

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

STANTON RENEWAL PROJECT

February 8, 2018

MR. O'REILLY: Merci, Monsieur le President.

The Stanton Renewal Project was raised in the House several times yesterday. Regular Members have had to make numerous inquiries of the Minister of Finance to try to find out what is going on and the implications for us here, in the Northwest Territories. Even though I have suggested a more proactive public communications effort, Stanton Renewal Project website has not had much added to it for some time and there is almost nothing about the recent events with regard to one of the major partners currently in Canada, which is in creditor protection.

To try to get myself more familiar with the Stanton Renewal Project, I reviewed the December 2015 project report on the website. While it is an interesting summary of what transpired, it leaves many questions, including how the \$174.5-million cost savings were calculated between the so-called P3 option and the normal government procurement approach and why insolvency was not identified as a major risk.

The project agreement itself is a massive 2,113 pages, with 45 pages of definitions alone for the main agreement. Needless to say, I did not read the whole document but skimmed enough to get some questions ready for the Minister later today.

The Stanton Renewal Project is the largest capital project our government has ever undertaken. This MLA and the public have demanded better public reporting and accountability. Its standing committees still do not get any regular reports on the status of this work. For our part, regular MLAs should have set up our own oversight system, and we should still do that.

The 2014 Ontario auditor general review of public-private partnerships found that, of the 74 projects reviewed, the Ontario taxpayers ended up paying about \$8 billion more than if the projects had been done by the provincial government, itself. I think there is the lesson there for our government.

It is incomprehensible how the private sector, which has higher financing costs and a requirement for a profit to shareholders, can actually compete with public governments without paying workers substantially less at the end of the day. I recognize that our government has limited fiscal capacity, but you cannot have huge infrastructure projects without the capacity and proper oversight, lessons that are learned the hard way.