

## **CUPE MB submission Bill 24 – Speaking Notes**

The Canadian Union of Public Employees (CUPE) is Canada's largest union, with 650,000 members across Canada, and 26,000 members in Manitoba from across the broader public sector.

In Manitoba CUPE members work in health care facilities, personal care homes, school divisions, municipal services, social services, child care centres, public utilities, libraries, family emergency services, and post-secondary education.

On behalf of CUPE-Manitoba's 26,000 members, we urge this government to amend Bill 24, *The Red Tape Reduction and Government Efficiency Act*, and not repeal *The Public-Private Partnerships Transparency and Accountability Act*.

When this government was elected, one of its key messages to the public was that it was going to improve transparency. Eliminating the P3 Transparency and Accountability Act is moving in the complete opposite direction.

I'll talk about P3 schools as an example on why we need P3 accountability legislation in place.

Since this government told P3 lobbyists and the business community that it wants to build four schools through private-public partnerships – one in Brandon, one in Seven Oaks, one in Pembina Trails, and one in Winnipeg School Division – we need this legislation more than ever.

I worked on the front-line in a Winnipeg school, its where I spent my entire career. So, this announcement came as a total shock to me. I wondered who on Broadway could come up with this backwards idea, and why.

The history of P3 schools in Canada has not been good. This experiment started in Nova Scotia in the 1990s when the government built 39 P3 schools.

Since then the Nova Scotia Auditor General found that the procurement process was flawed, with no public sector comparator used in assessing value for money.

The Auditor General also found that risk had not been transferred to the private partner, insufficient resources were provided to monitor the contracts, and there were cases where the private contractor failed to do mandatory child abuse registry or criminal background checks on employees.

The P3 schools cost \$32 million more than they would have cost had the projects used traditional public sector financing.

As of July 2017, the government has decided to buy back 37 of the 39 schools, leaving 2 schools – valued at \$11 million, in the hands of the private sector.

The model is failing, and no “Made in Manitoba” solution is going to fix that.

Alberta also played around with P3 schools up until 2014 when the Conservative government shut down the program because the P3 model cost more than public sector financing of projects.

The Alberta government estimates that it saved \$14 million by scrapping plans for more P3 schools.

In New Brunswick, they used the P3 model to build two schools. The provincial Auditor General found that the P3 schools cost \$1.7 million more than it would have cost to build through traditional public sector financing.

The most recent examples of P3 problems come from Saskatchewan, where the Auditor General has recently raised similar red flags on their process.

This government claimed that P3 schools are widely successful across Canada, but that is not true.

It is not true.

The Made in Nova Scotia model failed.

The Made in New Brunswick model failed.

The Made in Alberta model failed.

The Made in Saskatchewan model is failing.

What makes this government so sure their Made in Manitoba model will not fail?

Perhaps if P3 accountability legislation in those provinces existed like it does here, and those projects were put under the microscope right from the start, they could have avoided those mistakes in the first place.

Let's not repeat the mistakes of others – let's make sure that we fully evaluate these P3 deals before they start, and keep reviewing them as we go.

Wouldn't we rather have outside experts and the Auditor General raise red flags from the beginning, rather than wait ten or twenty years for a scandalous report on mistakes that can't be undone?

We ask this government to amend this legislation in order to keep *The Public-Private Partnerships Transparency and Accountability Act* in place.