

## Politicization of the Saskatchewan Public Service: Measuring the Cost

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### Purpose

I have written previously about the on-going politicization of the Saskatchewan public service.<sup>1</sup> The purpose of this paper is to measure the extent and cost of one aspect of this politicization, the significant increase in the number of senior management positions in Saskatchewan's executive government.

### The Westminster model

Before outlining my methodology and its results, let me first set the table by describing how the Saskatchewan public service is supposed to work.

Saskatchewan's government was structured to follow the British parliamentary tradition, also known as the Westminster model. One of the key features of this system is a professional, non-partisan public service.

Most members of the public spend little time thinking about the state of the public service, but a professional, politically-neutral public service is an important element of good governance. Saskatchewan's administration controls some \$15 billion per year of the public's money. It is, in my opinion, worth considering how well those funds are being managed, and in whose interests.

Every government needs political advisors, and in Saskatchewan's case, government ministers are very amply funded for these staff. A sharp distinction should be made between these political staff, however, and those responsible for the administration of government, who should be non-partisan professionals.

Professional public service managers provide objective expertise and stability from one government to the next. They provide politically neutral advice, and implement the government's decisions in good faith. While senior public servants will naturally have their own personal political viewpoints, to be credible in their professional role they should not engage in overt partisan activity.

The benefit of this system is that any government can count on policy and program expertise, unbiased advice, and stability through changes of regime. The public, for its part, can expect competently managed programs, good stewardship of public funds, and freedom from partisan bias in access to services or in doing business with government.

The alternative is a government administration that serves the party in power, not the public. Officials become, in effect, political operatives, dispensing favours and punishments based on political allegiance, and managing public funds for partisan benefit. Professional management

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<sup>1</sup> See [Saving Saskatchewan's Public Service](#), Regina Leader Post, February 22, 2017.

helps protect against misuse of public funds. Partisan officials, on the other hand, can often help conceal, and even facilitate government corruption.

Politicization also degrades the quality of government administration. Political hires are not necessarily incompetent in their roles, despite acquiring their positions through influence. But when the first criterion for employment is partisan commitment, it can no longer be said that the public is employing the best available talent.

Some political hires are incompetent, however. Because of their political connections, incompetent, dishonest or destructive officials can be immune from the normal accountability that would govern the actions of professional employees. Whatever knowledge and expertise might be acquired by partisan officials is lost when they are replaced, on change of government, presumably, under our current approach, by someone else's partisans.

To protect the public service from politicization, the Saskatchewan government in 1934 created an agency called the Public Service Commission. This centralized human resource agency has regulations requiring open competitions for positions, objective assessment of qualifications, rules for promotion and termination, appeal mechanisms for terminations, and a classification plan to set pay levels for individual positions.

The problem is that the individuals who administer this system are Cabinet appointees, and there are no penalties for violating laws and regulation. The system therefore depends on the good will of the incumbent government to respect the system. The willingness of governments to protect the professional public service from political influence has waxed and waned over time, but the current government is clearly committed to politicization.

### Mechanics of political hiring

The methods used to effect political hiring vary by the level of the job. Unionized jobs—the middle ranks of the public service—are the least affected, for the simple reason that there is third-party involvement. Union contracts usually include hiring protocols, and in most cases unions have observers present in hiring procedures.

The rules for temporary and term government jobs are looser, and some ministers' office operate as virtual hiring halls for minor positions. This is an abuse of power and unfair to the public, but these hires are usually individuals using personal connections rather than political operatives. While many will inevitably bid into permanent jobs, low-level patronage hiring is relatively less harmful to the public.

Far more damaging is political hiring and firing of senior managers, and it is here where the integrity of the system is most profoundly compromised. Over the current government's term, large numbers of professional managers have been purged—at great expense in settlement costs—to be replaced in many cases by political hires. Political operatives now move around in the public service essentially by fiat. Competitions are frequently biased or bypassed, while job level assignments—and thus pay levels—are routinely inflated.

In addition to creating vacancies by firing people, there has been an aggressive expansion of the number of senior management positions in government, in most cases to facilitate political appointments. My research to measure the extent and cost of this expansion is described below.

### Methodology

My methodology relies completely on public data sources. The analysis compares fiscal year 2006-07, the last under the previous government, with fiscal year 2015-16, which is the latest budget year for which detailed information is currently available.

Until recently the size of the government workforce at the end of each fiscal year was made public as part of year-end financial reporting, but this information is no longer available. As an alternative, I have used Ministry staff budgets as published in *Estimates*.<sup>2</sup>

To measure the size of senior management within this workforce I have used Volume 2 of *Public Accounts*, which includes, for each ministry, detailed lists of employees paid more than \$50,000 in salary and taxable benefits.<sup>3</sup>

For my purposes, I have defined senior management to include executive directors, assistant/associate deputy ministers, special advisors and deputy ministers—the most senior roles in government administration. To calculate the numbers and salary cost of these senior positions I have used the minimum annual salary of the MCP10 job class—the normal minimum classification for an executive director—as a threshold. As of July 1, 2007, this salary threshold was \$86,328 per year; as of April 1, 2016, it was \$105,780.

There are a number of potential sources of error in this approach. The salary rate points do not correspond exactly with the fiscal years. Employees appointed or promoted in-year or who had a leave without pay may not reach the minimum annual threshold, while ex-employees with termination settlements may exceed the thresholds. Some professional categories—medical doctors and lawyers, for example—can often be paid “over-scale”, whether in senior roles or not. However, as long as the potential errors are in balance for both fiscal years, the comparators should be valid for these purposes.

### Results

The detailed results with respect to workforce size and senior management numbers are contained in Table 1 below. This shows a workforce of 11,940 in 2006-07 compared to 11,031 in 2015-16, for an overall decline of 7.6%. This falls well short of the government’s workforce reduction target, announced in 2012, of 15%.

While the overall workforce has declined slightly, the number of senior managers has increased significantly, from 708 in 2006-07 to 1,084 in 2015-16. This is an increase of 376 positions, or 53%. Had senior management *not* grown by this amount, the overall workforce would have

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<sup>2</sup> See [Estimates 2006-07](#) and [Estimates 2015-16](#).

<sup>3</sup> See [Public Accounts 2006-07](#) and [Public Accounts 2015-16](#).

shrunk by 10.8% rather than 7.6%. The average number of junior employees per senior manager, which was 15.9 in 2006-07, declined to 9.2 per senior manager in 2015-16.

My tally of the additional cost of senior managers' salaries is detailed in Table 2. In nominal dollars, senior management salaries totaled \$78.2 million in 2006-07, and \$150.2 million in 2015-16. For a more meaningful comparison I have inflated the 2006-07 salaries to 2015-16 dollars using the Saskatchewan All-Items Consumer Price Index.

In 2016 dollars, senior management salaries were \$92.1 million in 2006-07 and \$150.2 million in 2015-16, for an increase of 63%. The additional cost to the public is therefore \$58 million per year.

### A politicized public service

It is impossible for me to resist posting this incremental cost against some of the reduction measures in the recent provincial budget. With \$58 million, for example, one could restore funding reductions to both school divisions and post-secondary institutions, or restore Crown municipal grants and keep the Saskatchewan Transportation Company, in both cases with some millions to spare. Or, since all of these funds are effectively borrowed, one could reduce the projected deficit by some 8.5%.

Compared to the overall costs of politicization, however, that \$58 million per year is just the tip of the iceberg. The reports I get from surviving professional public servants tell the story of many organizations in crisis, where remaining professional managers cannot bring experience and expertise to bear due to dominance of political operatives in executive suites. Politicization has become so extreme that the supervisory head of the public service is in the running for the Premier's job—on leave of absence, no less.

It should be no surprise that this approach to government has been a recipe for policy and fiscal disaster. For a single example, consider the income support section of Social Services, which administers welfare and several other benefit programs. This unit had a budget of \$313 million in 2006-07. For 2017-18 its budget is \$796 million, an increase of some 116% in 2016 dollars. Although this is obviously a structural problem caused by bad policy choices, the ministry has been unable to offer solutions beyond a handful of extremely minor—and petty—program adjustments.

I would argue that dysfunctional, politicized government is a threat to Saskatchewan's well-being, long-term and short. We have already seen some of its effects in the Global Transportation Hub scandal. We will, in future, certainly unearth more of these in massive, opaque public expenditure projects like the Regina Bypass. Even if not, the taxpaying public will still be saddled with a ruinous debt burden for many years to come.

### The future of the public service

Saskatchewan political historians have noted periods of time when Saskatchewan's public service was more and less politicized, although I believe the current situation has plumbed new depths.

Saskatchewan Party partisans have told me that they are only doing what the previous government did. This is school-yard logic at best, but it is also broadly inaccurate. I certainly observed enough abuses by the previous administration, but on the whole the integrity of the human resource system was respected, and most Cabinet members—with notable exceptions—seemed to respect the role of professional public service managers. At any rate, the real issue is how to correct the situation and prevent future abuse.

As I have noted, while Saskatchewan has the legal framework for a professional public service, adherence to it is optional because it is led by Cabinet appointees and there are no penalties for breaking the law. In my opinion, this must be changed. I believe the longer-term solution lies in structural reform to increase transparency and accountability.

I have previously proposed that the head of the public service become an officer of the Legislature, rather than a Cabinet appointee, and I reiterate that proposal here. This would bring Saskatchewan closer to the federal government model, which is far less vulnerable to political interference at the administrative level.

This change in itself would bring more information to light through mandatory public reporting. Public confidence in such a role would also be increased by adopting an open vetting process for nominees, similar to the U.S. Senate's confirmation hearings.

I also believe we need to introduce concrete and substantial penalties for any responsible individual, whether elected representative or official, who violates the Public Service Act or any other legislation designed to protect the integrity of Saskatchewan's governance process.

Saskatchewan has in the past had a public service that was admired across Canada. In my time in government, Saskatchewan officials took lead roles in several important regional and national initiatives. There is a long road ahead to rebuild the public service to this capability and credibility, but it is very much in the public interest that we do so.

To make this happen will depend on public awareness, public will for reform, and public pressure on political parties to adhere to the law and to ethical management of the public service.

*The author was a Saskatchewan public servant from 1974 to 2008.*

Table 1: Number of Employees and Senior Managers, Saskatchewan Government<sup>4</sup>

2006-07				2015-16			
MINISTRY	TOTAL STAFF	SENIOR MGRS.	RATIO, JR./SR.	MINISTRY	TOTAL STAFF	SENIOR MGRS.	RATIO, JR./SR.
Advanced Ed. & Employment	452.0	25	17.1	Advanced Education	143.9	23	5.3
Agriculture & Food	532.1	27	18.7	Agriculture	392.4	30	12.1
Information Technology Office	184.9	27	5.8	Central Services	833.0	58	13.4
Property Management	828.5	29	27.6	Economy	576.9	94	5.1
Industry & Resources	330.9	37	7.9	Education	298.5	56	4.3
Regional Economic & Coop. Development	55.9	7	7.0	Environment	866.4	58	13.9
Learning	336.5	41	7.2	Executive Council	117.7	26	3.5
Environment	1,337.4	31	42.1	Finance	325.4	50	5.5
Executive Council	85.0	19	3.5	Government Relations	244.1	53	3.6
Finance	463.0	41	10.3	Health	496.9	66	6.5
First Nation & Métis Relations	40.5	7	4.8	Highways & Infrastructure	1320.0	50	25.4
Government Relations	166.7	16	9.4	Justice	2877.8	350	7.2
Northern Affairs	43.0	3	13.3	Labour Relations & Workplace Safety	152.1	24	5.3
Health	684.2	51	12.4	Parks, Culture & Sport	359.7	19	17.9
Highways & Transportation	1,430.1	27	52.0	Public Service Commission	295.1	41	6.2
Corrections & Public Safety	1,694.7	74	21.9	Social Services	1731.0	86	19.1
Justice	938.4	178	4.3				
Labour	178.3	18	8.9				
Culture, Youth & Recreation	86.5	4	20.6				
Public Service Commission	135.4	12	10.3				
Community Resources	1,935.5	34	55.9				
<b>EXECUTIVE GOVERNMENT TOTAL</b>	<b>11,939.5</b>	<b>708</b>	<b>15.9</b>	<b>EXECUTIVE GOVERNMENT TOTAL</b>	<b>11,030.9</b>	<b>1,084</b>	<b>9.2</b>

<sup>4</sup> The 2015-16 numbers do not include a variety of entities created since 2006-07 such as SaskBuilds, the Water Security Agency, E-Health Saskatchewan, 3S Health, the Financial & Consumer Affairs Authority, the Saskatchewan Crop Insurance Corporation and Tourism Saskatchewan. Some of these agencies absorbed a certain number of employees of executive government, but their numbers cannot be quantified from existing public sources.

Table 2: Salary Cost of Senior Managers, Saskatchewan government

2006-07			2015-16	
Ministry	Sr. Mgr. Salaries 2007 Dollars	Sr. Mgr. Salaries 2016 Dollars	Ministry	Sr. Mgr. Salaries 2016 Dollars
Advanced Education & Employment	\$2,401,399	\$2,829,456	Advanced Education	\$2,966,366
Agriculture & Food	\$2,673,213	\$3,149,722	Agriculture	\$3,728,720
Information Technology Office	\$2,742,901	\$3,231,832	Central Services	\$7,130,480
Property Management	\$2,882,220	\$3,395,985	Economy	\$12,190,335
Industry & Resources	\$3,660,507	\$4,313,004	Education	\$7,466,083
Regional Economic & Coop. Development	\$693,028	\$816,562	Environment	\$7,161,160
Learning	\$4,038,343	\$4,758,190	Executive Council	\$3,916,349
Environment	\$3,128,853	\$3,686,581	Finance	\$6,569,723
Executive Council	\$2,225,080	\$2,621,707	Government Relations	\$6,760,649
Finance	\$4,212,781	\$4,963,722	Health	\$9,165,116
First Nation & Métis Relations	\$693,668	\$817,316	Highways & Infrastructure	\$6,141,021
Government Relations	\$1,649,611	\$1,943,659	Justice	\$55,141,021
Northern Affairs	\$357,413	\$421,123	Labour Relations & Workplace Safety	\$3,064,708
Health	\$5,598,249	\$6,596,154	Parks, Culture & Sport	\$2,516,896
Highways & Transportation	\$2,647,729	\$3,119,695	Public Service Commission	\$5,303,788
Corrections & Public Safety	\$7,689,871	\$9,060,614	Social Services	\$10,998,337
Justice	\$23,869,513	\$28,124,328		
Labour	\$1,928,219	\$2,271,930		
Culture, Youth & Recreation	\$425,373	\$501,197		
Public Service Commission	\$1,274,559	\$1,501,753		
Community Resources	\$3,426,546	\$4,037,339		
<b>EXECUTIVE GOVERNMENT TOTAL</b>	<b>\$78,219,076</b>	<b>\$92,161,870</b>	<b>EXECUTIVE GOVERNMENT TOTAL</b>	<b>\$150,220,752</b>
			<b>INCREASE, 2016 DOLLARS</b>	<b>\$58,058,822</b>