



PROGRESSIVE LABOUR PARTY

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FOR IMMEDIATE RELEASE

**PLP Response to Government's Misleading Response to Request for Auditor General Review**

Statement from Opposition Leader and Shadow Minister of Finance the Hon. E. David Burt JP, MP

1. *Government has promised, and continues to do so, that it will release all the documents of the transaction after it is consummated: i.e. after financial close. That hasn't happened yet as matters are still being negotiated. We cannot release things that are not yet agreed.*

PLP Response: The Minister is asking Parliament to give its approval to a 30 year privatisation agreement that is still being negotiated and which members of Parliament will not see before they vote. This flies in the face of Good Governance and ignores the fundamental premise of parliament, to scrutinise the work of the Government.

2. *The chairman of the Public Accounts Committee issued summonses without the prior notification or agreement of his committee members. Those summonses were therefore invalid. There was also information that was subject to signed non-disclosure obligations and therefore could not be released without the express permission of the other two signatories to the agreement. We take our obligations under signed contracts seriously, as people would expect.*

PLP Response: This is false; the summons issued on May 26<sup>th</sup> 2016 requesting Schedule A of the Airport Development agreement was approved unanimously by the Public Accounts Committee in a public session.

Replay of this video is available on Youtube. [https://youtu.be/FsS\\_rheYJ0Y?t=1h30s](https://youtu.be/FsS_rheYJ0Y?t=1h30s)

3. *There was no violation of Financial Instructions. We received written permission from the Accountant General to waive the need for an RFP. That waiver was published in the Royal Gazette.*

PLP Response: In his memo dated March 7<sup>th</sup> 2016 the Accountant General informed the Financial Secretary that his approval was not for the construction phase of the project, as the Minister of

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Finance did not inform him that the originators of the deal, Aecon, were sole sourced for the construction and concession agreement. The Accountant General stated in that memo, “However, based on my interpretation at the time that there was no contractor selected, I was not providing permission through the construction phase of this project.”

4. *Government has been forthright with the publication of its statements about the project, having conducted many public meetings. This agreement is one between two governments, Bermuda and Canada - through CCC. CCC are the prime contractor and it was CCC’s decision to award the prime subcontractor role to Aecon. The Bermuda government did not make that choice.*

PLP Response: This is a blatant falsehood and is not supported by the facts. CCC stated in documents that have been released in the public domain, “In the case of the redevelopment of the L.F. Wade International Airport in Bermuda, CC was introduced to the potential opportunity by Aecon, a Canadian Company”. For the Minister to continue to argue this point when both Aecon & CCC disagree shows that he is grasping at straws.

5. *The Opposition is looking for another assessor of Value For Money because it does not like the conclusion reached by Steer Davies Cleave - that the Government has indeed received value for money in this transaction. Steer Davies Cleave is a large international firm with offices around the world that provide this type of advice to governments and industry. They are experts on project management, not accountants. The Auditor General does not have the appropriate skill set for this assignment. The Auditor General’s role is to provide an audit opinion on public accounts on an ex post facto basis, not provide the type of service that the Opposition is conjuring up.*

PLP Response: The Government ignores the fact that Steer Davies and Cleave (SDC) used the Government’s numbers for their value for money assessment. These figures, as many members of the public has pointed out, do not take into account the financial impact to government for the project due to hundreds of millions of lost revenue. Additionally, SDC raised concerns about this figures provided stating the following: “Moreover, the high capital costs have been based on Master plan assumptions developed in 2008, with a scope different to that agreed for the chosen option. This means the estimates are not accurate enough for a direct comparison.”

It is also surprising that the Government does not think the Auditor General would be able to provide an independent review if asked to do so. The PLP has confidence in the Auditor General’s ability to complete this request if asked. At a minimum MPs and, by extension, the people of

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Bermuda should be able to hear from the ultimate watchdog for public finances before a 30-year privatisation contract is completed.

6. *This is a complex transaction, but Government has provided more information on it than any transaction in Bermuda's history.*

PLP Response: This is an untendered deal which has violated the Good Governance Act. At a minimum Parliament should know the impact that the hundreds of millions of revenue that will be transferred to Aecon will have on the Government's budgets for the next 30 years.

7. *There is no satisfying the Opposition on this project. They are opposed to it for empty political reasons. It is shameful that they are prepared to put naked politics before the interests of the country and job opportunities for hundreds of unemployed Bermudians.*

PLP Response: The Opposition will be satisfied if the OBA agrees to request the Auditor General to review the project and provide an unbiased view of the impact to Government Finances prior to any vote in Parliament.

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