

Return to Written Question

THE HONOURABLE ROBERT C. MCLEOD
MINISTER OF FINANCE

New Stanton Hospital - Funding Arrangements

Mr. Speaker, I have a Return to Written Question asked by Ms. Green on February 7, 2018, regarding the new Stanton Hospital funding arrangements.

The project budget for the new Stanton Hospital is \$350 million. Of this total budget, \$290 million is the estimate for construction costs. Approximately 52 percent of these construction costs, or \$152 million, is financed by the Government of the Northwest Territories, while the remaining 48 percent, or \$138 million, is financed by Boreal Health Partnership. As of November 30, 2017, the GNWT has made quarterly payments, based on amounts certified by an independent engineer, of \$115 million.

The GNWT will begin making service payments to the Boreal Health Partnership on December 1, 2018. The service payment for 2018-2019 will be \$6.716 million. It is estimated that the average amount payable for a full year of service will be approximately

\$18 million. Over the 30-year life of the agreement, the total amount of the service payments will be \$598.4 million.

The total amount paid through service payments to the Boreal Health Partnership over the 30-year agreement is broken down into four categories:

- \$45.9 million to cover lifecycle costs;
- \$255.5 million to cover the maintenance of the facility;
- \$227 million to cover the cost of servicing the debt; and
- \$70 million as a return on equity of 12 percent.

Later today, at the appropriate time, I will table a document entitled Stanton Territorial Hospital Project Cash Flow.

Thank you, Mr. Speaker.