

## **MEMBER STATEMENT—JULIE GREEN, MLA YELLOWKNIFE CENTRE**

### **IMPACT OF COLLAPSE OF CARILLION ON STANTON RENEWAL PROJECT**

**February 7, 2018**

**MS. GREEN:** Mahsi, Mr. Speaker. Mr. Speaker, the collapse of Carillion plc, based in England, grabbed international attention in early January. The subsequent application of its subsidiary, Carillion Canada, for creditor protection brought the issue to our door here in Yellowknife. Carillion Canada has, as my colleague said, a 50 per cent stake in the Boreal Health Partnership, the consortium that is financing, building, and maintaining the new Stanton Hospital.

The question of what will happen to Carillion Canada has a direct impact on the 30-year contract to operate and maintain the hospital. The Department of Finance has produced two briefing notes that are aimed at reassuring us that it's business as usual for the Stanton renewal project. Construction is said to be 75 per cent complete now and on track to be finished in November this year.

Carillion Canada has \$750 million in debt and cash to last until February 17<sup>th</sup>, according to court documents. It is now trying to raise cash by selling its assets, such as an oil sands-related business. The Financial Post quoted a Canadian construction industry analyst as saying, "I would expect that, over time, all of their assets are going to come up for sale. I don't expect that Carillion Canada will re-emerge as an operating company down the road." It's time for the GNWT to start telling us about Plan B.

I am aware that, under the terms of the contract between the government and Boreal Health Partnership, BHP is required to provide a new service provider in the event that Carillion Canada is unable to follow through its operation and maintenance role. I understand Bird Capital and HOCHTIEF are massive companies. They are also part of the Boreal Health Partnership, but Carillion has the biggest stake in this project. What is Plan B for Boreal Health Partnership to fill the gap that Carillion Canada will almost inevitably create? The Department of Finance has said only, "The GNWT has raised the concern of a compressed commissioning schedule if the worst-case scenario unfolds and Carillion cannot meet its obligations and a new service provider needs to be provided. BHP acknowledges this concern and again confirmed they are taking proactive steps to stabilize the situation and uncertainty."

Mr. Speaker, I appreciate that the Department of Finance is watching this situation closely. I will also be seeking assurance from the Finance Minister that he is planning for the worst-case scenario so that there is no delay in opening the new hospital. Mahsi.