

ALBERTA UNION OF PROVINCIAL EMPLOYEES

BARGAINING UPDATE

FEBRUARY 5, 2021

**ALBERTA HEALTH
SERVICES (AHS)**

GENERAL SUPPORT SERVICES
LOCALS: 054, 056, 057, 058, 095

11,000 JOB CUTS AND PRIVATIZATION ENDANGER ALBERTA COMMUNITIES

Premier Kenney's UCP government has announced they will put over 11,000 front-line health care staff out of work. The majority of the workers who the UCP want to send to the unemployment line are AUPE members working for Alberta Health Services (AHS) General Support Services (GSS). This includes members working in cleaning and environmental services, food services, laundry, lab work, protective services, supply chain and purchasing, long-term care, and more.

Your bargaining team has created and shared a number of bargaining updates about how cutting your jobs and privatizing these services will hurt you, your families, and all Albertans. Click the links above to read the updates for each of these different groups.

With this update, we want to review what our research shows happens to our communities when governments like the UCP privatize the health care services we provide. The short answer? Jobs disappear and communities are devastated, especially rural communities. Read this full update for more.

Privatization hurts Albertans, especially in rural communities

If you think that privatization is just an abstract concept that won't affect you, then brace yourself. In communities across Canada, privatizers have had job losses, economic damage, and worse services.

The AUPE members who AHS and the UCP will hurt the most with their privatization schemes are those living in rural communities. When the government privatizes rural services, the entire community takes a major hit.

Research shows that for every 10 jobs cut in a community, you can count on losing one more due to what's called induced effects. This also means job cuts remove \$15 from the local economy for

every \$100 in lost wages. Simply put, the entire economy suffers when employers cut jobs, which causes even more job losses. Residents spend less money at the locally owned grocery store or butcher shop, or at a small town's only movie theatre or hair salon. Privatizing services means a rural community's entire culture and person-to-person relationships suffer. The government's 2010 partial privatization of AHS protective services is one example of privatization causing significant job losses in rural Alberta. Now, security guards contracted by Paladin—a private security company with a near-monopoly for this type of services—aren't assigned to work at a specific hospital, but instead are "roving." Health care workers tell us that when they need security, Paladin often tells them that the nearest guard is hours away and that it would be better to just call the RCMP.

As we can see, it's not just the number of jobs that are affected. In many cases privatization causes whole services to disappear in rural communities. The outsourced jobs often create worse quality services, at no fault of the workers.

Take hospital food services for example: based on the UCP's Ernst & Young report, the money "saved" by privatization would most likely go to the food company's profits, while the company would create the real "savings" by providing worse quality, cheaper food. Food quality has a major impact on patient care, and worse food is linked to longer hospital stays.

If we assume the average cost of treating a patient in a hospital bed is \$1,500 a day, and if poor quality food increases the length of a patient's stay by just 1%, then privatizing food services in Alberta would cost nearly \$43 million per year!

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But why does this happen? Why do governments hand over services to private companies if it doesn't make sense? Well, because many political parties only serve the interests of big companies and rich CEOs, and they only care about making profits.

Rural communities are often remote and less populated than cities, so private companies don't think they can make huge profits there. Instead of taking a chance losing money, the companies pack up and move to the big cities where they can make more profits.

There are examples in other prairie provinces that show the same thing. When the government of Saskatchewan devastated rural communities by privatizing its health care laundry services in 2013. Part of the government's plan was to eliminate five regional laundry facilities, most of which were in rural communities, and centralize everything into one laundry facility in Regina.

That means the workers who lost their jobs to privatization had no chance to get re-hired by the contractor—as urban workers can sometimes do, even though they can expect to have significantly slashed wages and benefits. All the jobs moved to Regina. For rural workers, there's no options at all.

In Prince Albert, Saskatchewan, the government's decision to close a public laundry facility caused the unemployment rate to jump to 10.6 per cent. In small communities, public services are some of the most important employers in town.

Greyhound is an example of non-health care services disappearing from the prairies because of privatization. That's what happened with Greyhound permanently shut down its intercity bus system in

the prairies in 2018. Because the company couldn't make enough profit in the region, we now don't have any options for intercity public transit in Western Canada, making transportation much harder for Albertans living in smaller, rural communities.

Privatization hurts everyone, and that's especially true in rural communities. If we want jobs, if we want essential services, and if we want resilient communities, then we need publicly owned and operated services. The private sector will abandon us, just like it has abandoned so many rural communities.

We must fight back

Kenney's UCP government is attacking our jobs, our livelihoods, and our families. But this fight is about more than that. This fight is about what's right and what's best for all Albertans. We cannot let the UCP government get away with tearing Alberta's health care system down.

We must work together. Nobody is immune to these cuts. Alone, we're powerless, but together, we're strong.

Send an email to Kate Jacobson and Farid Iskandar, your AUPE organizers, to join the fight against privatization. Reach out to your Local's negotiating representatives to see how you can get involved and spread the word of these incoming cuts at your workplace.

Please talk to your negotiating team members or AUPE resource staff if you have any questions. We are here to work together with you.

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