



BILL 25 Submission

to the Standing Committee on Social and Economic Development

The Public-Private-Partnerships Transparency and Accountability Act

**Presented by Paul Moist, President
Manitoba Federation of Union Retirees (MFUR)**

I am pleased to speak this evening on behalf of MFUR. We are retired union members and the Manitoba affiliate of the 500,000 member Congress of Union Retirees of Canada (CURC).

CURC is affiliated with the Canadian Labour Congress (CLC) and MFUR is affiliated with the Manitoba Federation of Labour (MFL).

I first spoke on the matter of P3s in this committee room, on September 25, 1996, in my capacity as President of CUPE Local 500 representing City of Winnipeg workers. Bill 16 was being considered by the Standing Committee on Public Utilities and Natural Resources, the Bill was titled, "The Charleswood Bridge Facilitation Act 1996".

It was enabling legislation for a civic project, my comments that evening included the following:

"The cost of borrowing implicit in the lease arrangement appears to be slightly in excess of 11 per cent per annum. The City's cost of borrowing at the time of the deal was only 9.5 per cent per annum, which means that City taxpayers will pay some \$18 million more for the bridge over the 30-year lease arrangement than if they had funded the bridge construction in the conventional fashion."

Fast forward three decades to last Fall, the city celebrates the 30th anniversary of the bridge as it prepares to assume ownership of it from the private consortium that built and maintained it. The bridge has served citizens well, the finances, not so much.

University of Manitoba Professor John Loxley had predicted 30 years ago that if the bridge had been financed in the conventional fashion at City borrowing rates, over 20 years as opposed to 30, it would have cost \$22 million, he predicted with the P3 option chosen, it would cost \$40 million.

Last fall, the city confirmed it had cost \$45.8 million dollars. One final footnote, the debate that was waged at the time surrounded the difficulty in accessing information on the business case for the deal. Proponents argued that the P3 approach would allow the city not to add to its debt levels.

The City Auditor disagreed finding the lease payments amounted to a capital lease and therefore had to be displayed on the city's books in the same fashion as conventional internal borrowing must.

I share this history to make the point that P3s were and are contested public policy. What isn't contested is the fact that the private sector builds infrastructure. The P3 conundrum is its secrecy and added expense that is well documented right across Canada.

This led to the introduction of the P3 accountability legislation in 2012, Bill 34, by the government of the day.

In 2017, the Pallister government introduced Bill 24, The Red Tape Reduction and Government Efficiency Act (2017), which was an omnibus bill of sorts that eliminated many regulations and legislative provisions including the former Bill 34 entirely.

In the debate held surrounding Bill 24 on October 23, 2017, before the Standing Committee on Legislative Affairs, the former Minister of Finance, Cameron Friesen said in response to a presentation by the MFL:

“...we take an evidence-based approach. We’re only interested in providing that opportunity, if it’s a – if there’s evidence that we can do it on time and on budget...there are many examples where P3s have provided that kind of on-time and on-budget performance.”

MFL President, Kevin Rebeck replied to this saying:

“...if you’re right... on whether P3s are a good deal or not, why return to secrecy on them? That’s the wrong thing to do, and this bill does that, it puts it back into a secret deal.”

So here we are, back to where we were in this legislature in 2012, considering legislation that does not ban the private sector from anything. What it does is protect the public by ensuring that all public procurement around large infrastructure projects will have legislative guardrails in the form of accountability and transparency provisions that allow for scrutiny and protect the public interest.

Let me close by underscoring the point that the public interest must trump all private interests when it comes to government oversight in all public infrastructure projects.

Harvard Historian, Dr. Mary Bridges spoke to this public interest in a recent Globe and Mail piece. She was commenting on the twin effects of the rise of AI and private players like Elon Musk, combining to undermine the public interest, she said:

“But how do citizens evaluate – let alone challenge – algorithmic systems embedded deep within government operations? How do we resist private-sector metrics that optimize processes at the expense of democratic purpose? The hidden nature of these networks makes oversight more essential – and more difficult.

When these systems are implemented without transparency or public debate, in a slash-and-burn style, their effects can become embedded in the infrastructure long before their implications are understood.

In an era when government systems are being rapidly rewired, the vital question isn’t just who holds power today, but what kind of democracy they’re building for tomorrow.”

We support Bill 25; it is good legislation and will contribute to strengthening our democracy through enhanced transparency and accountability.

Thank you, I am happy to answer any questions you may have.