

THE CANADIAN COUNCIL FOR PUBLIC-PRIVATE PARTNERSHIPS

# Breaking New Ground: P3 Hospitals in Canada



The Canadian Council for  
Public-Private Partnerships



Le Conseil Canadien pour  
les Partenariats Public-Privé

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In partnership with:



**Raymond Chabot  
Grant Thornton**

November 2011

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# Foreword

The Canadian Council for Public-Private Partnerships (CCPPP) believes that when the spheres of government and business intersect there are many benefits to be gained by both. A member-sponsored organization founded in 1993, CCPPP is national, nonpartisan and not-for-profit, with representatives from both the public and private sectors. The organization's mission is to promote innovative approaches to infrastructure development and service delivery through public-private partnerships with all levels of government. CCPPP promotes collaborative partnerships between public sector agencies, departments and industry. The Council advocates for evidence-based public policy in support of P3s, facilitates the adoption of international best practices, and educates stakeholders and the community on the economic and social benefits of P3s. CCPPP's activities include strategic research, an annual conference and regional events, a national awards program and a national P3 project database.

In 2003, CCPPP commissioned *The Canadian Case for Hospital P3 Projects*, which examined public-private partnerships in the United Kingdom and Australia and assessed a possible role for P3 hospitals in Canada. The CCPPP's latest report, *Breaking New Ground: P3 Hospitals in Canada*, builds on this earlier research. In the eight years since *The Canadian Case for Hospital P3 Projects* was published, public and private sector leaders have been breaking new ground both figuratively and literally—fifty new P3 hospital projects have now been or are in the process of being built in Canada. This report examines a number of these projects, the lessons learned, and the challenges and opportunities that lie ahead.

The 2011 research project was led by **Sam Pickering**, a partner in the Montreal office of Grant Thornton Raymond Chabot's Infrastructure (GTRCI's) Advisory team. Mr. Pickering has 20 years of experience in the health sector, and in the last 13 years has provided finance and process advisory services for 31 P3 hospital projects in the UK and Canada, including projects in Ontario,

Quebec, British Columbia and New Brunswick. Mr. Pickering was assisted by several colleagues at Grant Thornton, including **GTRCI President Emilio Imbriglio, Richard Gascon, Bing Bing Wang, David Brattan and Stephanie Ghrayeb**. The Canadian Council for Public-Private Partnerships wishes to acknowledge the tremendous amount of work required to prepare this publication and to express its sincere appreciation to Mr. Pickering and his colleagues for sharing their findings and insights with a broader audience.

All CCPPP publications are reviewed by a number of qualified readers. Two people acted as the primary readers for *Breaking New Ground*. We wish to thank **Mark Bain**, a partner in the Toronto office of the law firm Torys LLP and the author of the 2003 CCPPP report, and **Jack Davis**, Chairman, CEO.Mobile Inc. and former president and CEO of the Calgary Health Region and deputy minister of executive council, health and other portfolios within the Alberta Government. Both gentlemen provided insightful comments and suggestions on this document. Mr. Bain and Mr. Davis also serve as directors on CCPPP's Board. **And finally, we would like to thank everyone who provided information to Mr. Pickering during the course of his research.**

It is important to emphasize that the clinical functions of *all* Canadian P3 hospitals operate within the public healthcare system. But as both demands on the system and funding shortfalls increase, there is a new receptivity to innovative solutions to meet infrastructure needs. Public-private partnerships are created to bring together intrinsic features of each sector to maximize the quality of the final service provided to the public. As Canadian P3s continue to develop, CCPPP is advancing knowledge to ensure that P3s are used effectively for infrastructure renewal and that progress is made in a responsible manner. As *Breaking New Ground: P3 Hospitals in Canada* clearly illustrates, the P3 model is proving to be a cost-effective and innovative way to fulfill a variety of hospital infrastructure needs in large and small communities across Canada.