only SLGA will be opened up for privatization, telling reporters that “with respect to the major Crowns, we will not be changing it if we're re-elected again.”



### May 2016

SaskTel Minister Jim Reiter commissions a risk assessment for SaskTel, in response to the sale of Manitoba Telecom Services to telecom giant Bell. Wall says any sale of SaskTel will not happen without a referendum.



### July 2016

Jennifer Campeau, minister responsible for the Saskatchewan Transportation Company, says that “it is safe — and it's business as usual.” She suggests that maybe the Crown bus line “should be labelled as a utility.”



### November 2016

The provincial government passes Bill 1, the *Crown Corporations Public Ownership Amendment Act*, which removes the Saskatchewan Liquor and Gaming Authority from the list of Crowns protected against privatization.



### **November 2016**

The Ministry of Justice confirms that it is laying off 14 Deputy Sheriffs of Court Security, who handled perimeter security at Provincial Courts in several Saskatchewan cities, and replacing them with unarmed security contractors. (In January 2017, however, Occupational Health and Safety complaints result in the Ministry being required to restore the lost perimeter security positions; the new contractors remain alongside them.)



### **March 2017**

Premier Wall tells reporters that he has “the clearest sense from voters” that “they’re not interested in the potential sale of SaskTel,” but says he’s still open to forming a “partnership” by selling a minority stake in the company to a private buyer.



### **March 2017**

Following government’s decision to replace 40 public liquor stores with private retailers, the Saskatchewan Liquor and Gaming Authority begins selling off 28 liquor store buildings (the other 12 were leased.) Some of the former store buildings are bought by the new private liquor retailers.



### **March 2017**

Government announces it is winding down the provincially-owned Executive Air service and selling off its assets. Private charter flights will be used in its place.



### **March 2017**

Government announces it is privatizing cleaning services at 95 public buildings, resulting in the layoff of 230 janitorial staff.



### March 2017

The Saskatchewan Hearing Aid Program is eliminated, with the expectation that residents who need hearing aid services will use the services of private sector providers.



### March 2017

Government announces that the Saskatchewan Grain Car Corporation is to be wound down; private buyers for its fleet of 898 provincially-owned railcars are selected by July.



### March 2017

The termination of the Saskatchewan Pastures Program, which provided grazing space for ranchers on 780,000 acres of publicly owned land, is announced. The last of the land will be transferred to private control after the 2019 grazing season.



### April 2017

The provincial government passes Bill 40, which allows for the sale of up to 49% of a Crown Corporation without triggering the protections contained in the *Crown Corporations Public Ownership Act*. The Bill also mandates that the winding-down of a Crown Corporation is not privatization, and thus does not require public approval.



### April 2017

SaskTel Minister Dustin Duncan confirms that he raised the subject of Bill 40 (which allows the sale of up to 49% of a Crown) during a meeting with a leading Canadian telecom company. Brad Wall says that “unsolicited inquiries have been made,” about a stake in SaskTel, but that no offers have been made.



### **May 2017**

Busses operated by the 70-year old Saskatchewan Transportation Company make their last runs, following the elimination of the company in the 2017-18 budget. STC's assets, including several unused new buses, are put up for sale. Government expresses confidence that private businesses will fill the gap left by STC, but as of February 2018, new private passenger companies serve only 28 communities compared to STC's 253 points of service.



### **June 2017**

Outsourcing of estimates by SGI to private contractors reaches its highest level, at 52% of all estimates. From 2014 to 2016 SGI paid out \$8.5 million on independent adjusting fees.



### **July 2017**

The president of SGI tells the media that the Crown has had meetings with 16 different companies about a partial sale of the Crown insurance provider.



### **November 2017**

The provincial government introduces legislation to repeal the section of Bill 40 that allows the sale of up to 49% of any Saskatchewan Crown. The repeal is only partial, however. The law still specifies that a wind-down or dissolution of a Crown — the same measure used to shut down STC — does not qualify as privatization.



### **September 2018**

The Sask. Party government privatizes two publicly-owned natural gas processing facilities owned by SaskEnergy, selling the plants to Calgary-based Steel Reef Infrastructure Corp. for \$31.3 million.



### **August 2019**

Documents reveal the Sask. Party government was actively pursuing the privatization of SaskTel in 2017, and talks with potential buyers were more advanced than the government publicly admitted.



### **February 2020**

The Saskatchewan Health Authority announces a two-year contract for 100 spaces in two Regina-area private, for-profit care homes. The Sask. Party had neglected publicly-run Regina Pioneer Village, leaving the facility in disrepair and in need of major renovations. Many RPV residents were transferred to the two private homes.



### **March 2021**

A broad coalition of Indigenous, environmental and agricultural organizations calls on the Saskatchewan government to stop selling treaty land to private owners and to instead continue to protect these ecologically important areas that are the territories of the Cree, Saulteaux, Nakota, Dakota, Lakota, and Métis peoples. Since 2007, the Province has auctioned off over 2 million acres of Crown land — totalling an area larger than Prince Albert National Park.



### **December 2021**

The Sask. Party government expands contracts with existing private surgical clinics to address the surgical backlog. Doctors worry spending on third-party providers will divert staff from the public system, deepening the existing staff crisis.





### **March 2022**

The Sask. Party government's provincial budget increases funding to private independent schools by 16.7 per cent, compared to only 1.5 per cent for public school divisions (covering public, separate and Francophone school divisions).



### **October 2022**

Premier Scott Moe announces the government plans to sell off Saskatchewan's remaining 34 publicly owned liquor stores. 350 workers to be laid off.



### **March 2023**

The last seven publicly-owned Saskatchewan Liquor and Gaming Authority-run stores shut their doors for good.



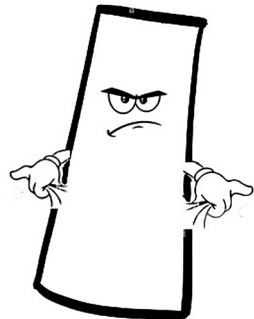
### **June 2023**

Unifor Local 1-S and Local 2-S accuses the government of "privatization by stealth" at public-owned crown corporation SaskTel. The union notes that contracting out has shrunk the SaskTel in-house workforce by at least 30 per cent (1,000 jobs) since 2009.



### **September 2023**

The government announces a contract for the provision of private physiotherapy services for post-operative hip and knee rehabilitation.



# ***How They Sell You Privatization***

As the record above demonstrates, politicians in Saskatchewan are rarely honest about their intentions when it comes to privatization and outsourcing. Prior to his election as Premier in 2007, Brad Wall promised that “Crowns are not going to be privatized and subsidiaries are not going to be wound down.” The Premier then proceeded to sell off multiple crown corporations and their subsidiaries. In 2016, Jennifer Campeau, Minister of the Saskatchewan Transportation Company claimed that the STC was “safe from privatization and it is business as usual.” Less than a year later, STC was sold off in its entirety. In 2013, Premier Brad Wall assured the people that “we will not privatize existing government-owned liquor stores,” only to do exactly that, with Premier Scott Moe finishing the job. But while politicians cannot always be trusted to reveal their true intentions about privatization, luckily there are some distinct warning signs that can alert workers and the public that privatization and out-sourcing may be in the early stages.

## **1. Core Service Reviews**

While service reviews are usually presented as a benign means to evaluate the ‘efficiency’ of a public service, they are often a precursor to privatization or outsourcing. The Saskatchewan government in particular uses core service reviews to make the argument that certain public services are not a “core function” or “business” of government as a rationale for privatization. Public liquor stores, correctional food services and the Public Pasture Program were all privatized using this argument.

## **2. Consultants**

Consulting firms are often brought in on the pretence that they will offer government impartial advice. But given that so many of these firms stand to gain financially through privatization and public-private-partnerships, they are often

used to give legitimacy and cover to governments that have already made up their minds. In fact, when CCPA SK studied these consulting firms' advice on P3s in western Canada, we found that in 46 of 47 cases, they recommended for the P3 option over the public model. That's a 97 percent recommendation rate — hardly what we would expect from a neutral and impartial assessment.

### **3. Load-Shedding**

Often governments will prepare a crown corporation for privatization by restricting its operations and even shrinking its size and resources in order to allow private competitors to expand into the sector. We saw this with public liquor stores that were not allowed to offer the same range of products and customer services that private retail stores were.

### **4. Budget Cuts and Austerity**

Governments often use tough economic times to “sell” the public on the need to privatize and outsource public services. Big sell-offs of public assets in Saskatchewan, like the Potash Corporation of Saskatchewan and the Saskatchewan Transportation Company were initiated in response to large government budget deficits.

### **5. Loading Up on Debt**

Governments will often use the debt loads of public corporations as justification for their sale to the private sector. Past high-profile privatizations — such as BC Rail, Manitoba Telecom and the Potash Corporation of Saskatchewan — were all rationalized due to their respective debt loads. This is all the more important in Saskatchewan where Crown profits are often appropriated by the government for general revenues, forcing the Crowns to increase their debt-to-equity ratio.



**CCPA**

CANADIAN CENTRE  
for POLICY ALTERNATIVES

CENTRE CANADIEN  
de POLITIQUES ALTERNATIVES

**CCPA Saskatchewan**

2138 McIntyre Street  
Regina, SK S4P 2R7

(306) 924-3372

**[ccpasask@policyalternatives.ca](mailto:ccpasask@policyalternatives.ca)**