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Ron Parks finds P3 projects have higher costs, bias and secrecy

VANCOUVER—In a report released today, B.C.'s most respected forensic accountant, Ron Parks, along with his colleague Rosanne Terhart, find that public private partnerships (P3s) are costly for taxpayers.

They also find a consistent pro-privatization bias in the way that the B.C. government (through Partnerships BC) compares costs when assessing major projects. On top of this, the B.C. government is routinely denying access to critical information, which limits the public's ability to know that its interests are protected on P3 projects.

Parks and Terhart evaluated four P3 projects: the Abbotsford Regional Hospital and Cancer Centre, the Sea-to-Sky Highway Improvement, the Academic Ambulatory Care Centre (Diamond Centre) and the Canada Line. Based on this review, they find that developing the projects as P3s is more expensive than if they were done publicly.

In the case of the Diamond Centre – they report that the actual nominal cost of a P3 was more than double that of a publicly procured project.

Barry O'Neill, president of the B.C. division of the Canadian Union of Public Employees, says that this report is clear evidence that the B.C. Liberals have stacked the deck in favour of privatizing the services people count on. "It's a taxpayer rip-off, plain and simple. The hundreds of millions of extra dollars we pay in what amounts to 'privatization premiums' should be used to improve roads, transit, schools and health care," says O'Neill.

O'Neill says that P3 problems around the world, including the current problems faced by the Macquarie Group to secure financing for the Port Mann Bridge, underscores the fact that privatization is plagued by no shortage of instability and risk to taxpayers. "Add to this the report's finding that private projects actually cost more and I ask why we would keep going down this road."

O'Neill says that this should give pause for major projects, like sewage treatment in Greater Victoria, where the Campbell government is advocating a P3.

Parks' report was commissioned by CUPE BC. Ron Parks and Rosanne Terhart are with the firm Blair Mackay Mynett Valuations Inc.

-30-

See the [full report](#) and [backgrounder](#).