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October 18, 2013

Plan for new schools and North Battleford hospital using P3 privatization misguided

REGINA - In its 'Progress Report' on the 'Saskatchewan Plan for Growth' released yesterday, the provincial government confirms it will be looking to public-private partnership (P3) schemes to build new schools and the new Saskatchewan Hospital in North Battleford. It's a plan that CUPE Saskatchewan President Tom Graham warns is misguided.

"Experience shows that when governments turn to P3 privatization, taxpayers are always on the hook to pay more," says Graham. "P3s are first and foremost about corporations making profit at the expense of taxpayers."

In a 2007 report on Alberta's experiment with P3 schools, Hugh Mackenzie revealed that for the cost of every two schools built under a P3 contract, an additional school could have been built. Nova Scotia's Auditor General reported in 2010 that the experiment with P3 schools was a taxpayer rip-off. Last year, New Brunswick's Auditor General examined two P3 contracts for schools in that province and again found that public procurement would have been significantly cheaper.

P3 hospitals have also proven to add millions more to the price tag for taxpayers. In 2010, Quebec's Auditor General released a report criticizing the provincial agency, Infrastructure Quebec, created to push P3 schemes. The report found the agency's P3 business case for two Montreal hospitals was based on "unfounded" assumptions and instead cost more.

"From Alberta to Nova Scotia, New Brunswick to Quebec, P3 privatization schemes for schools and hospitals have proven to cost taxpayers more," says Graham.

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