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NEWS RELEASE

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Upcoming budget should end costly contracts with private highways consultants

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The Sask Party government continues to waste taxpayers' money on high-priced consultants, especially in the Ministry of Highways, despite warnings by the Provincial Auditor.

The Ministry of Highways spent \$49 million on private consultants last year, compared to only \$12 million in 2009, according to figures obtained through freedom of information (FOI) requests. This is despite a 2014 report by the auditor, which investigated the use of consultants in Central Services, and which pointed out that such excessive use of outside contractors lacked proper oversight and was not shown to be cost-effective.

"It's a clear example of this government's ongoing financial mismanagement," says SGEU President Bob Bymoer. "In light of the devastating budget cuts imposed on families and communities in the past year, unnecessary spending on handouts to private companies, who are often from outside the province, needs to be reined in."

"As we await the release of a new provincial budget, we call on government to end costly contracts with private consultants and rebuild the capacity of the public service, so that our highways are built and maintained in the most cost-effective manner," Bymoer says.

The data obtained through FOI requests revealed a staggering 404 per cent increase in the use of highways consultants between 2009 and 2014. Despite the auditor's warnings about the excessive use of consultants, highways scaled back its consultant use by only 20 per cent since 2014.

"There has been a concerted effort to privatize key functions within the Ministry of Highways, even though bringing in private consultants is much more costly," says Bymoer. In early 2012, government publicly acknowledged it was phasing out its in-house engineering and related support services, including two labs in Regina and Saskatoon, and turning the work over to private companies.¹

The result: costs for highway repair per kilometer skyrocketed by 58 per cent. Before the privatization push, from 2007 to 2011, the cost per kilometre was,

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on average, \$407,250. Once private consultants were widely used, the average cost jumped to \$644,571 over the next four years.ⁱⁱ

By the ministry's own admission, the share of project costs spent on engineering tripled between 2010 and 2014,ⁱⁱⁱ the period of escalating use of private consultants. Research by the Canadian Centre for Policy Alternatives has also shown that highways consulting firms bill from about two to four times what it costs to employ a government worker.^{iv}

"It's highly irresponsible for government to continue to squander public money on handouts to costly private consultants. At a time when school kids, seniors and families are paying the price for Sask Party financial mistakes, it is absolutely necessary to end the excessive use of high-priced consultants," Bymoer says.

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ⁱ "Highways work goes private; Will lead to Regina, Saskatoon lab closures." Leader-Post, April 11, 2012.

ⁱⁱ "Costs rising, fewer KM of Sask. highways being repaired." Global News, Nov. 5, 2015.

ⁱⁱⁱ Legislative Assembly of Saskatchewan Hansard: Standing Committee on the Economy, April 27, 2015, p. 663.

^{iv} "Road to Ruin: Use of costly highways consultants has skyrocketed." Behind the Numbers Blog, March 17, 2015.

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