

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 64-18(3): STANTON RENEWAL PROJECT

February 8, 2018

MR. O'REILLY: Merci, Monsieur le President. I know the Minister of Finance has had a busy day, but I'm going to have to put him to work again. Carillion Canada has now gone into creditor protection. It's the main Stanton Renewal equity investor for construction of the new hospital, the contractor to service and maintain the new hospital following completion, and it is involved in the remediation of the existing hospital for other uses.

In reviewing the project agreement, there are many triggers if something starts to go off the rails. Can the Minister tell us whether the Boreal Health Partnership or any of its partners has provided any event of default notices, notices of changes to the senior financing arrangements, or notices of super evening events pursuant to the project agreement? Mahsi, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Finance.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. No notice has been given to the GNWT. Technically, no notices to the GNWT are required because BHP are not in default under the project agreement. BHP are in default with their agreement with the lenders, so it did send notification to the lenders, and we were copied into it, and they have, I believe, until late February to outline a plan as to how they're going to fix the default. Any proposed plan would have to be reviewed and approved by the GNWT. Thank you, Mr. Speaker.

MR. O'REILLY: I'd like to thank you the Minister for his response. It's helpful to get that information. Carillion Canada's website contains a news release dated February the 5th that states: "Fairfax Financial Holdings has entered into an agreement with Carillion to acquire 'select health care facilities.'" I've asked the Minister whether the Stanton Renewal project is amongst the select health care facilities that might be sold to Fairfax, but haven't got an answer yet. Can the Minister tell us whether the Stanton Renewal and existing hospital remediation projects are part of the agreement by Fairfax to acquire some Carillion assets?

HON. ROBERT MCLEOD: Mr. Speaker, my understanding is, yes, it is part of that, and we'll continue to deal with that, and we'll continue to inform Members as to the update on how the sale is going.

MR. O'REILLY: I'd like to again thank the Minister for that information. That's helpful. I understand Fairfax is a big company, so this is good news, I think. Earlier today, I talked about the need to improve communications around what's happening with the Stanton Renewal Project. Certainly I think this side of the House would like to get more information. How does the Minister intend to keep the Regular MLAs and the public informed of what is going on with Carillion Canada and the Stanton Renewal Project,

and would he agree it's time for a technical briefing for Regular MLAs?

HON. ROBERT MCLEOD: Mr. Speaker, as information becomes available, any new information becomes available, we will share it. We are just in the process of updating our latest briefing note on the events that took place in the last couple of days, and I'm planning on providing that to Members tomorrow. As well, the website, Health and Social Services updates the information on the website. I've had a conversation with the Minister of Health, and they have committed to looking at updating the information on the website as well.

MR. SPEAKER: Masi. Oral questions. Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President. Thanks to the Minister for those commitments to improve communications. It will be very helpful.

The Ontario Auditor General found major problems with P3s in that jurisdiction that cost those taxpayers billions of dollars. What lessons has our government learned from P3s, and how will it apply them to the Tlicho all-season road, another proposed P3 project? Mahsi, Mr. Speaker.

HON. ROBERT MCLEOD: Mr. Speaker, first of all, the Member is correct in his comments before about the size of Fairfax and what they bring to the table. They are a very large company and have a lot of assets, so they bring a lot of expertise to the table. I think in our update briefing note, it will point out some of the information that the Members are seeking as to the senior management team, and I think there's a plan for that as well.

One of the lessons learned under these P3 projects is that it clearly demonstrates that, on a P3 project, there is a risk transfer. In a project like this, the risk transfer is on the proponents of the project. That frees the government from any risks that might be associated with them. It's the partnerships wanting to resolve. The GNWT were obviously active as an interested party and any financial or operational risk associated with the liquidation of the project proponents want to own. Again, we will keep Members updated and I think this is a lesson learned, that there is some value in P3 partnerships as far as the risk transfer goes. Thank you, Mr. Speaker.