President Ward issues warning on P3 initiatives

The government has acknowledged that our long term care facilities are in need of replacement. Islanders will not argue that fact. This undertaking will cost a considerable amount of money. When the Finance Minister tabled his Capital Budget in the House on November 2, 2007, he said this in regard to manor replacement, "...We're looking at further ways that we can put more money into it. We're looking at public/private enterprise. ...." For the average taxpayer this would sound like a reasonable way to deal with the problem. It may even seem to be the best solution considering there is a projected deficit. I am sure that the Finance Minister is counting on this mind set to gather support for such a partnership. The problem is that Public Private Partnerships (P3's) do not save taxpayers money.

When a private company enters into a contract with government to design, build and sometimes operate facilities, they retain ownership of the building and lease it back to the government.

Supporters of these funding arrangements say that this will save the public money. But many experts will disagree. They argue the fact that private business has to pay more to borrow money - resulting in higher costs over time. They also caution that these arrangements lock governments in to long term leases with no flexibility to meet changing needs. The main concern is private profit not public interest.

To the government the Public Private Partnership idea may look like a quick fix , but Islanders need to be fully informed about the hidden costs and problems that are associated with them. When something looks too good to be true - it usually is.

Shelley Ward