



NEWS RELEASE

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Ron Parks urges more “assertive” and “investigative” approach to P3s from Auditor General’s office

In a report released today, the province’s best-known forensic accountant says that the B.C. Auditor General’s office should play a more active and direct role in assessing whether taxpayers are getting value for money from government-mandated privatization schemes worth up to \$10 billion.

As it stands, Ron Parks says that the Auditor General’s process used to review three major public-private partnerships (P3s) – the Abbotsford Hospital, the Sea-to-Sky Highway, and the Canada Line – “does not provide assurances that there are going to be real cost savings for the public.”

In all three cases, the Auditor General did not prepare a direct independent audit but instead reviewed value-for-money reports prepared by organizations that manage or promote P3s.

Partnerships BC -- the government agency mandated to advance P3s -- prepared the Abbotsford Hospital and Sea-to-Sky Highway reports. The Canada Line report was prepared by Canada Line Rapid Transit Inc., the Translink subsidiary responsible for the implementing the project.

In two of these cases, the Auditor General’s office was also paid a fee to conduct the reviews – a practice Parks says should stop in order to heighten the public’s perception of independence.

Parks recommends that the Auditor General prepare his own direct reports on P3s “to distinguish his information and conclusions from those who have a vested interest in demonstrating the value for money of the P3 model.”

Parks also recommends that the Auditor General adopt a greater degree of skepticism towards P3s and take more of an “investigative approach.”

In his report, Parks calls for a significant increase in funding for the Auditor General’s office so that the Auditor General can evaluate P3 projects from their beginnings.

And he warns legislators, provincial ministries and the B.C. government that they should “exercise restraint in adopting conclusions that the Auditor General has not reached or set out in his reports.”

Parks’ report was commissioned by the Hospital Employees’ Union and the Canadian Union of Public Employees. Parks is with the firm Blair Mackay Mynett Valuations Inc.

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A one-page backgrounder summarizing Ron Parks’ recommendations is attached.
The full report can be found at www.heu.org, www.cupe.bc.ca, or www.cupe.ca.

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