

## Legislative Assembly of Alberta

Title: **Tuesday, June 9, 1992**

**8:00 p.m.**

Date: 92/06/09

[Mr. Speaker in the Chair]

MR. SPEAKER: Be seated, please.

The Minister of Public Works, Supply and Services, please.

### head: Introduction of Special Guests

MR. KOWALSKI: Mr. Speaker, it is my pleasure tonight to introduce some visitors from a faraway land, visitors from the prefecture, or the state, of Hokkaido in the country of Japan. In 1980 Alberta and Hokkaido signed a friendship agreement twinning our two states. Earlier in 1992 Hokkaido and Alberta became the first two governments in the world to sign a protocol agreement of friendship to exchange volunteer information and to exchange volunteerism. We've had in Alberta since Friday last four visitors from the state of Hokkaido. The mission is led by Ms Michi Nagai, who is Director General of the Department of Human Services in the government of Hokkaido. In their system of government a director general is the equivalent of a minister in our system of government. Accompanying Ms Nagai is Dr. Yusho Miura, who is the president of the Hokkaido Volunteer Promotion Association; as well, Mr. Yoshiaki Noda, director for citizens' movements and sports events at the Department of Social Welfare & Human Services; and Mr. Kazuhiro Sato, who's with the social and cultural affairs division of the Department of Social Welfare & Human Services.

Mr. Speaker and members of the Assembly, this delegation will be leaving Edmonton shortly to go to Calgary en route back to Hokkaido tomorrow. I would like all of my colleagues to join me in welcoming them and bidding them a safe journey home as well.

### head: Committee of Supply

[Mr. Schumacher in the Chair]

### head: Capital Fund Estimates 1992-93

#### Advanced Education

##### 1 – Construction of Postsecondary Education Facilities

MR. CHAIRMAN: If the committee is ready, we will begin with vote 1. I would recognize the Minister of Advanced Education for the purposes of expanding on this vote.

MR. GOGO: Thank you, Mr. Chairman. With regard to the Capital Fund tonight, we're dealing essentially with just a few of the 27 board-governed institutions. With regard to vote 1 of \$76 million, which is a 49 percent increase over last year, I should point out to the committee that it deals with several areas. At the outset I should say that the Capital Fund, as most members would be aware, is used for bricks and mortar, which is obviously capital construction, but also for furnishing and equipment, including computers in the postsecondary system. I say computers; that would be sort of mainframe as opposed to other types.

The way the fund works is that buildings which should last 35 years are amortized over 35 years, and then each department – as members will see, we're dealing with seven departments – repays that capital portion over the life of the project or 35 years. In the case of Advanced Education we'll be paying back, as members may be aware from my estimates some time ago, out of the budget some \$15,500,000 for next year. That's about a million and a quarter dollars a month. In other words, the 35-year lifespan of

the building will be amortized over 35 years. When it comes to equipment, furnishings, and so on, then it's done over 10 years. In fairness it's like a highway. It's with use repaid over a period of time. Some people might think it's a sinking bond proposition; however, it's paid for annually out of this minister's operating budget to the tune of 15 and a half million dollars a year currently. Next year I don't know. This year it's 15 and a half million dollars.

Mr. Chairman, for the benefit of members – and it's not shown, although it's in the elements book of the budget, if members still have those books around – the breakdown of the \$76 million is \$31 million for Universities. Within that, I would just point out that Alberta leads the country in finding \$8 million to remove PCBs from the postsecondary system. No other province has ever done such a thing. One assumes that PCBs are dangerous; one makes that assumption. In fairness, it's a little bit like earth warming; it's on a computer. This year we've allocated \$1.8 million toward the U of A's removal of PCBs. In terms of sewer and water lines, \$2.1 million. The animal facilities, which hon. members will be aware made the news the other night, when those people supposedly out of kindness to animals caused no end of damage to these animals that are purposely raised for medical purposes – they're not animals off the street. Some of them have been there 10 years being bred. The organization, as certain members will know, came in last year – they're connected to the granting agency – read the riot Act, and as a result we've had to spend \$8 million to build a new facility. In this year's capital budget it's \$4.2 million. So the total at the U of A, Mr. Chairman, is \$8.1 million.

We then go to the University of Calgary. In terms of equipment in their business faculty, members know that in '89 we found \$6 million or \$7 million to put in a business faculty arrangement through the province. It's \$157,000. The big one is the professional faculties building on the U of C campus costing some \$50 million-odd, and this year it's \$22.7 million, for a total of \$22.9 million at the U of C.

So the aggregate in the Universities sector, Mr. Chairman, is \$31 million out of the \$76 million.

[Mr. Jonson in the Chair]

With regard to Public Colleges, the only appropriation in this year's capital budget is for Grant MacEwan's city centre campus, which was announced in '88 and should open in the fall of '93. That's a year and a half from now. There's \$45.3 million in the '92-93 capital budget for Grant MacEwan, and that's to be followed next year with about \$50 million, which should really wrap it up.

Finally, Mr. Chairman, to make up the \$76 million are the PAIs, which are the vocational colleges of the system. In this year's budget for AVC at Lesser Slave Lake, carried out by the Minister of Public Works, Supply and Services . . . [some applause] It certainly is heartwarming to hear the support for the vocational college in Lesser Slave Lake, which has 40 percent of the landmass and 6 percent of the people.

MS CALAHASEN: Ten percent.

MR. GOGO: Well, that's counting the immigrants from Ontario. I wasn't counting them.

Mr. Chairman, members will find this interesting. In case you want to raise questions, new campus equipment at AVC at Lesser Slave Lake is \$294,000. At Grouard, where the residences are, there's \$38,000 to fix them up. At Desmarais – for those who

have not been there, I would encourage a visit to Desmarais – there's campus equipment worth \$176,000. Then the latest development which is the Moostoos building has provision for \$75,000. So the total, Mr. Chairman, for the PAIs, Provincially Administered Institutions, is \$583,906.

Mr. Chairman, with regard to vote 1, the total is \$76,956,000, and that's how it's allocated between the two universities, Grant MacEwan college, and Lesser Slave Lake AVC.

If hon. members have any questions, Mr. Chairman, I'd be pleased to answer them.

**8:10**

**MR. DEPUTY CHAIRMAN:** The Member for Edmonton-Kingsway, followed by Edmonton-Gold Bar.

**MR. McEACHERN:** Thank you, Mr. Chairman. The minister started out with a bit of an explanation of where and how you could find the dollars, and I want to follow that up a little bit. If I understood him right, he said some \$77 million expenditures here in postsecondary education facilities being almost a 50 percent increase over last year. That comes out of the Capital Fund as opposed to the General Revenue Fund. Now, I've done a little looking at the Capital Fund and tried to figure just where things are coming from here. The Capital Fund, as I understand it, has an unmatured debt of \$1.44 billion in total as at March 31, '92. Yet if you look in the budget speech book you find that the Capital Fund shows – on page 5 it's \$336.6 million for expenditures – \$252 million instead of \$336 million. I think I've figured out the explanation for that. You have to go, I believe, to page 53 and look at the Capital Fund revenue and expenditures, and the contributions from the General Revenue Fund for principal repayments is \$84 million. I'm asking the minister to confirm this with me. I was hoping the Treasurer would be here to follow these tortuous numbers through and explain. If you take the \$336 million planned expenditures and subtract the \$84 million repayment on principal, you then find that your net cash requirement for the Capital Fund this year is \$252 million.

Now, the education department would have its share of that. It would be the \$77 million as opposed to the \$336 million, and I believe you said that this money is amortized over 35 years. Now, is that true for all of the expenditures in the Capital Fund or just in education? I mean, if we're going to vote these things, it would be nice to know how they work, and you said that the postsecondary education facilities capital expenditures of \$77 million were amortized over 35 years. I just wondered if that applied also to the others. You can perhaps answer that later.

What I've been trying to arrive at is the debt servicing cost of education, and I believe you said that it was something like 1 and a quarter million dollars a month, which would be about \$15 million a year. I looked for that number, and I found it in the Advanced Education expenditures, page 3, at least I think it is, Postsecondary Institutions – Capital, vote 2.8.1, Capital Construction – Principal Repayment, \$15.4 million. Now, there is also there Capital Renewal Funding for \$32.3 million, and I wonder if the minister could explain that. It makes me wonder if the \$15 million was straight against the principal, although I thought he had indicated that it was a combination of principal and interest. So then I wonder what the \$32 million is. Although it does seem to me that maybe that \$32 million is Advanced Education's share of that \$159 million, the debt servicing costs indicated on page 53, the global figure for all these Capital Fund expenditures. I would hope that the minister can follow all that and explain.

What those questions point out and what is really being asked here is for a clearer explanation from the government as to how

this is set up. Now, I talked to the Treasurer about this before, and I do sort of understand the logic of why he split things up. What everybody has to realize, if you're going to understand what's going on here, is that the Capital Fund expenditures are supposedly for new major projects, whereas the budget book has two parts to it: it has the operating expenditures and what they call capital expenditures on page 11, for example, of the main budget book. Now, the way I understood it from the Treasurer, those capital expenditures are more in the nature of repairs and sort of upgrading and minor adjustments to a whole range of things, so it ends up a lot of money, \$980 million – nearly a billion dollars – much more, in fact, than the Capital Fund expenditures themselves, which are \$336.6 million. So what we're really looking at here is a way of breaking down the budgetary expenditures of the government. We have the operating estimates, the repairs and upgrading sort of estimates called capital expenditures in the regular part of the budget out of the general revenue account, and then we have the Capital Fund, which is different again and kept separate from the general revenue account.

I'd like to also point out to members of the House that we also have another category of expenditures, and that is the heritage trust fund. It doesn't happen that the heritage trust fund has expenditures in education, but when we get down to health care, if we were going to look at health care in a comprehensive way, it would be fair to look at all four of those categories to decide what's happening in health care, because there are health care expenditures under the heritage trust fund.

Then the other thing that I want to point out is that there's a problem with trying to account for the deficit as a result of these expenditures. Not only is it hard to try to figure out what the interest payments are on these borrowings that pay for these capital expenditures that we're discussing tonight, but it's also hard to figure out how they fit in the Treasurer's overall budget pattern. It takes a Philadelphia lawyer. I've had five or six years now at figuring them out, and I think I've got it straight.

Just to indicate how convoluted it is, I said a minute ago that we have the operating expenditures of the general revenue account for the repair and upgrading expenditures, we have a Capital Fund as separate and different from which there are capital expenditures, we have a heritage trust fund from which there are sometimes expenditures in different categories that may overlap, and then we have other things like commercial entities, provincial agencies, revolving funds, the school foundation fund, health care premiums, royalties and royalty rebates: a whole series of other things that the Auditor General counts in terms of what goes in and what comes out of the coffers of the province. In fact, we even have in this particular year \$300 million from the Alberta Municipal Financing Corporation that the Auditor General keeps track of being transferred from these other categories into the general revenue account and then claiming it as a new source of revenue.

It's no wonder that the people of this province have a heck of a time trying to figure out what expenditures fit where and how they're accounted for and what they add up to in the end. For instance, in this year's budget the Treasurer tells us that he's got a stimulative budget that's going to spend \$2.3 billion more than the revenues of the province. He said: well, last year we failed to balance the budget; we had a \$1.6 billion deficit. In fact it's going to be more than that on the consolidated basis. Then this year he said: okay, we've got a \$2.3 billion deficit. But in fact that is not correct because when you add in the Capital Fund, you don't get another \$336.6 million, which is shown here, you get \$252 million more because of the way they've handled it in the Capital Fund. You can add on another \$102 million for the heritage fund, and then you've got all these other things to worry

about that I listed off a minute ago, as to how they will balance out. You have to admit that the Treasurer has given us no indication whatsoever as to how they will balance out.

8:20

Now, I remember when we talked about the deficits and that sort of thing. The Treasurer likes to, you know, jump on Ontario and say: oh, well, you know, theirs is much bigger. We of course exploded that myth and did some dividing and said that per capita it's not bigger. At least the thing about the Ontario budget, the figures we were given, was that it was a consolidated deficit figure. When they said that it was going to be \$9.7 billion last year, they really meant everything. It turned out to be \$10.7 billion; they were \$1 billion short in their estimate. This year they've said that it's going to be \$9.9 billion, but again that's the whole consolidated ball of wax.

I understand the Treasurer's thinking when he separates out the Capital Fund expenditures from the Capital Fund, which I tend to now call repairs and upgrading of facilities after the way he said it, in the general budget. I understand that separation, because he can amortize the capital cost expenditures over a number of years whereas he doesn't choose to do that with just updates and repairs. Having done that and having said, "Okay, there are these parts to the budget," what I do not understand, Mr. Chairman, is why the Treasurer doesn't then turn around and give us a consolidated statement in which he lays out how the Capital Fund expenditures fit into the overall pattern and give us an estimate of the consolidated deficit of the province. You know, in terms of the present postsecondary education minister's own estimates, educational institutions, the school foundation fund, which is one of the things that the Auditor General has to keep track of, would be an additional consideration when you're looking at education estimates.

I think it's incumbent upon the Treasurer and this government to come clean to the people of Alberta, put all those parts together somewhere near the end of their budget book and say, "This is going to be the consolidated deficit of the province this year." The way it is now, we have to wait a year to two years to get the Auditor General's assessment of what happened last year, and that is hardly fair to the people of Alberta. There should be some kind of, I guess you'd call it, an estimate or a guess by the Treasurer as to how those things will add up and what the final numbers will be.

I'll just give you a simple example on this year's estimates. The \$2.3 billion does not include the Capital Fund expenditures. Not the \$336 million; that shouldn't be added to it. No, the \$252 million plus the heritage trust fund expenditures, which takes it up to about a \$2.6 billion deficit. Then you look at this \$300 million that he's taken out of part of the assets of the province that the Auditor General wanted to keep track of, this \$300 million that he's taking out of the Alberta Municipal Financing Corporation, add that on and you're at \$2.9 billion, and you still haven't included some of the commercial entities – Lord knows that we've had trouble enough losing money there in terms of Myrias, MagCan, NovAtel, those kinds of things – the provincial agencies, school foundation, health care premiums, which don't pay all the costs of health care, as we know. All we get is the net from some of those put over into the general revenue account, and some of them aren't put over into the general revenue account at all, leaving us to assume that this year's planned deficit of \$2.3 billion, according to the Treasurer, is really going to be a full \$3 billion.

Now, it could be that for once he decided to be really honest with the people of Alberta and told them what he thinks is going

to really happen instead of trying to claim, you know, like he did last year, a balanced budget when he knew it wouldn't be. The reason I suspect that is because he said that he's going to give us quarterly updates. Of course, he'll want the quarterly updates to show that he's on target or even a little better than on target. In no other year did we ever get any update, period, except if he just sort of felt like it somewhere along the line on a rare occasion.

So, Mr. Chairman, the problem I have, I guess, with trying to debate the estimates on the Capital Fund is that the Treasurer hasn't really given us all the different parts and aspects of the expenditures in the different areas. Take Advanced Education, for example. His operating expenditures are \$1.024 billion; his capital for his repairs out of the general revenue account is \$51 million for a total of \$1.6 billion in the general revenue account. Then you have the Capital Fund, another \$77 million. We should be talking about \$1.15 billion in Advanced Education expenditures, yet nowhere does that number ever appear in any of the documents in the books of the province.

If you take health care, for example, you get a similar kind of false set of numbers unless you know how to dig them all out and put them all together. For example, in the general revenue account, the normal budget, health care operating expenses: \$3.517 billion. The capital part of that general revenue account, the repairs part or upgrading part: \$32 million for \$3.55 billion. Then you look into the Capital Fund, and you look up health care and you find \$175 million. Then you've got to go over to the heritage trust fund and find \$2.8 million. You add all this up, and you get \$3.727 billion, yet nowhere in the books of the province is that figure, which is the total amount spent on health care. Except I guess I forgot that in the heritage trust fund there's also another part where there's the educational scholarship fund. There's some more money that's spent on education, and it doesn't get included even in the figures in the sort of comprehensive analysis I was trying to give you.

I guess that's what bothers me about the way the Treasurer keeps these books. You try to figure out in each case what the mechanisms are for recording the interest payments on these debts, because this money is mostly borrowed. In fact there's \$1.44 billion of borrowings in the Capital Fund. A lot of that's borrowed through the Alberta capital bonds, which is a good way to finance it, but some of it's not, and some of those have been rolled over for the last few years from earlier capital bond sales.

What is hard to figure out is: how is the debt servicing paid for and where do we pass any kind of a rule indicating that the Assembly is authorized to pay for that debt servicing? In fact the only conclusion you can come to after going through the budget book and the expenditures and even the public accounts for previous years is that in fact no estimate is ever passed in this Assembly authorizing the expenditures not only of the interest payments on the Capital Fund nor do we authorize anything during the estimates to pay for the debt servicing costs of the general revenue expenditures. The only authorization given is a Bill later in the year that increases the borrowing power of the province.

Now, that seems to me rather remiss, Mr. Chairman, and I think the Treasurer should address that question. If we are going to pass estimates saying that we're going to spend \$336.6 million in Capital Fund expenditures in the next two or three days of debate, then we should also see how much that's costing us in debt servicing costs. There should be a vote and an authorization to pay for the debt servicing costs that go with that expenditure, and we do not do that. We do not even do it, as I said, on the general revenue account expenditures, which are much bigger. In fact the Treasurer has the general revenue expenditure debt servicing costs at \$1.25 billion.

8:30

Again, that was never put forward in a vote and never passed as a vote. So what we're really faced with is passing expenditures, knowing full well that the Treasurer is going to borrow some of the money to pay for those expenditures, yet we do not authorize in any way, shape, or form any amount of money in the estimates debates. There is no vote saying that we will pay X numbers of dollars or up to X dollars if necessary to borrow these dollars to fund the capital fund expenditures or the general revenue expenditures for that matter. So we wait for a few weeks until finally the Treasurer brings in his borrowing Bill, and it authorizes him to raise the borrowing power of the province from 13 and a half billion dollars, what, up to 16 and a half billion this year, because he's going to need \$3 billion more? Looks like it. I find that rather distressing. I'll stop at this stage and let other people ask questions about the education portfolio specifically, but certainly I have those questions on the record, and I would like some answer from the Minister of Advanced Education or the Treasurer if he would bring himself to come into the House and discuss the way in which he decides to fund these various expenditures and the debt servicing costs that go with them.

MRS. HEWES: I just have a few questions of the minister, Mr. Chairman. My recall is that last year during the capital estimates the minister pointed out that institutions were asking for new buildings while their older buildings were falling down because of deferred maintenance, and it's my understanding as well that the minister repeated this theme in some recent comments.

Mr. Chairman, the minister has also pointed out that he expects educational institutions to use other alternatives in the delivery of their activities, making use of new technology such as computers, telecommunications, videotaping, and so on. Well, I'm not just sure how these two things come together in this \$76 million. I thought the government had a funding formula for capital funding for educational institutions, but I gather that pretty consistently we have not been able to meet that formula so that the so-called maintenance that the minister refers to as being deferred never gets done and the equipment becomes outdated very, very quickly. I see the minister nodding. Unquestionably that's a problem for all of us. The high-technology equipment, of course, becomes outdated very quickly with new discoveries.

Mr. Chairman, the minister, therefore, is suggesting that our academic institutions use more equipment and avail themselves of technology to advance their capacity to educate. He also suggests that they should be maintaining their aging structures, but it seems to me they don't get enough money to do either of those things. They certainly don't get enough to repair their walls and roofs and sewers, let alone keep up with their computers.

I'd like the minister to comment on the capacity or incapacity of the government to meet its so-called capital funding formula for institutions. If that formula is now redundant, then I think we'd better understand that, accept that, and move on to another funding method. Mr. Chairman, the minister, I think, is aware of it, yet the system of capital funding remains a real problem for all of us.

I do want, Mr. Chairman, to express my thanks for the continuing support for the Grant MacEwan College. It's one I'm particularly interested in. I believe it will have a major and positive effect in the city of Edmonton, and I'm pleased. Does this now complete the funding for that college, Mr. Minister, or is there more in subsequent years? Perhaps you'll comment.

The last thing I want to mention, Mr. Chairman, is that the minister has talked a lot about the whole issue of student residences and whether or not they should be privately operated or run

by the institutions. I'm not sure what his intent is here. The ministry has been reviewing this issue for some time, and as yet we have not seen any – at least I have not seen any – sign of action in that regard. I'd like to know if the minister can provide us with information about his plans, whether or not that review is completed. I'd also like to tell the minister that we've had quite a few concerns expressed from student organizations about the review of residences, suggesting that they don't appear to be consulted in this review, would like to be, and feel that they ought to be consulted, Mr. Minister, if it is in fact the student residences that you are considering moving to a private system.

Thank you, Mr. Chairman.

MR. GOGO: Mr. Chairman, I'd like to respond to several issues raised. To the Member for Edmonton-Kingsway, I want to make it abundantly clear how this system works. The Capital Fund, which is now about 10 years old, was set up in such a way – and if the members recall, we have Alberta capital bonds. We just sold, I think, \$700 million. I don't know what the aggregate is, but I suspect several billion. That money is raised specifically – that's why the word "capital" is there – for capital projects, i.e. bricks and mortar.

We make a couple of assumptions. Number one, the life of the building. Lister Hall is a different issue. It's only 25-years old. Tells you something about engineers. We make the assumption that it will stay up for 35 years, so each year, my budget and my colleagues, when we come to them, we would pay one thirty-fifth, et cetera, et cetera. So, for example, what's before us, \$76 million, divided by 35, is two point some million a year. Right? But the aggregate this year in my department is 15 and a half million dollars. The hon. member got that figure; it's in the estimates. So that's all the capital projects by Advanced Ed since it started. The current bill: 15 and a half million dollars, 1 and a quarter million dollars a month. The Treasurer pays the interest on it, not the department. So the department only repays the capital; the Treasurer pays the interest, whatever that is. I've no idea. Okay? [interjections]

Well, I respect the hon. member seeking that, but I'm not the Treasurer. It's just so it's clear. The department pays the capital amortized over – except when it comes to furniture; i.e., build a new building, you've got to furnish it. Not replace the furniture, but it's new furniture. You've got to put in some type of computers and so on. That's over 10 years. So my department is charged one-tenth each year. That's all within the 15 and a half million dollars. I mean, that's all in that figure. Okay? Just so we're clear on that. I think it should be very clear.

The Member for Edmonton-Gold Bar mentioned computers. Up until about a year ago, the U of A was paying AGT about a \$285,000 phone bill a month for the computer, just between Calgary and Edmonton. I mean, if the Member for Edmonton-Gold Bar is accurate, in terms of the computer, which is part of the future, it's very, very expensive. Invariably, as Vance Packard says, they're obsolete before they're paid for. So I make no bones about some of this stuff that we're paying over 10 years, which maybe in year 4 is dead. The member knows this better than I do.

Mr. Chairman, the Member for Edmonton-Gold Bar mentioned a couple of other things, and I want to respond. Grant MacEwan, as you recall, was in '88, a hundred million dollars, that great announcement, replace the CNR, which the hon. member is very familiar with. We had to put it downtown for some reason; I don't know why. [interjection] Well, because the hon. member wanted it. This year, as I said, \$45.3 million in Grant MacEwan. Next year will be \$49.5 million, which should wrap it up.

8:40

Mr. Chairman, the Member for Edmonton-Gold Bar mentioned two other areas. One is residence, but the other is funding with the postsecondary system. I think it should be very clear that Alberta was like other provinces for a long time in that they paid the postsecondary system on a per student enrollment basis – you get another student, we give you more money; you lose a student, we take the money – until the institutions came in '74-75 on bended knee because they couldn't get anybody and said to the government: "We're losing students. We've got to have enough money to keep going." So we then went to the infamous block funding. Whether you've got a student or not, you get your money. Whether you have 192 medical students in Alberta is academic. You get the money. I think the member is familiar with that. Maybe it's time that changed. I mean, who is to say every institution should get 3 percent? It's making the assumption that the budget is correct now. I'm not so sure, hon. member, that we shouldn't look at that each year. I think you make a good point.

The final comment was on residences. As the hon. member I think is aware, residence is not an integral part of the postsecondary system in that it's not instruction related. It's sleeping related. The institution must charge sufficient rent – nothing to do with the government; nothing to do with their operating grant – to make it viable. Now, the U of A, in my opinion, for many years didn't collect sufficient rent to maintain the building, and as a result deferred maintenance is now \$325 million across the river alone, \$600 million in the province. Don't ask me how we're going to pay for it. I mean, it's a serious matter. The question I think, hon member, is: should there be or should there not be residence as an integral part of a postsecondary institution? Students tell me, "Mr. Gogo, I get more out of attending university living in residence with other students than I do in the classroom." That's interesting.

Just the final comment. The hon. member made reference to what we call Capital Renewal Funding. Now, the sewers wear out. The pipes wear out. Their furniture wears out. The computers wear out. So we have in this year's budget 32 and a half million dollars called Capital Renewal Funding, and that's to replace in a few years the new furniture we're buying today for the new building. As it wears out, you can't use the Capital Fund for that. You've got to use the renewable. I feel very strongly about that. I'm not so sure that \$32 million, with respect, is maybe going to be all that secure in the future. I don't know that. That's an annual amount appropriated from general revenue to the department's budget. Members are aware, I think, that the formula created several years ago was projected to be about \$80 million. Well, it's still spinning at \$32 million, obviously because of the fiscal capacity of government to do that. That Capital Renewal Funding, which is not part of the Capital Fund – it's in the general budget – is used to replace furniture, equipment, and sewer lines. Just so we're clear.

I think, Mr. Chairman, that answers the questions raised by the hon. members.

MR. DEPUTY CHAIRMAN: Are you ready for the question?  
The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I just wanted to ask the minister a couple of questions on behalf of my colleagues the Member for Calgary-Mountain View and the Member for Calgary-Forest Lawn about a couple of institutions in the city of Calgary to see what response the minister might have for us.

With respect to the University of Calgary, there is a concern about the number of dollars allocated to the institution on an ongoing basis to provide for the maintenance needs of that facility so that it can be kept in proper condition so as to avoid the periodic infusion of more substantial dollars to . . .

MR. DEPUTY CHAIRMAN: Excuse me, hon. member. My apologies for interrupting, but I have a request. Could we have the unanimous consent of the committee to revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Thank you.  
The hon. Member for Dunvegan.

head: **Introduction of Special Guests**  
(*reversion*)

MR. CLEGG: Thank you, Mr. Chairman, and thank you, hon. Member for Vegreville for allowing us. I'd like to introduce members of the Alberta Auction Market Association. We had the privilege to meet them tonight. They are seated in the members' gallery: Frankie Cockx, Brant Hurlburt, Greg Hayden, Lorraine Klepper, Blair Vold, and Dan Rosehill. I'd ask them to stand and receive the warm welcome of the Assembly.

head: **Capital Fund Estimates 1992-93**

**Advanced Education**  
**1 – Construction of Postsecondary Education Facilities**  
(*continued*)

MR. DEPUTY CHAIRMAN: The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman and hon. member.

Anyway, the question is one that I'm sure the minister's familiar with. It's a relevant question with respect to probably all of the 27 institutions for which the minister is responsible, and that is making sure that enough dollars are allocated on an ongoing basis to provide for the maintenance and upkeep of that facility so that the taxpayer and the institution can be spared the onerous responsibility of major repairs every once in a while and upgrades to compensate for the lack of regular maintenance. Any comments the minister would offer with respect to that would be appreciated.

As well, because it does have an impact on the expenditures both capital and operating at the facility, I'd like the minister to tell us what the current status of the Batam Island project is, an adventure that SAIT embarked upon, a lot of taxpayers' dollars at risk, millions of dollars lost. I'm wondering to what extent that's affected the operation of that institution in terms of program reductions, internal cuts. Can the minister assure us that students and teachers aren't suffering in that institution, that capital expenditures aren't being delayed, that the purchase of equipment so necessary to train students in a technical institution is not being put on hold in order to cover for the losses of millions of dollars over this ill-fated project?

MR. GOGO: Mr. Chairman, last things first. The hon. Member for Vegreville asked about SAIT and Batam Island. I don't want to be unkind to other members of the House, but no, I won't respond to that. We're in the Capital Fund. We're not dealing with the general budget. Needless to say, I'm well aware, and I

respect the Member for Calgary-Forest Lawn, who's raised it several times.

With regard to deferred maintenance, the hon. Member for Vegreville has pointed out: what can be done, or is anything done, and so on? Well, as I mentioned earlier, we have the capital renewable funding, and its purpose is that very reason. The department used to say specifically that the fund is used for one of three items or a combination of three: furniture replacement; sewer line replacement, sometimes called site maintenance; and equipment replacement. The department was accused at various times of not being considerate enough with regard to the priorities of the institution. So for a couple of years my predecessor, Mr. Russell, said: "Look, there's your share. Use it as you see fit for either one." I'm not surprised that perhaps the University of Calgary, which is 25 years old – it's younger than any member of this House – has \$100 million in deferred maintenance waiting to be done, \$51 million in the next five years. Their share of capital renewable funding in the normal budgetary process, not tonight, the normal process – the U of A gets 10; they get about 7 and a half. That's really based on the size of the institution. They can use that really as they see fit today, and their priority, in my view, should be in one area. They might say: "With respect, Mr. Minister, we've got the students, not you. Our computers are outdated, not you. So we think it should be used for . . ." I respect that.

The fact of the matter is that there is about \$600 million in deferred maintenance amongst the 27 institutions, and I have said that I can't see any way to building new buildings until we fix up what we've got.

[Mr. Schumacher in the Chair]

So I'm well aware, Mr. Chairman, of the needs, I think, of the University of Calgary, and I respect the views of the hon. Member for Vegreville on behalf of Calgary-Forest Lawn with regard to the U of C in terms of that capital renewable funding.

8:50

MR. CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

MR. GIBEAULT: Thank you, Mr. Chairman. A couple of questions to the minister here in terms of the Capital Fund estimates. If I bring his attention to the universities' allocations there, for example, the University of Alberta is \$8.1 million, down from \$11.3 million the year before. I guess my question to minister is: how accurate are these budget figures that he's asking our approval for here tonight? The reason I ask is that if we take a look at the most recent figures available to us on actual expenditures for the Capital Fund in Advanced Education, which are the 1991 public accounts figures, we see that this same minister asked us to approve \$44 million in capital funds for universities but in that budget year only spent \$35.8 million. Eight point five million dollars that was approved by this Legislature wasn't spent in university capital funds. I'd like an answer from the minister as to why his budgeting processing seems to be that far out. That's 20 percent out.

So I'm asking: is the minister asking us for \$8 million for capital funds for the U of A and another \$22.9 million for the University of Calgary – that's a total of \$31 million – but is he only going to spend \$20 million? I'd like to know that. It seems to be very strange. I mean, I just go on further. If we break it down a little bit more by element, we see that the University of Alberta in '90-91 was approved for \$25 million of Capital Fund expenditure, Mr. Chairman, yet the minister only expended \$16.7

million, barely more than half. The same thing with the University of Calgary: \$12 million in Capital Fund dollars were approved by this Legislature, yet only \$9.6 million were expended. The same goes on with others, like Grant MacEwan College: \$5.7 million of capital funds were approved, yet only \$4.4 million were, in fact, advanced. So I think there are some questions there about why there are those kinds of discrepancies, and I would ask the minister if he could tell us how accurate the '92-93 estimates for the Capital Fund here in Advanced Education are.

MR. GOGO: Mr. Chairman, I would hope the hon. member would understand how the system works. The system works whereby an institution requests from government, which currently has been doing all the funding, authority . . . Let's take Grant MacEwan campus as an example, because it's currently under way. Now, the commitment was made by government in April '88 for \$100 million plus the land. Land that was not many years ago moose pasture was suddenly worth \$17 million. That's a side issue. So \$100 million in '88. Well, there's inflation. They didn't turn the sod till '90, so inflation was added. So it got up to \$110 million, \$112 million based on my colleague Mr. Kowalski, Public Works, Supply and Services doing the projections. Now, Grant MacEwan Community College goes to tender. We allocate X dollars. People are going to be very pleasantly surprised as to what the cost is. It's not what the projection was; it's less. We don't say: "Hey, you know, we provided \$50 million. The tender was \$42 million. Keep the other \$8 million." We're talking about taxpayers' money.

So, Member for Edmonton-Mill Woods, that's really how it happens. We project what it will be based on the best information available, and then they go to tender. Remember the university hospital, \$180 million? Final cost, \$300 million. It tells you something about the experts, for those that listen to experts. Someone once said about economists that if you took all the economists in the world and laid them end to end, it would be a very good thing, right? Well, sometimes projections with capital construction are the same way. So what we do is project what the cost will be. I can't recall cost overruns in the past three years, so generally they're under. In which case my preference is that because it's taxpayers' money, it comes back to the government. That's, I think, hon. member, why those figures are different from what the projection is.

MR. McEACHERN: Just a couple of points, Mr. Chairman. I was pleased that the minister was able to confirm some of the things I said about the \$15 million and where it came from and those kinds of things. I was a little surprised, however, that he said he didn't have any clue at all how the interest was accounted for. I will tell him that I did in fact explain and sort of work my way through the tortuous process set out by the Treasurer. I don't know if anybody else in this House heard or understood, but I just think it's appalling if they didn't. If more of the people in this province don't understand what the Treasurer is doing with taxpayers' dollars and interest costs and where he's accounting for them and how, then I think that's a mark against the Treasurer and just showing that he purposely obfuscates the books to the point where hardly anybody can figure out what he's doing. Now, I have done so, but it took a lot of time and a lot of effort. It's a very tortuous path. Things are not accounted for properly in a simplistic, straightforward manner so the people of Alberta can tell what's happening.

Just one other point, in fact on those interest payments. If you look at the capital bond payments, the government, according to the public accounts, is still paying in the neighbourhood of 11

percent for its bonds. Now, I hope to gosh it's been able to cut them down since, as interest rates fell. Yet, of course, you see, we've been given no update on that to indicate what kind of an interest rate we're paying on this debt that we're incurring. That I find appalling. The Treasurer should be here explaining that, or else the minister should know for his own department.

One other point, I guess, in terms of overruns and over- or under-expenditures. I hope the minister can assure us that people aren't sort of spending the budget just for the sake of spending it, you know, at the end of the year so they don't get cut off. I doubt that that would happen on the capital side so much, but certainly on the operating side it's a worry that sometimes people just spend their money just so they don't get cut back next year because they didn't spend it all. I hope that wouldn't be a problem. On the other hand, if they'd been given money to run courses and are not running them, then that may also be a concern. So I think you have to have a balance between those two things.

With those comments, I will sit down.

MR. CHAIRMAN: Is the committee ready for the question?

SOME HON. MEMBERS: Question.

Agreed to:

1.1 – Universities	\$31,073,000
1.2 – Public Colleges	\$45,300,000
1.3 – Hospital-based Nursing Education	–
1.4 – Technical Institutes	–
1.5 – Provincially Administered Institutions	\$583,906
Total Vote 1 – Construction of Postsecondary Education Facilities	\$76,956,906

MR. GOGO: Mr. Chairman, I move that the vote be reported.

[Motion carried]

## Environment

### 2 – Construction of Special Waste Facilities

MR. CHAIRMAN: The hon. Minister of the Environment. There are no subprograms here.

MR. KLEIN: Thank you, Mr. Chairman. Vote 2 pertains entirely to the expansion of the special waste management facility at Swan Hills. As you know, the planned expansion at the treatment centre is the objective of the joint venture with Bovar Inc. Active site work was to have commenced last year, but it has been delayed and legitimately so by an extensive environmental impact assessment process, followed by hearings before the Natural Resources Conservation Board. The board ruled in favour of the expansion, and cabinet's approval will allow construction to proceed in July of this year, with completion of the work presently scheduled for mid-1994. Following an intensive commissioning process, commercial production should commence in early 1995. The expansion will add approximately 40,000 tonnes design capacity to the existing operation and will relieve the heavy Alberta demand on this operation which currently results in the accumulating inventory of hazardous material, especially hazardous material contained in solids.

The cost of this project overall is estimated by the operator at about \$70 million. However, contractor tenders will not be available until July of this year when this can be confirmed. The Alberta Special Waste Management Corporation's share of this investment is 40 percent or \$28 million. As a result of the delays,

Mr. Chairman, only an amount of \$2 million was drawn against the loan estimate for 1991-92 of \$8.6 million. For the current year of 1992-93 the requirement is estimated at \$11.4 million, with the balance of the project funding over the next two fiscal periods.

Mr. Chairman, I look forward to comments on this project from my colleagues in the Legislature.

9:00

MR. McINNIS: Well, Mr. Chairman, if he puts it that way, I guess we will make a few comments.

The Special Waste Management Corporation receives money from the Alberta government which it passes through to the Bovar corporation. To the start of this fiscal year the province has sunk \$171.8 million into that operation, about \$36 million in capital funds and the balance would be in grants of one kind or another which include operating losses of \$116 million and other funding for a total of \$171 million. The capital funding in this particular vote adds about \$11.4 million to that total, to the capital side, so at the end of this year we will have had about \$47 million, \$48 million thereabouts in the fund. It's a terrific amount of money. We calculated recently that every tonne of waste that goes through the special waste facility cost the taxpayer in the last year something in the neighbourhood of \$7,000, which compares to a user fee which varies from \$200 to \$2,000 depending on the character of the waste that's there. So this operation is very heavily subsidized by the taxpayers' money from both pockets: from the operating pocket and the capital pocket.

I'd also say the Special Waste Management Corporation is probably the public relations advertising producer of the last couple of years in the province of Alberta. I've seen endless amounts of advertising on television, on the radio. Last year the government sent out a brochure to every household in the province advertising what a wonderful job it was doing on special waste management. I suspect some day this minister may break his arm patting himself on the back with the taxpayers' money. That was \$230,000. Recently I've been seeing on television cartoon Rs dancing across the screen and singing about the four Rs of waste management – reduce, reuse, recycle – and a little R comes across and says, "Recover." It's just a wonderful bit of PR fluff that I'm sure the minister knows all about. So we certainly get a lot of public relations flimflam out of this corporation, but what else do we get aside from – well, I know Arnie Olexan is somebody the minister has made very happy by putting in the Special Waste Management Corporation, who's qualified for that post because he owns the Dairy Queen in Whitecourt and is a Tory member of the council there.

I want to deal with some of the issues that are related to the Swan Hills expansion because this is really the first opportunity that we've properly been able to address the Alberta government role in the expansion process. The government, of course, is the proponent and was somewhat generous, and I assume that the minister had something to do with this in providing funding to organizations who had arguments and issues that they wanted to raise at the hearing process. They weren't allowed to discuss the issue of hazardous waste imports, of course, because that was craftily removed from the terms of reference by the government, but they were able to address some of the environmental issues. I think that they're serious ones, and I'm not certain that they've been properly understood by very many of the people who have had to review this matter.

It is true that the monitoring that's been done to date – the Special Waste Management Corporation has only been in operation for a very few years – indicates that there is some increase in concentrations of hazardous chemicals in the Swan Hills area and

that some of the employees who work in the plant have experienced elevated levels of PCB in their blood, but there have been elevated levels beyond the baseline in small rodents and also metals in some of the fish in the area. So there are some beginnings of concern that perhaps incineration is not the perfect answer to hazardous waste management. I know it's quite convenient, especially if the cost of it is subsidized in the \$7,000-a-tonne neighbourhood by the taxpayers. It's quite convenient for industry to get rid of their material and have it burnt; their liability appears to end. I think there are a lot of people who are questioning now whether the rush to burn is, in fact, a rush to avoid liability and responsibility more than a sound and a sensible degree of environmental management.

This is a very technical area, but a couple of documents came across my desk recently which I thought were worth looking at. One is an edition of Rachel's Hazardous Waste Newsletter which deals with the whole question of destruction efficiency. I think the technical term is DRE, destruction removal efficiency. The claim is made by proponents of hazardous waste incinerators that modern technology has a DRE of 99.99 percent, which is usually meant to mean that 99.99 percent of all of the toxins are removed in the incineration process.

One of the arguments that the Rachel's newsletter makes is that the concentration of the truly toxic and hazardous wastes is on a much different scale than 99.99 percent. Even if that were accurate, what it means in effect is that one part per 100,000 escapes; it goes right through the system. Well, we deal with material that is considered to be highly toxic and contaminated when it's in the parts per million as opposed to the parts per 100,000, which is how big the holes are in the screen when they measure the destruction and removal efficiency. There is, in fact, a thousandfold difference between the 1 in 10,000 number that they use on efficiency and the 1 in a million number that's used to describe the concentration. They're on scales that are out of whack by a thousandfold. When you think about that for just a moment, it's quite possible that almost all of the toxic and hazardous chemical could escape the incineration altogether, and whether it ends up out the smokestack or in the ash or in some other place, it's just quite possible in these 99.99 percent efficiency incinerators that in fact they're destroying none of the toxic material that's in – I guess it's called the feedstock within the industry – the hazardous chemical to be destroyed.

The other is quite an interesting report by Greenpeace International prepared by Lisa Finaldi in Amsterdam in the Netherlands in June of 1991. They look at a tremendous amount of literature on the subject because it's a very important area around the world. People are wondering what do we do with these hazardous waste materials, and in fact in most of the world they do exactly what they're doing in Alberta: they burn the stuff, although they usually have sense to buy proven technology rather than take a flyer on stuff that doesn't necessarily work.

They quote the Environmental Protection Agency as follows:

The complete combustion of all hydrocarbons to produce only water and carbon dioxide is theoretical and could occur only under ideal conditions . . . . Real-world combustion systems (e.g., incinerators . . .), however, virtually always produce PICs [products of incomplete combustion], some of which have been determined to be highly toxic.

So there is incomplete combustion in the incinerator, and in the real world not all of it is burned.

### 9:10

The U.S. EPA goes on to say, and I quote:

It is at present impractical to design a monitoring scheme to identify and quantify the individual toxic compounds in incinerator stack emissions.

So we don't know what's coming out of the stack. Most of what we know about it is done in trial burns or test burns or the result of guesses and extrapolations. I think it's quite a concern that perhaps some of this material is getting into the environment and perhaps more than we presently know about.

To quote the Greenpeace report:

DRE . . .

That's destruction and removal efficiency.

. . . is the standard by which incinerators are advocated and regulated. It is, at best, a remote and tenuous indicator of the releases of the target chemicals that take place during routine operations. DRE is a weak indicator of releases of other waste chemicals, and is no indicator at all for products of incomplete combustion and heavy metals.

Of course, heavy metals are not burned, can't be burned in the destruction process.

They conclude:

Thus, the DRE of an incinerator's trial burn has no relationship to that incinerator's impact on public health and the environment during on-going, routine operations.

I believe a lot of people brought that concern forward. It may be that we take the view today that well, there isn't any technology that's proven to be superior, although I think there's a lot of experimentation under way with biological forms of destruction of hazardous wastes that don't necessarily involve burning. You know, it's just too convenient to burn things and reduce them to ashes and smoke and say that the problem's solved, because in fact what you may be doing is spreading the hazardous waste over a broader area through the air shed, and I guess into the landfill.

In particular, I have had some correspondence with a company in Vancouver called Izone International, which has recently conducted some trials using their organic method on pulp mill effluent, and they're finding a fairly good destruction rate. This is experimental technology to be sure, but it may be in the future that incineration won't be considered the only way to go. It has certainly been a boon to the private-sector operator Bovar. I recently read an article in *Alberta Business*, February 19, 1991, talking about how well Bovar has done lately. The heading of the article is "The Greening of Bovar, Or How to Save Your Company and the Planet at the Same Time." I suppose a good way to do that might be to get a big fat Tory contract where you're guaranteed a rate of return of prime plus 4 percent. There's a little sidebar of "How to Reduce a Huge [corporate] Debtload." Well, I guess a good fat Tory contract would do that as well. This is my favourite.

Whatever other assets it has, however, Bovar's future prosperity will depend heavily on its main money generator and blue-chip asset, its partnership in the Alberta Special Waste Treatment Centre at Swan Hills.

"Blue-chip asset." Well, we certainly are good at giving those out.

But some wonder: what's being burned up there? Is it hazardous waste or is it money? In fact, if you add up what has been lost or paid over by the taxpayers in operating subsidies and what is being "invested" in the capital side, we're into that thing to the end of this fiscal year for over \$200 million. I mean, it's a pretty sizable amount of money. I had to laugh when I met with some of the officials in the new B.C. government. They're thinking of winding up their special waste corporation because they're kind of frightened by the financial losses. I asked, "Well, how much money have you lost?" When they told me, I had to laugh, because it's peanuts. It's just nickels compared to what's been lost in this Alberta government operation today.

Then we come to I think the underlying issue, and again I can't see how this Assembly can be voting supply for the expansion of the Special Waste Management Corporation if the government



won't come clean in terms of what's the agenda on the issue of hazardous waste imports. It's very clear to me and my party that a case can be made for us to process hazardous waste from the north, from the Yukon and the Northwest Territories, because that material travels through the populous parts of Alberta at present on Highway 2, Highway 1, and Highway 16, which are the most heavily traveled routes in the province. It makes sense to save the hazard of that to the motoring public and to anybody else who might be in the vicinity of a spill, but what makes considerably less sense is the idea of reversing the process and bringing it through highways 1, 2, and 16, through the populous parts of the province up to Swan Hills where there's a risk of accident. Until somebody can tell me what's the safe way of shipping that material through Alberta to Swan Hills, I have to say that I'm very skeptical about that. I have to say that all Albertans have a reason to be upset that the government won't reveal its agenda. All we hear is: well, for the time being the policy, such as it, remains in place. But the time being may change, and certainly there are discussions among the provinces and states that make up the Pacific Northwest Economic Region to the effect that these things should be pooled and so forth.

So before we vote him another \$11,440,000 towards this ongoing financial commitment on the part of the province, I'd like the minister to lay it out for us. What's the time frame for the review of the policy? When will these public hearings that he talks about be held on the question of importing hazardous wastes in the province of Alberta? Will it be before the next election? I doubt it, in which case it probably won't be his problem in any event, but I think the intention of the government should be clear even if that issue was successfully kept off the table at the NRCB process. Even though it was kept off the table, several of the groups who appeared there appeared to express their concern that the expansion may be related to imports and to express the view that they have of it.

So there are some comments and some questions for the minister this evening.

MR. CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to ask the minister really one question and that is: can he give us a justification for this investment of \$11.4 million, an investment which follows an already considerable capital investment and a consistent, persistent operating subsidy each year for the operation of this plant?

In assessing that question, in providing us justification, I would ask that the minister provide analysis in the following areas. First of all, if you consider the size of this expansion, it is clear that while it will handle the backlog, which is worth while, it will result in an excess capacity in this plant at least from the year 1996 until the year 2006. Our information is that it will have about 20,000 tonnes excess in 1997 once the current backlog in the province has been cleared, and that will gradually decline until the year 2006. My first request for a point of analysis in this area – that is, the area of excess – is: is it financially better to build the excess now or to expand the plant only insofar as is necessary to handle the backlog and expand it further in the future if that appears to be required after the year 2006?

My second concern with this excess is that it leads inevitably to the question: is the government preparing to import? I note that the new environmental legislation, the Environmental Protection and Enhancement Act, does prohibit the importing of waste for disposal, but it does not explicitly prohibit the importing of waste for treatment. I wonder whether the minister could comment on

that and allay Albertans' fears that in fact this excess capacity that is inherent with this expansion will lead to pressure to import wastes from other provinces.

9:20

A second concern that I have, related to this question of can this investment be justified, concerns the minister's neglect of two important provisions for review in the joint venture agreement. Simply put, why was no review of the joint venture agreement carried out in 1989 as was required by the joint venture agreement? This wasn't optional; this was required by the joint venture agreement. A second related question is: why did the government not request an independent third-party review of the agreed rate of return given to Bovar Inc. in 1989 as permitted in the agreement, remembering that Bovar receives a guaranteed rate of return on their investment, something in the order of the prime lending rate plus about 3 percent over that rate? That 3 percent floats somewhat with prime; nevertheless, it is a significant guaranteed rate of return. The agreement provided for a mandatory review of the entire agreement and for the possibility for the government to request a review specifically of that rate of return. Neither was done. When I asked that question in the Legislature some time ago, the minister said: oh, no problem, because we're now carrying out the five-year review. But there is a critical distinction here. The distinction is that the five-year review is an internal review. It is not open to the public, doesn't have to be open to the public, and therefore experience tells us that it simply won't be as effective as these other two reviews could have been, reviews which were neglected by the government.

A third consideration in justifying this investment is the extent to which the government has pursued alternative technologies. One of the problems with this technology is that it is expensive and it is a long way from many of the small businesses that might be inclined to use it. Those two things mean that many of them don't use it. If you look at the revenue – and we don't see that directly because we can't get those reports, but if you look at the subsidy that the government puts into that operation each year, I think in the order of \$25 million last year, you can tell that there may not be a great deal of business. It may be that alternative technologies have developed to the point where they could replace this expansion, where in fact mobile burn units or mobile treatment units of one kind or another could do on-site toxic waste treatment, avoid the expense of transportation, the danger of transportation, and avoid the necessity of creating this very expensive expansion and the operating subsidies that are required to sustain it.

Another question in justifying this investment is: what are the actual revenues to the joint venture? How much business does this plant do for which it is actually paid? It would be interesting for us to see what the sales, as it were, of this operation have been each of the last five years compared to the government subsidy. If it is that the sales are increasing and that somehow we could see that the subsidy might reduce, if we could see that their presence in the province is growing, that the advertising campaign that's designed to support this operation is working, that would of course give us insight into the question of whether or not this additional investment can be justified, but we don't see that information, Mr. Chairman. I think for a government that claims that it's open and that it's willing to provide information requested, this is an obvious, essential piece of information for the Legislature to be able to make a decision as to whether or not this \$11 million investment can be justified.

In short, Mr. Chairman, what are the economics of this plant to this point? What will be the economics of this expansion? Is

there any hope of this effort beginning to pay for itself, and how would that potential compare to the possibilities for mobile technology or other forms of technology to handle this particular problem?

Mr. Chairman, those are my comments, and I look forward to a response from the minister.

MR. CHAIRMAN: The hon. Member for Calgary-Millican.

MR. SHRAKE: Thank you, Mr. Chairman. First off, I heard some comments by the Member for Edmonton-Jasper Place earlier. He's still complaining about the special waste coming into Swan Hills. He would rather that it go on through and go down to Oregon. Now, I have here a document – I don't think I'll bother filing it – called an Alberta map. There's a little red line that runs down to here – ah, Swan Hills. See, they can leave it there, and they burn it up. Now, if he really wants to raise a fuss and get the minister upset, the minister will say, "We're not going to take any more of their waste," and they will drive all down through and come out at the bottom here and go over to Coultts, or maybe they'll take a shortcut and go through Banff, Lake Louise, and that area, or through Edmonton-Jasper Place. But I really suggest that he stop at the front counter out here and maybe pick up a thing called an Alberta map and get a little bearing where Swan Hills is. Then there's the Northwest Territories way up above there. If he does that, we won't ever hear again the silly comments about shipping that stuff all the way through this province instead of leaving it up there and burning the stuff.

The Swan Hills plant and the special waste handling there is something, seriously – I'm kidding; I shouldn't be facetious here – that we should be darn proud of. We've seen Quebec, a province with double our population, and how they had to ship their wastes, their polychlorinated biphenyls over to Europe. Europe didn't want them, they shipped them back, and then – it's ironic – they stored them all in Baie-Comeau, which is Brian Mulroney's constituency. Maybe it's appropriate; maybe it worked out.

We don't do that in Alberta. We have a pretty good facility there, but I don't think that's the end-all of handling special waste. We have some technology we developed with massive dollars from the province of Alberta. We developed a thing called the Taciuk process. The minister is well aware of this process, and I know he has an interest in it. This process was originally developed . . .

AN HON. MEMBER: How many shares?

MR. SHRAKE: No, he has an interest in maybe building one of these things, and AOSTRA is very interested. He's a little timid about coming here and asking for the money for it right now. We're talking \$5 million.

Let me tell you about this machine, this process, and I do hope you listen to this. We were looking for something to process the oil sands. We have more oil up there than they have in the Middle East. We have, I think, 7 trillion barrels of bitumen and oil in this province, but we cannot use that stuff. We are slowly getting it out through the hot water process, but we thought there must be a better way. This guy Bill Taciuk came through with a heck of an idea, and he has this machine. This machine is a perpetuating type of machine, and it's a real one; there is one that exists. You pour this dirt, material, sand, and gravel in the front of it. It is warmed. It goes into this hopper. This hopper turns and churns it. It cooks it with no air allowed in. There are chemicals added, and these are patented. AOSTRA and Taciuk hold the patents on it.

### Chairman's Ruling Relevance

MR. CHAIRMAN: Order please. Order, hon. member. The Chair is having a little bit of difficulty connecting the relevancy of the hon. member's comments to this particular vote. It seems that the hon. member really should be saving these comments for when we discuss the capital projects division of the Heritage Savings Trust Fund.

MR. SHRAKE: Mr. Chairman, if you will bear with me until I reach the end of this, I will tie this back to special waste. There is a reason why I want to give the history and explanation of what this is that I'm talking about. This will fit in. I hope you all will bear with me for two or three minutes here.

### Debate Continued

MR. SHRAKE: This machine separates the waste oil out of the sand, gravel, or any other material and actually runs some of it back to use for the heating of it, cooking it. The fumes off there are fed back up front and then heat the material as it comes in.

Now, you wonder why I am bringing that up when we're talking about special waste. Well, I've just gone through the most silly exercise I've ever seen in my days in politics. In the city of Calgary we have this old abandoned oil site. Waste; a lot of waste there. They came when we had a demonstration of this machine. I later contacted them by telephone. I met with them. I talked to these guys from PetroCan. I said, "Why not use this machine to clean up the waste?", and they said, "Well, we're not sure if it would really be feasible," et cetera. They hauled 3,900 truckloads. These are 10-yard trucks; they carry 10 yards. They hauled it all out by Okotoks and dumped it. It's still oily; it's still a mess. The people in Okotoks were not happy. One of the MLAs up here was very upset. I think that in handling waste, we've got to handle that a little bit better than this type of nonsense of moving it from place to place.

### 9:30

In New York they had made the mistake of taking polychlorinated biphenyls – they didn't know what to do with them. They had them stored. They didn't know that this stuff can cause cancer, especially if you drink it. They had lined a road beside one of the Great Lakes. They poured it all on this road for miles and miles. Then later, when they found out how serious a problem polychlorinated biphenyls, PCBs, are, they were terrified at what they had done. They did not know what to do. How do you take, you know, 20 miles of road and get this oil out of the sand and gravel? They heard about our machine, and they were anxious for that machine. We hadn't used it in Alberta yet, but it went down to New York, and they ran it 36 days, day and night, never letting the machine stop. They ran the entire road through there. The material coming out at the other end of this machine is clean. It's clean enough that you could put it on your front lawn.

The reason I bring this up is that we do have the Swan Hills plant, but I really wish that in this vote 2 there was another little bit of contingency money. The unit built right now belongs to UMA, Underwood McLelland and Associates, or whatever their new name is, and Taciuk. They've got it operating in various places. It takes in 10 tonnes an hour. We don't need one that big. We need one that'll take five tonnes an hour. You can put it on the back of a flat-deck, and it's easier to move it out to a site and run a hundred barrels of contaminated soil through it and then get one barrel of oil out of there than to ship a hundred barrels of oil

to Swan Hills and try to incinerate the dirt, sand, and gravel, with the little dab of oil that's in there.

So I do hope that maybe next year, since it's not in this year's budget, there's another bit of money in here. We're talking about \$5 million, but if we build that machine, for whatever it's worth . . . The existing machine: we've had contacts from Australia; they like that machine. They have some stuff called oil shales. It's richer in oil than our oil sands, and they're going to build one to take something like 50 tonnes an hour. They're going to build the most granddaddy of the Taciuk machines in the world. It's going to be a big one, and they're going to build it. I would like to see the minister work on this with AOSTRA and maybe pick up a little piece of the cost, because AOSTRA doesn't have that much money for capital funding, and build a five-tonne-an-hour unit. In that way, when you get toxic waste, creosote in the Bow River in Calgary, we haul it all out, put it through the machine, place it back in the river, and then haul the machine on to the next assignment. You've got a service station that's been abandoned: you've got oil, grease. You put the sand and the gravel through the machine and then put the machine back on the flat-deck and move on to the next job, and on and on. I think we could be a front-runner in it. Maybe we'll create an industry here building these machines in this province, because we have the know-how; you know, the expertise.

On vote 2, I don't think the minister would be very happy if I moved an amendment to try to squeak extra money in there, but I do hope he considers someday contributing a little to AOSTRA and building a five-tonne-an-hour machine and running it all over this province to clean up the environment, clean up the special wastes.

Those are my comments.

MR. CHAIRMAN: The hon. minister.

MR. KLEIN: Thank you very much, Mr. Chairman. With respect to the hon. Member for Calgary-Millican's comments, indeed I've had a chance to observe the Taciuk operation at a demonstration in Calgary, and I understand a second version of the Taciuk model will be unveiled very shortly. Indeed, it's a worthwhile technology. I'm sure that the hon. member will have an opportunity to make his case again when the AOSTRA Capital Fund comes up, and I'm sure he will. Maybe he can find some additional money through Energy rather than Environment.

Needless to say, it is a good operation and there are good applications, especially as it relates to hazardous waste and in some cases, I guess, PCBs. But you have to understand that the special waste management facility at Swan Hills literally deals with hundreds of different kinds of toxics, and indeed there are various kinds of burns, all controlled by computer, that deal with these various forms of contaminants.

I'll attempt to answer some of the questions that have been put to me today. First of all, with respect to the economic viability of the expansion, I would suggest that this is precisely why we had an extensive environmental impact assessment and a subsequent hearing before the Natural Resources Conservation Board. I would like to remind members that the Natural Resources Conservation Board was established to review the social, economic, and environmental impacts of a project. Indeed, I think if you discuss this with Jerome Slavik, who represented a number of the native bands around the Swan Hills plant, his presentation to the board was based almost entirely on the economics of the plant. The Natural Resources Conservation Board by its very nature was established to do a proper adjudication, a very unbiased adjudication of all these facts. It came to the conclusion that indeed there

was some economic benefit to the plant as well as incorporating a process that would be environmentally sound, notwithstanding evidence to the contrary. I believe there was some evidence presented by representatives of Greenpeace, but all this was taken into account, and there was an adjudication. There was a decision, and a very unbiased decision, by the board which was presented to cabinet that indeed there were economic reasons for this plant to proceed and there were environmental reasons for this plant to proceed.

Having said that, and to answer the hon. Member for Edmonton-Meadowlark's question, he asked why a review wasn't undertaken in 1989. Indeed, he's quite correct; it was mandated that such a review should take place. But I would remind the hon. member that the plant had been running for less than two years, and it was thought that there should have been perhaps a more significant commissioning time to assess the economic viability of the plant and all the environmental aspects of the plant before undertaking such a review. I can tell the hon. member that a review now is under way relative to the operating agreement with Bovar, and indeed a third party has been retained to assist the corporation in undertaking this review. Hopefully, we should have the results of that review in fairly short order, perhaps within a month or two.

With respect to some of the points raised by the hon. Member for Edmonton-Jasper Place and to some degree by the Member for Edmonton-Meadowlark. We talk about a subsidy of \$17 million to \$21 million, and perhaps growing, but I can assure hon. members that with this expansion we should be in a profit mode by the year 1996. Our people think there is a waste stream sufficient enough to sustain that plant for many, many years to come. With respect to subsidies, I'd like to remind hon. members that all waste is subsidized. I can't think of a municipality in Alberta where the collection and the disposal of waste is not subsidized. Taxpayers pay for waste. Whether it's waste that is treated at sewage treatment systems or whether it is waste that is treated at landfills, it is all subsidized.

I'm firmly of the belief that this is a small price to pay in this province to handle what is a severe problem in nearly every other jurisdiction in North America, severe because these other jurisdictions cannot handle it. I would point to the province of Ontario, where I understand that the Ontario government, the former Liberal government and now the New Democrat government, is saddled with a bill in excess of \$100 million just to site a plant. And I understand that the capital cost, which was originally estimated at \$50 million, is now estimated at some \$500 million, and there is nothing to show for it - nothing to show for it. All they have in the province of Ontario is a lot of a hazardous waste stored. In some cases there are smaller plants with very limited capacity to treat certain wastes, but the overall problem is still a very significant problem.

9:40

With respect to the issue of importation and with all due respect to my friend for Calgary-Millican, I don't know if he heard the hon. Member for Edmonton-Jasper Place, but I'm glad that the hon. member made the comment that he and his caucus are not opposed to handling special waste that might come from Yukon and the Northwest Territories. Indeed, we have had some desperate pleas, and I would say desperate pleas, from those two jurisdictions to take their waste. It now does come right through the province of Alberta, and it would make a lot of sense to stop and be handled at Swan Hills, and we will be entering into some discussions with NWT and Yukon officials shortly. Ultimately, it will have to be a government decision. Even before that decision is made, I have instructed the corporation to make sure that there

are public hearings along the routes that would be affected relative to the importation of waste from those two jurisdictions.

With respect to the importation of waste from other jurisdictions, as you know, just a few short years ago this province considered taking, on humanitarian grounds, the PCBs that were rendered harmful by the fire at St-Basile-le-Grand in Quebec. I think we would still be open to that kind of consideration on humanitarian grounds, but for the time being the policy remains that it is Alberta only, except in the special cases, perhaps, of the Northwest Territories and Yukon. But we have identified some special cases, and we have had representation from your colleague and the hon. Member for Edmonton-Jasper Place's colleague in British Columbia to take certain wastes. These wastes could cause problems for the province of Alberta, and I'm talking about PCBs that are now being stored I would say dangerously close to the Bennett dam, which of course could affect the Peace River waterway.

I look also at a tremendously serious problem. I would challenge the hon. members, both the members for Edmonton-Meadowlark and Edmonton-Jasper Place, to travel to the north shore of Lake Athabasca, where throughout the '50s and the early '60s, as a result of the Cold War, of course, there was tremendous uranium production to accommodate atomic bombs. Well, with the nuclear shutdown, of course those plants shut down. They virtually shut down overnight, and Eldorado city became a virtual ghost town and the mines were abandoned. They still remain in the state today as when they were abandoned some 20 or 30 years ago. There is just a tremendous amount of terrible material lying on the banks of Lake Athabasca, but you might say, "Well, why does that concern Alberta?" It concerns Alberta because Lake Athabasca has a counter flow. It was fed by the Peace and Athabasca, but because of the Bennett dam we're going to have to address that issue very shortly. Basically, the Bennett dam no longer feeds into Lake Athabasca. It simply feeds into the Slave River, but the Athabasca River feeds into Lake Athabasca and there is a counter flow. In other words, all the water that goes into Lake Athabasca comes out through the Slave River, and that's through the province of Alberta. So it's of very serious concern to the province of Alberta that those contaminants do not get into the river system.

As I speak today, hon. members, the Northern Rivers Studies Board is now in Fort Chipewyan. I would have liked to have gone up there. They'll be looking at this very issue: the degree to which contaminants from Saskatchewan are contributing to the pollution of the Slave River and causing some abnormalities in the water system there. So if there is an opportunity for Alberta to become involved in assisting Saskatchewan to clean up those contaminants, if indeed those contaminants are causing a problem, I think on humanitarian grounds, for the benefit of Saskatchewan and for the benefit of Alberta, we should perhaps look at those situations.

With respect to an overall importation policy, the policy still, overall and generally, is Alberta only. Again, I recommit to full-blown public hearings and public consultation if that policy is to be changed.

The hon. Member for Edmonton-Jasper Place correctly says that incineration is not the perfect answer. Perhaps it's not, but it's one of the only answers today. I would suggest that's it's a lot better than having these wastes stored and, in some cases, stored in a very dangerous manner.

I would also point out that the Swan Hills facility is not just an incineration facility; it is one of two, I believe, fully integrated waste management facilities in North America. Although many of the wastes, especially the very toxic wastes, are destroyed through

incineration, there are other methods of accommodating wastes, such as landfill and deep well sinking.

I would also point out to the hon. Member for Edmonton-Jasper Place that I think his colleague from Vegreville would disagree with him somewhat, relative to – where is he?

AN HON. MEMBER: Right here; right behind you. You've got him right behind you.

MR. KLEIN: Okay. I'm sorry. Well, I'm glad to have him here, because we shared the podium just the other day in Ryley, where indeed a hazardous waste transfer station was established. This is a very clean and a very efficient staging area – a very clean and efficient staging area – to gather the hazardous waste for proper shipment to Swan Hills, and indeed that facility has become an economic boon to the village of Ryley and the surrounding district. So there are some economic benefits to this whole business and system of handling special and hazardous waste.

Just to sum up, Mr. Chairman, I mentioned that the operating agreement now is under review, that we should be in a profit mode by the year 1996 when the expansion is fully commissioned. Yes, we have spent a lot of money, but I would remind members once again that throughout this province, and indeed throughout Canada and North America, waste and the management and the handling of waste is subsidized no matter where you go. I believe that the price we're paying to accommodate waste at this very unique, this very special plant at Swan Hills is little enough to pay in terms of protecting our environment.

Thank you.

MR. McINNIS: Mr. Chairman, I do thank the minister for the effort he made in responding to the questions. Just a couple of points. If he regards the \$200 million that we have in this corporation as a small price, I wonder what he would regard as a large price. The amount of subsidy, \$7,000 a tonne, compares to, when we talk about waste subsidy, blue box recycling costs in Edmonton of \$60 a tonne. We've got doom and gloom artists from here to eternity who say: "We've got to get rid of these blue boxes. They're going to bankrupt us. It's costing us a fortune at \$60 a tonne." Well, we're talking \$7,000 a tonne. Sixty dollars a tonne must scare the provincial government because we still don't have a blue box recycling program around the province, but \$7,000 a tonne doesn't scare them at all when it comes to the Special Waste Management Corporation.

I missed the study which suggests break even by 1996, and I'm intrigued by that. If indeed that was part of the environmental assessment documents, perhaps the minister could indicate it so I can look it up. If not and if he has some information to that effect, I'd appreciate it if he would table the studies upon which the 1996 break-even point is predicated.

Thank you.

9:50

MR. CHAIRMAN: Is the committee ready for the question?

Agreed to:

**Environment**

Total Vote 2 - Construction of Special  
Waste Facilities

\$11,440,000

MR. KLEIN: I move that the vote be reported.

[Motion carried]

## Public Works, Supply and Services

MR. CHAIRMAN: Vote 4 is the Construction of Health Care Facilities. These important matters are under the jurisdiction of the hon. Minister of Public Works, Supply and Services.

MR. KOWALSKI: Mr. Chairman, it's my delight to be present at the Capital Fund. I'd like to make very, very brief comments with respect to vote 4, which is the Construction of Health Care Facilities; vote 5, the Construction of Water Development Projects; vote 6, the Construction of Government Facilities; and on behalf of my colleague the Minister of Transportation and Utilities, vote 7, the Construction of Economic Development Infrastructure.

Mr. Chairman, the documentation is fairly clear. If all members will recall, I gave very, very exhaustive overviews with respect to these estimates last year and earlier this year, and I'd be very pleased to answer any questions that hon. members might have with respect to votes 4 to 7.

### 4 – Construction of Health Care Facilities

MR. CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Chairman. Yes, I'd like the opportunity to ask a few questions. For some of these the minister may want to send written answers, but I'd like to get them in the record.

Mr. Chairman, in Capital Upgrading I'd like to know what facilities are targeted and what type of upgrading.

Vote 4.2. I'm pleased that the Royal Alex is going ahead, and I'm sure all Edmonton members of the House would echo that. I would like an explanation of the University of Alberta hospital, the amount of \$2.9 million. No explanation there, and perhaps the minister will answer.

I would like to ask a question, Mr. Chairman, about St. Michael's hospital in Lethbridge, whether or not this one is nearing completion. We also understand that there are to be some acute care beds in St. Michael's. It was my understanding that this was going to be a geriatric hospital, but it now appears it's going to be a mix of beds. I'm not quite sure what the rationale is for the acute care beds in St. Michael's when the Lethbridge regional hospital is just down the street. Perhaps there's some very good and logical reason for that, which I would like to hear.

Mr. Chairman, 4.3, the Cross Cancer Institute. I've expressed some concerns about this in the House regarding the terms of completion of the renovations and upgrading here. Perhaps the minister will tell us what the dates are on this and whether or not it can be speeded up, since there are waiting lists and a lot of concern being expressed about people having to wait for treatment at the institute. Similarly with the Baker clinic in Calgary. It isn't mentioned here, isn't included in the funding. I take it that it isn't up for any support this year, Mr. Minister. If not, why not?

Also in 4.3 we have the Alberta Hospital Edmonton. Last year I expressed a lot of concern about the disparity in the facilities in that hospital, Mr. Chairman, the facilities that were available for voluntary patients as well as involuntary patients, a considerable difference in the quality of the facilities. Will we see some improvement in terms of those residential facilities?

Northern Alberta Children's Hospital, \$750,000: what's that for? I'd like to know whether or not the northern Alberta children's hospital is going to develop satellites for the children's health care centre in, for instance, Grande Prairie's Queen Elizabeth hospital. Will that eventually become a satellite?

Down to 4.4, community-based hospitals. The regional hospital in Fort McMurray has been budgeted \$300,000. Perhaps the

minister will explain. Is that to open up the closed floor for extended care or some other purpose? I see Slave Lake has been budgeted \$3.7 million. Is that going ahead? The minister helped us to understand some of this last year and the sequence of events. Can we have some timing on that? Similarly with the Immaculata hospital in Westlock: can we have the timing on that one so that people will know what they can expect?

Mr. Chairman, the subvote of health facilities waste management has a 50 percent increase. Can we have an update on the situation in Beiseker? Is that totally closed down? Where are we in terms of working with the private sector in waste management for medical waste?

Vote 4.5, the community-based hospitals. I see Milk River has been given a 300 percent increase and the health centre at Valleyview 20.6. Has there been any decision, Mr. Minister, with respect to improving the acute care facility in Whitecourt? Many of us are getting correspondence from physicians in that area and individuals in the community who have expressed very valid concerns about the state of their hospital.

Black Diamond seems to be back in business. Mr. Chairman, to the minister: is the province making any attempts to recoup additional expenses that they had in regard to the repairs in Black Diamond? Are we suing anybody? Are we going to recover some of the expenses that were incurred in moving patients and having to change that hospital? The same question could maintain about Pincher Creek and Magrath. Are those all completed? Were there any expenses that we were able to acquire from third parties?

Auxiliary Hospitals: is that going to mean an increase in the total number of beds in the province, and will these expenditures have any impact on waiting lists? Last year the minister introduced a new policy allowing auxiliary facilities to reduce occupancy levels to 96 percent. Has this affected the waiting lists?

Nursing Homes, 4.7. Mr. Chairman, it appears this budget has been pretty well frozen on any new project. Does that mean that all the upgrading on nursing homes has been completed? Were there any additional beds made available through those renovations that were done last year?

Mr. Chairman, the needs in Hinton we brought to the minister earlier in this session. The communities of Hinton and Edson have made their needs very clear in regard to long-term facilities. I wonder if they're on your list. I also want to know if Spirit River is on the minister's list for planning and for potential construction of long-term care, as their residents now are having to go to Grande Prairie.

### 10:00

In Health Units, Mr. Chairman, I'd like to know what we're buying. Are we talking about new buildings for these too? Is there any move at present to establish more nursing stations in remote communities through health units?

Mr. Chairman, my last question is: I wonder if the minister has made any progress or has given further consideration to a question I asked last year in terms of a plan for an inventory of hospital equipment in the province, both in use and mothballed or in storage.

Thanks, Mr. Chairman.

MR. CHAIRMAN: Thank you. Any further comments?

The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I had a couple of questions I wanted to raise with the hon. minister as well with respect to vote 4. Specifically, on behalf of the Member for Calgary-Mountain View I wanted to ask the minister what the current

status is of the project at the Calgary General hospital, the Bow Valley site. I understand that a major renovation of that facility is long overdue; hopefully it's on its way. The member understands that they're in the functional and design stages again. They've been there before. It's an important facility, and they'd like to know when this important project is going to be going ahead. I make that representation on behalf of my colleague.

As well, I'd like to ask the minister if he can give me some indication as the Member for Vegreville about the status from his point of view of the long-term care facility in Vegreville with respect to the 40-bed addition that's been proposed and approved and on the back burner for some time. I'm going to be at that facility tomorrow. It's seniors' week. I'll be there with the chairman of the Seniors Advisory Council for Alberta, a nice little function. People will be wanting to know what the status of that project is.

Quite frankly, in talking with the Minister of Public Works, Supply and Services and the minister, I feel like I'm phoning the federal government to try and get some information. I ask the Minister of Health what's happening with that project. She says: "Well, don't ask me. It's up to the Minister of Public Works, Supply and Services; he makes all the decisions." When I ask him, he says: "Well, we just build them. They tell us when and where, and we go out and do it." It's the classic runaround. I won't list all of the reasons why that facility is so important, why we need extra space. The minister knows full well. Being a rural member himself, I'm sure he's sensitive to the needs of a community like Vegreville, especially given the significant percentage of our population that is over the age of 65 and will be requiring some institutional care at some point in their lives.

I'm wondering, too, if the minister can give us some indication of what assessment he's done of the kind of mix we have in the province with respect to acute care facilities and long-term care facilities. There's some evidence, I would suggest, that some acute care facilities are underutilized, while at the same time there's incredible pressure on long-term care facilities, not an adequate number of beds for long-term care in many communities, indeed in many regions. People are lined up waiting to get care in auxiliary hospitals, nursing homes, or now called long-term care facilities. I'm wondering what sort of assessment the minister's doing with his colleague the Minister of Health to determine what the overall need in the province is. What is the current status of the facilities, and what plans do they have to try and make better use of the facilities that we have in this province to make sure that the needs of the people of the province are addressed in a way that responds to their needs both to receive the care they need and to be as close to home as possible?

I'd like to ask the minister as well, I guess, following up on a question asked by my colleague the Member for Edmonton-Gold Bar, about the status of the long-term care facility in Fort McMurray. They don't have a long-term care facility. There have been some proposals made. Our understanding is that there's not much money allocated to that project this year, which may indicate 5,000 bucks being spent on a feasibility study or something. When is that community going to get the money they need to have a long-term care facility for the citizens of the city of Fort McMurray?

MR. CHAIRMAN: The hon. Member for Edmonton-Meadowlark, followed by Edmonton-Jasper Place.

## 5 - Construction of Water Development Projects

MR. MITCHELL: Thank you, Mr. Chairman. I'm interested in vote 5, Construction of Water Development Projects. With respect to vote 5.0.3 the minister has given us a definitive answer on what

exactly is the amount of money that has been spent on the Oldman River dam, but strangely enough, without precedent in the annals of government information, he has stated that not in absolute dollars but in 1986 dollars, I think is what he used. We don't hear about the cost of anything else in 1986 dollars when we ask that question, so I would like clarification. I don't want to know what that cost is in 1986 dollars; I want to know what it cost in absolute dollars if he added up every last dollar that has been spent on the Oldman River dam year after year after year and accumulated it, not in any kind of funny present-value system or funny future-value system but just added it up and gave us a figure. Could he please do that? Is he capable of giving us a straight answer on that particular question? That's the big question. Is he capable of doing that?

With respect to vote 5.0.1, the Little Bow River Project, could the minister please explain: is the work at Champion dependent on the EIA approval, and is the money being set aside in anticipation of getting approval, or is the Champion project a supplementary project independent of the Highwood diversion? A second question is the manner in which the environmental impact assessment has been structured on the Highwood diversion. Why is it that the downstream effect of the diversion on the Highwood River has been excluded from the terms of reference of that environmental impact assessment? It seems pretty important that we would want to assess the impact on the river downstream from the diversion; therefore, it's suspicious that the government would exclude that from the terms of reference so that people can't even address it. Why is it that this government is afraid of issues being addressed, is afraid of the facts? You can't make proper decisions unless you get the facts.

For the Milk River Project, 5.0.2, what exactly are these funds being spent on?

For the Pine Coulee Project, 5.0.4, at what stage is this project? What exactly will the funds in this particular vote be spent on?

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Deputy Government House Leader.

MR. GOGO: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. SPEAKER: Order please.

MR. SCHUMACHER: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows.

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1993, a sum from the Alberta Capital Fund not exceeding the following for the departments and purposes indicated.

Advanced Education: \$76,956,906 for Construction of Postsecondary Education Facilities.

Environment: \$11,440,000 for Construction of Special Waste Facilities.

The Committee of Supply has had under consideration certain other resolutions of the Alberta Capital Fund, reports progress thereon, and requests leave to sit again.

10:10

MR. SPEAKER: Does the Assembly concur in the report and the request for leave to sit again?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

MR. GOGO: Mr. Speaker, by way of information, tomorrow will be the 25th day of the general estimates, and as per designa-

tion by the Leader of the Official Opposition, it will be the Department of Health.

[At 10:11 p.m. the Assembly adjourned to Wednesday at 2:30 p.m.]

