

## WHY WE DON'T AGREE WITH P3s

As noted in the Ontario Federation of Labour's (OFL) 2006 document *Expose and Oppose P3s A Discussion Guide on Public-Private Partnerships (P3s)*, there are many reasons to oppose P3s.

### **Lost Jobs**

There is compelling evidence that P3 arrangements result in job loss, lower pay and benefits, reduced pension protection, poor working conditions, fewer opportunities for training, and more overtime, and greater health and safety risks.

### **Reduced Access to and Quality of Public Services/Public Health and Safety Risks**

Cost cutting and downsizing leads to lower quality of services to our communities. The design and construction are done to meet the needs of the private entities and not necessarily 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.

**In some cases, the results are tragic, as in the Walkerton case or Mad Cow Disease in the UK, where health and safety standards were sacrificed.**

### **De-unionization**

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.

### **Corporatization and Privatization**

P3s expand the role of for-profit corporations, not only in delivery of services but also in public policy making.

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### **No Democratic Control and Transparency**

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.

### **Huge Costs/Overruns**

Costs increase when hiring private consultants and lawyers to negotiate and/or evaluate the projects. P3s have therefore resulted in huge costs in contract development and monitoring.

### **Increased Public Sector Debt in the Long Term**

High financing of P3 projects results in higher interest and payments for the general public for many years.

### **Unfavourable Risk Transfer: Project Failure/Bankruptcies**

Due to the lack of transparency and secrecy in the contract negotiations, the community is even more 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 and this leaves the government unprotected.

### **Project Delays Due to Legal Disputes**

After contract negotiations have finished, project delays still occur due to agreements biased towards private sectors.

### **Design and Construction Flaws and Quality Problems**

Poor construction has caused mishaps and disasters in some projects, and in some cases, accidents have been fatal.