

[Mr. MacDonald in the chair]

THE CHAIR: I would like to call this meeting of the Public Accounts Committee to order, please. I would like on behalf of all members of the committee to welcome the Hon. Ty Lund, Minister of Infrastructure, and his staff.

I believe before we have approval of the agenda, we should perhaps go around and introduce ourselves, starting with the Member for Olds-Didsbury-Three Hills, please.

[The following members introduced themselves: Ms Blakeman, Mr. Broda, Mr. Cenaiko, Mr. Goudreau, Mrs. Jablonski, Mr. MacDonald, Mr. Marz, Mr. Ouellette, and Dr. Taft]

[The following staff of the Auditor General's office introduced themselves: Mr. Dunn, Mr. Hoffman, and Mr. Pradhan]

[The following departmental support staff introduced themselves: Mr. Bauer, Mr. Johnson, Mr. McGhan, and Mr. Smith]

MR. LUND: Ty Lund, minister.

MRS. DACYSHYN: Corinne Dacyshyn, committee clerk.

THE CHAIR: Thank you.

Could I please have approval of the agenda that was circulated earlier.

MR. GOUDREAU: So moved.

THE CHAIR: Also approval of the minutes of our previous Public Accounts meeting.

MR. CENAIKO: So moved.

THE CHAIR: Thank you, Harvey.

Now, if I could please call on the minister for a brief overview of his department. Also, we will be hearing briefly from the Auditor General at the conclusion of the minister's remarks in regards to any items of interest for the committee in his latest report.

Mr. Minister.

MR. LUND: Well, thank you, Mr. Chairman. Good morning, committee and Auditor General representatives. Before I begin, we have a couple of other folks with us that I'd introduce you to: Jeff Paruk, my executive assistant, and David Bray, the director of communications.

Today we are in the final stage of accounting for the 2001-2002 fiscal year expenditures. We will look at how we spent our budget in 2001-2002 and highlight actual performance results to desired results set out in Infrastructure's business plan. Alberta Infrastructure spent over \$2 billion in 2001-2002 on programs and services for Albertans, including the energy rebate program. Spending was lower than budgeted mainly due to deferral of Infrastructure projects midyear and lower than expected spending on the energy rebate program.

If you recall, as part of the Alberta government's fiscal and economic update in October of '01 the ministry was asked to reduce its budget in response to the global economic turndown. As a result, Infrastructure deferred over \$900 million in projects. Of this amount \$445 million in funding was deferred in '01-02 for capital programs, primarily from health facility projects, \$287 million; school projects, \$92 million; Alberta centennial projects, \$35 million. These

deferrals resulted in delaying 34 capital projects, which were ranked according to building condition and safety factors, how essential they were to program delivery, whether they were necessary to preserve or enhance the operational efficiency of the facility, whether they had potential economic benefits, and the extent of the commitments already made.

The delays affected projects where construction contracts had not been signed, not all of the funds had been advanced, or major projects could be staged. In spite of the deferrals that took place, I'm delighted to point out that 10 of the school facility projects were subsequently reinstated in '02-03, when funding became available.

Of the many challenges, Alberta Infrastructure had many positive projects and programs to report in '01-02. More than 1,100 capital projects proceeded uninterrupted during the year. Total spending on programs did increase by about 23 percent, or over \$400 million, from \$1.7 billion in '01 to \$2.1 billion in '01-02. Most of the '01-02 budget, however, was for onetime funding increases for health facilities, schools, and postsecondary facility projects, which reflect the priorities of the people of Alberta. Spending on these facilities accounted for 72 percent of total Infrastructure spending in '01-02. Spending on school facility projects alone was 34 percent of the total ministry spending; 22 percent was for health care projects and 16 percent for postsecondary facility projects.

Through the New Century school plan, a multiyear funding commitment to safe, effective, and cost-efficient school facilities, the department provided \$712.6 million for new schools and school upgrades. This is a \$483 million increase over the previous year, and these projects included 25 school facility projects in the Edmonton area, 21 school facility projects in the Calgary area, and 43 school facility projects in rural school boards.

In response to the Premier's Task Force on School Facilities released in the fall of '01, I hosted the Minister's Symposium on Schools, focusing on learning facilities for tomorrow's communities. The purpose of this December '01 symposium was to gather fresh ideas from the wide cross section of stakeholders and to create new solutions for school facilities. In our opinion the school symposium was a great success. Over 440 participants discussed new solutions for the design, construction, and maintenance of school facilities. Three themes were explored: alternative procurement opportunities, sustainable development, and functionality and utilization. The ideas put forward are being explored by subcommittees which have been established to flush out ideas and develop options for school facilities of the future.

Health care facility spending increased by 67 percent, or \$188 million, over the previous year to \$468 million in '01-02. We have several achievements to report in this area. They include a \$26.9 million upgrading project for the Foothills medical centre in Calgary, the commencement of the \$16.3 million conversion of the auxiliary hospital to more acute care beds at the Foothills medical centre, the completion of the \$37.8 million Drumheller district health services facility, which opened in February of '02. Construction commenced on a \$95.8 million project to redevelop the Red Deer regional hospital site in response to the increased demands for acute care services in central Alberta, and a new 80-bed long-term care facility opened in Medicine Hat, which will address the shortage of long-term care beds in the region. The project is an example of a public/private partnership, this one between the Good Samaritan Society, Alberta Infrastructure, the region, and the Palliser health region.

**8:40**

In '01-02 the ministry completed the upgrading of 12 seniors' lodges. Of the 121 lodges scheduled for completion by '04, 103 are now complete. Lodge projects completed in '01-02 included the

Virginia Park lodge here in Edmonton, the Bow Valley 1100 lodge in Calgary, and the Pines lodge in Red Deer. Although the seniors' lodge upgrading program will be complete within the next two years, we realize there is a need to ensure the longevity of these facilities. To accomplish this, we have been working with the lodge foundations and seniors to provide assistance and guidance in developing infrastructure management systems. These are necessary to plan and manage future maintenance and capital needs.

In '01-02, \$598 million was approved for the continuation of the energy rebate program to address anticipated increases in energy prices and for the commencement of the natural gas shielding program in July of '01, should that have been required. Due to favorable energy prices experienced last year, over \$396 million was lapsed in this program.

Alberta Infrastructure assumed the operation responsibility for the Swan Hills treatment plant on December 31 of the year 2000. In '01-02 onetime funding of \$20 million was approved to operate the plant, as it was assumed that the facility would be sold during the '01-02 fiscal year. The ministry has been advised to continue with the operation of the plant beyond '01-02, and we initiated a proposal call to obtain a long-term contract operator.

As you see by our report, Alberta Infrastructure continues to actively participate in and achieve the goals and objectives set out for the government and the people of Alberta. So with those comments, we'll look forward to your questions. We have a number of staff. If we can't get you the answer right away, they will, and of course if we don't have it, we will get it back to you in writing.

Thank you, Mr. Chairman.

THE CHAIR: Thank you very much, Mr. Minister.

Mr. Dunn, do you have any comments regarding your portion of the Auditor General's report on Infrastructure?

MR. DUNN: Thank you, Mr. Chairman. For those of you who have the report in front of you, the report on Infrastructure is contained on pages 155 to 165. As I've mentioned in the past, we have numbered the most critical items in our recommendations, and you'll see that there are three numbered recommendations and one unnumbered recommendation. In addition, we followed up on a couple of numbered recommendations from the prior year. In my opinion, the most important recommendation that we make this year is on page 157, recommendation 28. This results from special work we did around the systems of contract management, and we lay out four recommendations under number 28 for improvements in the contract management system.

In recommendation 29 on page 159 we talk about conflict of interest and code of conduct and ethics and disclosure thereof by consultants and employees. Those are both new recommendations this year resulting from special work we did this year.

On page 160 we have recommendation 30, which is a repeated recommendation talking about the capital plans being received from ministries, and this recommendation is also supported by the Financial Management Commission in their recommendation 5 that we quote under recommendation 30.

On page 161 we have an unnumbered recommendation, which is repeated, talking about the health and safety needs relating to various facilities, and we comment on page 162 on the steps that the ministry has taken satisfactorily and then the outstanding steps that have to be followed up, which are detailed under points 1 and 2 on page 162. In addition, on pages 163 and 164 we talk about previous recommendations made in prior years, numbered, which have been satisfactorily followed up, recommendation 23 from the prior year on business case analyses, which the ministry has satisfactorily dealt with and followed up. We also talk about under Deferred

Maintenance on page 164 a previous recommendation that was numbered the prior year at number 24, which was repeated also by the Financial Management Commission under its recommendation 10, and we talk about the findings and the progress that have been made by the ministry in that area.

Again, as I mentioned, the most critical ones that we'd like you to focus on are the numbered recommendations in this year's annual report, and that will be recommendations 28, 29, and 30.

Thank you, Mr. Chairman.

THE CHAIR: Thank you very much, Mr. Dunn.

Ms Blakeman, would you like to direct a question to the minister and his staff, please?

MS BLAKEMAN: I would. Thank you very much. Welcome to the minister and to his staff. I appreciate you coming down.

I would like to start by referring to recommendation 28. The full recommendation, of course, appears on page 157, but my question is coming specifically off a notation on page 158, number 2, where it's talking about using a request for proposal to set up contracts, and there's an example here of a contract that was given for a consultant fee of \$100,000 which, as the scope of work increased, was renegotiated several times and ended up at \$450,000. So I'm wondering if we could get some detail on any other contract that had more than one revision to it that you are able to detail for us and the reasons for it, obviously.

MR. LUND: Well, thank you for the question. Of course, this is the kind of thing that always bothers us, but this particular case that the Auditor General has mentioned here was a situation where we were doing the audit on the postsecondary institutions. Well, first of all, there is a limited number of people that are capable to do that type of work, and when they got into the project they discovered . . .

MS BLAKEMAN: Sorry, Minister. It wasn't this example I was asking about; it was other examples.

MR. LUND: Well, I think it's important that I explain this one because it's not explained here. It's just simply what did happen, so I think it is important that you get a flavour of the problem we have with some of these.

In this particular case when the consultant got into the project, they discovered that it was far more extensive than they originally had thought it would be, and the scope of the project did expand. You're faced, then, with a situation: do you now go out for another proposal and perhaps lose the work that has already been done, or do you allow the program to continue and give it more money? Unfortunately, this expanded beyond, you know, what we would normally consider acceptable, so we are looking at how we can make sure that this sort of thing doesn't happen. We agree that it's extremely important that these contracts be open, accountable, and that the public has comfort, and the business sector that may be interested in these contracts has to have faith that we are being open and accountable.

We are putting in place processes that will address this issue so that we can make sure that these sorts of things don't happen, but you've also got to remember that on a lot of projects the number of people that are qualified to handle it is quite small. The value of the contract is often quite small. And location; for example, if there was something going on up in Fort McMurray that is a small contract, would it make a lot of sense if we put out a call for proposals throughout the province? In those kinds of things, you know, you have to use some common sense. You can't just say that one size

fits all, because it just doesn't. But we are trying to make sure that this kind of thing doesn't happen again.

I don't know if Malcolm or Eric want to add anything to that. The member is asking if there are any other examples. I'm not aware of any others, but that doesn't mean to say that there weren't.

8:50

MS BLAKEMAN: Okay. Well, certainly in my experience with this the scope doesn't expand by itself. Elements get added into the work because somebody said, "Oh, well, while you're at it, why don't you do this, too, because it's convenient," or "You're in the right place," or "Gosh, it'd be handy." And, of course, the person taking the contract goes: right; happy to do it but want to be paid more for it. Or there were obvious components that should have been detailed in the contract to begin with that weren't and therefore are enumerated as you go along, and the contractor says: yes, but I'll get paid for that. I mean, scope doesn't just puff up like a balloon or a duvet when air is added. There's a reason why the scope of work expands.

So I've heard the reasoning for this particular instance, but I don't hear a commitment to resolve that we will always use requests for proposals. I didn't hear much detail about how this scope of work/request for proposal problem would get addressed.

MR. LUND: Well, I appreciate your comments, and I'll get some of the staff to talk to this particular one, because this is undoubtedly the largest one where this would happen. But I disagree with you that you are going to know right up front what the scope is going to be, because once you get into a project, all of a sudden you find out that there's something more here. You know, we're trying to evaluate the structures. What does it cost to bring these structures up to a certain value? Well, once you get digging around, particularly in the mechanical, the stuff that you can't just walk into a building and see, you find out: well, there is more here. The amount of work that you have to do to do a proper assessment is increasing. This much? No. I know this bothers me as well when I see this much, but I think you have to appreciate that there are going to be times when there will be a call for proposal or there will be a contractor hired to do a certain project, and when you get into it, you find that it goes beyond the original scope, the original plan.

I don't know. Eric or Malcolm? I think Malcolm's very familiar with this particular one.

MR. JOHNSON: If I might comment, Mr. Chairman, one of the steps we're taking to avoid this happening in the future is to split projects like this into two phases. So the first phase is an investigative phase defining the scope and defining the cost and possibly even defining the most appropriate consultant to do the balance of the work, and then the second phase is actually to do the work as defined. In this case there was a rush to get this work done fast. The consultant was appointed initially as being the best consultant for the work and had the experience to do the work. As the project materialized, it was found that there was a considerable amount of extra work required, an extensive scope adjustment, because it was an investigation of all the postsecondary facilities, and they are numerous and in various states of condition. So we were defining the process as we went through this exercise with this consultant.

MR. LUND: If I could add a bit.

THE CHAIR: Yes. Briefly, please, because we have a long list of questions for your department.

MR. LUND: I'll try to be brief, but this is an extremely important area and one where to me it's very important that we make sure there is this openness and accountability. As the Auditor General commented on the conflict of interest, we've got to make sure that that one, too, is taken care of because these are taxpayers' dollars. They're public dollars, so we have to make sure. But when we're looking at a project, if it's a really extensive project like you see with the courthouse in Calgary, we've gone even extra steps. The first call is the sign of interest, and that one, of course, involves a whole host of people. Then the next call is the call for qualifications through the request for qualifications. There you narrow it down to the number of people that have the expertise, that have the experience. What does their team consist of? Can they handle the project? Those kinds of things.

Then, of course, the final call there will be the call for proposals, but when we just go straight to the call for proposals, we have to assess, then, what comes in. We have to look at: are they qualified? Do they have the team that can handle the project? There's a whole host of those kinds of things that come into determining who we can finally award the contract to.

THE CHAIR: Thank you.

Mr. Marz, followed by Dr. Taft.

MR. MARZ: Thank you, Mr. Chairman. I appreciate the minister's brevity and thoroughness this morning.

On page 160, recommendation 30, this is a recommendation that's basically a repeat of before which recommends that your department implement a process to ensure that capital plans received from ministries, RHAs, school districts, and postsecondary education institutions contain information required to prepare your ministry's long-term strategic plans. Could you tell us what progress you've made in this past year in implementing that recommendation?

MR. LUND: We have asked all of the school districts, all of the regional health authorities, and the postsecondary institutions to give us their long-term capital plan and to prioritize that so that we then can fit it into our long-term plan. Of course, currently within the government we're trying to get a ranking so that you can rank across the various disciplines. Like, it's really hard to determine whether a school project should come ahead of a health project or a postsecondary project. Then you have to, across government – is a highway more important, or is fixing a spillway on a dam more important?

So with the limited dollars to go across the whole spectrum, we've got an issue within our own department to try to prioritize those. Of course, we move it back out to the regional health authorities and the school boards and the postsecondary institutions to do their prioritization, but then we have to try to prioritize it within ours. The government has to do it across government. It's a big process. It's a tough one, to come up with a ranking system that will address it across government, even within our own department, but we are working on this. This is very important.

I don't know if Malcolm or Eric want to add anything to that.

MR. MARZ: I'm encouraged to see that you are working on it, but could you give us some time lines as to when?

MR. LUND: Well, with the regional health authorities, the school boards, the postsecondary, we asked them to give it to us this year. Now, I don't know if – I know that one, because we're having some difficulty with one school board, just came in yesterday or is coming in today.

Malcolm, if you could update them there.

MR. JOHNSON: If I could, Mr. Chairman, all the school boards and all the health boards and all the postsecondary institutions have submitted capital plans for this current fiscal year. We have engaged a consultant who is going to try and resolve the format of these plans because they do come in different styles and formats and they come in at different times. Our objective is to have a single format, ultimately electronically, that will submit capital plans to us in a preset form so nothing is missed, and we expect that to happen in the next two years. It does take time because this happens once a year, of course, so an adjustment on an annual basis takes at least a year to do. But there is great co-operation from the school boards, the health boards, and postsecondary institutions to provide the information, and they know it's in their best interests, of course, to provide that to us because we base our decisions on that in the recommendations to the minister. So we're making excellent progress.

MR. LUND: We're hoping to be able to include up to a five-year plan, as was recommended by the finance commission. That would be part of our presentation. As a matter of fact, we've done some of that. Like I say, we're now asking for the next step, and that's to rank them, and we are having some difficulty across the disciplines in doing that.

9:00

MR. MARZ: Is the change in regional health authority boundaries going to slow that process down at all?

MR. LUND: Well, they're going to have to now sit down and prioritize within the bigger region. We do have their priorities from each, so where hospitals or health care facilities are moving from one region to another – I'm not sure where those boundaries are going to go. I'm not sure that every region is going to stay whole. So it will require some more work on the new regional authorities to prioritize within their region.

THE CHAIR: Thank you.

Dr. Taft, followed by Mr. Ouellette.

DR. TAFT: Thanks, Mr. Chairman. So many questions. Since we're on health facilities and given the discussion we've just had, I'm interested in a bit of discussion on the functioning of the department as a sort of centralized design and centralized infrastructure system for such a diverse range of facilities: hospitals, schools, universities, seniors' lodges, courthouses, and so on. I know it used to be that in the department of health there was actually in that department a design branch. I can't remember what it was called, but they used to have a design branch, and they had very specialized knowledge, specifically on hospitals and health facilities. They didn't have to worry about courthouses or anything else. When you have to worry about all of that range of things, how do you handle things like design concepts, functional design, those early stages of design in your department? Do you have people on staff who have knowledge of courthouses and knowledge of hospitals and knowledge of on and on, or do you contract that out?

MR. LUND: That's a very good point because it's one that of course we're wrestling with, as you clearly identified: the broad range that we now deal with. But when you look at particularly the Capital region and the Calgary region health authorities, they have that expertise on staff. The larger school boards have it on staff. So we rely very heavily on those folks, but a lot of it is contracted out to consultants. They use consultants as well as ourselves now. Malcolm or Eric can elaborate on the extent of that.

MR. McGHAN: I'm not an architect, so . . .

MR. LUND: Yeah. We brag about that. We don't hold it against him.

MR. JOHNSON: Thank you. As an architect, Mr. Chairman, we have resources in-house that look at the technical side of all buildings, whatever type: courthouses, hospitals, schools, and so on. So we have an opportunity at the design stage to review, with the design standards that we have established, with the private sector the quality of design, the cost of design, and the functionality of the design.

As the minister says, we do rely heavily upon expertise for certain types of functionality, whether it's courthouses with Alberta Justice or the design of health care facilities with Health and Wellness. In the case of the health boards obviously the larger ones do have that expertise, as the minister says. The smaller boards, be they school boards or health boards, need some assistance, and we find that with consultants for them or help them find that. But on the technical side for building construction, the building systems, we have a lot of that in-house, again looking at also using consultant resources where applicable. So it's a mix of in-house resources, using the best expertise in the province, and finding that and making it available to the boards who need that service and that resource.

DR. TAFT: I'd be interested in the Auditor General's comments on my supplemental question. I'm wondering about a cost-benefit analysis of this whole system. Going back 15 years, for example, there was one group of people in the department of hospitals who handled design issues. Today, as you've said, there's a group in Capital health, there's a group in Calgary health, maybe groups in other health regions, and then there are consultants and there are your folks. If we duplicate that set of questions for courthouses, which are fantastically complex buildings, for university structures and on and on, I'm wondering if we haven't created a far more costly and complex system than we used to have, where there would be a single point in the province for hospital design and a single point somewhere else for courthouse design. Has there been any cost-benefit analysis or is there any considered of this way of handling public facilities?

MR. DUNN: I'll let you go first, and then I'll . . .

MR. LUND: Okay; that's technical. I'm sorry.

MR. McGHAN: Thank you, Mr. Chairman. I'll just jump into this. With a courthouse you would build one in 50 years, so I don't know that you'd ever want to have anything in the bureaucracy. We haven't built major hospitals in quite some time. So I think to answer your question directly – has there been a cost-benefit analysis of whether we should do an in-house or we should hire expertise from outside? – the answer to that would be . . .

DR. TAFT: Do you want every regional health authority, every major one, to have their own design system as well as yours, as well as consultants?

MR. McGHAN: To answer your question if there has there been a cost-benefit analysis completed, I would have to answer: a formal one, most likely not. But to assume that you would have within government the expertise to handle every type of situation seems to me certainly not to be the trend. We're trying to get closer to the health regions, to the boards of education so that they have more

opportunity for input as long as they meet certain standards that we've established, both on cost and construction, and to allow the expertise from the private sector, who really know how to build schools and how to build hospitals, an opportunity to work more closely with those boards and regions.

MR. LUND: When you asked whether we thought it would be the right thing to have the major boards, whether it be hospital or health or school, have that expertise in-house, to that I would say no. I think we could end up with a duplication, then, if we urged them to go that direction where they would have that expertise.

It's interesting talking to the private sector. This whole delivery, whether it's education or health, is changing as things go on, and the buildings, the facilities that we provide have to reflect some of those changes in the delivery system. I hear comments from the private sector saying that often we're behind, that in fact the private sector is ahead of us. They're out there doing and dealing with this sort of thing all the time. So, personally, I think we need to tap into that expertise. We need to make sure that we're using consultants that are up to speed with what's happening around the globe, not just here in Alberta, because these things are changing. We're seeing it big time with the comments that are coming on the courthouse.

THE CHAIR: Thank you.

MR. DUNN: Just to supplement there, because I think you've had your question answered. Indeed, I think today you want to get closer to the users of the actual facilities. A criticism in the past has been that facilities have been built by those who don't occupy, use, and conduct their business out of there. Therefore they are design engineers; they aren't doctors and teachers and this type of thing and don't realize what is changing in today's technology world. In my experience in my private-sector life I was aware of some large organizations that had built up some very, very centralized types of design construction groups, and once they had gone through the project and completed it, they had difficulty unwinding it. I think the private-sector/public-sector partnership arrangement is probably the best model to follow.

However, in direct answer to your question here, I'm not aware of a study that has actually been conducted to see what is the best balance, because obviously you can't abandon the whole of the public sector or the private sector. There has to be a control and project management oversight by the public sector, but you can't end up having one group that can do everything for everybody at all times. It's just impossible to maintain that skill set also.

DR. TAFT: I probably didn't communicate very clearly. That's all right. Go ahead.

THE CHAIR: Thank you very much, Mr. Dunn.

MR. OUELLETTE: Good morning, Mr. Minister. I'm looking at page 78 on your plan here, and I'm down at the Swan Hills treatment plant in your annual report. It showed that you originally went for \$20 million in your estimate, and then you had to get another \$9 million. What are we really actually doing with that plant? What are our long-range future plans, and where do you think we're going with budget size in the long term?

9:10

MR. LUND: Well, as I indicated in my opening remarks, we've been asked to make sure that plant continues to run, so as a consequence – and now we're getting outside of '01-02 – first, we

put out a call for proposals, thinking that we possibly could sell the facility. That was a failure. We then put out a call for proposal to have a long-term operator. We got four companies that put in proposals. One was very similar to what we currently have got, where we simply have hired an operator, but three were reasonable proposals. We evaluated those proposals using outside people as well, not just internally, and determined that a company called Earth Tech had the best proposal. We are currently dealing with them, based on their proposal, to have them contract the operations. Hopefully, we can move it out so that we are not providing a subsidy to that plant.

MR. OUELLETTE: Thank you.

THE CHAIR: Do you have another question at this time?

MR. OUELLETTE: No. That's fine. I kind of wrapped both of mine up into one there.

THE CHAIR: Okay. Thank you.

Mr. Mason, followed by Mr. Broda, please.

MR. MASON: Thank you very much, Mr. Chairman. I also wanted to ask about the Swan Hills plant because I followed some of the questions in question period and the answers with some interest, and I see a little bit of validity on both sides of that question.

I guess my question is: is this the right plant for Alberta's needs today? Is it the right size? Is it the right technology? Is there a plan that sort of aligns it with the needs of, say, the oil and gas industry or the chemical industry or whatever the requirements are in Alberta? That's really the question: should we really be putting more money into this thing, or should we just write it off and start from scratch?

MR. LUND: Okay. That's an interesting question. As you probably know, there are two kilns in that plant, and currently we're only operating one. Part of this proposal that came forward may see, with no government money and no taxpayers' dollars going into it, the firing up of that second kiln. That could be the key to making that plant totally self-sustaining. We don't know whether that's going to happen, but there is a potential there. Is it the right size? No. I guess if you were going to build a new plant today, you wouldn't build two kilns. Perhaps that one we're using is even somewhat oversized. But to scrap it and now start over, no; that would cost far more in the long run than to operate what we've already got.

It was really interesting. The one company that was in on both of the calls for proposal constantly commented on that plant being a state-of-the-art plant, and this was a multinational company. They have plants all over the world. They were so impressed with that plant, the ability of the plant. As a matter of fact, they made the comment that there's no plant like it North America as far as its ability to treat hazardous waste.

Treating hazardous waste is not a cheap operation. As a matter of fact, to do it right is very expensive. You know, when you look at what that plant has done, it's treated over 100,000 metric tonnes of waste that was generated in Alberta and has cleaned Alberta out of PCBs, so it has done fabulous work for the environment. If we are going to continue to grow our petrochemical industry in Alberta, you are going to have hazardous waste, to say nothing about some of the smaller wastes that it handles like pesticides and drugs and some of those that are generated that have to go somewhere. I'm sure you remember as a city councillor the problem you used to have with people dumping drugs that ended up in your wastewater treatment

plant and caused problems. As a matter of fact, when I was Minister of Environment, I remember talking one time with one of your engineers, and he was really concerned about what was ending up in your waste treatment. That doesn't end up there anymore because of the drug roundup program and those kinds of things.

MR. MASON: Thanks, Mr. Chairman. Well, just on that, I think if you take the drugs, they end up in the wastewater treatment plant. So, you know, that's a problem that's not going to go away.

But maybe for my supplementary, Mr. Chairman, to the Auditor General: have you and your department had an opportunity to look at the Swan Hills plant and to determine if it's the cost-effective solution to Alberta's environmental needs? Is it the right size? Is the technology modern enough? Is it flexible enough? Is it the best return for taxpayers' money that's possible?

MR. DUNN: I'm going to look for some assistance here from one of my colleagues to see what we have done in the past. I'm not aware of us doing a special study around the Swan Hills plant, but, Ken Hoffman, can you help us here?

MR. HOFFMAN: Yeah. We did a review of the cost of the plant several years ago that you're probably familiar with. We've not looked at the management system that they would have to assess the effectiveness of the program, because that's what you have, a program to eliminate waste. When we look at that, what we'd be interested in is: do they have a system that lets them know whether or not it's the most cost-effective solution? We've not actually done that, and we don't have a comment in any annual report, for example, that I recall on that subject. So the answer is no.

MR. MASON: Perhaps we should.

MR. HOFFMAN: Yes, that's a fair point.

MR. MASON: Thank you, Mr. Chairman.

THE CHAIR: Mr. Broda, followed by Ms Blakeman, please.

MR. BRODA: Thank you, Chair. I'd like to compliment the ministry in the work they've done. It's a very complex ministry. A lot of pressure is put on you, and I think you've handled it really well with the resources that you have available.

However, I'm looking at the annual report of the ministry. On page 78 when we look under the unexpended and overexpended line there, I'm looking that you have about \$4.7 million broken down into \$2.4 million in operating expenses and \$2.3 million in capital investment, and that's an overexpenditure. Could you explain that one to me?

MR. LUND: I have to find it first.

MR. BRODA: Page 78 under the very top columns, where you have roughly \$2.4 million in operating expense and \$2.3 million in capital investment overexpenditure.

MR. LUND: Go ahead. I'll get our financial guru to answer that one.

MR. BAUER: Okay. The overexpenditure both on the operating and capital side is attributable to two things essentially. There were some information technology upgrades that were required that had not been anticipated or budgeted. As well, as you're aware, with the

ministry support services some of the corporate functions were shared between Transportation and Infrastructure. Part of the splitting of those two departments resulted in the budget for Alberta Infrastructure being slightly lower than what was really required to operate that. So really those two factors had contributed to that.

MR. BRODA: Okay. I guess my supplementary question basically has been answered with your answers.

9:20

THE CHAIR: Thank you.

The chair has received notice from some members of the committee that they're having difficulty hearing the answers and the questions. If we could be more considerate of the members of the committee and the Auditor General and the staff of the ministry, I would be very grateful.

Ms Blakeman.

MS BLAKEMAN: Thank you. I'm returning once again to the Auditor General's recommendation 28, about strengthening the contract management process. In particular, again I direct your attention to page 158 of the Auditor General's report, and this time I'm looking at the paragraph numbered 4, around the contracts containing measurable performance targets: "The Ministry does not formally evaluate consultant or contractor performance, though it informally considers previous performance as a factor." Inside of the fiscal year that we're examining, how does the ministry determine whether or not to hire someone for a second time if they have no performance measurement in place? How does the ministry go about that decision-making? They just automatically award it to the people that had it before because they had it before? If there's no performance measurement in place, how do you do it?

MR. LUND: Well, I'll get the deputy to respond to that.

MR. MCGHAN: Thank you, Mr. Chairman. In response to the question, absolutely not. The Department of Infrastructure has professionals – architects, engineers, finance people – and certainly with their reputation as professionals the underpinning of that is that they make good decisions. They certainly don't award and reward the performance of not meeting time frames on construction, going over budget, and things of that nature. So whenever we're issuing contracts and considering that somebody should get a contract, consideration is always given to past performance and whether or not they dealt with the terms of reference of the contract, whether or not they constructed it or finished it in a reasonable time frame that was suitable and satisfactory, whether or not they were on budget, the working relationship between the contractor, consultant, and the department. Those kinds of things certainly, when contracts are being considered around the table with the professionals, are all taken into consideration.

I may add that in the future we are starting a process where we will have, for lack of a better description, a report card on consultants and contractors. It's something that we're looking forward to in the future, and we will be assessing a number of those things that I've just shared with you in a formal sense so that we have that. We will be sharing that report card with the contractor and consultant at the conclusion of the work. So certainly that will be in place prior to future contracts being awarded.

MR. LUND: I think it goes even beyond that. In the criteria that we've currently set out, we're looking at familiarity with an existing facility or the project or the program, the overall experience of the

firm, the past performance of the firm, capacity to handle the assignment, the proximity of the project location – for example, if it's a Lethbridge consultant for a project located in Lethbridge, that would make a lot of sense – the number and size of other recently awarded contracts. The intent is to ensure a fair distribution of work among qualified firms. Those are the kinds of things that we look at before we will award a contract. Price, of course, is part of it.

MS BLAKEMAN: Okay. So you are evaluating informally, and you're using the professional expertise that is in your department. It sounds like you're developing some criteria. What I'm trying to get at here is: how do you establish consistent standards to evaluate different firms, for example, if they're working on the same kind of projects and if you don't have any written performance measurements so that they can be applied against company A and company B, both doing whatever category of infrastructure you want to pick? How do you have consistent standards to judge between the two of them if there are no written performance measurements? Now, it sounds like you're developing some sort of criteria because you were reading out of a book there. So is that criteria on its way to becoming published and distributed, or is it on its way to becoming a performance measurement, or do you continue along the informal process you've got?

MR. LUND: The reason I was reading out of a book is that I didn't want to miss any of the criteria.

MS BLAKEMAN: Oh, no, no, no. That's good, though. It's written down.

MR. LUND: Yeah, but I think what you're suggesting is that we have this all in a written form, and we'll take that under advisement. Right off the bat I'm not sure whether that's the right way to go, but we'll have a look at it. Thanks for your advice.

MS BLAKEMAN: Okay.

THE CHAIR: Thank you.

Mrs. Jablonski, followed by Dr. Taft.

MRS. JABLONSKI: Thank you, Mr. Chairman. Well, good morning, everyone. Before I ask my question, I'd like to thank the Minister of Infrastructure for financing the design and construction of this room. I spent most of my summer here . . .

MR. LUND: Yeah, so did I, Mary Anne.

MRS. JABLONSKI: . . . with the FOIP committee and the health committee on collaboration and innovation. I find it to be very comfortable and cozy. It allows you to look each other in the eye rather than having to strain to see each other across the Chamber floor. The acoustics are wonderful as well. So thank you very much for that.

Mr. Dunn, I'd like to thank you, too, for your comments about the users of buildings making comments about their practical design for their use. This is a comment that I've heard frequently from the nurses at the Red Deer regional hospital, and I appreciate your insightfulness on that one.

Now, my question. On page 161 of the Auditor General's report he recommended that Infrastructure

obtain sufficient accountability information from post-secondary institutions (PSIs) to allow it to evaluate whether progress is being made in reducing critical health and safety needs relating to

facilities.

This was also a recommendation in 2000-2001. How are critical health and safety needs for postsecondary facilities being addressed?

MR. LUND: Of course, one of the things that we are very concerned about in all of the structures that we are responsible for is the health and safety of the people that are working in those and of the public that is using those facilities. As a matter of fact, it's quite interesting when you look at the number of people that use our facilities in a day. It's somewhere around 800,000 Albertans that would be in or use a structure that we're responsible for. So, of course, the health and safety of those people is extremely important and is one of our top priorities as we look at the work that we need to do.

Now, as it relates to the postsecondary institutions, we have the IRE program, which is similar to the BQRP program in schools, where we give the postsecondary institutions a block sum of money to do their modernization and, well, their little bit more than just normal maintenance. We've done that comprehensive evaluation of the structures, so through that process we learned a lot about the facilities. Now we are asking the postsecondary institutions to give us a complete breakdown of where the IRE money went, and part of that will be to make sure that they are using it as it relates to health and safety of the buildings, not to protect the buildings but to protect the people that are using them.

MRS. JABLONSKI: So Albertans can be confident, then, that the health and safety needs for most of our facilities are being taken care of?

MR. LUND: Well, it's a high priority of ours, but as our structures get older, you know, we're hearing more and more about things like mold, and that is a grave concern of ours because, well, it's something that we believe in a lot of instances could be prevented by the proper maintenance. That's one of the reasons we're asking, like with the IRE fund, to make sure that they are using those funds in those areas if there is a problem. But with air exchange some of the old mechanical systems are starting to fail on us and, of course, you don't get the proper air movement. With those kinds of issues that we hear from schools, where children are claiming illness, as soon as there are any of those kinds of complaints, we do a complete air analysis and have a check done because it is critical that people don't get sick because of the air and what's in a building.

9:30

MRS. JABLONSKI: Thank you very much, Minister.

THE CHAIR: Thank you.

Dr. Taft, followed by Mrs. Ady.

DR. TAFT: Thanks, Mr. Chairman. The Auditor General raises questions or makes recommendations on conflict of interest. I'm on pages 159, 160 of the Auditor General's report. I think we're all aware of at least one case of fraud in the department and in the same case an investigation into contracts being issued to a company that didn't do the work and in fact turned out to be a company that had been struck from corporate records and continued to get contracts. So it seems like a fairly urgent issue. What reassurance can you give us that there aren't other companies getting contracts under similar circumstances?

MR. LUND: We will not refer to the incident that causes us a great deal of heartburn because it is before the courts, so I don't want to go there, but we will make some comments relative to what we have

done to try to make absolutely sure that this kind of situation doesn't happen again. Part of that, of course, was dealing with procurement cards. Actually, procurement cards were something that I promoted when I was in Environment, because out in the countryside and in the area where I was most affected, forestry, the merchants in the communities absolutely hated the process that we used to have, where you'd come in and you'd get a purchase order. It might be for \$15, and they've got to go through a bunch of paperwork. When I analyzed it within our own department, we found that we were spending a lot of money handling those little bills that were coming in, then issuing the cheque and all of that. So we went to the procurement card thinking that that would be a way of getting somebody else to do the book work, and it works and the merchants like it. Unfortunately, you sometimes have people that don't appreciate what it is you're trying to do in trying to help them, and they abuse the system.

So under the direction of the deputy we have gone and looked at everybody that has a procurement card. Is it necessary for them to have a procurement card? Then very strict guidelines, where it can be used and what it can be used for. So I believe that we've got a good handle on that particular situation currently.

As far as the contracts I'll have the deputy talk to the other things that we've implemented to try to make sure that this kind of thing never happens again.

MR. MCGHAN: Thank you, Mr. Minister and Mr. Chairman. We have in place a contract review committee in Alberta Infrastructure, which has as committee members the two assistant deputy ministers, the executive director of the technical services. Now that Mr. Bauer has joined the organization as an SFO, he will likewise be sitting with that group. It's my intention that all contracts – and we're currently reviewing the approval matrix in Infrastructure – will pass by and through the contract review committee to make sure that a number of things that we've already discussed this morning about the appropriateness of the contract and the work and the qualifications of the contractor but also a number of the other control measures that you're pursuing are in place before the contract is actually issued. So certainly those areas are going to be tremendously more tight, and there'll be tremendously more control than what there's ever been in the past.

THE CHAIR: Thank you.

Mr. Dunn.

MR. DUNN: Yes. I just want to confirm to the committee first and foremost that we'll be following up this recommendation with the department, but I also want to go on record that the department took this recommendation very, very seriously. Although we haven't done our follow-up with the department and all other departments, what the early indications are is that this department is onto it, and they may be developing what we might be looking at as best practices around this whole area, certainly the area of procurement cards, although this wasn't specifically dealing with procurement cards, and making sure that there's a good business case and rationale behind those business cards. That's something which I've been promoting in the different departments and ministries they're going to, and I'm glad to hear what the deputy minister and minister have just said there.

But the other area that we talked about here was looking at both the employees and the consultants and disclosing any conflicts of interest. One of the concerns you always have is that employees will be turning over and that everybody, first and foremost, understands that there is a code and, secondly, acknowledges in writing – and

we're suggesting that it could be done at the annual evaluation stage – that (a) they've got it and read it and (b) that they understand that there's no conflict and also that consultants do the very same thing in order that consultants disclose if they have any other investments in what might be other suppliers to Infrastructure. Architectural design organizations can also have investments in construction companies, and we want to make sure that consultants do not end up in a situation where there's a conflict in self-dealing. I believe that's what the department is also addressing at the same time.

MR. LUND: Yes. As a matter of fact, on a number of cases we've followed up where we're looking at hiring a consultant, we actually go to the Ethics Commissioner and check whether in fact that individual would meet the test. So we're taking this recommendation very seriously as well. It's something that we can't have. We just simply can't allow there to be a conflict of interest.

THE CHAIR: Thank you.

DR. TAFT: I take some reassurance from the comments here. I must say that I was surprised when I read the recommendation that we are still at that point in this year, and it seems to be one that should be able to be implemented quite effectively and quite quickly. So I'm looking for some comments on how quickly this will be done. I mean, do you have a time frame? Will this be done by the end of this fiscal year, and if not, for example, why wouldn't it be?

MR. LUND: Was there a specific . . .

DR. TAFT: I'm talking about the Auditor General's recommendation 29 on page 159 requiring employees to understand and agree to the code of conduct and ethics and so on. That should be an automatic.

MR. LUND: Yeah, it's done.

DR. TAFT: It's done?

MR. MCGHAN: It'll be in place.

MR. LUND: It'll be in writing, but we're implementing it as . . .

DR. TAFT: Okay. So by the end of this fiscal year this recommendation will be enacted? You're on record saying "yes"?

MR. MCGHAN: Absolutely.

DR. TAFT: Absolutely. Good. Fantastic.  
Thank you.

THE CHAIR: Thank you.

Ms Ady, followed by Mr. Mason.

MRS. ADY: Thank you. I don't want to surprise or shock you, but I wanted to refer to schools. I wanted to begin my comment/question by referring to page 23 of your annual report, where you list new schools, and I just wanted to point out the new senior high school in south Calgary, which is now fenced and stripped and looking really good. I wanted to thank the Department of Infrastructure for that one thing on page 23, but that's not my question.

9:40



I'd like to actually flip over to page 24, where it talks about the Symposium on Schools. This is in your report. It speaks to the Symposium on Schools. I had the opportunity to attend just small pieces of the Symposium on Schools, but the one thing that was of great interest to me that I wanted to refer to today is also in the Auditor General's report, and it's on page 163. I know that this was one of the sections that got discussed quite extensively at the symposium and that you have a capital planning initiative committee at work on the P3. In that, you have several bullets of things that you want this committee to report back on when it's developing guidelines. I was quite interested in some of those areas. In the P3 arrangement they would have to go out and have a business case that analyzes the cost benefit and the risk and demonstrates strategic alignments. I guess I'm curious as to whether those things have been developed yet and what the time line on the offshoot of this recommendation is and whether we're getting closer to it. Do we have a plan? Do we have a way that we could send it out into the general community and say, "This is what we think a P3 is and what you would have to do in order to align yourselves with what we're looking for"?

MR. LUND: We're committed to doing a cost-benefit analysis, which is one of the things that's mentioned in the Auditor General's report, before we would proceed with any of these. Quite simply put, that would identify whether, in fact, that particular proposal would be one that is in the best interest of the custodians of the tax dollars of Alberta. This is really important because I believe a lot of people have got a misconception of what a P3 is, a true P3. If it's just simply a way of financing something and changing the cash flow, then let's identify it as that. Certainly that would come up.

One of the things that I would be very interested in from the Auditor General, and that I asked the former Auditor General that was on the commission, is: what is it worth to government to off-load the risk? It's worth something, but I don't know what that number is. Certainly, sometimes you hear comments that it could be up as high as 4 percent, but I don't know how we arrive at that particular assessment. That's something we're going to have to deal with when we're trying to do a cost-benefit analysis, because certainly in some cases you may not off-load all of the risk.

In my opinion, a true P3 would be a situation where you would have a developer that would finance, build, operate, and own a structure, and whatever it be from government would be the anchor tenant, if you will. Now you've off-loaded all of the risk, and if we were the anchor tenant, then you assume that you're going to get somewhat of a reduction in the lease fees over time, but you're going to have to pay some kind of a premium somewhere to off-load that risk. Now, what is that premium? How much premium can you pay? Then there are other forms where we simply buy over time, and there once again you're not off-loading near the risk. You're off-loading some risk, but you're not off-loading all of it. So what's that worth?

We've got quite a bit of work to do before we can truly analyze a P3 that comes up. Some of the P3s that we have out there right now, particularly in the long-term care type facilities, are somewhat different inasmuch as the third party, the nonprofit organizations like Good Sam or Bethany Care – those are the two major ones, although Caritas is doing something here in the city and there are a couple of others in Calgary – usually is owning something on the site, owning and operating. It's not that we're the anchor tenant. We're not even a tenant in some of those. It's a housing project that we're not part of, but it's situated adjacent to us, so it's called a P3. It works. It's working well. But that's just a different concept of a P3.

MRS. ADY: As a supplemental, has the Auditor General done any analysis around this? Have you guys been able to come up with this risk factor that he's discussing?

MR. DUNN: Well, actually, no, we haven't done any analysis yet, but that's something on our plate for this forthcoming year.

Just as a supplement to the minister's comment, one thing we must remember is that we may be talking about off-loading risk, but with risk goes reward, and when you off-load some of the risk, obviously the other side of the partnership wants reward back. So if we give up two things, (a) we give up some of that reward, but (b) we might also give up control over the facility or the organization. That's something we want to look at, making sure that there are proper guidelines drawn up to measure both the risk that is being shared and off-loaded but also the reward that is given up for that.

I don't want to go on too long here, but if we look at our jurisdiction, nobody, any other province or the federal government, is in as strong a financial position as our own jurisdiction. If we are looking at nothing other than really an alternate financing arrangement, you really question: is that alternate financing much more expensive? Most people would realize that if you go into a lease arrangement, you're going to be paying more than if you have a direct purchase arrangement. Something that we want to look at to see if there's a proper business case analysis around any P3 arrangement that is struck is: has it really made good sense for Alberta? It might make very good sense for another province which is not in the same financial position we are. It might be a good arrangement for them, but it may not make good sense for Alberta. So we'll be looking at this whole area this forthcoming year and coming out with comments on that.

MRS. ADY: Thank you.

MR. LUND: That fits right in with what I was saying. On the reward side it's quite interesting when you get into long-term operating. I guess I don't understand why we want to operate a bunch of buildings, and the reason I say that is that I know there are professional people and that's their business: they operate buildings. I guess the one that I always point to is show me one major company, particularly when you deal with the oil companies in Calgary, that operates any of their buildings. As a matter of fact, very few of them own their buildings, but they certainly don't operate them.

Now, there's a reward for us, I believe, in many cases. But if you even take it further, if you say to the private sector, "We need so many square metres of space for 25 or 30 years; you build, own, and operate that facility," guess what? They're going to build that facility so that it's the most efficient way as far as the operation is concerned. It's going to be the most efficient that they can possibly build because it's in their own best interest to do that. But if we build it and then just lease buyback, well, then we've got to have a lot more control up front – a lot more control – because we aren't necessarily going to get a building that's going to last for a long time and be the cheapest to operate.

Now, we've also got to talk about the functionality, but that's another . . .

MRS. ADY: Subject area.

MR. LUND: So these are not simple I guess is the point I'm trying to make. A P3 is sometimes held up as being the panacea. Well, watch it. It might not be.

MRS. ADY: Do I have one more supplemental?

THE CHAIR: That's two.

MRS. ADY: Oh, you only get one supplemental?

THE CHAIR: Yes. That was two questions.

Mr. Mason, followed by Mr. Hutton.

MR. MASON: Thanks very much, Mr. Chairman. I'm going to avoid the temptation to talk about my experience with P3s, but I want to go to something else that I think is even more important.

The minister in his message at the beginning of the annual report talks about how at the top of the list of future challenges is the problem of "aging infrastructure and the backlog of deferred maintenance." He talks about the fiscal restraint policy, which meant deferring \$400 million worth of capital projects. I guess I'm wondering: what has the department done in order to scope out the nature of that problem, to make plans to deal with it, to identify the magnitude of the dollars and what years they're going to be required? It sounds to me, based on the little that I know, that it's probably an enormous challenge not just for your department but for the whole government, because everything was built for the baby boom, and we're all getting a little creaky, including everything that was built for us.

9:50

SOME HON. MEMBERS: Speak for yourself.

MR. LUND: Well, I won't enter into that part of it.

MR. MASON: Only for the baby boomers, not young people.

MR. LUND: I'm not going to comment on that, on your last comment, Mr. Mason, but this is a big problem for us. It's not only in infrastructure; you'll find it in other areas as well.

When you ask what we've done, one of the things – and this started in, I believe, 2000, or maybe it was in '99 – was an evaluation of all of the in excess of 3,000 structures that we were responsible for. That analysis revealed that to bring the structures up to 90 percent of their value, the bill would be very close to \$3 billion.

MR. MASON: Three billion?

MR. LUND: Three billion, with a B.

MR. MASON: As long as it's not a T.

MR. LUND: No, we're not there yet.

Of course, some of this in that number is not critical, but if you leave it too long, it becomes critical.

One of the interesting things that I found in there is that our mechanical right now would cost us in excess of \$980 million to bring it up to a number in the area of 90 percent of its replacement value. In the postsecondary institutions like the University of Alberta, when you look at the buildings over there, there's a very large percentage of them that are getting very old, and they're causing us a lot of concern, because once they start deteriorating, they'll deteriorate more rapidly. As a matter of fact, the industry, the private sector, tells us that we should be spending between 1 and 2 percent of the replacement value annually on preservation. We have about \$24 billion worth of infrastructure that we're responsible for, so you can see that we should be spending, if you split it to 1

and a half percent, in excess of \$350 million a year just in preservation. That's just in preservation. We're not even coming close.

If you look at our three-year business plan, you'll see that one of the things we've done this year – and I'm not exactly sure of the percentage, but right around 70 percent is for new, and on the projects that are currently under way, then 30 is for preservation. The second year out it's just about 50-50. The third year out is reversed, and we're putting the emphasis on the preservation because of the analysis that we've done and to try to get some of these structures back up to a reasonable level.

MR. MASON: For my supplemental, Mr. Chairman, to the Auditor General. I guess my concern is that in the rush to pay off debt we sometimes forget that debt can be in our physical assets as well if they're not maintained or replaced, a little bit like doubling up on your mortgage payments on your house but neglecting to repair the roof. It can threaten the value of your entire home. Have you looked at this in terms of how the debt in the infrastructure – that is, the things that have been deferred, that have not been replaced or have not been maintained – is balanced against the financial debt of the province? Do those things ever get taken together?

MR. DUNN: I'm not too sure if I can answer the taking together, but certainly we looked at the deferred maintenance. That's where we had reported on this in the previous year and then followed up in the current year. Indeed, we were very interested in how this information was going to be collected from all the various entities and facilities across the province. It was a very, very large task, and we understand that there's a commitment to have this all collected and tabulated by March 31, 2003. I believe that's still the time frame for when it will be collected.

Back to your question: did we rush at paying off our debt? That was the will of the people and the will of the Legislature. You produced an act that reflected the will of the people. What we have to look at is that we have cleared up the past. Now we have to go and look at this other deferred maintenance. As the minister has mentioned, it's not a small amount of money. It's something we're all going to have to focus on, and it's going to be somewhere in the neighbourhood of \$400 million to \$500 million a year if we wish to try to catch up. The province has brought the debt down to a manageable level, and now it must look at investing this. But we have not made that question, that balancing.

THE CHAIR: Thank you.

Mr. Hutton.

MR. HUTTON: Thank you very much, Mr. Chairman. We're dealing with Infrastructure 2001-2002, and I appreciate the minister and his ministry coming here today and spending their time with us as members. I'm just curious if there have been any inappropriate or unlawful requests or undue attempts to influence the ministry coming from the Member for Edmonton-Centre?

MR. LUND: I'm silent on that question. The short answer is no.

MR. HUTTON: No further questions.

MR. LUND: You said "undue"; didn't you?

MR. HUTTON: Yes.

MR. LUND: Okay.

THE CHAIR: We have time for one more question, I believe. Ms Blakeman, do you have a brief question, please, in light of the time?

MS BLAKEMAN: No. No, I'm sorry; I don't have a brief question. It was quite complex, so perhaps I'll submit it in writing to the minister in light of the fact that we've got three minutes left on the clock.

THE CHAIR: Okay. Certainly. Please feel free to do so.

With that, then I believe we will call a close to this part of the meeting. I would like to thank the minister and his staff and the Auditor General for coming before the committee today. I would like to thank the minister and his staff, in particular, and the Auditor General for their punctuality. The chair certainly appreciates that. We have limited time, and it is nice to get started at 8:30 in the morning. I appreciate that, and on behalf of all members thank you and the best to your department.

MR. LUND: Thank you.

THE CHAIR: The date of the next meeting is next Wednesday, December 11. Are there any other items of business? No.

A motion to adjourn? Okay.

[The committee adjourned at 9:59 a.m.]

