



Federal Budget 2009 Privatization

What's in the budget?

- A renewed commitment to privatization and P3s.
- In their words "The Government will work with PPP Canada management to ensure that the appropriate legislative policy frameworks are in place to support the firm's successful promotion of public private financing in Canada."
- First Nations will also be subject to a "partnership" based approach that will include requirements to include private sector business opportunities in order to renew needed health, education and housing facilities.
- The government will be forcing provinces and municipalities to come up with half of project costs to access federal funding. Priority infrastructure projects will be delivered through PPP Canada Inc. These large projects have been shown to attract large foreign multinationals as the private partner squeezing out local construction companies.
- Federal building upgrades will be required to use P3s. Federal laboratories will be modernized to be transferred to universities, businesses or non-profit organizations.

What it means

- Canadians want investment in infrastructure but want it in an accessible, open and democratic way. But also, by focusing mostly on bridges, roads and housing, the conservatives have neglected social infrastructure.

Where is the stimulus for health care, child care, education and social service jobs in sectors where women are predominately employed? Funding for these services would create immediate stimulus for jobs and a major benefit for the health and future of Canadians.

- The government claims to be committed to reducing 'red tape' for infrastructure projects. Canadian communities will be hard pressed to get a share of the infrastructure pie. Some mayors across the country are saying that the funding will be slow if they can get it at all especially if there is a requirement to put dollars up front.
- The requirements to use P3s will only ensure that the dollars will not fly out the door. P3s are more costly as well as being less transparent and accountable to communities. People want their new recreation facility or water/waste water treatment utility to be publicly owned, operated and accountable to the community and not a private company. The best way to reduce delays from complicated financing and multi-party legal contracts would be to abolish the P3 requirement and fund projects through conventional means.
- Given the current financial crisis, to entrust our community infrastructure to private companies that are running into their own financing trouble is wrong-headed and illustrates the conservative mentality of privatization at any cost.

What would have been better choices?

- Launch a major public investment program to create good jobs in infrastructure, manufacturing and public services, and link this program to a Made-in-Canada procurement policy. Ensure that government contracts promote a strong public sector, unionization and inclusion of women and workers of colour in good jobs.
- Turn the federal P3 office into a Public Assets office that will work directly with other levels of government to reverse privatization and invest in public infrastructure, and community economic development.
- Stop forcing municipalities, provinces, and territories to use P3s for their infrastructure projects. Eliminate the

federal P3 fund. P3s weren't the quickest or most cost-effective way to deliver public infrastructure and services before the global financial meltdown. Now, with the private sector in the grips of a world-wide credit crunch, the schemes have even less credibility.

- Invest in social infrastructure programs - especially early learning and child care, home care, long-term care and for Aboriginal and First Nations communities. Enforce the *Canada Health Act* and prevent the proliferation of private clinics that contribute to two-tier health care.
- Invest in public assets and quality public services, ensuring that projects are not privatized, funded or operated with a private public partnership model.