

# Privatization: What the Saskatchewan government doesn't want you to know

## Health care dollars diverted to profits for private owners

- Private clinics are getting paid to provide day surgeries and CT scans. This means scarce health care dollars are diverted to pay profits to private owners, instead of paying for much-needed medical services. Private clinics have been operating in Regina and Saskatoon since 2010.
- Private, user-pay MRIs are getting the go-ahead – so those who can afford to pay will get fast-tracked for diagnosis and treatment, undermining the very basis of Medicare. The rationale is to reduce wait times, but the wait for an MRI is nearly three times longer in heavily-privatized Alberta than in Saskatchewan.
- Health care can be improved by expanding the public system, but government has reneged on its promise to build an outpatient surgery centre in Regina, and says the medical centre would only go forward as a private project.

## Highways costs skyrocket with privatization

- Costs skyrocket when highways work is transferred from the public to the private sector. Consulting costs have increased by a whopping 404 per cent in the Ministry of Highways in the past five years. In contrast, the ministry's total budget is up by only 12 per cent.
- Private companies charge hourly rates that are often two to four times higher than a public service worker would be paid to do the job. That's not good news for Saskatchewan families, who foot the bill for the extra costs of contracting out.

## Selling off hospital laundries hurts communities

- Selling off hospital laundry services to Alberta-based K-Bro Linens will result in the loss of more than 350 good, family-supporting jobs and the benefits they bring to communities. The company intends to slash wages and cut jobs, draining up to \$42 million in income from Saskatchewan people over ten years. Meanwhile – millions in profits go to a big Alberta corporation.
- Laundry that is already being sent to K-Bro's Alberta-based plant is too often coming back soiled and stained, according to hospital staff.

## **Privatization and smart meters**

- When smart meters started catching fire in summer 2014, much of the blame belonged to private-sector consultants. SaskPower's overreliance on private contractors instead of its own staff led to confusion, ignored warnings, and a disregard for safety, according to a report by the Crown Investments Corporation.
- Consultants dismissed warnings that the smart meters had allegedly caused similar fires before, and failed to even identify catastrophic meter failure (i.e., catching fire) as a potential risk.

## **P3 pitfalls: high costs and lack of transparency**

- New projects in Saskatchewan – like schools, the North Battleford Hospital and the Regina bypass – are being developed as public-private partnerships (P3s). Having private corporations run the show means less accountability and higher costs. Ontario's auditor general found that P3s have cost the public at least \$8 billion in unnecessary spending over the last decade.
- Building schools through public-private partnerships (P3s) has been tried in other provinces, and they always cost more than a traditional public build. Alberta cancelled its last batch of P3 schools because it would have cost \$14 million more than doing it the traditional way. But Saskatchewan is going ahead with a plan to build nine new joint-use P3 schools – while keeping the project costs a secret.

## **Private liquor sales siphon profits away from families and communities**

- By allowing four new private – rather than public – liquor stores, government is handing millions to large corporations. The financial loss to Saskatchewan people, from just four private stores, could be as much as \$7.5 million each year. That profit should stay in public hands, where it can benefit local people and communities.
- Our public liquor system is highly efficient – and generates maximum returns for Saskatchewan people. If the Saskatchewan liquor system had the same return on investment as Alberta's, Saskatchewan people would have lost \$229 million from 2009-2013.

## **Pushing private prison services**

- Plans are underway to privatize food services in correctional and young offender facilities – opening the door to U.S.-style private prisons, and all the corruption, cost overruns, and abuse that has been the result.
- Costs will escalate if kitchens are privatized. Our corrections food services are already more cost effective than Alberta and B.C., which use private contractors.

## **Selling Crowns costs Saskatchewan people**

- Privatizing Information Services Corporation (ISC) means Saskatchewan people will lose millions. When ISC was privatized in 2013, it had earned the public purse \$83 million over the past five years. But the government sold off 60 per cent of the company's shares, throwing away a huge amount of reliable annual income – money that could fund services, like schools, hospitals and highways.
- Saskatchewan people are missing out on billions in lost revenues from potash. In 1989, the Potash Corporation of Saskatchewan (PCS) was sold off for just \$630 million. That sale cost the province enormously – by 2010, the privatization of PCS cost Saskatchewan people from \$18 to 36 *billion* in lost revenue.
- The Sask. Party government sold off the local public broadcaster, the Saskatchewan Communications Network (SCN), in 2010 for \$350,000. Just two years later, the new owner resold it to Rogers Communications for almost nine times more. In the process, the channel's locally-focused content was largely replaced by U.S. programming.

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