Winnipeg Labour Council Presentation

Executive Policy Committee

November 7, 2012

Thank you for the opportunity to address the Executive Policy Committee and present the views of the Winnipeg Labour Council on a very important issue.

The Winnipeg Labour Council represents 45,000 working men and women in Winnipeg in both the public and private sector. This includes civic workers, transit operators, fire fighters, and paramedics. We know these city employees value their work and deliver quality services to Winnipeggers every day. Today, we wish to see a valuable service returned to the public fold.

We are here before this standing committee in support of this motion and wish to focus on each of the points provided.

We believe there is sufficient evidence in favour of re-establishing solid waste collection services within public control. We also believe that at the very least, a mixed model of public and private delivery will improve services, provide cost savings and help keep the industry in check.

Historical Overview

In July, 2005, City Council approved the Solid Waste Collection Business Plan which led to contracting out of the city's waste collection services. The Business Plan was touted as a cost saving measure and would increase the quality of services. The Winnipeg Labour Council contends that neither case materialized.

Loss of Public Control and Political Accountability

Winnipeggers lost a valuable service and even though the motion past, many on City Council felt it was a move in the wrong direction, including councilors currently on the Mayor's EPC.

There are many examples across the country where other jurisdictions have moved in this direction, only to realize a loss of public control over solid waste collection services was not in the best interests of their citizens. These jurisdictions then acted to bring these services back under public control. Cities such as Port Moody, BC; Saint John, NB, Ottawa, ON; and Sherbrooke, QC all found that the quality and cost of the services provided by a private contractor were grossly inadequate.

The loss of control greatly limits political accountability. Public administration is the most open and transparent method of delivering public services. Citizens know that should services fail, their elected representatives are the best avenue to resolving problems, not a private entity accountable only to shareholders and private interests. The city's decision making ability is hampered when there is no control over said services. Civic administration has the ability to be flexible in changing circumstances and changing public priorities. A private entity does not provide this flexibility and any changes to a contract would mean additional costs of renegotiation.

Service Delivery and Cost Savings

When waste collection services were privatized, Mayor Katz was quoted as saying he can "go out and purchase a pair of flip-flop shoes at a very competitive price without the city of Winnipeg owning and operating a flip-flop store."

Private companies exist to make a profit. That is their greatest motivation. To achieve this they aim to reduce costs and minimize effort to achieve a profit. With these factors in mind, it is inherent that companies will reduce costs on the backs of their workforce and cut corners. This is evident with today's garbage contract.

Over 5,400 complaints have been received by the city regarding the service and performance deficiencies. Waste is still not being collected properly weeks after the final contract was announced. Citizens across the city are upset and are registering their complaints en masse with 311 and City Councillors alike.

In terms of cost saving, the city is getting what it paid for. The lowest bid was accepted and it is evident that we are getting inefficient and substandard service for that decision. Recently, it has also been brought to light that a complaint has been forwarded to the province's Employment Standards branch regarding alleged violations of the Employment Standards Act by the city's private contractor. These are clear examples of what happens when private contractors, interested in profit, are handed operations of city services.

Finally, it was highly touted that contracting out of waste collection services would demonstrate a cost savings for Winnipeggers. However, no audit has ever been performed to see if that is indeed the case. A Winnipeg Labour Council affiliate, CUPE 500, has consistently called upon the city of Winnipeg to conduct a full audit of the process to demonstrate a cost savings. This audit has not come to bear and Winnipeggers are left to trust the words of Mayor Katz and his administration that there is indeed a cost savings occurring.

Conclusion

Quality solid waste collection services are essential to the quality of life in Winnipeg. The evidence demonstrating a more cost effective and quality service

delivered by the private sector is inconsistent. To the contrary, many other jurisdictions have realized the error of handing public services over to the private sector. It was discovered that initial cost savings from privatization soon evaporated as private sector costs rose.

The Winnipeg Labour Council is asking the EPC to vote in favour of this motion and ask Council to return solid waste collection to the public realm.