

Public Private Partnership the best approach for Corner Brook Hospital

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February 17, 2017, St. John's, NL –The NL Employers' Council is very pleased with the public private partnership (P3) approach to build a new acute care hospital in Corner Brook. The P3 approach will help ensure the citizens of Western Newfoundland receive a higher quality facility, delivered on time and on budget with protection for taxpayers from time and cost overruns. There is disappointment however, that elements such as laundry and food services were excluded from the partnership process.

There are currently 92 public private partnerships completed or underway to build and maintain healthcare facilities in Canada. P3s are a proven approach to the providing high quality facilities that provide higher value to citizens long-term than traditionally built projects.

“The quality of a P3 hospital is far superior to what can be developed under a traditional approach because the private sector partner is invested and has more at stake,” said Richard Alexander, Executive Director of the Employers' Council. “It's like building a house you are going to live in yourself long-term, versus one you plan to sell. You make different decisions. Some P3 hospital projects like Bridgepoint in Toronto look more like hotels or condo developments than hospitals.”

P3 projects also protect taxpayers by placing the responsibility for time and cost overruns on the private contractors. A study into P3s by the Conference Board of Canada in 2013 concluded that P3 projects were 83% more likely to be completed on time and on budget than traditionally procured projects. This is a tremendous benefit given the fiscal crisis currently facing the provincial treasury and the many delays this project has already faced.

“It is doubtful that this project could proceed without government's willingness to partner with the private sector,” said Alexander. “We'd like to see them go further. Government needs to get out of the business of running restaurants, doing laundry and housekeeping. A few years back Eastern Health was losing \$1.2-million annually on dietary services, largely because of a Tim Horton's staffed by public servants making \$28 an hour. This is public money that should have been spent on health care. We are a little surprised that government has excluded these services from a partnership arrangement. Including these services could have provide much better quality and service for the public at less cost.”

In a [survey conducted by Corporate Research Associates](#) for the Employers' Council in August 2015 there was three times more support than opposition for partnership with the private sector on construction and maintenance of public buildings, and 2.6 times more support for partnerships in food services, laundry services, janitorial and other support functions. Now that government has demonstrated it understands the benefits of partnerships it needs to examine and pursue other opportunities that have proven successful in other provinces.

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Interview opportunities available.

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