

NATIONAL POST

We should face down opponents of PPPs

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Brampton Civic Hospital, opened last October on budget and on time after a construction period of just three years, is the first primary-care hospital in Ontario built using the McGuinty government's Alternative Finance and Procurement (AFP) model. This model, in which the government contracts a private-sector partner to design, build, finance and operate a facility for a fixed term, has seen the Brampton project under unrelenting attack for six years. The Ontario auditor will now conduct a thorough review of Brampton Civic Hospital, but it is likely to accomplish nothing: No result will appease those who still oppose public-private partnerships (PPPs).

When the former Conservative government first proposed using a public-private partnership to build this hospital in 2002, a group called the Ontario Health Coalition appeared and opposed the project on all fronts. Together with other organizations, inspired if not populated by public-sector unions, they choose to disregard evidence that this approach was sound and in the public interest.

The incoming Liberal government made some changes, but the new AFP model continues to engage the private sector in an innovative way that is seeing hospitals built in communities with long-standing needs for new facilities. Attempts by the Minister of Health and Long-Term Care, George Smitherman, to explain that any startup problems are not related to the AFP structure have been ignored.

None of this is surprising. The tactics used to attack the AFP and PPP projects across Canada follow the pattern set by opponents of public-private partnerships worldwide. We have watched how these groups operate in the United Kingdom, a country with more than 70 hospitals projects worth \$26-billion undertaken with private-sector partners. The pattern is predictable, the allegations drawn from a menu of predetermined and emotional issues crafted to create public anxiety.

In hospital projects, the first issue is the number of beds. The anti-private-sector faction will charge that the number of beds was reduced because the project is a PPP. They may even claim that the private sector decided unilaterally to cut the number of beds.

Then they will state that the cost of the hospital has increased well beyond what was originally proposed. They do not bother to mention the fact that they are usually comparing the full cost of building, operating and maintaining a facility over 25 or 30 years to the original capital cost, for construction only.

Then it will be waiting lists -- presented as evidence that the private sector is not performing. Later will come claims that the rooms are too small, the hospital is not clean, patients are treated badly.

In the end, it does not matter if it is a hospital in Ontario, British Columbia or Quebec, a school in Alberta or a courthouse in New Brunswick. The opening of any public-private facility delivered on time, on budget and at a lower cost than the government could have achieved will be met with a new round of attacks.

What does the private sector actually do in a public-private partnership (or AFP) hospital? In the first instance, it is responsible for designing, financing and building the facility. Then it must keep the building in good repair for the duration of its contract. It also looks after air conditioning, heating and maintenance. It may handle parking, building security, grounds maintenance, linen service and the cafeteria.

The private-sector partner is not involved in clinical services. It does not determine the number of beds or provide the nurses and doctors. It does not deliver diagnostic services, manage waiting lists for operations or operate the pharmacy.

While it may sound counter-intuitive, opposition to PPPs actually ramps up as projects come on stream and prove their value. This is especially true in the health care sector because opponents have such a small window of opportunity to make allegations that, in a short time, are exposed to be without merit.

Eventually, as the use of PPPs becomes more common, opposition voices will lose their resonance. Provincial governments are already using PPPs to get public infrastructure built at an impressive rate. PPP hospitals, bridges, roads, courthouses and long-term care facilities are already open or under construction in a number of provinces.

These governments should be commended for having the courage to stare down the critics and step up to the daunting challenge of addressing the infrastructure deficit.

--- - Dale Richmond is president of the Canadian Council for Public-Private Partnerships and former president and chief executive of OMERS.