

So long, P3 agency

(Translation of

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CUPE is delighted with the government's announcement that, after five years, "Agence des partenariats public-privé du Québec", the province's P3 agency, will be closed down. It's about time!

According to the Minister of Finance at the time the Agency was created, P3s would have helped projects progress more rapidly than conventional approaches. While there are no other university hospital projects to compare with, the CHUM and CUSM initiatives are clearly behind schedule. Although the government projected in 2006 that the two projects would be finished in 2010–2011, completion has been delayed until 2014 and, for the final phase of CHUM, as late as 2018.

Monique Jérôme-Forget claimed that P3s would reduce costs and benefit taxpayers in the long run. But according to Québec's Auditor General, costs for the CHUM and CUSM projects have increased significantly since 2006, soaring 81% and 50% respectively. The variances between budgets approved in 2006 and 2009 cost estimates are \$1.129M for CHUM and \$743M for CUSM. The "Hôtel-Dieu de Québec" (CHUQ) renovation project could run as high as a billion dollars.

As the anticipated results have not materialized, it is now clear that this agency was created for purely ideological reasons. The labor movement, recognizing the dangers posed by such baseless policies, opposed the agency from the get-go. In the United Kingdom, which was one of the first countries to embrace P3s, numerous studies have shown that in these partnerships, the taxpayer rarely comes out on top in terms of service quality and cost.

Moreover, private financing is more costly when economies are in crisis, due to the added risk premium. That's another danger the Charest government didn't consider, but passed on to its taxpayers nonetheless.

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