

# SELLING Saskatchewan

A Decade of Privatization 2007-2017

## Province sells off former SLGA liquor stores

D.C. FRASER for the company that purchased for (Fich) setting up a company"

### TRANSIT

The wheels on the bus go round no more – 224 jobs lost as STC closed

BARB PACHOLIK

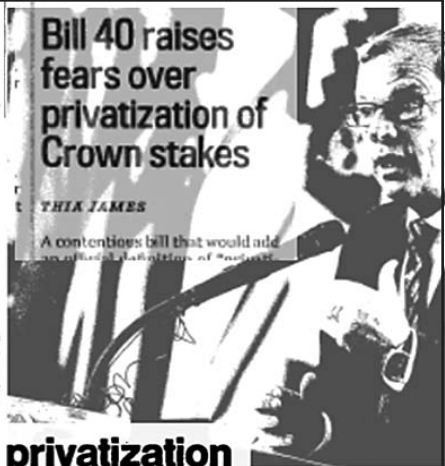
Many Saskatchewan Transportation Company passengers were temporarily left in the lurch when

Efforts to prop up STC over the years have included a luxury executive service between Regina and Saskatoon, seat sales for seniors and smaller, fuel-efficient buses.

## Bill 40 raises fears over privatization of Crown stakes

THIA JAMES

A contentious bill that would add



## Saskatchewan pushing privatization

### CORRECTIONAL CENTRE

62 jobs lost as jail food privatized

EMMA GRANBY LEADER



### EDUCATIONAL BROADCASTING

SCN's closing casts cloud over Saskatchewan production industry

Communications Network is slated to go dark after Friday... last month, the...  
 employ depend on SCN for the bulk of their work. They are... that it's not only a potential... and films they make...  
 SCN and secured nearly nine times that for its budget, including \$3,000 from specialty channel Book Television. "That project wouldn't have been what it was without SCN," he said. "It's a unique..."

called SCN... Radio-television and Telecommunications Commission. They say that by replacing it with two deputy ministers installed to wind the broadcaster down, the province is designed to keep...  
 jobs under... will lose their...  
 Lyle Kalkreuth, a director and producer with Zivit Picture... regular stream of projects... future of the industry is uncertain.

Headline images from the following articles:

Thia James (2017). "Bill 40 raises privatization fears over Crown stakes." Regina Leader-Post. Wednesday, March 8. Page A3.

Barb Pacholik (2017). "The wheels on the bus go round no more - 224 jobs lost as STC closed." Regina Leader-Post. Thursday, March 23. Page A2.

Emma Graney (2015). "62 jobs lost as jail food privatized." Regina Leader-Post. Thursday, August 6. Page A1.

D.C. Fraser (2017). "Province sells off former SLGA liquor stores." Regina Leader-Post. Saturday, July 1. Page A4.

Susan Krashinsky (2010). "SCN's closing casts cloud over Saskatchewan TV industry." The Globe and Mail. April 28.

Photo credits:

Troy Fleece / Regina Leader-Post.

Liam Richards / The Canadian Press.

The following chronology demonstrates both the sheer number and diversity of privatization initiatives that have been undertaken by the Saskatchewan government over the past decade. An uncommon and small-scale practice under the NDP governments of 1991-2007, privatization has accelerated dramatically under the Saskatchewan Party, especially during its second and third terms in power. Over the past decade, we estimate that the Saskatchewan Party government has sold over \$1.1 billion in public assets and eliminated at least 1,227 public sector jobs via privatization and outsourcing. In what follows, we identify, to the best of our ability, all the most significant statements and policy decisions involving privatization, public-private partnerships and outsourcing 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.



### **October 2009**

The Saskatchewan Party government licenses the province’s first private specialty wine stores.



### **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.



### **May 2010**

The Ministry of Health announces a pilot funding project for a 100-bed long-term care facility to be privately built, owned and operated by Amicus Health Care in Saskatoon. The funding arrangement closely resembles the P3 model.



### **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.



### **October 2010**

The provincial government merges the Milk Control Board, the government body which had overseen milk testing, with the Dairy Farmers of Saskatchewan to form the industry-run marketing board SaskMilk. Through SaskMilk, responsibility for testing milk now rests with the milk industry.



### **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.



### **June 2011**

A private company advertises that it is leasing private seasonal campsites in Cypress Hills Interprovincial Park. The cost is \$30,000 for a ten-year term.



### **June 2011**

The Saskatoon and Regina Qu'Appelle health regions announce Surgical Centres Inc. (SCI) of Calgary is the winning bidder in a competition looking for a private clinic to perform day surgeries in Saskatoon and 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 — Prairieview Surgical — begins taking patients as part of a three-year contract to perform 7,200 day surgeries per year.



**April 2012**

The provincial government publicly acknowledges that Ministry of Highways engineering services work is increasingly being contracted out to private consultants and that it plans to shut down the province's public engineering services labs.



**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**

RQHR signs an extension to its private surgery contract with Surgical Centres Incorporated and a second contract with Aspen Medical Surgery Inc., an Australian-based for-profit clinic.





### **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.



### **May 2013**

The provincial government authorizes two new full-line private liquor stores in Regina and two more in Saskatoon.



### **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.



### **June 2013**

A pilot program outsources law enforcement and compliance services at Saskatchewan Landing Provincial Park to Ghost Security, whose private security guards are given special constable status.



### **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.

**P3****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.

**June 2014**

Premier Brad Wall considers the wholesale privatization of the province's public liquor stores, and raises the possibility that liquor privatization may be a major campaign issue in the next provincial election.

**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.



### **April 2015**

The Morse wind farm, owned by Ontario-based Algonquin Power, is completed. It generates 23 MW of power, a fraction of the 307 MW that SaskPower has committed to buy from private suppliers.



### **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 it is making available for sale 600,000 acres of publicly-owned farmland, which it had been leasing to farmers. The program makes the land available to buy at a substantial discount, while heavily increasing the fees for farmers who want to continue leasing.



### **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.”



### **August 2016**

Brad Wall tells reporters that if the government received an offer for SaskTel that “generates a significant amount of money for the province” he would “take it to the people.”



### **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 issues a request for proposals from private bidders interested in taking over operation of the Provincial Recreation Sites at Shell Lake and Chitek Lake; the privatization includes the sale of all facilities, including a recently-upgraded campground and service centre.



### **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.





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