

Ontario Health Coalition
ON THE RECORD
Briefing Note on Carillion & P3 Controversies
February 24, 2004

Carillion Plc is the parent company of Carillion Canada Inc. It specializes in the privatization of public services. Carillion Canada Inc. is one of the companies that make up the consortium Healthcare Infrastructure Canada which has won the bids to privatize the new Royal Ottawa and Brampton William Osler hospitals. If they succeed in this, Carillion will privatize the services in both hospitals, as well as the Georgetown and Etobicoke hospitals. Carillion has also bid on the Abbotsford P3 Hospital in British Columbia.

Carillion's parent companies in Britain have been trailed by a series of controversies: deaths in their privatized railway, 2 time Guinness Book of World Record holder for longest waits on hospital trolleys, outrageous executive salaries, and low worker wages resulting in strikes. The record follows:

Railway Workers Killed

Four rail workers employed by Carillion Rail killed by a runaway flatbed rail wagon resulting in call for inquiry over maintenance of railways and role of private contractors. The previous November, after a series of rail disasters, Network Rail announced it would re-publicize rail maintenance that was subcontracted to Carillion. Feb 16, 2004 (Guardian)

Carillion was fined more than \$160,000 by the British government for health and safety violations that resulted in two serious workplace accidents. (AFX news, ananova.com, October 30, 2002)

2 x Guinness World Record For Longest Wait on Hospital Trolley

Tony Collins made the Guinness Book of Records' longest wait on a hospital trolley for a 78 hour wait in 2001 at the Princess Margaret Hospital rebuilt by Carillion. On January 30, 2003, Tony Collins made the news when he spent 60 hours stranded on a hospital trolley at another Carillion operated hospital - Great Western Hospital in Swindon - before being discharged without being given a bed. In February 2003 Carillion's Great Western more than doubled their previous record when Herbert Edwards, 62, was admitted to hospital for a suspected heart attack and had to wait 144 hours on a trolley.

Source: "This is Wiltshire" website

http://www.thisiswiltshire.co.uk/wiltshire/archive/2003/04/01/swindon_news12ZM.html

Record Profit-Taking

"Construction companies engaged in the private finance initiative expect to make between 3 and 10 times as much money as they do on traditional contracts, the industry has admitted....The figures... were confirmed by the Major Contractors Group representing top PFI firms such as Carillion" (Guardian, Sept 8, 2003)

“Ballooning public infrastructure spent, particularly on the railways, helped construction group Carillion deliver a 22% increase in pretax profits last year” (Daily Telegraph, March 16,2003)

In past three years Carillion’s construction division margins have risen 25% (April 2003 UNISON Companies update, Carillion)

“Shares in construction company Carillion half fallen by half between April and December 2002 due to negative sentiment about PFIs –however in September Carillion doubled its interim profits (Daily Telegraph, Dec 14, 2002)

Severe Bed Shortages

Great Western Hospital (Swindon, England) operated by Carillion—according to BBC local residents concerned about cost, location and possible shortage of beds.

-Jan 3 (2003) letter from doctors leaked to media calling bed situation “untenable” and stating that elective and urgent surgeries cancelled because beds are full – GPs asked not to refer more patients

“I am saddened though that the hospital is full so quickly. It has only been open a month. For some time we have been saying the hospital may not be big enough” Dr. Peter Swinyard (Swindon GP) (“Great Western in bed crisis” BBC, Jan 3, 2003)

Outrageous Executive Wages, Terrible Worker Wages

Carillion under fire for executive salaries. National Association of Pension Funds calls for investors to abstain from approving Carillion’s remuneration report at May 14 2003 AGM. Carillion CEO John McDonough paid 616,000 pounds in first full year on job including 141,000 pounds in bonuses. Finance director John Giralongs pay rose 29% in past year to 390,000 pounds. Hospital cooks, cleaners and porters employed by Carillion paid 4.30 pound minimum wage and have been staging successive strikes asking for pay increase (“British Construction Group Joins ‘Fat Cat’ Pay Row by Sylvia Pfeifer, Sunday Business (London) May 4, 2003)

Carillion construction services boss Roger Robinson received 21% rise to 400,000 pounds (Unison website, Companies update, Carillion, May 2003)

Carillion closes 20 UK offices (more than half) and axing 400 employees as part of “radical” restructuring (Daily Telegraph, Sept 13, 2001)

Ontario Health Coalition
15 Gervais Drive, Suite 305
Toronto, Ontario M3C 1Y8
Tel: 416-441-2502
Fax: 416-441-4073
Email: ohc@sympatico.ca
www.ontariohealthcoalition.ca