



Provincial Election 2007



Privatization

During the last provincial election Dalton McGuinty said: “I’m calling on Mr. Eves to halt any contract signings when it comes to P3s. I stand against the Americanization of our hospitals.” The public-private partnerships (P3s) had begun to be implemented by the previous Conservative government for hospitals in Brampton and Ottawa. A month after the election the Liberal government signed P3 hospital deals in both communities. The Liberal government embraced the model but changed the name to “Alternative Finance and Procurement Methods (AFPs)”.

There has been strong and broad opposition to the imposition of the P3 model in health care in communities across Ontario. Despite the opposition, the privatization continues. In June 2007, the Ontario Health Coalition took their campaign against P3s to three other cities that plan to have the private sector play a larger role in not just the construction of new hospitals but the long-term management of some non-clinical aspects – North Bay, Sault Ste. Marie and St. Catharines.

The labour movement opposes the P3 model because:

- P3s expand the role of for-profit corporations in delivery of services and public policy making.
- The public and their elected representatives lose control over the management of the P3 project. With no transparency and little influence on the contract negotiations the result is unfavourable risk transfer, huge costs and service cuts for the general public.
- The design and construction of P3s are done to meet the needs of the private entities, not the needs of the community. Taking into account the higher costs of P3s and the profit orientation of the private sector, quality is almost always sacrificed.
- Private consultants and lawyers are hired to negotiate and/or evaluate the projects. P3s have therefore resulted in huge costs in contract development and monitoring.
- High financing of P3 projects results in higher interest and payments for the general public for many years.
- Due to lack of transparency, and secrecy in the contract negotiations, the community is vulnerable to losing taxpayers’ money because the risk transfer favours the private sectors. In some cases, governments and authorities have been forced to buy out contracts because of the total failure or bankruptcy of projects.
- After contract negotiations have finished, project delays still occur due to agreements biased towards private sectors.

- Poor construction has caused mishaps and disasters in some projects, and in some cases, accidents have been fatal.
- P3s circumvent union contracts and lead to a two-tier workforce where new hires are paid less and receive fewer benefits. Workers can lose their unions when contracts are re-negotiated or when services are transferred from the public to the private sector and the workers and their unions have no successor rights.

In the last decade, through deliberate government policies, the role of the private sector has grown steadily in other areas of health care. The Liberals have continued the Conservative policy of privatization in a number of ways. Firstly, more OHIP (Ontario Health Insurance Plan) services have been de-listed, such as chiropractic treatment and eye examinations. Ontarians needing these services must now purchase them from the private sector or do without.

The Liberals have also continued the Conservative policies in home care. The continuing chaos in home care, with the instability in the workforce and the continuum of care for patients is a direct consequence of the Conservative policy of the competitive bidding model. In 2003 Dalton McGuinty replied to a question on home care from the OFL and said: "...the current system is not working and we need to change it. We will work to create a system that is patient-centered and flexible." The Liberal government conducted a Review of Home Care Competitive Bidding Process (2005) but did not replace this process. The chaos continues.

The P3 model, while most developed in health care, can be imposed on any sector of public services. The idea of private financing of public institutions had begun in Britain under the Conservatives in 1992, and was expanded under Tony Blair. Today about 1/5 of public services in Britain are delivered by private and voluntary bodies.

That trend has taken hold in Ontario, with negative consequences. One example is the case of privately - run jails. After a five-year experiment the Ontario government concluded in the Spring of 2006 that the privately-run Central North Correctional Centre (CNCC) delivered inferior service to the publicly-run Central East Correctional Centre. The government said it would bring the CNCC into public hands, while maintaining privatized youth facilities, privatized road services and allowing more and more privatization of LCBO agency stores, universities, and other services and institutions. Municipal governments are also getting into the act with privatized water, garbage collection, and other services under their jurisdiction.

Ask your Local Candidates:

Will you publicly oppose the P3/alternative financing and procurement model of addressing the health needs of Ontarians in our community?

Will you publicly oppose the transfer of not-for-profit health care services to for-profit corporations in our community?

Will you publicly oppose the continuing use of the competitive bidding model in home care and its expansion into other health care sectors?