

Asked by:

MLA Yellowknife Centre

February 7, 2018

New Stanton Hospital – Funding Arrangements

My questions are for the Minister of Finance. At the time that this P3 arrangement was put in place in 2015, the public was told that the estimated cost of the deal was \$750 million, with \$350 million to be spent on the construction of the hospital and \$400 million to be paid to the Boreal Health Partnership (BHP) consortium for the operations and maintenance of the hospital over a 30 year term. Please explain how the Stanton Hospital public private partnership was structured with respect to project costs and project financing, and:

1. With respect to construction costs only, does the GNWT still anticipate the final cost of the new hospital facility to be \$350 million and if not, what is the current estimate of final construction costs?
2. What proportion of this total estimated construction cost is being financed by the GNWT and what proportion is being financed by BHP?
3. With respect only to the service component of this arrangement, what is the cost to the GNWT annually and the total cumulative cost over the 30-year life of this agreement?
4. Does any proportion of these service payments compensate or repay the BHP consortium for its investment in the capital infrastructure? If so, what proportion of these payments relate to actual operations and maintenance costs and what proportion relate to capital costs borne by BHP during the construction period?