

## Private financing, public questions

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During the 2003 provincial election campaign, Liberal Leader Dalton McGuinty denounced the Conservative government's decision to strike **public-private partnerships** to build several new hospitals, saying he was "against the Americanization of our hospitals." Once elected, though, McGuinty removed some of the worst features of what turned out to be essentially done deals, and allowed construction in Brampton and Ottawa to go ahead.

But making bad deals better doesn't necessarily make them good.

Since then, McGuinty has embraced private-sector financing of public infrastructure projects. He has done it while dropping the tainted public-private partnership, or **P3**, label in favour of a model the Liberal government calls "alternative financing and procurement." Hospitals built under this model must be publicly owned and controlled, and adhere to a handful of broad principles aimed at protecting the public interest, and ensuring transparency and accountability.

Still, valid concerns persist about enlisting the private sector to help finance public hospitals. These worries were only heightened yesterday with the release of a report by the **Ontario Health Coalition** that raises troubling questions about the new Brampton Civic Hospital, which has been plagued by controversy since its inception.

The report by the pro-public-health-care activist group calls into question one of the main justifications used to support private-sector involvement in bankrolling public hospitals, namely that such agreements deliver new infrastructure on time and within budget.

According to the coalition, the capital cost of the new hospital, which opened in October, nearly doubled from an estimate of \$350 million to \$650 million. It also opened two years later than scheduled.

Just as worrisome, the new hospital has only 479 beds, compared with the 608 beds originally promised and the 930 beds the coalition says Brampton will need by next year. Despite the city's rapid population growth, the hospital says it will not reach a capacity of 608 beds until 2011-12. The coalition also has raised concerns that a planned redevelopment of the now closed Peel Memorial Hospital site may be in jeopardy, although community consultations on the project are set to begin this month.

Yet rather than address these troubling findings, Health Minister George Smitherman has dismissed them out of hand, saying the coalition is becoming "more irrelevant by the day." He also denied there is any connection between how the Brampton hospital was financed and concerns about long emergency room waits and staffing - concerns that last week prompted him to appoint a supervisor to "restore public confidence" in the hospital's leadership.

Smitherman should not be so quick to ignore the coalition. Questions it has raised have major implications and deserve answers.

Are taxpayers, for example, stuck with the doubling of costs, when the appeal of P3s was that the private sector was to assume the risk? If so, then what are the advantages of private-sector financing, especially when governments can borrow capital at a lower rate than any private consortium, and without having to build in a profit margin?

These are the kinds of questions that Smitherman and McGuinty must answer. Ontarians deserve a clear response.