

The real scandal is privatization

We've tried it. It failed.

No government policy of the past 20 years has a worse track record than privatization. Yet in Ontario, PC and Liberal politicians want the private sector to deliver *more* public services.

They say competition drives efficiency and means better service at a lower price. **The facts say otherwise.**

Since 1995, privatization has played a part in many fatalities and illnesses. Think of the Walkerton water tragedy. Think of the Sunrise Propane explosion. Think of traffic deaths on our highways which many have linked to poor maintenance.

Privatization is expensive. The private sector costs more than the public sector for IT services. For air ambulance service (ORNGE). For medical lab tests. Meanwhile, high-volume LCBO “agency” stores are pouring profits into private pockets – profits we’re paying for. And we will *never* get our money back from the Highway 407 and Teranet rip-offs.

So-called “private-public partnerships” (P3) to build infrastructure like hospitals force the public to pay for private-sector profit margins, higher interest rates, and “risk premiums” to make sure profits are protected. The record shows: P3s **cost more** and **deliver less**.

The cancelled gas plants in Mississauga and Oakville got a lot of attention. But here’s a fact that’s overlooked: the gas plant scandal was a *privatization* scandal. When the Liberals cancelled the plants, hedge funds in the U.S. and the Cayman Islands were paid \$149 million – *more than twice what they invested in the first place*.

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In this election campaign, Ontario PC leader Tim Hudak is clear: he’d privatize everything from building maintenance to gambling. Liberal leader Kathleen Wynne is looking at “asset recycling” and “unlocking the value of Provincial assets.” Her proposals are vague, but they still mean privatization.

For more details on privatization’s track record in Ontario, please see www.opseu.org/epicfail.

Questions for Politicians

- Q When it comes to value for money, no government policy of the last 20 years has a worse track record than privatization, as we can see from the Highway 407 lease, the Walkerton water disaster, the ORNGE fiasco, and the gas plant scandal. If your party wins government, will you work to bring privatized services and assets back into the public sector, or are you in favour of more privatization despite its dismal history?
- Q Every year, more and more Ontario government revenues are spent on purchasing services from the private sector instead of delivering those services directly. Given the increased role of the private sector in government, many people believe the private sector should be just as accountable to the public as the public sector is. If your party wins government, will you ensure that all companies or individuals providing services or financing to government or its agencies are covered under the rules of the Public Sector Salary Disclosure Act, also known as “The Sunshine List,” so the public will know who really benefits most from public spending?
- Q Since 1995, Ontarians have watched as public services and infrastructure projects were handed over to private operators and private financiers. Judging by the results of privatization, this has often been done with no clear rules to determine whether these projects were providing adequate service or delivering value for money to the public. Do you believe that privatizing public services is a good idea? If so, do you agree that any privatization should be subject to a “privatization test” to determine whether the privatization is a good idea before it happens? Would your party agree to give Ontario’s Financial Accountability Officer both the responsibility and the resources to oversee the privatization test?
- Q Recently, the government of Ontario expressed interest in using “Social Impact Bonds” as a way to allow private investors to invest money and make a profit from social services like addiction treatment and child protection. Social Impact Bonds are essentially small-scale P3s. Do you support the idea of Social Investment Bonds, or do you support greater public funding for social services?

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