



Legislative Assembly of Alberta

The 30th Legislature
Third Session

Standing Committee
on
Alberta's Economic Future

Ministry of Infrastructure
Consideration of Main Estimates

Tuesday, March 8, 2022
3:30 p.m.

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**Legislative Assembly of Alberta
The 30th Legislature
Third Session**

Standing Committee on Alberta's Economic Future

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Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)
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Sweet, Heather, Edmonton-Manning (NDP)
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Walker, Jordan, Sherwood Park (UC)

* substitution for Nicole Goehring

Also in Attendance

Aheer, Leela Sharon, Chestermere-Strathmore (UC)
Carson, Jonathon, Edmonton-West Henday (NDP)
Dang, Thomas, Edmonton-South (Ind)
Loewen, Todd, Central Peace-Notley (Ind)
Loyola, Rod, Edmonton-Ellerslie (NDP)

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Standing Committee on Alberta's Economic Future

Participants

Ministry of Infrastructure

Hon. Prasad Panda, Minister

Ghassan El-Chazli, Assistant Deputy Minister, Capital Projects Delivery

Mary Persson, Deputy Minister

3:30 p.m.

Tuesday, March 8, 2022

[Mr. Neudorf in the chair]

**Ministry of Infrastructure
Consideration of Main Estimates**

The Chair: Good afternoon. I would like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Infrastructure for the fiscal year ending March 31, 2023.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, when we get to you, please introduce the officials who are joining you at the table. My name is Nathan Neudorf. I am the MLA for Lethbridge-East and the chair of this committee. We will begin starting to my right.

Mrs. Frey: Michaela Frey, MLA, Brooks-Medicine Hat.

Ms Rosin: Miranda Rosin, MLA, Banff-Kananaskis.

Mr. van Dijken: Glenn van Dijken, Athabasca-Barrhead-Westlock.

Ms Armstrong-Homeniuk: Jackie Armstrong-Homeniuk, Fort Saskatchewan-Vegreville.

Mr. Rowswell: Garth Rowswell, Vermilion-Lloydminster-Wainwright.

Mr. Walker: Jordan Walker, Sherwood Park.

Mr. Panda: Prasad Panda, Calgary-Edgemont, and I'm the Minister of Infrastructure. I have our DM, Mary Persson; her chief of staff, Ian Robertson; and our chief financial officer, Dale Fung. Also, we have other leadership team members with us, and they would like to introduce themselves when they get to answer any questions.

Mr. Barnes: Drew Barnes, MLA, Cypress-Medicine Hat.

Ms Hoffman: Sarah Hoffman, Edmonton-Glenora.

Mr. Carson: Good afternoon. Jon Carson, MLA, Edmonton-West Heday.

Member Loyola: Rod Loyola, MLA for Edmonton-Ellerslie.

The Chair: Now I'll go to the members participating remotely. When I call your name, please introduce yourself for the record.
Ms Aheer.

Mrs. Aheer: Leela Sharon Aheer, Chestermere-Strathmore. Good afternoon, everyone.

The Chair: Thank you very much.

I'd like to note the following substitution for the record: Ms Hoffman for Ms Goehring.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Members participating remotely are encouraged to have your camera on while speaking and your microphone muted when not speaking.

Remote participants who wish to be placed on the speakers list are asked to e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to please

signal the chair. Please set your cellphones and other devices to silent for the duration of this meeting.

I will quickly go back and ask if Mr. Dang would please introduce himself.

Mr. Dang: Thank you, Mr. Chair. Thomas Dang, MLA for Edmonton-South.

The Chair: Thank you very much.

Speaking rotation and time limits. Hon. members, the standing orders set out the process for consideration of the main estimates. A total of two hours have been scheduled for consideration of the estimates for the Ministry of Infrastructure. Standing Order 59.01(7) establishes the speaking rotation and the speaking times.

In brief, the minister or member of the Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of the minister's comments a 50-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for all independent members inclusive, if any, and then a 20-minute speaking block for the government caucus. Individuals may only speak for up to 10 minutes at a time, but that may be combined between the member and the minister.

After this, the rotation of speaking time will follow the same rotation of the Official Opposition, independent members, and then government caucus. The member and the minister may each speak once for a maximum of five minutes, or these times may be combined, making it a 10-minute block. If members have any questions regarding speaking times or rotation, please feel free to send an e-mail or a message about the process to the committee clerk.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to the microphone in the gallery area and are asked to please introduce themselves for the record prior to commenting.

Pages are available to deliver notes and other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have the priority to sit at the table at all times.

If debate is exhausted prior to the two hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn.

Points of order will be dealt with as they arise, and the individual speaking times will be paused; however, the speaking block time and the overall two-hour meeting clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The vote on the estimates and any amendments will occur in Committee of Supply on March 21, 2022. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk with 20 hard copies. An electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

Finally, the committee should have the opportunity to hear both questions and answers without interruption during estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between the member and the minister.

I would now invite the Minister of Infrastructure to begin with your opening remarks. You have 10 minutes.

Mr. Panda: Thank you, Mr. Chair, and good afternoon, everyone. I'm pleased to present Alberta Infrastructure's estimates for the 2022-23 fiscal year and our 2022-25 business plan. With me at the table is Mary Persson, our deputy minister, and along with her our other leadership team is also here. Also in the public gallery are other ministry representatives, including some of my office staff.

Budget 2022 is moving Alberta forward by strengthening our health care system, getting more Albertans working, and bringing our finances back into the black. We are moving forward to a time of economic recovery and prosperity, where Albertans have opportunities to build their skills, pursue their passions, and support themselves and their families.

As a lead ministry in the delivery of the Budget 2022 capital plan my team works with government partners to move hundreds of infrastructure projects forward. Every infrastructure project we undertake counteracts the pandemic-related challenges by boosting our economy and supporting well-paying, much-needed jobs. When construction of these infrastructure projects like world-class schools, hospitals, cultural facilities, courthouses, and provincial buildings is complete, Albertans will benefit over the long term as a result of increased access to the vital programs and services housed within these facilities. Ultimately, our efforts help ensure Albertans have thriving communities, great places to work, study, play, and call home. The 2022 capital plan is investing \$20.2 billion over three years to build the public infrastructure. Albertans need that today and in the future.

Of this total three-year investment Infrastructure's portion is \$4.8 billion, or 24 per cent. As my ministry works with our partner ministries and stakeholders to build, renew, and maintain public infrastructure like schools and health and government facilities, we are guided by Infrastructure's 2022-25 business plan. Our efforts are also supported through Infrastructure's 2022-23 estimates, totalling \$2.3 billion. Of our budget total the majority, \$1.9 billion, is in the capital investment vote. This is an increase of \$389 million, or 26 per cent, from the 2021-22 forecast of \$1.5 billion. This increase is mainly a result of the timing of cash flows needed to deliver approved school, health, and government facility capital projects. Funds in the capital investment vote align with desired outcome 1 of Alberta Infrastructure's business plan, which is innovative, adaptive, and responsible infrastructure solutions that meet current and future provincial needs.

This outcome reflects Infrastructure's role in the timely, cost-effective planning, design, and construction of public facilities. These public facilities are necessary to support the delivery of government programs and services for Albertans. The majority of the \$1.9 billion in our capital investment vote is split between health facilities and school infrastructure. Our health facilities infrastructure budget: \$850.1 million is dedicated to building new health facilities, renewing existing ones, and investing in health capital maintenance and renewal.

Some of the health projects currently under way include in Calgary the Calgary cancer centre, which is on budget and on track to be completed later this year; the new Bridgeland Riverside continuing care centre; the Foothills medical centre urgent power plant capacity; the Peter Lougheed Centre emergency department, mental health intensive care unit, and laboratory redevelopment; and the Rocky regional hospital redevelopment projects.

Projects in Edmonton include the Gene Zwozdesky centre at Norwood, the University of Alberta hospital brain centre neurosciences intensive care unit, the new Edmonton hospital, and the Misericordia community hospital modernization, which is expected to be completed late this year. And \$188.9 million of the total funding is being directed to cover the costs of repairs,

upgrades, maintenance, and replacement of building systems and building service equipment for various health facilities.

3:40

Our school infrastructure budget: \$643.8 million is dedicated to constructing new facilities, modernizing existing schools, and investing in school capital maintenance. This includes new funding of \$43.6 million in '22-23 or \$251.3 million over three years in the capital plan for 15 school projects. Currently there are 66 school projects under way in planning, design, or construction phases. These projects are creating thousands of jobs and ensuring that Alberta students have access to world-class learning facilities.

Infrastructure's capital investment also dedicates \$263.2 million to property management, which includes maintenance and renewal for government-owned facilities and government accommodation projects that help reduce our environmental footprint, and \$114 million in government facilities infrastructure for construction of facilities such as the new Red Deer justice centre, the Agrivalve Processing Business Incubator in Leduc, the Canmore Nordic Centre, the Yellowhead Youth Centre in Edmonton, the Court of Appeal in Calgary, and the office of the Chief Medical Examiner, also in Calgary.

Infrastructure also supports desired outcome 1 of our business plan by working towards continuous improvement and making sure that we get the best value for taxpayers' dollars in every way we can. That's why we have established Infrastructure's new alternative capital financing partnerships office division to expand on the great work already started by our public-private partnerships, or P3, office. The focus of this new division is pursuing alternative funding approaches to build and maintain infrastructure that saves taxpayers' dollars or generates revenues.

Alternative financing approaches such as using P3s, inviting unsolicited proposals, and working with the federal government to access funding programs encourage the private sector to come forward with creative financing solutions to help provide the facilities and other infrastructure Albertans need. An example of how Albertans benefit from alternative funding is the investing in Canada infrastructure program. Through ICIP the federal government is providing \$3.66 billion to support infrastructure projects in Alberta. As of date, 85 projects in over 30 Alberta constituencies have been approved. In addition, dozens of capital maintenance and renewal project bundles to upgrade publicly owned facilities were approved through an ICIP COVID-19 resilience stream.

Looking at Infrastructure's '22-23 expense vote now, which is \$441.4 million. This is a decrease of \$5.3 million, which is just 1 per cent from the '21-22 forecast of \$446.8 million. Generally speaking, this budget is virtually unchanged from last year, but the small difference is mainly due to higher utility costs and some day-to-day operational costs for government facilities in '21-22. About 90 per cent of all operating expense is devoted to the management of government space, the most significant components being for leases and property management.

Infrastructure's expense vote mainly supports desired outcome 2 of our business plan. This outcome is that Alberta's public infrastructure is effectively and responsibly managed and sustainable. This reflects my ministry's efforts to effectively manage government-owned and operated facilities with a focus on sound financial stewardship, quality, and efficient use of government assets. Overall, the expense budget covers funding for day-to-day operations of more than 1,500 Infrastructure-owned or leased buildings, including the Swan Hills Treatment Centre, management of leased space to meet government program needs, and staffing to support these activities. It also provides some

funding for ongoing capital planning activities in support of the capital plan.

My ministry's commitment to Albertans is that we'll continue to follow through on our business plan outcomes by focusing . . .

The Chair: Excuse me, Minister. I'm sorry to interrupt. That concludes the 10-minute portion.

For the next 50 minutes members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block both in the committee room and on Microsoft Teams.

Member, would you like to combine your time with the minister's?

Member Loyola: Yes, most definitely, Mr. Chair.

The Chair: Minister, are you agreeable to combine time?

Mr. Panda: Sure.

The Chair: Thank you.

You may proceed.

Member Loyola: Thank you very much, Mr. Chair. I appreciate having the opportunity to address the minister and the staff here. I want to thank them for taking time out of their day so that I can ask these questions on behalf of Albertans. Minister, just to kind of put everything into a framework, as you do every year, you send out a general e-mail to all of the MLAs requesting what infrastructure asks are being requested in their own constituencies, and I was hoping that you could shed a little bit more light on what happens to that particular list after you receive all of those requests.

Mr. Panda: Thank you. We receive that information from 87 MLAs. We try to understand the local priorities of each constituency, and we bring it up with the partner ministries. We discuss with Treasury Board's team, who are involved in the capital planning process, to prioritize funding. But, as you know, the budget is limited, and we try to fit in those projects by working with partner ministries.

Member Loyola: Of course. You hit a very specific key word there, and that is "prioritize." This is what I'm really interested in knowing. How do you then begin to prioritize these projects when there are so many requests coming in from all over the province? What's the process?

Mr. Panda: Yeah. I can ask our DM to tell you the actual capital planning process. But I want you to know that there are the outcomes government has mandated, whether it is social outcomes or economic outcomes. We had to fit in those.

But I would ask our DM Persson to talk about it.

Ms Persson: Thank you. Making sound decisions about infrastructure investment helps boost economic recovery and ensure Alberta's public infrastructure is in good shape. Most of the decisions are actually made through partner ministries, who actually put forward their priorities because they actually have some of their criteria.

Member Loyola: May I interrupt?

Ms Persson: Of course.

Member Loyola: What I'm interested in knowing, then, is: to what degree do the partner ministries actually influence the process and do . . .

Mrs. Frey: Point of order, Mr. Chair.

The Chair: A point of order has been noted.

Mrs. Frey: Under 23(b)(i) I'm just curious as to exactly where in the estimates the hon. member is pointing to. He has not referenced a line item nor a page in the fiscal plan or the ministry's business plan. So I'm just curious if we could get back to this matter at hand, which is the government estimates that are in front of us today.

The Chair: Do you wish to respond?

Member Loyola: Mr. Chair, as I said, I'm framing the questions that I will be asking as I move forward. It has everything to do with prioritizing and how everything is decided which actually goes into the business plan, the capital plan, the fiscal plan. All of this is related. I don't understand why – this is not a point of order, and I would request that I be able to continue with my line of questioning, please.

The Chair: I do agree at this time. I do not find a point of order. I do ask you to continue and establish that reference to the estimates and business plan at your earliest convenience. Thank you.

Member Loyola: So the question is: I'm wondering about the influence of the associated ministries, and do some ministries have more pull over the process? What I'm basically asking for is: what is the process, and how is that actually achieved? What ministries actually have influence over the process?

3:50

Mr. Panda: Right. I think it's a general question you're asking. For example, if it is Education, which is a partner ministry, or Health, they transfer their budget to us to build the projects. You'll get an opportunity to ask them the same questions when you attend their budget estimates, whether it is Municipal Affairs, for example, or Health, Education, Justice. You know, for example, in the case of schools, school boards prioritize. They talk to – based on their student population and safety requirements, the enrolment pressures they face, they have certain criteria to work with the school boards to prioritize. When they get that in front of Education, then that goes to Treasury Board, and based on the overall budget available, they prioritize based on the school boards' prioritization. The same thing with Health. We get input from MLAs like you, representing your constituents, and we aggregate all that information. When I say aggregate, I mean consolidate. Sorry. We consolidate all that information and review that in the capital plan process.

Member Loyola: Mr. Chair, through you to the minister, I appreciate that you're highlighting this, but I'm still no clearer on the actual prioritization process that you as the Minister of Infrastructure implement, you and your staff within the ministry. This is what I'm trying to focus on. This is what Albertans want to know.

Mr. Panda: Right. Yeah. I thought the discussion is about budget, but I can tell you that that's why we brought in this Infrastructure Accountability Act, which is legislating the prioritization criteria so Albertans get to know and also they have certainty and predictability on the funding criteria; for example, the six criteria that government must consider when evaluating a capital planning submission. Number one, address health and safety and compliance needs . . .

Member Loyola: Mr. Chair, thank you very much. I can read that in the plan itself, but we're no closer to the actual question that Albertans want to know, and that is how you prioritize. We know the criteria.

Mr. Panda: Right.

Member Loyola: Okay. Regardless, if you don't want to answer that even though it is part of the business plan – 1.2 specifically states: “deliver capital projects on time, on budget and to scope to ensure Albertans have access to the infrastructure that provide the high-quality public services on which they rely.” That's what I'm after. I'm after how you prioritize this because it's part of the . . .

Mr. Panda: There you go. You read that. That is the process. What you read is what is the guideline for us to prioritize projects.

Member Loyola: But you're not shedding any further light on the actual prioritization process. You have mentioned that there are certain ministries that have influence over the process, so I'm wondering: like, to what degree do you have power over actually what decisions are made and how they are made?

Mr. Panda: Well, I'm invited to the Treasury Board meetings when capital projects are discussed. I give my input based on those criteria legislated in the Alberta infrastructure act, and our professionals in our department add value to that capital plan process, but it actually resides in Treasury Board now. That functionality is moved from Infrastructure to Treasury Board.

Member Loyola: Thank you very much. I really appreciate it, and that's the answer that I was looking for.

Moving on, then, Mr. Chair, Budget 2022 enacts significant cuts to municipalities. On page 210 of the fiscal plan we see forecasted capital plan spending for Municipal Affairs at \$1.737 billion in the current fiscal year, going down to \$781 million for fiscal year 2022-2023. That's roughly a billion-dollar cut. While some of this was expected – you're balancing the books on behalf of municipalities, and people are feeling it with increased property taxes. Your downloading strategy is making life more expensive for Albertans at a time when they're getting hit with higher grocery bills, higher utility bills, higher insurance rates, higher tuition fees, and, of course, the list goes on, Minister. Why is downloading costs onto ratepayers and homeowners the single biggest thing your ministry is doing in Budget 2022 when it comes to the capital plan and municipalities?

Mr. Panda: Again, respectfully, we are here to review Infrastructure budget estimates. I'll address it, but if you want to dive in deep, I encourage you to contact the Minister of Municipal Affairs. My understanding is – not my understanding; it's a fact – that we accelerated the CMR budget during the pandemic time to help municipalities and the counties. We brought forward some of the future year's budget to help them during the time of pandemic, and a \$1.2 billion decrease in municipal sustainability initiative and \$134 million decrease in investing in ICIP projects – overall, there is only a \$28 million decrease because of that reason I mentioned, because the front-loading means that MSI funding for '22-23 has been reduced proportionately to the extent that it was accelerated in the previous years during the pandemic. I'm sure Minister McIver may be able to provide you a better answer than that.

The Chair: Yes. As chair I'd like to interject to make sure that we do bring this back to estimates for Infrastructure. It's not the

minister's responsibility to answer on behalf of other ministers in other ministries. Thank you.

Member Loyola: Thank you very much, Mr. Chair. Of course, ultimately, Minister, through you, Mr. Chair, to the minister, you are in charge of the Alberta government infrastructure. You're the Infrastructure minister, after all. Earlier in this mandate your government decided to stop paying half the taxes that it owes to municipalities for the government of Alberta buildings, okay? You cut what is known as grants in place of taxes, so you're forcing property tax owners to pay more to service government buildings in their communities. We're talking about buildings in communities. I know municipal leaders were disappointed, to put it mildly, that you did. Why didn't you reverse this deeply unfair decision in Budget 2022?

Mr. Panda: Again, I suspect that belongs to Municipal Affairs unless you have some information on that.

Ms Persson: No, Minister. That is an operating line in the Municipal Affairs estimates.

The Chair: Yes. As chair I would again ask the members opposite to bring their questioning back to the Ministry of Infrastructure, which is under consideration today, not Municipal Affairs.

Member Loyola: Mr. Chair, respectfully, we're talking about community buildings, which is under the responsibility of the Minister of Infrastructure. I'm asking questions that are pertinent to the responsibility of the Minister of Infrastructure.

The Chair: As long as it's a line item in the estimates under Infrastructure, then you can ask that question, but as indicated by the deputy minister, that was a line item under Municipal Affairs.

Member Loyola: Thank you, Mr. Chair. Through you to the minister, then, as we've covered, there's a process by which you ask MLAs for feedback on infrastructure requests, but I'm also sure that you hear directly from communities themselves. Representatives from these communities approach you to ask about this. I'm assuming that you've heard from Okotoks. They've been asking for help to get a new waterline to help facilitate growth, and they've been asking for provincial support. Is there capital plan money for this critical infrastructure in this budget for the community of Okotoks?

Mr. Panda: Actually, the waterlines belong to Transportation, believe it or not.

Member Loyola: Okay. With this budget, then, the government appears to be backtracking on its promises. A few years ago the Premier promised the people of Lethbridge a new bridge over the Oldman River, hence a new bridge over highway 3. This is now the fourth budget you've presented as the Infrastructure minister, so a few questions on this if you don't mind. The new bridge somewhere hidden . . .

Mrs. Frey: Point of order, Mr. Chair.

The Chair: A point of order has been called.

Mrs. Frey: Again under 23(b) although I guess it could be also 23(c), repetition. You've asked this member – now, I believe, three times you've intervened – to stick to the estimates at hand, which is the Ministry of Infrastructure in case we're confused. I fail to see how asking about Transportation – I think we started with Municipal Affairs. We went to Transportation. We fail to find, to

the point where the deputy minister intervened and said that was actually Municipal Affairs' matter. I'm curious, Mr. Chair, how we can continue to persist in needless repetition, how we can continue to not make relevant comments to the government estimates at hand and continue our questioning.

The Chair: Ms Hoffman.

Ms Hoffman: Thank you very much, Mr. Chair. I appreciate that the line of questioning might be uncomfortable for some government members, but as was noted, it relates to the business plan, item 1.2, around delivering capital projects on time, on budget, and to scope to ensure Albertans have access to infrastructure. As was mentioned by my colleague Mr. Loyola, these were projects that were previously announced by the government, so asking for accountability, to check in on the scope of these capital projects, that they relate to the much-needed capital projects, on time, on budget, and to scope, I think, is certainly within order of this discussion.

Thank you very much.

4:00

The Chair: At this time I do find a point of order. I would ask that if the members opposite have found in this capital plan or any capital plan mention of the highway 3 bridge, then they would have access to ask about it. But I as the Member for Lethbridge-East know that it has not been. I would ask the members to direct their question to those items specifically within the Ministry of Infrastructure that are noted within either the business plan or the estimates. I'll continue to direct their questions to the Minister of Infrastructure. I would ask them to leave that question and move on to the next item, please.

Member Loyola: Okay, Mr. Chair. Since the minister doesn't want to answer those questions, then . . .

Mrs. Frey: Point of order, Mr. Chair.

The Chair: A point of order has been called.

Mrs. Frey: Under 23(i), imputes false motives to another member. You can't just get on a tangent about how the minister doesn't want to answer questions. The business at hand here is related to government estimates for the Ministry of Infrastructure. We have failed to see this member connect his comments to that ministry, and now he is making accusations against the Minister of Infrastructure. It's completely unacceptable.

The Chair: To respond?

Ms Hoffman: Sure. Thank you very much, Mr. Chair. I worry that the continued points of order will simply eat into our time, so let's withdraw that last comment and please have an opportunity for the minister and/or deputies or others to actually respond to the questions that are absolutely worthy of debate here. We'll withdraw that word so that we can get on and use our time to drill into this budget, because it's important that we get some answers for the people of Alberta, including bridges in southern Alberta.

The Chair: Thank you very much. Points of order do not affect the block time although they will eat up overall time. I appreciate the indication there.

I would ask the member to be careful of the beginning comments as he asks his questions. Please proceed.

Member Loyola: Thank you, Mr. Chair. We all want to see more capital projects in our communities. They improve quality of life,

create broader economic opportunities, and, of course, create immediate construction jobs. Many of these projects are built by local authorities. But as part of Budget 2022 the government decided to increase the borrowing rate for local authorities, which includes municipalities. You've increased the borrowing rate between .5 per cent and .75 per cent, which is effectively a new tax or a surcharge on every single municipal capital project in the province. Why are you trying to balance the budget by levelling this new tax on municipalities?

Mr. Panda: Again through you, Mr. Chair, there were a few other members in this room who, when I was not a minister, when I was opposition member conducting myself in these committees – it looks like there is a mix-up in the binder or something. I'm just getting confused because that question belongs to Treasury Board and Finance. Infrastructure doesn't control the rates of interest or borrowing.

I would love to answer you. I want to be held accountable. But I'm not a superminister. I have a limited budget, and I have my scope of work to deliver for partner ministries.

Member Loyola: Mr. Chair, the minister himself already stated on the record that they work together with other ministries in order to meet the criteria and decide on the priorities, on the capital plan, on the projects that are done for communities. This is part of your responsibility as the Minister of Infrastructure.

It's a very clear question. You must have okayed this, then, because you're the one that's telling me that you're sitting around the table with the Minister of Finance and Treasury Board and that you're okaying this decision. Again, I'm going to ask you to answer the question: why the increase to .75 per cent?

Mr. Panda: Yeah. You're asking me the questions that actually are the main accountability of my partner ministries, so that's why I'm unable to answer that. Respectfully, you know, the way the government operates: the structure didn't change. Even when NDP was the government, I never asked those questions, knowing well that each minister has their scope of work. I can find answers and submit through the chair later, if that helps, but, you know, I would encourage you again to focus on my budget line items and my business case.

Member Loyola: Okay.

Mr. Panda: I do want to answer you, but I don't have answers. You're asking for other ministries.

Member Loyola: Okay. Thank you, Mr. Chair. Then, if you could find out answers, I would really appreciate that because it is associated to the work you do within the Ministry of Infrastructure.

Mr. Panda: Yeah. Mr. Loyola, respectfully, infrastructure touches every ministry by the nature of it. You know, former Minister Hoffman would know. When she was the Health minister, she was giving a budget to Infrastructure to build Health projects. That is limited to that scope, but Brian Mason didn't have all the information about other ministries. That's where my frustration is.

Member Loyola: Okay. Then, in this decision being made, I'm wondering: did you hear of any modelling on how this new tax would drive down the investment of jobs when decisions were being made around this particular decision?

Mr. Panda: I could make a general comment, through you, Mr. Chair. This government has actually focused on economic outcomes that will provide funding for infrastructure. That's how

we could adopt the previous NDP government's outgoing capital plan of a minimum \$6.4 billion per year. We guaranteed that when we took office. In fact, we increased that, and we provided additional stimulus during the pandemic. That is – because of the policies that attracted investments and helped the economic recovery and growth, we could fund these projects. That's my general observation.

Member Loyola: Okay. So, then, no answer on that particular question.

In Strathcona county they're looking at some major new capital projects that would create some badly needed jobs. The CFO of the county is reporting that for every \$10 million in borrowing over their 20-year life cycle residents are now going to pay \$1.5 million more in interest, and that means property taxes will have to go up. What led the ministry to the idea of taxing municipalities more to balance the books, and what is your message as the Infrastructure minister to municipalities who are just trying to build capital projects cost-effectively?

Mr. Panda: Yeah. I happened to meet many of these municipal partners when I travelled all over Alberta over the last two years. They all know pretty well how much investment has flowed into those communities. Every member here can talk about the projects they got in their constituencies which were benefiting their local municipalities. We have been proactively engaging municipal partners. We removed roadblocks for their local needs, and we built infrastructure in every corner of the province, and they were quite happy when I talked to them.

Member Loyola: I appreciate that. That's not what I'm hearing.

Let me ask you this, then. You mentioned at the opening alternative financing approaches. You highlighted P3s. When it comes to communities like Strathcona county, what is this government actually offering communities around Alberta in order to address the issue that you're increasing taxing on municipalities for this, when it comes to capital projects in their communities?

Mr. Panda: Those municipal partners have actually been in touch through our local MLAs in each riding apart from my partner ministries. The local MLAs also engaged them. We are getting their input, and they told us what their local needs are and that they felt supported.

4:10

Member Loyola: Mr. Chair, through you to the minister, that's not the question I was asking. I'm asking you about the alternative financing, and you specifically highlighted P3s. What I want to know is if communities all around Alberta can expect more P3 projects in their communities with this government moving forward. That's what I'm . . .

Mr. Panda: Yes.

Member Loyola: Okay. Now, have you done assessments on the existing P3 projects that the Ministry of Infrastructure has already committed to and that have already been completed?

Mr. Panda: Right. In the past the government of Alberta delivered infrastructure projects under P3. That saved millions of dollars for Albertans. Projects were finished on time. That's why our government got the mandate to implement more P3s, which we started . . .

Member Loyola: Mr. Chair, through you to the minister: is there a list that you can provide us with that actually highlights all of the

P3 projects and whether they did come in on time? Like, I'm not questioning, I'm not saying . . .

Mr. Panda: Right. Yeah. It's public information, Member Loyola. If you want, we can give you the list.

Member Loyola: Yeah? Okay. Perfect.

Then, what other kinds of infrastructure projects in communities other than schools, because schools tend to be the highest – can you give me another example of P3 projects that are actually being implemented in communities around Alberta?

Mr. Panda: Right now we are evaluating P3 projects. Transportation is, for example, evaluating P3 projects.

Member Loyola: Now you want to talk about Transportation.

Mr. Panda: Yeah.

Member Loyola: Okay. Please go ahead.

Mr. Panda: Okay. Through you, Mr. Chair, the P3 secretariat resides in the Infrastructure department under Deputy Minister Persson. We collaborate with partner ministries like Transportation. For example, if they have a P3, that's worked in conjunction with our P3 secretariat. Usually the project requests come through local elected officials, but in some cases, when those things fall through the cracks, we have this unsolicited P3 process which communities can access, and they can send their requests through that P3 secretariat, and we evaluate those projects. One such example: recently, just last week, we announced a Red Deer children advocacy centre. That's an unsolicited P3. That's the first one under an unsolicited P3, but other P3 projects could be health projects, could be transportation, apart from schools.

Member Loyola: Thank you to the minister, through you, Mr. Chair.

Then, you're saying that Albertans can be expecting more P3 projects in health care around the province.

Mr. Panda: Absolutely, if they're determined there is a value for money. Our team, that P3 secretariat, goes through the process, and they have a process to determine if there is value for money for taxpayer-funded projects. Then they go through the P3 process. If not, they go through the traditional procurement of design/bid/build and other traditional procurement.

Member Loyola: Thank you, Minister.

Can you highlight the process, then, for me? I'd like more clarity on how this is actually decided. Yes, I see the community can request it, and then at that point it goes through this P3 secretariat, which is part of your ministry, correct?

Mr. Panda: Right.

Member Loyola: Then what is the process at that point?

Mr. Panda: Okay. Can one of the ADMs step forward to talk about any P3?

The Chair: Thank you. Please introduce yourself.

Mr. El-Chazli: Ghassan El-Chazli, ADM for capital projects at the Ministry of Infrastructure. Major capital projects undergo an assessment through an opportunity paper once they are announced, in which we look at the value for money initially, and then we take it if there is indication that there is value for money in it through the

business case. It proceeds on to different levels of P3 assessment. Each step goes back to Treasury Board for approval, and if it fails to meet the criteria for P3, it moves on to the traditional methods such as design/bid/build, et cetera.

Member Loyola: Okay. Is there anyplace where I can find out more about how the process actually takes place in more detail?

Mr. El-Chazli: I believe on our website, on the government website, there is reference to the entire P3 process and the framework under which we operate.

Member Loyola: Okay. Thank you very much.

Mr. El-Chazli: Thank you.

Member Loyola: Minister, through you, Mr. Chair, of course, have you received any requests from any communities across Alberta for a P3 project relating to health care?

Mr. Panda: There was one urban wellness centre initiative that came through that belongs to Health. We evaluated. We assisted them to work with Health.

Member Loyola: Sorry, Minister. I didn't hear. Which community was that?

Mr. Panda: It's an urban wellness centre, but that's in Edmonton.

Member Loyola: Here in Edmonton?

Mr. Panda: Yeah.

Member Loyola: Okay.

Mr. Panda: Yeah. It seems that Covenant already announced that project.

Member Loyola: Okay. Thank you very much. Thank you, Mr. Chair.

I'd like to move on to the subject of project overages. It was reported in the *Alberta Gazette* that in Edmonton the industrial health lab restoration was 77 per cent over budget. I'd like to ask: what happened, and what are you doing to stop this type of overage?

Mr. Panda: Alberta . . .

Member Loyola: *Alberta Gazette*, part 1, volume 117, No. 2.

Mr. Panda: Is that part of this budget? Does it belong to any line item?

Member Loyola: Well, it's an overage of an actually existing project, Minister. Under 1(a) of the business plan it's your responsibility to know these things.

Mr. Panda: Through you, Mr. Chair, I have to get back on that. We are talking about the project progress and what lessons were learned from that project.

Member Loyola: Okay. Then you'll commit to getting back to me on this particular project, which was 77 cent over budget?

Mr. Panda: Okay.

Member Loyola: Just a few months later that project went to 101 per cent over budget, just to give you a little bit more feedback on that, and this was, as I said, reported in the *Alberta Gazette*.

In Calgary the FMC power plant upgrade was 50 per cent over budget. What can you tell me about this particular project, and why was it so over budget as well?

Mr. Panda: Which project, again, in Calgary?

Member Loyola: The FMC power plant upgrade.

Mr. Panda: Foothills medical centre. We are actually implementing that project right now, as we speak.

Member Loyola: Again, this was referenced in the *Alberta Gazette*, part 1, volume 117, and this one in No. 3.

Mr. Panda: Previous phases maybe.

Member Loyola: Okay. Well, could you give me a little bit more detail on the actual project and where it's at?

Mr. Panda: We are actually expanding that project, which is going through design right now.

The captive power plant at the Foothills medical centre. Does anyone have that?

Completion of that project in spring 2023. Probably you're talking about the previous phases of that project.

Member Loyola: Okay. But regardless of the fact – on the performance metrics, it's your responsibility to know about these overages.

Mr. Panda: Right.

Member Loyola: I would like clarification on, actually, both projects, because one is – well, it was stated in the *Alberta Gazette* that one was 101 per cent over budget, and this one is 50 per cent over budget. It's the responsibility of the ministry to keep track of these things, correct? So regardless of where it was in the project phase, it's still an overage.

4:20

Ms Persson: With permission . . .

Mr. Panda: Yeah. Please go ahead.

Ms Persson: Member Loyola, what's published in the *Gazette* is some of the construction contract phase. It might not necessarily pertain to the overall project budget. We may be spending more on a certain element of the contract and with a certain contractor if the bids come in high, but we do have some contingencies in some others. So we do track that as well as our overall project budget. That is what our performance measure is and where we are tracking to be 96 per cent on time and on budget. The *Gazette* reflects changes in anticipated contract costs, which we do track. It sometimes creates overage and sometimes does not. In this case I do not believe it's creating an overage, but I . . .

Member Loyola: Okay. Where can we get more details on this, then?

Mr. Panda: Ghassan has some information on that. You have to introduce yourself every time.

Mr. El-Chazli: Yes. Ghassan El-Chazli, ADM for capital projects. One second, please. It's not considered an overage. It's a contract adjustment for additional work, the particular case that you're referring to; the cogeneration project, that is.

Member Loyola: Sorry. Could you just repeat that one more time?

Mr. El-Chazli: I believe it's not over budget, but the contract was increased to include the cogeneration component. This is a type of project under CM, so you progressively add scope to it as you're designing it. It's a fast-track sort of contract. So it's not over budget; it's all within the budget. The announcement: we do announce it in the *Gazette* every time there's a change. It's a change not because it went over budget but because the scope was awarded.

Member Loyola: Okay. That was the case for the industrial health lab restoration, then?

Mr. Panda: We'll look into them and get back to you if you like.

Member Loyola: Okay. Well, if I could, then, please also ask about – in Airdrie the provincial building main floor restoration, according to the *Alberta Gazette*, was 69 per cent over budget. If I could get the information on that as well, I would really appreciate that.

I want to turn my attention right now to the Edmonton hospital, which, of course, was announced several years ago now and has seen a significant delay over the next several years. I see that for this year's estimates a total of \$49 million has been allocated, with \$22 million for the following year, and then with a significant increase for the 2024-2025 budget. Can you please explain the rationale behind these allocations so that we may have a clear picture of what your ministry has planned for the project?

Mr. Panda: In Budget '21-22 we have \$14 million, and then in '22-23 we have \$48 million, and in '23-24 we have \$22.28 million, and in '24-25, \$300 million. For the next three years about \$371 million is allocated for the project right now. Site work activity is well under way. We are committed to making world-class health care accessible to all Albertans. When completed, that hospital will increase access and capacity to needed health services and programs in Edmonton.

Member Loyola: I appreciate that, Minister. Thank you very much.

Of course, this is exactly what Albertans want to see out of a new hospital in Edmonton's southwest, of course. Of course, when we had started this project, our goal was to have it done in nine years. Now that's being pushed out further and further and further. Edmontonians are expecting it. What's the justification for pushing this project so far out?

Mr. Panda: Now, I appreciate your concern about the project schedule, but what happened recently was because of the pandemic. AHS and Alberta Health representatives had to be at the table with the Alberta Infrastructure team to develop a clinical services plan, functional programming, a business case, a needs assessment, and all that in certain health projects, including south Edmonton, that it impacted because of the pandemic priorities of Alberta Health Services.

So there was some minor delay, but as I mentioned to you, the contract was awarded to put in site services, mainly utilities. That work is going on parallelly, at the same time as all the upfront planning and design. Unless we do that properly – we all learned something at Grande Prairie, so we just want to make sure all those front-end planning and design activities take place properly so that we don't run into schedule delays and cost overruns on major projects like that.

Member Loyola: I'm glad you're talking about lessons learned. Of course, that's very important.

Minister, through you, Mr. Chair, of course, what is the operation in-service date for the new Edmonton hospital? What can I tell constituents?

Mr. Panda: As I said, it's still in planning, and the completion date is yet to be determined as the project progresses because the contract is not awarded. Once the contract is awarded, we sit with the contractor and develop the schedule for construction start and finish dates.

Member Loyola: With all due respect, Minister, I appreciate that, but, I mean, you have performance metrics for just these kinds of things. This is what I'm asking: what is the operation in-service date – estimated, right? – for the Edmonton hospital? What can I tell constituents in south Edmonton that are requesting this hospital? This is what they would like to know. People in neighbouring communities would also like to know because they will be accessing the hospital as well.

Mr. Panda: They would certainly appreciate you expressing the concerns on their behalf. I, too, appreciate that, but you have to understand that we haven't awarded the main contract yet. Till we get to that stage, I can't give you a drop-dead date. I can give you general timelines for major projects, but in this case, because the design is not finalized, we still have to work with Alberta Health Services to get to that stage.

Member Loyola: You did mention that you have awarded the project . . .

Mr. Panda: Site services.

Member Loyola: Site services.

Mr. Panda: Yeah, to put in the utilities to service . . .

Member Loyola: Have you had any issues on that particular aspect with the contractors?

Mr. Panda: No. That will be finished. That contract was awarded last year, and it will be finished – okay. I've just been told that the city of Edmonton requested some changes to be incorporated in the design. We just finished that . . .

Member Loyola: Does that mean there will be a delay?

Mr. Panda: . . . and the work will be finished next fall, 2023.

Member Loyola: Sorry?

Mr. Panda: Fall of 2023.

Member Loyola: The fall of 2023. Okay. Perfect.

Mr. Panda: That is for that specific scope.

Member Loyola: Okay. Can you tell me right now, then, how many dollars have been actually contractually committed for the project?

Mr. Panda: For that scope, it's estimated to be \$40 million for underground utilities.

Member Loyola: Sorry. How much?

Mr. Panda: Forty million dollars.

Member Loyola: Okay. Based on what you have – or if your staff can help us out with this – what is the full estimated cost of the hospital?

Mr. Panda: It has to be finalized.

Member Loyola: It hasn't been finalized.

Mr. Panda: Yeah. It depends on the scope of the project: how many beds and what type of specialties are required. Based on that, the final budget will be finalized.

Member Loyola: Okay. So at this point you can't share a number with me.

Mr. Panda: No.

Ms Hoffman: Sorry. Is this for Red Deer?

Member Loyola: No, no, no. This is for Edmonton.

Ms Hoffman: Oh, I know, but . . .

Member Loyola: Please go ahead if you would like.

Ms Hoffman: Do you mind?

Member Loyola: No. Please go ahead.

Ms Hoffman: Thank you very much to my colleague. Through you, Mr. Chair, it shocks me that the government could stand up a few weeks ago and announce a project with a dollar figure for Red Deer, that hasn't done any of the same level of scoping, sequencing, or had the same amount of time to go into it, but says that there isn't a dollar figure tied to the Edmonton hospital, which has been needed for decades. Now here we are saying that there's no scope or sequence and therefore no dollar figure. How is it that the Infrastructure minister could stand in Red Deer and give a dollar figure there but can't today in estimates for Edmonton?

Mr. Panda: May I, Mr. Chair?

4:30

The Chair: You may answer.

Mr. Panda: Through you, Mr. Chair, to the former Minister of Health, who would know full well that the Red Deer hospital – just for your information, how many rounds of functional programming? We did six? [interjection] Six. So we actually went through that process of estimates and functional programming six times because of those delays with the AHS resources being tied up with COVID management. It got delayed. We had to do it multiple times, six rounds of functional programming. That's how we arrived at that budget number for the Red Deer hospital. But the specifics on the Edmonton south hospital: we haven't gone through that process yet.

Ms Hoffman: Through you, Mr. Chair, it seems like a significant question of priorities since this was a project where the government was happy to stand in front of signs in south Edmonton four years ago and talk about the need for that hospital. Is it true from what I just heard – can the minister clarify: is he saying that they haven't done functional design reviews at all for south Edmonton but they did for Red Deer for six rounds when Red Deer wasn't in former capital plans but the south Edmonton hospital was in the capital plan previously? Has that work been delayed, and what does that say to the people of the capital region who are in desperate need of a hospital on the south side?

Mr. Panda: Through you, Mr. Chair, I am only minister for two and a half years. Four years ago it may be the other minister, which the member would know, who would have stood in front of that for a photo op, not me. The only time I was there was to announce the underground services contract. We mobilized equipment that day when I was there. We actually put shovels in the ground.

About Red Deer: it's true that the NDP didn't prioritize that project. We did, and we worked on that process because in any major project like that we needed a clinical services plan, functional programming, business case, needs assessment. All those things were done in Red Deer. That's how we could get that through the capital planning process.

We are going to do the same thing with the Edmonton hospital as we progress on that project . . .

Member Loyola: Through you, Mr. Chair, thank you, Minister. I'm glad you're bringing it back to the Edmonton hospital. If you can't give me an estimated cost on the new hospital in south Edmonton, then how much has been contractually committed to the hospital to date?

Mr. Panda: If you don't mind, DM.

Member Loyola: Please.

Ms Persson: We have done five rounds of functional programming for the new Edmonton hospital. We are doing a sixth this year as well as the site works in tandem. I think I will have to get back to you with how much has been committed contractually, but as we are still in planning, there's still an expectation, as you saw, in the cash flows, significant over the next three years.

Member Loyola: If we could get that information, we'd really appreciate it. Thank you very much.

Okay. I see that I have less than two minutes here. Like you, we were engaged in prebudget consultations. We spoke with industry, and they had some good ideas about project tendering that I would like to ask you about. Frequently you go out to tender on a number of projects all at the same time. Take schools, for example. You might tender 10 school projects all at the same time. For medium-sized contractors, they don't have the capacity to bid on all 10. Maybe they can do one or two simultaneously. As a result of current practices many medium-sized contractors feel that they are getting shut out of the government procurement process. Have you considered more staggered tendering on major government projects like schools?

Mr. Panda: Yeah. Thank you. Mr. Chair, I think that you also talked to me on this topic. As a former member of the Lethbridge Construction Association we heard similar concerns, but in this case, unless they're going through a P3 process, other individual schools are mostly locally awarded to the local contractors. Only when we find value for money in a P3 bundle – we bundle schools in the nearest geographic area to reach the threshold limit for the proponents that is attractive enough and also for the taxpayers that is a good return on investment. Only in that case we bundle. Otherwise, individual projects are awarded to the local contractors.

The Chair: Thank you. This concludes the first portion of questions for the Official Opposition.

I will provide a correction. Points of order do not stop time. I apologize for that. I did try to resolve those points as quickly as possible to minimize that impact. Any information requested by the minister and agreed to by the minister to be provided should be done so and tabled in the Chamber. If you need any direction the clerk will be happy to provide that for you.

We will now move on to any independent members for 20 minutes of questioning. Would you like to combine your time with the minister? I believe we're going to MLA Dang first.

Mr. Dang: Thank you. Yes. I'd like to combine my time with the minister. Mr. Chair, if you could just set a timer for 10 minutes for me, if that's okay.

The Chair: Yes. We will notify you at 10 minutes' time. Minister, I assume you're continuing on that sharing time is fine.

Mr. Panda: No problem.

The Chair: Excellent.

Mr. Dang: Thank you. Thank you, Mr. Chair. I have to start by saying how profoundly disappointed I am in some of the answers the minister was just giving to the Official Opposition regarding the south Edmonton hospital. As we've already laid out today, compared to last year's budget target, the estimate for the south Edmonton hospital is down by \$101 million, which is a significant amount. Frankly, Minister, in 2017, when the hospital was first announced – and I remember; I was there – the target open date, I believe, was 2025 for that project. Now, of course, you're telling this committee and Albertans that it appears there is no target open date at all, no target open year at all. Could you confirm that for me?

Mr. Panda: Through you, Mr. Chair, I just answered Member Loyola on the same thing, that we are still going through the process in finalizing the project's scope, and then we go into the next phase, which is the design, and then we go into the procurement. Then we award the contract. Then we'll have a firm date on that.

Mr. Dang: Thank you. But, I guess, one of the key objectives in your business plan, outcome 1, objective 1.2, is to “deliver capital projects on time, on budget and to scope to ensure Albertans have access to the infrastructure that provide the high-quality public services on which they rely.” Like I said, you've already announced previously that you had delayed this project. Originally, the project was scheduled to open in 2025. You announced, when you were elected and first appointed the Minister of Infrastructure, that the project would be delayed to 2030. Is it correct that now you're delaying that additionally and no longer providing any timelines for what that may look like?

Mr. Panda: The Health department probably determined that when they needed that hospital was 2030. I haven't heard of any further delays.

Mr. Dang: I guess what I'm asking, then, is that you've shown in your budget here on page 166, your capital plan, that there's \$101 million reduced. I asked why that cash-flow number had changed, why there was so much less money committed this year than even last year you had projected you would commit. Last year you had told this committee, you had told the Legislature that you were going to spend 101 million more dollars than you actually plan to now. That's just the facts in the paper. Given that and given during the Q and A in the technical briefing on budget day I asked: what was the reason for this number change? And the answer was: delays to functional programming and COVID-19. Since it's your department's responsibility to ensure that this project is built on time, can you clarify specifically what those functional and programming delays are?

Mr. Panda: Before I answer about functional programming, your main question was the budget adjustment. The budgets for projects like this are adjusted on an ongoing basis based on the progress of the project. If you tie down the money in a project which has not progressed as much, then you would want to move that money to the other project, which is . . .

Mr. Dang: Right. I think we've already established, Minister, that we're delaying . . .

Mr. Panda: It's an ongoing account adjustment process.

Mr. Dang: . . . the project, and I'm happy that you're admitting that, but . . .

The Chair: Stop, please. If you ask a question, the minister is entitled to answer this. I would ask that you not speak over one another but address the chair. I will ask the minister to finish, knowing that the member has limited time and would like to ask another question.

4:40

Mr. Panda: Yeah. To Member Dang: the budget adjustment is an ongoing process based on the progress on the project, based on the schedule. The milestone payments and other forecasts we get from the contractors' budgets are always reforecasted, adjusted, reprofiled. It's a common practice.

Mr. Dang: Thank you, Minister. I appreciate that you're saying that it's common that when you delay projects, some of that money is no longer needing to be spent because you've delayed the process and the progress on that project. I'm happy that you're admitting that there's no longer a projected end date, but is making these significant delays, is making these changes going to have any impact on the costs as we move further down this line? Frankly, Edmontonians and Albertans are waiting for this project. They've been waiting, at this point, four years, and you're telling them that it could be six or more years still.

Mr. Panda: As far as I know – I just read to Member Loyola the budget that's in the current capital plan, \$300 million, and if we progress faster than anticipated, then there will be additional funds available.

Mr. Dang: I'm going to move on. I think, Minister, I'm happy that we've established that you have no plans on how you're going to finish this project or even if or when you plan to finish this project.

I want to move on to another big piece of your portfolio, which is education, education infrastructure projects that, of course, your ministry is responsible for building. We know that in Alberta there's a significant capacity strain, and Budget 2022, it seems to me, is lacking a significant amount of capital funding for Edmonton public school district. I'm wondering: considering that other districts in the Edmonton area such as Edmonton Catholic did receive capital funding in this budget, could you just explain to me the variance in the discrepancy between which boards receive funding and which ones don't?

Mr. Panda: This budget approved 15 schools. I don't know the last time when you spoke to the Calgary board of education to learn more about their process and how many schools actually they prioritized. My understanding from the Minister of Education is that she's working with the school boards in Edmonton to bring forward their priority list so they can work through that and provide the necessary funding so Infrastructure can build those projects. If

you want specific information on those 15 schools – do you want to read into that? I'm asking our DM to assist me in this.

Mr. Dang: I don't need the list, Minister. We have limited amount of time here, so I'm happy to move on if that's the answer you want to provide.

Mr. Panda: No. You asked the question. Your constituents in Edmonton-South would like to know.

Mr. Dang: Sure. Yeah. I think we're going to move on. I only have a few minutes left before, I think, my block runs out here, so I just want to move on to another question really briefly here. Maybe if your deputy minister could just submit that back in writing. That'd be lovely.

Mr. Panda: Sure. Happy to do it.

Mr. Dang: Thank you.

I want to ask you about Crown land sales. In your estimates document on page 135, line 5.2, land use and disposal, it states that your ministry is responsible for the sale of surplus Crown lands throughout the province. Obviously, there's been significant public interest in whether parks are going to be delisted, decommissioned, or sold to private interests. I noticed that this year you're anticipating \$200 million in sales and leases as compared to last year, where it was relatively negligible. Could you explain to me why and where this \$200 million in revenue is going to be coming from?

Mr. Panda: As far as I know, not from the sale of any parks unless you have any specific listing of any park from my department. Please do let me know.

About the \$200 million: can someone help me? Can you give me a second? I'm just asking our ADM. Where did you refer, Member Dang? Which line item?

Mr. Dang: Yeah. In your fiscal plan on page 109 there is a line item showing revenue of \$200 million that's going to be there. Of course, your department is responsible for real estate and the sale and lease of lands there.

Mr. Panda: Actually, Environment and Parks are responsible, but for other publicly owned Crown properties we are responsible. I'm just referring to page 109, Member Dang. Can you help me to get to the . . .

Mr. Dang: Maybe I can clarify my question for you, Minister. I guess I'm just asking, then, since your department is responsible for real estate – you're telling me that your department has not been directed or you're not directing your department to proceed with any sales in that nature, any of the lands you would typically be responsible for.

Mr. Panda: Yeah. I'm just scratching my memory. Either the Premier or the minister of parks never asked me to list any of the Crown parks.

Mr. Dang: Sure. Okay. I'm going to try and get one more question in. I'm trying to be respectful to some of my other colleagues here. I appreciate that answer.

The last question I have has to deal with the fiscal plan, pages 127 and 158. Basically, in it the Alberta surgical initiative shows that there's going to be a great deal of capital expenditure, \$37 million this year, \$133 million over the next three years, in these chartered health facilities. Can you explain to me: is your department going to be engaged in building health care facilities for these chartered groups

to use, these private or otherwise nongovernment clinics to operate in? Is that the intent of that?

The Chair: You may answer, yeah.

Mr. Panda: Okay. That initiative is actually to increase our provincial surgical capacity to reduce wait times. Our role in that is to renovate and improve and expand the operating rooms and also support spaces in five locations across Alberta: in Lethbridge we are going to help them to create two additional operating rooms; in Calgary the overall goal was 311 operating rooms; in Rocky Mountain House, one operating room and a new medical device processing department; in Edmonton, upgrading two operating rooms and a postanaesthetic care unit; and in Grande Prairie, two more operating rooms.

Mr. Dang: Thank you.

I'll give my time to the other independents.

Thank you, Minister.

Mr. Panda: Thank you.

The Chair: Thank you, MLA Dang.
MLA Barnes.

Mr. Barnes: Thank you, Mr. Chair. Thank you, MLA Dang. Thank you, Minister and to your department for being here today and all the work you do for Albertans. The Legislature, where lots of renovation is going on, is under your ministry, correct?

Mr. Panda: Correct.

Mr. Barnes: What is the total cost of the renovations?

Mr. Panda: Yeah. I'll get you the answer. I respect your limited time. If you want to go to the next one, I'll get you that.

Mr. Barnes: Okay. Thank you very much. Six or eight months ago the Premier moved out of his suite in the Legislature to the sky palace and, of course, spent some time in the sky palace. What is the total cost of renovating the Premier's suite and office? If you can get that later, that would be great.

Mr. Panda: Yeah.

Mr. Barnes: And back to the sky palace: were there any additional costs incurred by your ministry, incurred by the taxpayer as the Premier moved in and out of the sky palace? If you could get that back to me as well.

If I could just continue, I'd appreciate that, and just let me know, sir, when you're ready. I want to talk about school projects, too. You know, God bless our kids and Alberta will always be in the business of building schools. I've always been opposed to the idea of P3s building schools because the design should be a very simple bid/build thing, as schools have been built for a hundred years, but I've also been around the Infrastructure department when we've talked about some things like having land developers actually build the school to improve their ability to sell their lots. We've talked about supermarkets and other trades that maybe share a school or be close to it so the kids can have some hands-on job experience, and, of course, community use is a big thing for the schools. The more they can be used, the better. Minister, is any of that going on in this current school construction?

Mr. Panda: We are open to that if any proponent wants to submit a proposal through the unsolicited process. I didn't know you don't like P3s, because you and I ran on the platform that we'll do more

P3s. But, anyway, we are where we are. If any proponent wants to use that unsolicited process, any developer, we are open to consider that, and I can provide you that information on how that USP process works.

Now, you asked about – I'll go back to your previous question.

4:50

Mr. Barnes: Thank you.

Mr. Panda: I have some numbers here: \$8,500 was spent to move staff and fit up the space in the Federal Building while the construction workers . . .

Mr. Barnes: For the sky palace for the Premier.

Mr. Panda: Yeah.

. . . while the construction workers at the Legislature. We didn't use – some staff packed their stuff on their own, and they moved their items. We didn't use movers for that.

Mr. Barnes: How much . . .

Mr. Panda: Two thousand one hundred sixty-nine dollars was spent to relocate staff back to the Legislature Building.

Mr. Barnes: Okay. How about the total cost of renovating the Premier's suite? Do you have a number for that yet?

Mr. Panda: In the Legislature Building? I don't have that number handy.

Mr. Barnes: Sir, if you could provide that to the Legislature at some point, Albertans would be appreciative.

Mr. Panda: Okay.

Mr. Barnes: In my last five minutes I want to touch on inflation. I heard last night in the Municipal Affairs estimates that 3.8 per cent was kind of an indication, with the same amount of money in there. Obviously, there's going to be a lot less infrastructure built if inflation is high. I know several builders that have paused their projects because lumber is through the roof. I know several builders that have just put in the foundations, paused the rest of their projects because steel is through the roof or unavailable, lumber is through the roof. Your department is on the edge of knowing what these cost increases could be and how much more it's going to cost Albertans. What inflation number have you budgeted?

Mr. Panda: We are estimating for '21-22 4.5 per cent.

Mr. Barnes: Four point five per cent?

Mr. Panda: Yeah.

Mr. Barnes: Okay.

Mr. Panda: And then '22-23, 4 per cent; '23-24, 3 per cent; '24-25, 2 and a half per cent; '25-26, 3 per cent. This was before this war in Ukraine started.

Mr. Barnes: Yeah.

Mr. Panda: Now, you mentioned about steel. Nickel and cobalt and coking coal: all that will be impacted. Those are all the ingredients to make the steel.

Mr. Barnes: Thank you for that. Lumber has doubled again and going higher.

Mr. Panda: It came down, actually. After it went up, it came down. We managed that.

Mr. Barnes: Yeah, but it came down to – I don't really want to argue about the price of lumber, but it is back up.

I just would ask: did you check that inflation number with a building association? With a contractors association?

Mr. Panda: See, one good thing about public procurement is that it's an open tender, so they will factor in those things when they put in their bids. If things like the war or other things happen, then we . . .

Mr. Barnes: So your department won't use any cost-plus or design cost-plus contracts?

Mr. Panda: One of my mandate items is to limit cost-plus contracts.

Mr. Barnes: To limit. Okay.

Mr. Panda: Yep. Or eliminate . . .

Mr. Barnes: Okay. Thank you.

Mr. Panda: . . . while aggressively building P3 projects.

Mr. Barnes: Okay. Thank you for that.

Last session we passed the Infrastructure Accountability Act. Which infrastructure project in this budget has been approved using that process and that act? Where has the Infrastructure Accountability Act been used?

Mr. Panda: Although it was legislated when we enacted this Alberta Infrastructure Accountability Act, in the past also, even under the previous government before our cycle, they have been using this criteria which is legislated in the Alberta infrastructure act. That has been already used in the previous couple of capital plans. If you want to know the projects, all those projects that went through in the last couple of years, in fact, went through that process. Even before that was enacted.

Mr. Barnes: Thank you, sir. You reminded me of when we were in opposition together and we spent a lot of time talking about a public prioritized infrastructure list that would be totally transparent to Albertans. Of course, there may have to be changes on a list like that someday, but it would force government, it would force the stewards of taxpayer dollars to be totally transparent with Albertans as to why their project got moved from fourth to sixth or from sixth to fourth or whatever. Do you feel that your Infrastructure Accountability Act and this budget honour that public prioritized infrastructure list? How do Albertans know what's going to be next, what's going to be built eighth or 12th, and when?

Mr. Panda: Yeah. That's actually a very good question. That's why, together with that infrastructure act, we also introduced the 20-year strategic capital plan, which gives them all that priority criteria, what outcomes we're looking at, so other partners like postsecondaries or municipalities can align their priorities based on the outcomes government is prescribing through the 20-year strategic capital plan. I can give you that information. I want to respect your time. Albertans can rest assured that that transparency will be there. That's why we are going through that 20-year strategic capital plan. We have that criteria prescribed, how those projects are prioritized.

The Chair: This concludes the first portion of questions for independent members. We will now move to the government caucus for 20 minutes of questions from those members.

I assume that you would like to combine your time with the minister's, as has been done.

Mr. Rowswell: Yup. You bet.

The Chair: Mr. Rowswell, you begin.

Mr. Rowswell: Yeah. This kind of follows on MLA Barnes' question, so this might give you a little more opportunity to expand on that a little bit. Last year the government passed Bill 73, which was the Infrastructure Accountability Act, and as mentioned on page 153 of the fiscal plan, this includes the 20-year strategic capital plan, which has to be updated every four years. That's the way it's structured, right? Can you explain what the 20-year strategic plan is and its purpose and how it may have impacted the capital plan of 2022, which I think is what MLA Barnes was trying to get to a little bit?

Mr. Panda: Right. The purpose of that is to make sound decisions about infrastructure investments and also to help boost economic recovery and ensure public infrastructure is in good shape for future generations. For example, our capital plan this year is \$20.2 billion, so as you and Member Barnes mentioned, Albertans expect us to be held accountable on how we spend those tax dollars and get the maximum benefit for Albertans on that. That's why we are putting hundreds of these infrastructure projects through that process, and that process is creating a lot of jobs during planning, design, and construction phases.

Our ministry is mainly focused on working with other partner ministries, for example, and also the job creators. We are working with them. We are taking their input to move forward hundreds of projects. Also, this 20-year strategic capital plan is aligning with Alberta's recovery plan to make sure that we are investing in the right provincial infrastructure to support vital programs and services for Albertans well into the future. Also, this 20-year strategic capital plan will ensure future capital investments, attract investments, and also attract the job creators. That's the overall objective of that, and that's why we introduced both the Infrastructure Accountability Act and our 20-year strategic capital plan.

We'll make sure that the government is accountable for meeting its commitment to invest responsibly in capital projects, projects like provincial buildings, recreation and cultural facilities, schools, universities, colleges, health care facilities, roads, bridges, and also information technology projects. We realized after this pandemic, you know, the latest technology and the infrastructure required to adopt those technologies are really important, so we included IT projects as well.

5:00

I'm also approaching the federal minister. I'm still waiting for his appointment after five months because of the other priorities and also maybe for other reasons. I can't get in front of him yet, but we are advocating with the federal infrastructure minister to take our input in developing national infrastructure assessments.

In any future infrastructure funding we want them to consider aligning with our priorities and our outcomes because the provincial governments and territories know their local mandates and what helps their residents to move forward. So we're asking them to involve us in developing that national infrastructure assessment. As you observed, we already released this 20-year strategic capital plan in December 2021. That will provide that long-term, transparent, and strategic vision for now and also for future governments on how to plan and develop the strategies required, including the capital maintenance and renewal of the infrastructure.

The 20-year strategic capital plan will consider long-term trends for provincial infrastructure and how we'll meet the future needs of Albertans. We'll look at the trends, what they're looking for, and how we meet their needs. This 20-year strategic capital plan doesn't include specific projects or funding levels as the annual capital plan contains these details. With every budget we have a three-year capital plan. In that three-year capital plan you'll see the listing of the projects but not in the 20-year strategic capital plan. Also, as you observed, once in every four years any government, the government of the day, will get the opportunity to review and update that 20-year strategic capital plan.

Mr. Rowswell: So the 20-year plan is the themes that you want to invest in, not specific projects, because that comes out in the budget. That's a three-year process.

Mr. Panda: Yeah. That gives the certainty and predictability for the partners, like the municipalities, for example, to align their capital asks. When they're looking for provincial funding, at least they can align. They can use the same framework and align their priorities and asks based on that.

Mr. Rowswell: Yeah. Okay. Good.

All right. On page 63 – and this lends itself to the Infrastructure Accountability Act. You know, you've explained it to some degree here, but just what is it, and what does it do? I was just wondering. It's the criteria that you want to set up. So what is the criteria? Is the transparency in the criteria so that everyone knows what that criteria is when they're trying to figure out their projects? What is the transparency part of the accountability act?

Mr. Panda: First, the act legislates prioritization criteria to guide how capital projects are evaluated, and it also provides the governance framework for developing the annual capital plan and the development and regular update of the 20-year strategic capital plan. When I say "the governance framework," the deputy ministers – they are involved; there is a committee of deputy ministers – will go through this capital plan and the process. Just to keep politics out of prioritization criteria, we did it that way.

The six criteria that the government must consider when evaluating a capital plan submission: those six criteria address health, safety, and compliance needs; align with government priorities and strategies; foster economic activity and create jobs; improve program delivery and services; consider life cycle costs and whether it will generate a return on investment. That's really important. It's not just the current price. It's the overall life cycle cost, including the future maintenance requirements. For all these assets we create today, unless they are maintained well and refurbished, you know, then the replacement cost of those assets is too high. That's why we want to consider the overall life cycle costs and also enhance the resiliency of our communities.

Mr. Rowswell: Okay. This next question: I think you've answered it. It is on how the act impacts projects that were approved and under way before this budget. In the last two years you were implementing that even before we passed it, right? Are there examples of ones that were in process before that and how you're implementing this accountability act into that?

Mr. Panda: This act actually will not impact the projects that have already been approved before because they applied that criteria as part of previous capital plans. It will apply to all new project proposals submitted as part of future capital plans. So we took advantage of that criteria and applied that to the previous projects, but now it is legislated.

Mr. Rowswell: Okay. Very good.

My last question is relative to capital maintenance and renewal and whether it's part of this act at all.

Mr. Panda: No. It's not part of the act. It's considered outside of the act through a separate privatization process we are developing for the CMR projects, because we recognize that CMR is lower risk work compared to the capital builds. Scopes are smaller, relatively. With those CMR projects, you know, projects like boiler replacements, for example: the scope of that is significantly smaller compared to the major capital builds. That's why we apply different criteria. So we are developing that.

Mr. Rowswell: It's part of the ongoing business of having capital, right? You need to maintain it.

Mr. Panda: Yeah. So right now we are applying this to, for example, projects like schools and hospitals, but for CMR, you know, commensurate with the scope and risk of the project, we are developing different criteria for that.

Mr. Rowswell: Perfect.

I will cede some time to MLA Walker.

Mr. Walker: Thank you, MLA Rowswell. Through Chair Neudorf, Minister, welcome. Welcome to your staff. This has been a really enlightening dialogue. Estimates, of course, is such an important process in our Westminster parliamentary system.

Minister, through the chair, my focus will be on the impact of COVID-19. Wow. That could be a whole two hours in itself, but I'm really curious to know, for example, in my own riding – and we're excited about the design funding for a new replacement school. We're booming locally in Strathcona county, and this is great. But I am hearing on the infrastructure projects regarding the enhanced cleaning that has been taking place due to COVID-19. I'm really curious. I'll cite page 146, Minister, of the fiscal plan. Your ministry witnessed increased spending due to enhanced cleaning requirements spurred, again, by the impact of COVID-19. What impact has COVID-19 had on the management of government facilities? If you could just expand on that.

Thanks.

Mr. Panda: Thank you. It definitely had some impact because we were directed by the chief medical officer of health to implement the additional measures required to keep the occupants of those buildings safe, so our total property management contractors and landlords, because some of the properties we lease: we worked with them. They have provided their COVID-19 plans to demonstrate their ability and commitment to meet the requirements. In-house and contracted staff: they continue to provide a proactive and evolving response to requests for preventative measures and responsive cleaning and ensure timely communication with the Public Service Commissioner to understand and achieve the current standards.

5:10

For example, here in the Federal Building and at the Legislature you see the frequent sanitization and all the cleaning that happens on a regular basis. We are also in touch with government property managers to make sure that proper maintenance and cleaning happens at government buildings. For example, we keep soap and hand sanitizer stations filled on a regular basis. Contractors and visitors: they're required at all times to keep our workplace safe from the spread of germs. Employees: we urge them to regularly and thoroughly wash their hands with soap and water for at least 20

seconds. Employees who work in these offices maintain clean workstations. We just encourage them to stay home if they don't feel well.

Mr. Walker: Well, thank you for that very thorough response, Minister.

I also want to highlight and thank all the amazing cleaning work that's done here at the Legislature Grounds facilities. I see it, too. I know everyone else here sees it. It's just amazing work they're doing, and I think I heard in your comments that, yeah, the cleaning continues to be done as we're still in the pandemic stage, hopefully moving to endemic.

Minister, my final question in my time remaining. I guess I would say, through the chair: what is being done to ensure construction site safety and manage COVID-19 risks while delivering infrastructure projects? Just any key highlights to this question.

Thank you.

Mr. Panda: Yeah. We definitely have protocols in place on all construction projects to prevent the spread of COVID-19. Member Walker, you're quite familiar with construction activities even before the pandemic. The local construction contractors here: they have their own mandates when it comes to PPE, that protective equipment. For example, on the work site they always are required to wear hard hats and safety vests and steel-toed boots and all that. With this pandemic the additional requirements were face masks and distancing. Sanitizers were used on construction sites even before, but now there is a protocol for it. If anyone is exhibiting flu-like symptoms, they must not come to work and consult with a health professional. They have to avoid in-person meetings when possible and minimize the number of attendees. It requires workers to maintain physical distancing and practise personal hygiene, and they should implement job sanitation measures. Most of our sites were already following that.

You know, with all that work done by the responsible contractors, actually, we are progressing well on all construction sites.

Mr. Walker: Well, thank you so much for that. I think this was a really fruitful dialogue.

I'll cede my remaining time to my colleague MLA Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Thank you.

Chair, through you to the minister, I'd like to ask the minister a question here. Outcome 1 on page 65 of the business plan is stated as "innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs." On February 23 the government announced a historic expansion to the Red Deer regional hospital. Can the minister provide an overview of the scope and estimated cost of the new Red Deer regional hospital project as well as an explanation of how it links to this outcome?

Mr. Panda: Thank you. As I mentioned before, this government prioritized the Red Deer regional hospital. We actually approved the full funding for that project in this recent budget because we recognize the importance of expanding and upgrading the Red Deer regional hospital centre to meet the long-term needs of not only Red Deer residents but all central Albertans. That's why we have clearly committed to build that hospital. We have allocated \$1.8 billion for the design and construction of the Red Deer regional hospital, which is one of the largest spends on a health care facility outside of Calgary and Edmonton. In the next three years the 2022 capital plan is providing \$193 million out of the total \$1.8 billion approved. That's mainly for redevelopment and expansion of the Red Deer regional hospital centre, which will include construction of an

ambulatory services building, redevelopment of the main hospital site, including a new in-patient tower, the development of cardiac catheterization labs, increased operating room capacity, and expansion of the medical device reprocessing department.

Ms Armstrong-Homeniuk: Thank you, Minister.

Chair, through you to the minister again, I see that under objectives supporting outcome 1, on page 65 of the business plan, lists that \$661.1 million will be allocated to the construction of health facilities in Budget 2022-23. This includes \$171.8 million for the Calgary cancer centre. Can the minister provide the committee with an update on this project?

Mr. Panda: I'm happy to report that the construction of that cancer centre is 90 per cent completed. That will provide improved cancer care services for Calgarians and southern Albertans.

The Chair: Sorry to interrupt. This concludes the government members' first block of questions.

We will now move to five minutes of questions from the Official Opposition, followed by five minutes of response from the minister. As mentioned, members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time. Please remember that all discussion should flow through the chair at all times, even though I've been very lenient with that, regardless of whether or not speaking time is combined.

Ms Hoffman.

Ms Hoffman: Yeah. I would be happy to combine my time if the minister is willing.

Mr. Panda: Yes.

The Chair: Please proceed.

Ms Hoffman: Super. I'm going to speak to the fiscal plan in the capital plan documents, page 159 as my primary focus during this brief amount of time. One of the lines – this is under the renewing educational infrastructure section – says:

These projects will support enrolment growth in communities that continue to see population growth, preserve and modernize existing facilities and consolidate underutilized space, thereby reducing maintenance costs in those communities experiencing enrolment or population decline.

I have to say that, having done a number of capital plan submissions under my former role, there are sort of three lists you submit. You submit your new project asks, you submit your modernization asks, and then you were asked to also submit a consolidated list, but there are three lists that get submitted, essentially.

I guess one of my questions would be: how is the government choosing to define community? We know that there were a number of modernization projects, particularly for the four large metro boards, including Calgary and Edmonton public and Catholic districts, that didn't get announced, and part of the rationale or excuse that was given was that they were underutilized, but specifically the fiscal plan says that underutilized spaces should be rightsized and modernized. Is that not one of the criteria that the government has been using, and if not, can they change the criteria and be open about that so that growing communities, like Edmonton and Calgary, can get a fair shot at infrastructure projects? Through you, Mr. Chair.

Mr. Panda: Thank you, Mr. Chair, and thanks to Member Hoffman for the question. Certainly, we all discuss with Education if there are additional projects that require modernization, but in this budget

that was definitely considered and there are – for example, in Rocky View school division there's a modernization and the addition of Bow Valley high school in Cochrane.

Ms Hoffman: Perhaps I could clarify, Mr. Chair. Edmonton public specifically had two modernizations on their top two lists for their capital plan: Delton elementary school and Spruce Avenue junior high school. They also had schools in McConachie, a junior high, and Glenriding, a junior and senior high, that are desperately needed. They received no capital projects this year or last year in the budget, and that simply doesn't align with what your fiscal plan identifies as your goals. Certainly, Edmonton is growing significantly, and Edmonton also does have older infrastructure. The question is: with this being identified as your priority, why is it that Edmonton public students didn't get any infrastructure in this year's budget?

5:20

Mr. Panda: It's not true that they didn't get any infrastructure. Actually, there are a few schools . . .

Ms Hoffman: Edmonton public.

Mr. Panda: Yeah. I would encourage you to take it up with the Minister of Education because my understanding is that Edmonton public has to provide their prioritized list to her.

Ms Hoffman: I have it in front of me. It's submitted every year in March, so I have it in front of me for all the major metro boards. I imagine the minister as a Calgary MLA has probably seen the Calgary Catholic and Calgary public submissions as well. There absolutely is a list, an itemized list. Every district does it.

Mr. Panda: Yeah, for sure. In Calgary also. For example, last week we announced Evanston school there.

Ms Hoffman: Yeah. Two schools for Calgary in three years. Nothing last year, nothing the year before for public or Catholic students in Calgary. Questions that are being asked to me by Calgary Catholic families are around the need for new schools in Nolan Hill and Walden. Those are both K to 9. Certainly, I'm sure the minister has heard about the desperate need for a high school for Catholic students in west Calgary. As well, they also had modernizations that weren't funded. These are all year 1 capital plan submissions. For Calgary public: Diefenbaker high school is in desperate need of a modernization; Nickle school, also modernization, grades 5 to 9; Saddle Ridge needs a new school, grades 5 to 9; Cornerstone needs a high school.

So there are significant – these are all year 1 assessed needs based on criteria that have been set by the government. This is set as urgent needs. In a typical NDP year under the four years when the minister was in opposition, there were about 60 Education projects announced every year. This time it's 11. Why is it that when we have record revenue, we're not seeing the needs addressed for our largest school districts, which are certainly growing?

Mr. Panda: No, I appreciate your concern. In fact, there are 15 schools that were announced this year, which includes new schools, modernizations, replacements. In total there are 15 schools. There are schools in Edmonton and everywhere. Also, there were many other schools already under construction. There are 66 schools that are under construction, creating thousands of student spaces. I can give a quick update on the status of those 66: 35 are in planning, design, contract, either contract awarded or tendered; and 22 in construction.

Ms Hoffman: Mr. Chair, thank you. I do definitely have the news releases before me. It's 11 actual projects for funding for planning projects. None of them – I know the minister keeps saying Edmonton, and certainly I'm grateful that Edmonton Catholic is getting some schools, but no projects for public students in the city of Edmonton, and that is a significant, massive hole that I think is going to significantly hurt student learning. We also know – and this is why the fiscal plan talks about the importance to rightsize underutilized spaces or buildings that are old – that when we don't fund capital properly, money comes out of operation to pay for the capital. To pay for a leaky roof, you're hiring one less teacher. To pay for that school bus that's seeing its transportation costs go up because of insurance and because of the cost of fuel, you're seeing a reduction in the operational support. So by underfunding capital across the province – I'm just highlighting four of our largest districts – it has an impact on operations as well.

Again, for context there were about 60 projects per year when the NDP was in government, and now we're looking at 60 cumulatively over a term for a government. That's a significant reduction in the amount of support that schools saw and students saw. Generally a question, through you, Mr. Chair.

Mr. Panda: Yeah, Mr. Chair, if you'll permit me to respond. Actually, we're investing \$1.5 billion for school capital projects. Out of that, \$268.4 million is spent in Edmonton, right here in Edmonton; \$172 million is in Calgary; \$844 million is outside of Calgary and Edmonton; and \$203.2 million is province-wide programs to be allocated as capital maintenance. The fact that Edmonton got the lion's share of that \$1.5 billion – these are the facts. This is not an opinion. This is the monies allocated through the budgeting process.

Also, I don't think schools have to spend their CMR money on capital projects because they can't find enough because CMR money – I mean, each school project ranges from \$25 million to \$40 million. The CMR budget is much lower, so they can't use that to build a school.

Ms Hoffman: Mr. Chair, to clarify, I'm not talking about building schools. I'm talking about regular maintenance on old buildings that need to be moved out of the system. Instead of keeping schools that are unsafe for students or less quality learning opportunities are available, all districts across the province are asking for major modernizations or replacement schools to get unsafe infrastructure or infrastructure that was overbuilt when families had five or six kids living in a bungalow and now many of those families have one or two – they want to rightsize these schools and they want to have quality buildings, just like the government has chosen to modernize a number of the office buildings that office workers work in.

I want to again clarify and rearticulate for the minister that there are no Edmonton public projects. I know he keeps saying Edmonton. There are no Edmonton public projects that were announced last week, and there weren't any last year either. That is clearly a huge – the government that likes to talk about choice is choosing to neglect infrastructure supports for students who choose public schools in Edmonton. I think that's wrong. I think that there is also a need for more Catholic schools. Calgary only got two schools in three years for public and Catholic students. I know that the minister might want to talk about other types of choice out there, but it's clear that the government has significantly neglected much-needed infrastructure as they identified in their fiscal plan. They're

going to build where there's growth. There's growth in Edmonton and Calgary, and the government is failing the students and the families who have chosen to send their students to public and Catholic schools.

The Chair: Thank you.

Mr. Panda: Can I respond to that?

The Chair: I can't allow that, unfortunately, Minister.

We now move to five minutes of questions from the Official Opposition, followed by five minutes of response from the minister if we end up with enough time. I assume you wish to combine your time with the minister?

Mr. Loewen: Sorry. Independent? Yes.

The Chair: Sorry. Independent. Sorry. Please proceed.

Mr. Loewen: No problem. Thank you very much. Thank you very much, Minister and staff, for being here today. I appreciate the opportunity to ask some questions. I guess I was kind of struck by something yesterday when we were in estimates with the Municipal Affairs minister. He talked about that the Alberta government pays the property tax rate at about half, about 50 per cent of what the normal rate is for Alberta government buildings within a municipality. When I thought of that, then I also remembered getting a communication from a nonprofit organization in one of my communities that has previously been using an office in a provincial building and has been previously having the rent free. But now I guess there's a movement within the department to charge an appropriate amount of rent for the buildings and offices within the provincial government's mandate.

I guess I can understand that idea as far as financialwise and budgetwise, that you would want to get, you know, fair compensation for the public's buildings, the Alberta government's public buildings. But what I thought of at that time is, like, again, we have the situation where this nonprofit now will be paying \$900 a month for rent in a provincial building, and the government itself is only paying 50 per cent of the tax rate to the municipality. Of course, the nonprofit is a benefit to the municipality, and this nonprofit is actually funded by both government funds and municipal donations. I just wondered if there's something – I just wanted to make sure you could maybe consider that as you made this move to increase the rent for people that are in Alberta government buildings.

Mr. Panda: We recently tried to streamline that process, who gets to occupy government properties and what type of rent. We had based on the partner ministry's prioritization criteria because I won't know what type of programs come . . .

The Chair: I apologize for the interruption, but I must advise the committee that the time allotted for the consideration of the ministry's estimates has concluded.

I would like to remind committee members that we are scheduled to meet tomorrow, March 9, 2022, at 9 a.m. to consider the estimates of the Ministry of Jobs, Economy and Innovation.

Thank you, everyone. I'd like to especially thank Lacy, our talented technical engineering staff, for her incredible work today.

This meeting is adjourned. Thank you very much.

[The committee adjourned at 5:30 p.m.]

