

DEFENDING OUR CROWN CORPORATIONS & PUBLIC SERVICES





Saskatchewan Roots

For more than a century the Saskatchewan way of life has embraced public services and Crown Corporations. This includes parks, power, highways, and so much more.

Similar to the qualities of an oak tree, known for strength and versatility, Saskatchewan history is rooted in our Crowns and public services, which are owned and operated by the people.

Even when we could not see their efforts, our Crowns operated to provide universal, high quality, reliable and affordable services amidst harsh economic times and severe weather conditions. Crowns branch out to towns and cities, charities, community groups, schools, and businesses throughout the province.

When Crowns make profit, we all benefit. The dividends produced by our Crowns are returned to each of us in our roads, hospitals, and schools. These services and infrastructure are proudly maintained by the workers in our vibrant public service.

Our Crown and public ownership make our province a great place to live, work, and raise a family.

Providing more than just a simple service, our Crowns and public services fulfill a social responsibility and have become part of the lives of generations of Saskatchewan people.

Crown Contributions

- Number of Saskatchewan suppliers supported by Crowns*: **21,302**
- Dollars spent by Crowns on local purchasing of goods and services from Saskatchewan suppliers: **\$2.02 billion**
- Partnerships with Saskatchewan businesses: **1,256**
- Workers employed by Crowns: **11,703**
- Total capital spending of Crowns: **\$606.7 million**
- Crowns sponsorships of Saskatchewan-based charities, community events and non-profit organizations: **\$6.7 million**

*Included in these calculations are: SaskPower, SaskTel, SaskEnergy, SGI, STC, SOCO, SaskWater, ISC, IS, CIC. Source: Crown Investments Corporation,

Provincial Bundle (Utilities) Comparison

Province	Bundle	Rank
British Columbia	\$3,994.17	3
Alberta	\$4,479.08	5
Saskatchewan	\$3,418.31	1
Manitoba	\$3,453.95	2
Ontario	\$6,599.35	10
Quebec	\$4,152.84	4
New Brunswick	\$5,325.50	6
Nova Scotia	\$5,725.18	8
Prince Edward Island	\$5,530.35	7
Newfoundland	\$5,974.86	9

Crowns Under Attack

Minister responsible for the Crown Investment Corporation (CIC), June Draude, has stated "Saskatchewan Crowns are valued." What type of value? The government has acted as though our Crowns are simply cash-cows. This year alone we have seen various branches being affected including DirectWest Canada, the Hospitality Network, Navigata, operator services, High Speed internet service, power purchase agreements, general license plates, and SCN ...and these are only a few examples.

The Sask First policy, which was adopted in 2008, restricts the investments of our Crown Corporations both within and outside of Saskatchewan. It will not take long before our Crowns are depreciated to the point that they will not be able to produce anything and we will be forced to sell them off.

ALERT

It was recently announced that insurance brokers other than SGI insurance brokers would be allowed to undertake motor licensing transactions, including the renewal of driver's licenses, vehicle plates and the like. These types of transactions are essential to the current SGI broker force in that they build customer foot traffic for the sale of SGI automobile package policies and SGI Canada home insurance. SGI Canada will be hard pressed to maintain its current market share in those key areas, given that non SGI brokers will obviously be interested in selling their own products other than SGI Canada.

Our government is also quietly chipping away at public services, privatizing them little by little. This sell-off puts corporate profit ahead of affordable services for Saskatchewan people. Good jobs for Saskatchewan families suddenly disappear out of the province. We start paying more and getting less.

Privatization: The People Lose Their Say

Privatization is the handing over or selling off of public assets or services to private business owners. It also includes deregulation, contracting out, and public-private partnerships (P3's). The simple cutting of public services often goes hand in hand with privatization.



Prices Go Up

- In Alberta following the deregulation of electricity, power rates increased by 500% in less than 6 months. The government was forced to provide a rebate to customers, although they were still subject to a large price increase.
- Phone rates in Manitoba went up 37 per cent when the phone company was privatized.

Services Are Cut

- SaskPower announced the closure of six district offices in August, 2010 including Assiniboia, Biggar, Humboldt, Kamsack, Rosthern, and Weyburn. By removing the ability for customers to access a walk-in office, we are providing substandard service to rural areas in the province.

Good Jobs Disappear

- The provincial government's March 2010 budget set out a plan to reduce the public service by over 15 per cent over the next four years. That's 1,500 jobs in government slated to be cut.
- 178 positions were abolished. Jobs vacated due to retirement are not being filled. Understaffing will lead to heavy workload pressures on the remaining workers. Understaffing has reached a crisis point for those who work with children in care.
- Other job losses include: Eighteen positions in Advanced Education, Employment and Labour; 13 in Social Services; six in First Nations and Métis Relations; 14 in Education; four in Justice; and, seven in Tourism, Parks, Culture and Sport.



The Potash Story

Potash Corp (PCS) – “This privatization was the worst fiscal decision in the province’s history and has been aggravated by subsequent royalty giveaways to private potash companies...The cost of privatization exceeded the benefits by between \$18-billion and \$36-billion. In other words, the Saskatchewan government gave up between \$17,000 and \$35,000 for every man, woman and child in the province.”

— Erin Weir, *Economist* September, 2010

Public Assets Sold Off

Parks

- Provincial parks are part of our natural heritage. They require careful stewardship, and should be affordable for all. But, government is putting parts of our parks up for sale.
- Twenty-three cabins in Greenwater Lake Provincial Park have been sold to a Regina-based property management company.
- Private companies are moving into development of seasonal campsites in some of our provincial parks.
- The provision of firewood, garbage and sanitation services in some provincial parks have been handed over to private companies.

Green is Gone

Scores of parks were privatized by the Newfoundland government from 1995 to 1997. Over the years, many were simply abandoned. Overgrown and a target for vandals, the once-thriving parks are now little more than an eyesore marring the natural beauty of the landscape.

Wildlife habitat

- The government amended the Wildlife Habitat Protection Act to allow for the sale of protected lands to private individuals. These sales erode our ability to conserve natural spaces and species.

SCN

- In July 2010, the government sold the physical assets and film and video assets of the Saskatchewan Communications Network (SCN). The province's only local broadcaster was sold for \$350, 000 to Ontario-based Bluepoint Investment Corp.

Liquor Sales

- The government recently opened the door to privatization of liquor sales by licensing two specialty wine stores, one in Saskatoon and one in Regina.
- Experience in other countries and in Canada indicates that privatizing alcohol sales will increase alcohol-related deaths, injuries and social problems through increased alcohol availability and consumption."
- After privatization of liquor sales in Alberta, wages of liquor store workers were reduced by half.
- Our public liquor workers are specially trained to ensure that underage or already intoxicated customers are turned away.
- Public liquor sales contributed 197 million dollars in 2008-2009 to the province's general revenue fund

SaskTel

- This year alone we have seen the sale of Navigata and DirectWest Canada. HospNet, Saskatoon Square, and AgDealer are currently for sale.
- The government's decision to retain 100 percent of SaskTel's dividends in 2010 will force the company to increase debt, while selling off profitable assets.

Deregulation: How Safe Are We?

Safety Inspections

- The government is turning over its responsibility to inspect and license mechanical equipment — such as elevators, amusement rides, and boilers — to private interests.
- Safety inspections are moving from the Ministry of Corrections, Public Safety and Policing to a Delegated Authority. This new Authority will be governed by a board of directors that will include industry representation.

Lower Standards and Less Accountability

- The government has a responsibility to ensure public safety, and is accountable to the public for its actions. Private corporations are responsible to their shareholders, and are not accountable to the people of the province.
- Industry self-regulation too often means lower standards, inadequate reporting, limited monitoring and reduced compliance.

Listeriosis Outbreak

Privatizing the inspection and regulation of the food industry can lead to serious health risks. The listeriosis outbreak at Maple Leaf Foods, which resulted in the deaths of 20 people, occurred in the wake of a transfer of inspection duties to private industry.

Losing quality control - The provincial dairy lab has been closed and the Milk Control Board has been eliminated. Why are we sending raw milk to Edmonton to be tested?



New Brunswick's privatized TransCanada toll highway cost taxpayers \$1.5 billion to build and now motorists must pay \$14 for a round trip between cities. In Ontario, toll road fees increased 25 per cent during rush hour. And you can't renew your license if you haven't paid your fees.

Contracting Out

Saskatchewan people are hardworking and more than capable of providing the province with the vital services we require to survive. Why does the government think we are not good enough to do our own jobs?

Highways – Ministry of Highways workers have provided high quality workmanship at reasonable costs for years. The move to have repair work on our trucks and graders along with engineering work done by businesses whose goal is to make a profit will drive up costs. This will lead to less money for snow and ice removal and road maintenance. It will be more difficult for road crews to keep our highways safe.

Information Technology - At least 60% of information technology services in government are currently contracted out. The government has recently announced its intention to hand over even more IT work to private IT companies.

- Government is paying private businesses significantly more to do the same work that has traditionally been done in-house by government workers. Contract employees are typically paid more than government workers, and business owners take a substantial profit off the top.
- We risk losing control of our personal information — health files, legal records, and emails — if companies are sold or work is transferred to the U.S. or an off-shore country. When our electronic records are held in Saskatchewan, by the Saskatchewan government, there is built-in accountability.

SaskTel - Operator services, Max Interactive TV installations, email service, and High Speed Internet service are just a few of the areas that have already been contracted out to private companies.

SaskWater - In 2009, the government hired an independent firm to complete a review on SaskWater. The recommendations of this report include to “focus on growing industrial revenues” as high priority. SaskWater’s existing industrial customers represent approximately two thirds of their overall revenue.

- Crown Investments Corporation of Saskatchewan (CIC) responded with a new mandate for SaskWater - one which did not allow it to pursue any new industrial customers.
- Following months of pressure, the government may have softened its position. Any new industrial customers must be approved through CIC prior to signing any agreements with SaskWater.

Support Services - Many of the administrative and operational support services that public organizations rely on are quietly being contracted out to private firms. The Government Services distribution centre in Regina has been eliminated. Office furniture is now purchased directly from private business. Security, surveillance, and maintenance services, as well as plumbing and electrical services, are increasingly being contracted out.

Show Your Rider Pride, Buy a Nova Scotia License Plate

Recently, SGI ended its long standing contract with Regina-based Signal Industries for the production of general license plates. Instead, they have chosen to use Nova Scotia-based Waldale Manufacturing.

TILMA 2.0 – The Saskatchewan government signed the New West Partnership Agreement (NWP) with B.C. and Alberta. It is virtually identical to the Trade, Investment and Labour Mobility Agreement (TILMA) that the government said it would not sign when it was in opposition. The NWP jeopardizes our ability as a province to control our own public services and to pass laws that help keep our communities safe.

P3s: Pay More, Get Less

The government has explored public-private partnerships. Research shows that this form of privatization often results in:

- Costly legal disputes as they are extremely complex to administer
- Major quality problems, environmental disasters, and serious accidents are not uncommon.
- In several cases, governments have been forced to buy out contracts due to total failure or bankruptcy.
- Design and construction flaws
- Delays and cost overruns
- The high costs of P3's have caused service cuts and a shrinking scope of services publicly covered.

Source: "Flawed, Failed, Abandoned" by Natalie Mehra (http://cupe.ca/privatization/Flawed_failed_abando)

Power Purchase Agreements (PPA's)...P3

In February 2010, SaskPower entered into a 20-year power purchase agreement with Ontario-based Northland Power Income Fund.

- Once fully operational, Northland Power's natural gas fuelled power facilities will produce 347 megawatts of base load power, representing nearly 10% of the power generated in Saskatchewan.
- According to a news release, the agreement "provides protection against changes in the market price of natural gas, as fuel costs are passed through SaskPower." It also goes on to state that the people of Saskatchewan will assume all the risk of a contract "designed to ensure predictable, stable, and sustainable cash flows over the entire 20-year term," for Northland Power.
- SaskPower is more than capable of building and successfully operating this type of facility, while ensuring the people of this province benefit from the economic returns.

The P3 experience in the United Kingdom (UK) reveals: construction delays; cost overruns; staff cuts; and bed reductions. A 2008 Report by the UK's largest public sector union concluded that P3's were costing the UK a fortune while quality of care is seriously declining.

Visit www.P3watch.ca

Community Programs Cut

A privatization agenda often goes hand in hand with the cutting of social services.

Domestic Abuse Outreach Program Cut - A program that provided advocacy, counselling and support to women and children fleeing violent situations, was eliminated this year.

Teen and Young Parent Program Cut - A Saskatoon-based program that offered support, counselling, and adoption information to teen parents was shut down in 2008.

Saskatoon Family Support Centre Shut Down - The government quietly eliminated this unique government-operated community-based service in 2008. The centre had provided much needed support to vulnerable families for almost twenty years.

Council on Disability Issues Disbanded - An advisory group made up of people with disabilities, parents and caregivers was dissolved in 2008. The council actively worked to promote the inclusion of people with disabilities into mainstream walks of life.

Community Funding Cuts

Saskatchewan Arts Board - \$3.4 million in funding rescinded.



Station 20 West funding cut - The government cut \$8 million in funding for an innovative project to address poverty in the inner city in Saskatoon. Station 20 West planned to offer a co-op grocery store, health care centre and services for families and children.

The provincial government has recently changed the rules for community-based organizations and other social service organizations. For many of these groups, transportation of the clients and members of the community is a core part of their programming.

Previously these groups were able to lease used government vehicles. As a result of the March 2010 budget, they have lost their vehicle lease privileges. Organizations affected include:

- transition houses
- childcare centres
- mental health associations
- learning centres for people with disabilities
- programs for Aboriginal youth
- housing authorities
- mobile crisis and addiction centres
- organizations for immigrants

Childcare Grants Cut - Childcare organizations across the province also had their project funding cut in the government's 2010 budget.

Community Solutions grants previously provided funds on an individual project basis. Some of the projects included:

- block funding for three childcare spaces for respite for families in crisis,
- support services including counselling,
- parenting classes,
- food bank referrals for families,
- funding to improve pre-school and toddler programming,
- in-home childcare for rural farm families during peak farming periods.

The grants were cancelled in the budget, slashing \$447,000 from childcare centres in Meadow Lake, North Battleford, Saskatoon, Oxbow, Regina, and Shaunavon.



Our Crowns 1900-2010

1947

Crown Investments Corp (CIC) was originally established as the Government Finance Office (GFO)

Creation of the Saskatchewan Research Council (SRC)

1901

Creation of Public Enterprise; Hail Insurance

1929

Creation of Saskatchewan Power Commission

1945

Creation of Saskatchewan Government Insurance (SGI)

1951

SaskPower expands to provide natural gas services



1908

SaskTel was created through the Dept. of Railways, Telegraphs, and Telephones

1946

Creation of the Saskatchewan Transportation Corporation (STC)

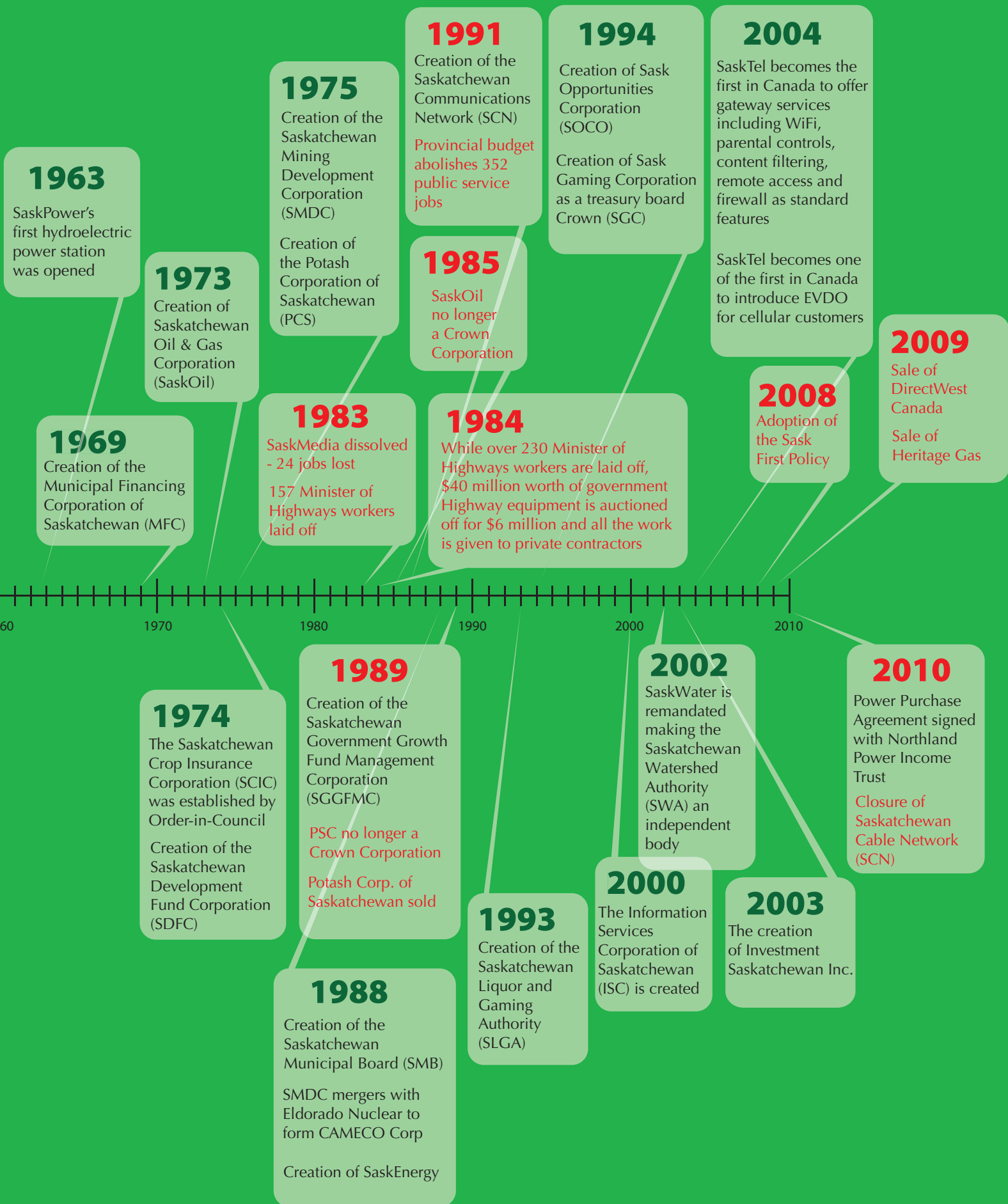
1949

The Saskatchewan Power Commission became a Crown Corporation, more commonly known as SaskPower

The Rural Electrification Act passed in Saskatchewan was the first step in bringing electricity to the rural areas

"Those who cannot remember the past are condemned to repeat it."

-- George Santayana



Crown corporations and public services do not belong to any politician, political party, or government - they belong to the people.

Are all these changes to Crown corporations and public services a plan to justify handing our province over to the private sector?

What you can do to help save our Saskatchewan Crowns & public services?

WHAT CAN YOU DO?

- ✓ Call or write your MLA (www.legassembly.sk.ca/members/mla_list.htm). Share your concerns about what is happening.
- ✓ Talk to your co-workers, family and friends about the negative impacts of these changes and the urgent need to invest properly in the public system. Visit www.ifyoulovesaskatchewan.ca
- ✓ Book a presentation on SOS Crowns by calling Jennifer Britton at 306-777-0007 or soscrowns@gmail.com. Visit our website www.soscrowns.ca and sign-up to show your support (it only takes a minute). While you are at it, *LIKE* us on Facebook!
- ✓ Talk to your union or community group about arranging a presentation on Crown corporations and public services, or any of the other issues in the SFL's Labour Issues campaign, including:
 - **education**
 - **healthcare**
 - **Labour rights are human rights (Bills 5, 6, 43, 80)**
 - **anti-CLAC (Christian Labour Association of Canada) (thetruthaboutclac.ca)**
 - **the environment**
 - **the economy**
- ✓ Book a presentation on **Labour Rights are Human Rights** or **anti-CLAC**. Call the Saskatchewan Federation of Labour at 525-0197 or sfl@sfl.sk.ca
- ✓ Visit www.keephealthcarepublic.ca
- ✓ Visit www.saynotobill80.ca

**We can come for lunch meetings or evening meetings...
no matter the size!**

