

# Ontario Health Coalition

OP/ED

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## **First hospitals... next schools** **Why education workers should look more closely at** **P3s** **by Natalie Mehra, OHC Provincial Co-ordinator**

"What if your school becomes the victim of the stock market meltdown?"<sup>1</sup> This question was posed recently in the Globe and Mail in an article about an American for-profit school management company facing a stock market crash in the value of its shares. The answer? Textbooks, computers, lab supplies and musical instruments were carted away and sold off days before classes were set to begin in September. Company executives relocated their offices into schools to save money. The CEO proposed that the company use free child labour to reduce costs for adult staff. (The latter proposal was, thankfully, rejected.)

Sound like a trip down a rabbit hole into a faraway world? Think again. The article refers to 20 Philadelphia schools contracted to a "public private partnership" in which a for-profit corporation Edison would take over the school management and operations. And the same Public Private Partnerships (P3s) are being tendered now, in Ontario, for hospitals.

Last year, Health Minister Tony Clement announced the first two P3 hospitals - to be built in Brampton and Ottawa. A recent third, in Markham Stouffville, has been announced and a raft of announcements are awaiting the provincial election. The planned hospitals will be designed, built, owned and operated by for-profit corporations and leased back to the public in 20 - 60 year leases. The building and the operation of its services - to start, dietary, cleaning, maintenance, and support - will be privatized and run on a for-profit basis. In Britain these hospital deals have cost so much that the British Medical Journal reports bed and staff have faced an average of 25-30% cuts as budgets are redirected to profit and leases. The scope of clinical services has been reduced and patients face a raft of user fees. Shoddy construction, leading to tiny wards, multiple ceiling cave-ins and a raft of bizarre design flaws, are making headlines. If Ontario's Conservative government gets away with the first for-profit hospitals since

Medicare's inception, we expect that schools, roads, bridges, police & fire, courts, water and other public services will soon follow.

P3 schools, pioneered in Britain, have a similar record to the hospitals. Britain's biggest education P3 in Glasgow, involving 29 schools - in a deal with construction and management company Amey and IT firm Mitel worth about \$400 million - has resulted in the loss of six swimming pools, smaller and fewer classrooms, science laboratory benches facing the walls instead of facing teachers and fewer games halls.<sup>2</sup>

In Canada, the most extensive experiment with P3 schools - 30-odd schools - has been carried out in Nova Scotia since 1994, although New Brunswick, PEI and Alberta have also dabbled with the schemes. In Nova Scotia, the government was forced to abandon the projects in June 2000. However, residents are stuck paying the bills for the next generation as the lease terms require the public to pay 20 - 35 year leases and then pay more to buy back the schools. The Provincial Auditor found that the schools will cost \$32 million more than if they were built the traditional P1 way.<sup>3</sup>

But cost is not the only problem. Land deals for the schools turned on who owned the land, not where the school is needed. A spate of scandals has followed. Coined "public risk for private profit"<sup>4</sup>, the public bears the responsibility for operating costs, capital improvement & repairs, technology upgrading costs, and unforeseen expenses. The for-profit owners are exempted from shoddy construction, faulty wiring and plumbing.

Stories of shoddy construction and loss of public control abound. Halifax's flagship P3 school was given an award by C2P3 (Canadian Council on Public Private Partnerships) the country's P3 corporate lobby group. By 2001, students and staff were still drinking bottled water, 12 months after arsenic was found in the school's well, while the school board & consortium fought over who was responsible. In New Brunswick, the Provincial Auditor found that unnecessary technology (remember, the public has to pay for upgrades) were increasing capital costs thereby reducing available money for education budgets. In one New Brunswick school, the for-profit consortia refused to unload furniture delivered to the new school. It wasn't part of the deal so parents and education workers had to unload it themselves.

Since the consortium is the owner, P3 schools feature restricted access after hours. At the Evergreen school in N.B., the corporate owner has exclusive rights to technology after 3 pm - when they run for-profit remedial and enrichment programs for kids. After 6 pm they have exclusive rights to the whole school to run for-profit adult programs. The community must fit all after-school activities into one night per week. P3 schools are home to McDonalds, Tim Hortons and private education companies. In Edmonton, the P3 school is part of an IGA.<sup>5</sup>

The Ontario Health Coalition is engaged in a massive campaign to stop the for-profit (P3) hospitals. We see the question as fundamental. Will our public infrastructure be owned and operated for profit? Or will we continue to embrace the values that underlie our public systems like Public Medicare — values of compassion, universality, equality

and community. P3 schools were stopped in Nova Scotia. A P3 hospital has been stopped in PEI. In Ontario, our fight has just begun. The Ontario Health Coalition beseeches education workers to join in, spread the word, and stay vigilant. It will matter greatly, for generations to come.

See the OHC webpage at [www.ontariohealthcoalition.ca](http://www.ontariohealthcoalition.ca)

#### References

1. Saunders, Doug. "For-profit U.S. schools sell off their textbooks", Globe and Mail, October 30, 2002.
2. "Britain on the Road to a Very Private Revolution", The Guardian, U.K., Sunday, May 27, 2001.
3. Robertson, Heather-jane. Why P3 Schools are D4 Schools or How Public Private Partnerships Lead to Disillusionment, Dirty Dealings and Debt, CCPA/British Columbia, May 29, 2002.
4. Coyne, Andrew. Globe and Mail, May 24, 1995.
5. See Why P3 Schools are D4 Schools... . Also, Provincial Auditors' reports on Evergreen & Wacknut Leases (New Brunswick, 1998), and on O'Connell Drive Elementary School Lease (Nova Scotia, 1998).