

Legislative Assembly of Alberta

Title: **Monday, September 27, 1993**

8:00 p.m.

Date: 93/09/27

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I'd like the committee to come to order. To the people who are in the galleries so that they can understand what is going on down here, I will explain that this is Committee of Supply, where we're going to be discussing tonight and scrutinizing the expenditures of the Public Works, Supply and Services department. The Committee of Supply is an informal part of the Legislative Assembly. Members are allowed to be in places other than their own place, although when they speak on the issues, they must only speak in their place. They're allowed to take off their jackets, to have coffee and juice, and to whisper quietly to their colleagues.

AN HON. MEMBER: No dancing or falling.

MR. CHAIRMAN: No. No dancing or other shenanigans. Members can speak more than once to an issue.

head: **Main Estimates 1993-94**

Public Works, Supply and Services

MR. CHAIRMAN: Without any further ado, we'd like to ask the Minister of Public Works, Supply and Services to start off with his comments, and then we invite your comments and questions. [applause]

MR. THURBER: Thank you, Mr. Chairman and colleagues.

MR. CHAIRMAN: Can we just hold it for a second. I'm not sure what new spirit has entered the Chamber, but we hope that this kind of enthusiasm for the legislative process, in particular the Committee of Supply, is put to useful direction.

With that thought in mind, hon. minister, if you'd continue.

MR. THURBER: Thank you, Mr. Chairman. I'm sure it was put for a very useful purpose, in this case particularly.

Mr. Chairman, before I start my presentation, I would like to make the Assembly aware that I have certain guests in the gallery. The deputy minister, the ADMs, and many of the staff from Public Works, Supply and Services have entered the gallery this evening to witness my maiden presentation of the estimates of PWSS. I have to also warn you that I have made them aware that I don't need any snickers from up above tonight, because even if I do get confused, I don't want them to enjoy it too much in my presence.

Mr. Chairman, I'm very honoured to have been given the opportunity to work with such a conscientious and dedicated and hardworking group of people. They all deserve special recognition. As our time is limited here tonight, just let me take a moment to introduce the Deputy Minister of PWSS, Ed McLellan. Ed, would you stand for a moment, please. This gentleman – and I'm sure my predecessor can attest to this – has had an immediate answer in his head for every question I've given him, and so far they've proved to be relatively right on. Also in the gallery is Paul Pellis, the director of financial planning. Paul, would you stand for a minute, please. Paul has spent many, many long nights and entire weekends away from his family to try and help me and PWSS prepare for this presentation.

Just in conclusion to that, Mr. Chairman, I can't stress to you enough the dedication that these people have to this government and the people of Alberta. The term "civil servant" would take on a new meaning if Albertans were truly aware of the talents that do exist within the staff of this government.

Now, Mr. Chairman, the Department of Public Works, Supply and Services is responsible for many things. They provide everything from office space to institutional facilities, such as correctional centres and hospitals, to computers to pens and pencils and paper. The total '93-94 budget for all general revenue fund activities undertaken by this department is \$464.4 million, with \$181.4 million for the capital fund.

I would like to bring your attention to a few statistics which members may find interesting. This department is responsible for the operation and maintenance of a multibillion dollar physical plant encompassing approximately 2,500 owned facilities and 500 leased buildings. We co-ordinate and manage a significant number of capital construction projects on behalf of various government departments and agencies, which include 53 hospitals, six health units, and three reservoir projects at this present time. In addition, we provide project management services to a number of government boards and agencies. We also provide grants in lieu of taxes of \$46.5 million to an estimated 200 Alberta communities. This level of funding relates to the anticipated '93-94 mill rates and additional assessments attributed to the construction of new buildings or the acquisition of lands. Any mill rate increases will be offset by grants in lieu of tax reductions achieved through the sale of surplus properties.

This department is responsible for the purchase of lands for other departments' program use and for the Edmonton and Calgary restricted development areas. We also assist government boards and agencies in the acquisition and sale of real estate. PWSS is actively pursuing the disposal of lands which are administered by this department and are surplus or become surplus to the program requirements of this government. Surplus land sales are anticipated to reach over \$12 million for the '93-94 fiscal year. Close to 625,000 square metres of space is leased from the private sector for government departments and agencies, with an annual budget approaching \$88.3 million for this particular department. The government occupies 2.3 million square metres of owned space of which 600,000 square metres is managed by the private sector on a contract basis, while 1.7 million square metres is managed using a combination of department and contracted private-sector services.

We operate one of the largest centralized data-processing facilities in Canada on behalf of Alberta government departments and agencies. There are four data centres in Edmonton and Calgary, and these consist of seven computers serving over 18,000 computer devices within this government. During '93-94 we intend to reduce these to three through consolidation of sites. The annual budget for these is approximately \$40.8 million.

We operate a total of 14 aircraft for use by government departments and agencies. The department is reviewing all aspects of air transportation services currently provided to other departments. We are seriously considering the privatization of the services provided by the six government-owned helicopters and the fixed-wing fleet, consisting of three King Airs, the Dash 8, and four water bombers. It is also being reviewed in terms of improving operating efficiencies, essential service requirements, and any alternate approach which may be available to provide these services.

We are responsible for the storage of over 330,000 cubic feet of records. This volume of records, just to put it in perspective, would cover a Canadian football field about five feet deep. I'll talk a little bit more about that later on.

The departmental staff complement is around 1,780 permanent positions and 354 nonpermanent employees. This reflects a decrease of 350 full-time equivalents from 1992-93. This reduction was achieved through permanent position abolishments based on the participation of 237 employees in the voluntary severance program and the abolishment of 113 full-time equivalents. This was as a result of privatization initiatives and organizational streamlining. The 350 reductions in 1993-94 have been achieved with no layoffs of permanent staff. In the last 10 years the number of permanent positions has been reduced in this department by over 1,700 with virtually no layoffs. Close to 60 percent of the work previously undertaken by these positions is now contracted to the private sector, and the remaining 40 percent has been accomplished by a streamlining of the organization.

We also act as the central purchasing agency on behalf of all departments, and we process approximately 8,000 tenders per year with a dollar value approaching \$225 million. Some examples of higher dollar volume purchases include \$38 million on road-building materials, \$25 million on automotive fuels and lubricants, \$26 million on vehicles and heavy equipment, and \$72 million on information technology equipment and services. These are all described in the estimates.

In addition to these points there is a number of initiatives and projects on which I would like to bring you up to date, such as the privatization aspect of our department. Public Works, Supply and Services continues to privatize services which can be more cost effectively undertaken by the private sector. I might mention that this department was one of the first to enter into these privatization operations and deals. Over the years we have been privatizing all architectural and engineering services associated with the design of buildings. Today virtually 100 percent of all architecture and engineering is privatized, and the '93-94 budget for these is over \$6.8 million.

8:10

At one time building construction was undertaken by a combination of in-house staff and the private sector. Today all construction is undertaken by private-sector construction firms. Building construction expenditures in the '93-94 fiscal year are expected to reach \$31.9 million. The '93-94 budget for water development projects is \$15.1 million. These projects will be undertaken using private-sector resources.

In 1983 all property management of the some 3,000 buildings in Alberta was undertaken by in-house staff. At the end of the last fiscal year nearly 40 percent of this property management in our own buildings was privatized, representing annual expenditures of about \$40 million.

As mentioned before, we are actively disposing of surplus government property utilizing real estate firms. Real estate commissions on the property sold in this coming year will be close to \$220,000.

PWSS will continue to use auction firms to sell surplus equipment, specialty items, and vehicles. We expect that sales through private auctioneers will approach \$2 million in '93-94. In the past this department has donated surplus material to charitable organizations on a large scale. In order to generate additional revenue we will be reducing the number of donations and making these items available for sale at a market value.

In addition to the above, the repair and maintenance of office equipment was totally privatized some time ago. As one member mentioned earlier today, we seem to have a finger in everything that you're doing. So if Barry McFarland gives me a bad time, I can always shut off the power and move his desk out of his office.

The repair and maintenance of office equipment, as I said, was totally privatized. We have eliminated one print centre in Calgary, and in 1991 the two Quick Print centres in Edmonton were amalgamated with the central duplicating plant. We privatized the operation of four water bombers quite some time ago, and around \$28 million in computer services has been privatized. Warehousing and distribution of building supplies and furniture has been privatized through the use of standing-offer agreements. We no longer need the large warehouses to go into storage on our own. In 1992-93 the warehousing and distribution of appliances was privatized, and in '93-94 caretaking supplies will also be acquired by use of standing-offer agreements. Mr. Chairman, we will continue to evaluate all services we provide with a view to privatizing those that make sense from an economical point of view.

Properties which are surplus to our requirements are being sold, and particularly in the land area we have a marketing agreement with the Alberta Real Estate Association. This agreement permits the listing of properties with a member firm and allows the department to utilize the MLS and the marketing expertise available within the real estate industry. Approximately \$9 million worth of surplus land was sold in '91-92, much of it through the MLS system. In '92-93 there was \$7.6 million worth sold, almost all of that through MLS, and we expect to sell about \$12 million worth in '93-94.

One of the key issues as we downsize in government and downsize in departments is the space that we have allocated and that we have leased and that we own. A number of measures to streamline operations to improve efficiency and reduce costs have been put in place in our property management programs. The voluntary severance programs, government downsizing, and privatization initiatives of other departments have of course impacted and presented PWSS with opportunities to reduce the cost of office accommodations, furniture, and parking. Office space audits are under way with a view to preparing these accommodation plans to recapture the pockets of vacant or underutilized space. This will result in a reduction in rental fees and in the overall operation and maintenance in these buildings.

PWSS is currently responsible for our grants in lieu of taxes program. Under this program we provide municipalities with annual grants equivalent to property taxes on provincial properties located within each municipality. This is a significant program. The hon. members from the city of Edmonton might want to listen carefully to this. This program has over 200 municipalities receiving grants, although the city of Edmonton is by far the largest grant recipient. In 1993 Edmonton received approximately \$19.5 million, roughly 42 percent of the total that was paid out throughout the province. This of course reflects the extent of the Alberta government involvement within the city of Edmonton.

Another program that we've entered into just recently this summer is the open-bidding system. We entered into an agreement with Information Systems Management Ltd., a private-sector company, to participate in their open-bidding service. Effective July of this year Alberta and other western provinces were able to advertise tenders for goods and some services through an electronic bulletin board. This allows the business community of Alberta to participate in this system on a user-pay basis. There's not any direct cost to Alberta taxpayers; in fact, our costs will be reduced by thousands of dollars annually.

Public Works, Supply and Services will be responsible for coordinating the implementation and administration of the access to Information and protection of privacy legislation. As you are aware, this is a new initiative consistent with our Premier's commitment to open government. A major focus in implementing

this new program will be on the improvement of records and information management practices in government to facilitate the access to these records. This will include changes to existing legislation, regulations, and policy. It requires great changes to the method of retrieval and storage of these records. The estimated funding in this year's budget for this requirement is \$450,000.

To demonstrate continued environmental leadership to other departments and the public, PWSS has taken several steps in the purchase of environmentally-responsible products. Where we provide so many goods and services to other departments, we have to look at this very carefully. Paper recycling is in place at over 70 sites in Edmonton and Calgary. About 1,200 tonnes of obsolete records are pulped annually and go into the manufacture of shingles and building products. This is the part that falls off the end, over and above the pile of records that's the size of a football field and five feet deep. As of April of this year, there were over 480 items such as retreaded tires, refined oil, lubricants, recycled paper-based office products, and recharged laser printer toners, just to name a few. These things are being made available to government departments, and they're all recycled. Also, beginning this fall the fuel efficiency of vehicles will be factored into purchasing decisions for general fleet vehicles whereby contract award decisions will be based on the combined cost of projected fuel consumption and the tendered vehicle price. The use of green products has been promoted throughout this government and to the public by means of circulars, notices, posters, news releases, et cetera. There is no extra cost to taxpayers. In fact, savings have been achieved in many areas.

Mr. Chairman, I'd like to conclude my remarks here by just a couple of brief remarks on government vehicles. In order to streamline and consolidate government operations and eliminate duplication, we have transferred the central vehicle services fleet to the Department of Transportation and Utilities. This initiative will achieve operational efficiencies and savings of about a million dollars per year and a onetime savings of \$300,000.

Members will note, Mr. Chairman, in reviewing these estimates that PWSS has achieved significant savings as compared to the '92-93 budget. During 1992-93, recognizing the realities facing the government, this department put in place restraint measures to limit spending. Reductions in capital project reviews netted the government substantial savings for '92-93. In addition, full-time equivalent positions have also been reduced by 350, with no layoffs of permanent staff. Consistent with Budget '93, these measures are continued into '93-94.

Mr. Chairman, that concludes my opening remarks. I would be pleased to answer any questions from the Committee of Supply members regarding these general fund Public Works, Supply and Services estimates.

Thank you, Mr. Chairman.

8:20

MR. CHAIRMAN: Okay.
Edmonton-Mayfield.

MR. WHITE: Mr. Chairman, if I might ask the minister if he intends to answer questions immediately or gather them at the end.

MR. THURBER: Mr. Chairman, with the will of the congregants here tonight, I would rather do them at the end, if I could. It gives you a little better chance. It doesn't dilute from the number of questions that come forward. I'll try and answer as many as I can at the end, and if we run out of time, I'll certainly get you the answers in writing.

MR. CHAIRMAN: Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Chairman. I will be working at this in the same manner as you, sir, in that we're not at cross-purposes here. Your department is the supplier of goods and services to all the departments in all of government, to try to do that as efficiently as possible, and this side hopes to aid and abet in that as much as possible, with a couple of exceptions in some areas which I'm sure you'll be aware of. First, in trying to do that this evening, I'll try to cover your deliberations you left us with a few moments ago and in the same order, and then some of my colleagues will pick up other parts of your department and perhaps a little further in depth.

First, you started off, as I would and as I thought you should, speaking of your staff and not just those that are assembled here – I'm sure those are the heads of the operation – right down to the people that in fact serve on an everyday level throughout these grounds and many others. It's nice to hear that through the privatization effort, which philosophy this side applauds, the operation of it and how it's enacted is sometimes less than what we'd like, but it's also less than the department would like, too, because nothing is perfect, I'm sure.

There is, however, one area where we would like to applaud your department, and that's in the privatization: that there were no layoffs to my knowledge and then confirmed tonight. I don't think I ever have heard of layoffs due completely to privatization other than some downsizing that occurred in some other places that some of your staff were put to. Of course, in privatization the question is always begged: what is the test one uses? Laying out the philosophy and saying, "Yes, that's an attainable goal," and to start marching towards it is one thing. The other thing is to say: how far does one go? Having had a little experience in design, engineering, and construction myself, I know that there are some things . . . It is a whole lot easier to go out and clean the walk yourself than to hire somebody to do it when it doesn't snow but every so often. There is a lower limit there which has to be maintained, and that's the first question that I'd like to put and have the minister answer. Perhaps it's a little longer answer than you're likely to give tonight. What tests does one use to determine whether one goes to the privatization side or maintains the in-house staff to do it?

I guess an adjunct to that, too, is: can and will the department be looking at areas in their purview other than the ones that were mentioned this evening? There are a number that come to mind, records and that sort of thing, that are currently done by department staff.

I'd like to move to another area that you mentioned in passing, Mr. Minister: the grants. I can assure you that members on this side from Edmonton were in fact listening, this one in particular and this one for sure. The \$19 million that is given is not largess. We both know that. In fact, it is payment in lieu of taxes. One does that not out of the goodness of one's heart, but one does that in payment for services, as taxes, as you well know, are in fact just that: payment for services delivered.

The open-bid process is certainly an initiative that has come across Canada, and it certainly appears to have some benefits. We have yet to see the fruits of those benefits. I am one that, until something has been proven that it in fact is going to be very advantageous, would not like to run whole hog and do away with bid depositaries and other methods of getting the message out that you do buy a lot of services and goods in this province. There are lots of methods of doing that.

The difficulty, again, is the lower limit. How does the little fellow down the block that may have a computer: "Gee whiz, I'm a painter. I'm a contractor. I work with my hands and my tools. I'm a tradesman. Those darn computers are for my kids to play

Nintendo games on or the lady around the block to keep my accounting in order. They're not for me, and that's not how I access." So when you tell them that all the goods and services that will be acquired by the government are available on an open-bidding process and electronic billboard, he immediately opens the door, goes outside, and looks around for a big piece of wood standing in the sky. He does not know how to access that. You really have to spend an extra bit of time – and I'm not sure that that is not done now – to educate that person or have an alternate system that is pegged and posted somewhere in the old-fashioned way, as it always has been.

So as not to make you feel overly good this evening, Mr. Minister, there are a couple of areas that do concern me. A little background here. When taking on being a critic of an area as large and vast that covers so many areas – as you pointed out earlier, the tentacles of the organization go virtually everywhere – it behooves one to look for some help. I took my trusty documents in hand and went off and assembled five good and true members of society. Some of them provide services through the department to the government of Alberta at present in five different areas: some in supply, some in engineering, some in construction. Gee, I forgot what the last one was at the moment. However, between the six of us we tried to dissect that which is presented in your document, sir. I can say unequivocally that they're woefully inadequate. There is, in fact, so little information as to make it very, very difficult for anyone, myself or a learned member of the public, to dissect and analyze what is happening here in anything that you've said toward the privatization or the open-bidding system. The grants in lieu are therein contained, but they're \$46 million, I think you said, in some 200-plus municipalities and agencies throughout the province. Well, I'm sorry, sir. In order to have a full and open disclosure to the citizens of Alberta, you'll have to do that to this side also. You'll hearken on the first statement that I made: at least, this critic is not here to slice and dice; in fact, I'm here to aid and abet most times. Certainly good, healthy criticism, I'm sure you'll agree, has never hurt your department.

You'll find that the capital fund document – well, you turn it upside down, and my sons could use it for good drawing paper, because there's more clean, white space in the document than there are in fact numbers that mean very much to anyone, unless of course you happen to be a staff member in those particular areas. It is very, very, very difficult to draw much information from that which you've delivered. I have to say that there are some areas my colleagues will be delving into, asking a number of pointed questions and attempting to garner some of that information that is not contained. [interjections] If you wish to say something, sir, it usually requires one standing up and getting on the Order Paper.

8:30

There is an issue that requires some discussion that is not to be found anywhere; there's not a simple hint of it in the document. Some time ago there was a major direction your department headed in: the design-build concept, which I happened to be a proponent of in government for quite some time, although it is not the be-all and end-all, and I'm sure the members of your department staff will tell you that. Again, if you could simply provide a number in this area. In each of your three broad categories, those that are under \$500,000, those that are under \$5 million, and those that are \$5 million-plus – those used to be the categories capital work was put in – what percentage would be done by this method now? What is the result? Surely the department has had some kinds of studies and some feedback to the deputy and

probably to yourself, sir, that have given you some reason to either continue or discontinue this method of providing capital buildings to the province of Alberta. Is there a lower limit at which the adjudicator of a performance specification can say yes, we must at this point consider maintaining our own staff to do these projects because they're so difficult to specify that the department ends up spending more time specifying the work and inspecting the work than in fact going out and using the resources to actually implement the work?

Another issue at hand is this winding down of capital work. If it isn't in this government's plan at this point, I suspect it shall be in the not too distant future, a number of years, in order to meet the goal you the government has set, and I would expect that's coming down rather rapidly. I would like to hear the minister say again and confirm that past history is going to repeat itself in the future, and if in fact there is to be less work in the department, there will be other placements for your staff such that layoffs will be either nonexistent or extremely minimal.

There's another issue on the tail end of the privatization. I'm sure the minister has been made aware that international engineering work, engineering in the very broad sense, includes a lot of architectural work, a lot of process plant work, a lot of specification writing, and certainly a lot of project management work also. You'll know that this province exports an incredible amount of that work throughout the entire world, and in fact this province is noted for excellence in those areas. When one looks to privatize some of these things, it is always good to assist the private sector in doing lead project work. The most noted example I can think of is a tunnel not too far from underneath this building, the LRT project, which was headed by a group of Edmonton-based engineers known to yourself. I'm sure you know Doc Stanley of Stanley engineers and consulting group. Heading this project, they have been able to take the project and market their expertise throughout the world on the basis that they have done work of this magnitude before, managing large projects for governments throughout the world, particularly in southeast Asia, which at the moment are looking for those kinds of services.

The last issue I would like to speak to you about, and briefly, is the purchase and privatization of your vehicle fleet and airline fleet and that sort of thing. While in theory and in philosophy it may be the right thing to do, it is extremely difficult, having tried to do that in a number of other jurisdictions throughout the world, to maintain service of your vehicle to a level that can be attained through individual negotiation with the operator of that vehicle. If you're in High Prairie, to manage it gets to be a very, very difficult task, from those that are in the department that run these things. It may be nice to do, but it's going to be darn difficult for you, sir.

We have a number of speakers tonight. I tried to be as brief as possible, and my members will. I know your answers certainly shall.

Thank you kindly for your time, sir.

MR. CHAIRMAN: Okay; thank you.

Grande Prairie-Wapiti.

MR. JACQUES: Thank you, Mr. Chairman. First of all, I'd like to congratulate the minister on his appointment. I have various questions, Mr. Minister, that cover a range of subjects. The first one is related somewhat to your opening comments. You were talking about the open-bidding service, which I'm not completely familiar with. I know it's something that was instituted not that long ago. You did indicate in your comments that it was cost-effective in terms of the ministry and more particularly in terms

of the government. I was wondering if at some point you could share the specific information that was developed with regard to any cost/benefit relationship and indicate, if you could, the types of fee structures that are in place in terms of charging to third parties.

A question in terms of overall bidding processes. I'm not advocating this particular position one way or the other, but I have read documents by various associations in terms of discussion from the pro and con points of view. That is the position on whether government should be taking the second-lowest tender on bids. I don't want to enter into debate on that. Really the question is whether your department has considered it and what have you come up with in terms of the decision you obviously have made?

The third question ties more specifically into the budget and is represented by section 5.5, Air Transportation Services. I recognize that this is probably a sensitive area in terms of any time we talked about government aircraft, but I'm interested more specifically in terms of one particular aircraft which I understand is in the fleet, and that is the Dash 8. I believe it is a 100 series, which, if I recall, depending on the seating configuration, is capable of around 35 passengers. Really what I would like to know, Mr. Minister, is: in relationship to the budget for '93-94, what is the projected utilization of that aircraft in terms of flying hours? What do we have in terms of operating costs per hour as well as total costs per hour? By total cost I mean all costs, including the deemed cost of capital employed. I'm not sure whether that particular aircraft is leased or owned outright.

My next question concerns the structures administered by your ministry. It's my understanding that virtually all government buildings, regardless of ministry and department, come under your jurisdiction. My understanding is that there is one exception, and that is with regard to health unit buildings. Generally, where they are owned or leased, they are under the jurisdiction of the Ministry of Health as compared to your ministry. I was wondering if you could confirm that, and if that is the case, why in that particular case is there an exception?

Also, with regard to capital, in looking at the capital program that was tabled, I did have some difficulty trying to get something more specific as to what projects we're representing. I also had some difficulty in looking at the capital program itself, which as a separate document shows a total of \$166 million versus about \$42 million that was shown in the supplementary information. Now, no doubt there's a logical explanation for that, but I just couldn't pick up the audit trail on that.

Thank you, Mr. Chairman. That concludes the questions I have.

8:40

MR. CHAIRMAN: Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. I also wish to congratulate the minister on his appointment. We do have something in common, as I have acknowledged: I indeed lived in his constituency when I came to live in the province of Alberta.

What I'd like to do is chronologically go through the different elements or votes and ask some specific questions because I had some difficulty in interpreting what the numbers indeed were telling me. That's where I'm coming from. I want to know what the expenditures are for and why there are variances.

Land Assembly in vote 2. We're seeing a shift away from the role of public works in the purchasing of lands to other government departments, and we've looked at a significant variance from \$21.6 million, I believe, for '91-92 to \$1.6 million. I'm wondering: where would I find expenditures for Land Assembly, in what other budgets, or indeed is there any more within the public works

budget under another vote? Certainly there is a substantial variance there. Looking at the changes down to \$1.6 million, the question has to be asked, then, with regard to Administrative Support, why we've not seen a substantial decrease in that area in relationship to the variance.

Moving on, I find this quite fascinating, and once again I would like to hear from the minister: are we going to look at some further privatization? I want to deal with 3.3, Realty, and also Property Management. We're looking at substantial public funds being expended in those areas, and if we're looking at levels of efficiencies within government, this is an area I would have thought we'd have seen some substantial improvement on. So I'm asking: why are we not seeing more cutbacks and streamlining in this area? The other, related to that, is that when we're getting into lease agreements and property management, do you indeed have some written policies or guidelines when you're out managing properties?

Indeed, what percentage of the properties the government presently owns are managed by themselves? Does this government intend to get out of the property management business? Once again, looking at levels of efficiency and effectiveness, isn't this an area where we indeed should be looking at privatization and also carefully examining what leases we have in place at the present time? I can think of one during my research: with O & Y, we're paying substantially above the marketplace. I would find it interesting from a budget perspective being able to look at what indeed we are paying in leases on behalf of Alberta taxpayers. We need that level of detail if we're going to be able to examine the effectiveness and efficiencies of the contracts you as a government are entering into on behalf of our taxpayers.

Also, I have a significant interest in equality of care within the health care field. So when I get to capital projects or construction projects, I immediately think of Alberta Hospital Edmonton and how as a taxpayer or an average Albertan I would be able to determine what projects are indeed under program 4. Where would you find the infrastructure funding for, say for example, an Alberta Hospital Edmonton power plant or ensuring that the infrastructure is there to adequately support that facility and hopefully the reconstruction project that presently is being worked upon through design?

The other area that I have a question related to is 4.6. We're looking at education expenditures there. I would like an explanation as to what the nature of the funding for the Alberta Distance Learning Centre in Barrhead is. Why are we seeing that increase in this fiscal year?

The other area where I and also my colleague have a significant interest is: why are we seeing a substantial increase in funding for the Oldman River dam? It's certainly a dramatic increase, and if we could have an explanation why this is indeed happening. We're looking at a 316 percent increase in that area.

Family and Social Services. We're looking at a cutback. Once again, because the numbers don't mean anything when it comes to programs, why are we having a substantial cutback in Michener Centre? Indeed, what is happening there, and likewise in the group homes where there has been an identified shortage when it comes to housing young offenders or people who are needing social services' support systems? Why once again are we eliminating - in some instances totally, under 4.9 - the funding for these group homes?

Another area that I find absolutely fascinating, and I hope that there's some economic benefit to this: why is the department spending money on the China/Alberta Petroleum Training Centre in Beijing while at the same time we're, as I say, eliminating

funds for group homes? I hope there is a significant explanation why these public funds have been expended in this area.

Like my colleague I also would like to hear a detailed explanation as to where we are with the government vehicle project – suggesting that we will be getting out of that business. How far have we gone, and have we indeed realized any capital funds? What has happened to those funds if they have been realized from those sales?

There's a number of other areas that I could touch on, but I'll allow my colleagues to have the same opportunity that I have had at this time. I look forward, Mr. Minister, through the Chair, to having my questions addressed.

Thank you.

MR. CHAIRMAN: Little Bow.

MR. McFARLAND: Thank you, Mr. Chairman, and may I offer sincere congratulations to the minister on his appointment as Minister of Public Works, Supply and Services. I think over a number of years, Mr. Minister, I've come to know you a little bit in your other life as a county councillor. I admired your outlook in dealing with people then, and I hope and know that it will continue in your new call here.

Mr. Minister, I found it timely tonight that a number of us were able to meet with the Alberta Irrigation Projects Association. Understanding some of the projects that your department deals with, I just wanted to pass on a couple of comments that have to do with the proper resource management of a most precious commodity, and that's water, especially in the southern part of the province. As you know, Little Bow is an area that is bounded on the west by the foothills in Kananaskis Country and runs east some 150 miles to within 35 miles of the city of Medicine Hat. On the south it's bounded by the Oldman, and we see and have seen the direct benefits of the Oldman River dam project. A number – I believe it's in the 50s – of communities that have directly benefited from the Oldman dam would like to thank you.

8:50

On the north and east side of the riding, of course, is the Bow River, and in between are the Willow Creek and the Little Bow, which brings me to mention that we have a number of projects in the area that residents have been working at for 10 to 12 years. The first one is the Pine Coulee project, which benefits some four communities either on Highway 2 or west of Highway 2. In a past decade of drought these communities faced a very severe municipal shortage. I would like the record to show, Mr. Minister, that at the same time people down there appreciate everything that the government has done in the way of water resource management, not all water is destined to be used for irrigation purposes. The communities that went without water one entire summer will certainly appreciate the completion of the Pine Coulee project.

The second project is another long-drawn-out project, and that's the Little Bow dam. Again, it stands to be a direct benefit to another four communities, five water co-ops, and many, many farm, domestic water users. In that same river basin, Mr. Minister, as you're aware, are a number of private irrigators who do not draw heavily on provincial funds, but they do draw the same water that irrigation districts do.

On the Little Bow project is a subproject called Clear Lake. These folks have had a dry dock sitting with an investment of over a hundred thousand dollars for the past number of years, and they are sincerely hoping that we can come through with a project that will see the water flow into Clear Lake.

I guess, Mr. Minister, the question in that regard is: would you be able to give us at this time any indication of how the \$15.1

million will be spent and how many months or years you may see this money being allocated to complete the two projects that I have mentioned before?

My second comment. The Member for Grande Prairie-Wapiti talked about the open-bidding system. This is a complement. I think it's something that was long overdue. I see it as a benefit to the many small businesses throughout Alberta who can access tender documents now through computer systems. I might ask one further question or possibly a suggestion, Mr. Minister, and that is that perhaps your department might look at putting the sale of your surplus items on the open-bidding system as well. I think we may stand to gain a few more dollars in terms of revenue from more people that are exposed to what we have for sale in terms of surplus equipment.

Lastly, Mr. Minister, I guess I can't ask questions when we know that we're in times of financial restraint, but I can pass out comments and compliments. I would like you to pass on my thanks to your staff for any dealings that I've had with them since I was elected in 1992. I think one of the nicest things I've seen so far is the cordiality with which your staff has dealt with my constituents, and they truly appreciate it. With that, please thank and commend your staff.

MR. CHAIRMAN: Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Chairman. I join with the other speakers in congratulating the minister on assuming this particular portfolio. I'm pleased to participate in this session this evening, and I think in my preparation and now by participating in this session, I'm mindful of the enthusiasm shown by one of your predecessors, Mr. Minister. In fact, it was only on April 19, 1991, when the then minister and now Government House Leader said, and I quote, "Holy mackerel, Mr. Chairman, I can't think of a more exciting department of government." I genuinely hope that all of us this evening that participate in this session will be animated by the same type of enthusiasm.

Mr. Minister, I think you're certainly accurate in identifying access to information as a matter which is going to dramatically increase the responsibility. It's going to create, I think, some significant challenges for you, sir, in your department and for your staff. I'm going to focus principally on those parts of your department's operation and organization that will be affected most directly by access to information. I think, therefore, I'm going to be focusing largely on vote 5, central services, and more specifically 5.3, Information Technology Management, and then the revolving fund. Then finally I have some questions I intend to put to you that deal with line items that relate to the Justice department.

Now, Mr. Minister, section 21 of your statute, the Department of Public Works, Supply and Services Act, enables a record management regime. That provision, section 21, gives the cabinet extremely broad powers not only for the management of documents and information but at least as importantly, if not more importantly, powers that deal with the destruction of government records and documents. Now, section 21(d) also confers a power on the Executive Council, the cabinet, to firstly define and then secondly to classify public records.

Let me ask you firstly: why does your government continue to exempt ministerial records from the operation of the Public Records Committee? A minister of this Assembly, a minister of your government, sir, receives a salary from the taxpayers of the province of Alberta, discharges ministerial duties as a public servant. Ministers are adequately compensated, adequately resourced. I'm not talking here, Mr. Minister, about your personal

notes. I'm not talking about constituency documentation that may be in the office or on the desk of any minister. I'm talking about the records that are generated in the course of a minister executing his or her ministerial functions and responsibilities. I suggest to you that the public has paid for those documents, and those records should be treated like any other departmental records. I ask the minister if you will agree on behalf of your government to include ministerial records and make them subject to the operation of the Public Records Committee.

It's of interest to those members that have something of an historical bent that if we look at the catalogue of archival records, I see we've got records from the hon. C.W. Cross, Attorney General, 1910; from the hon. J. Brownlee, Attorney General, 1921; right through to Merv Leitch when he was Attorney General prior to 1975. It's unfortunate, I think, and I expect that Albertans would view it as unfortunate, that the only ministerial records that ever at any time come into public view are those records that the provincial archivist has managed to negotiate with the individual minister to be able to get access to. I don't think that's appropriate. I think Albertans expect us to do better.

Mr. Minister, I have some comments with respect to the destruction of documents process. Firstly, why not include a representative of the Official Opposition on the Public Records Committee? This is the case in the province of British Columbia pursuant to their documents disposal statute. It's perfectly consistent with the stated wish of the Premier of this province to make his government more open, more accountable. I think that this could be done in such a way that it need not impede or interfere with the efficient destruction of documents. I'm mindful that there's certain criticism that in the province to the east of us, where they do allow some opposition involvement in the destruction of documents – I know that that's seen as being problematic, but it may be that we're more creative on this side of the Saskatchewan-Alberta border. We may be able to find a way, as they have in British Columbia, to include opposition members in the destruction authorization process in a way that doesn't necessarily foul up the efficient management of your department.

9:00

In 1991-1992, Mr. Minister, under the authority of your department were destroyed 80,200 boxes of government material and information. Now, regrettably, all of the members of the Public Records Committee are employees of this government, and I think that does not create the appearance that you, Mr. Minister, would want or any member of your government would want: that of a system and a government which is open, firstly, and, secondly, accountable.

My second comment relates to storage capability. Now, there is a records centre in Calgary, and according to the 1987-1988 annual report at that point it had been operated by a private-sector firm. Then in Edmonton there was a records centre run by your department that had achieved at that time 82.5 percent capacity in paper, 50 percent capacity in terms of computer tapes. The projected maximum storage capacity would be reached by 1989, and that was the prediction at that point. Now, I note that in 1982 the budget provided for an archives building, and I'd like you to advise, Mr. Minister, what the projected cost would be of a suitable archives building for this province. If you have determined as a minister and on behalf of your government that we can't afford that, then I'd like particulars in terms of the current rental costs for the storage space that's currently used anywhere in the province of Alberta for archiving government records and materials. I just say parenthetically that it strikes me that 11 years

is an awfully long time to forestall addressing a space need if, in fact, that need is still recognized by your department.

[Mr. Clegg in the Chair]

I might mention it's my understanding that the government records now are not stored in a place that's designed for document protection and storage and retrieval; it's a building that had been constructed for another purpose and has been adapted. I'd like some information, sir, in terms of what the limitations are with the facilities we currently have and your department currently has to store records.

Mr. Minister, what are the plans of this government to deal with electronic data? By the year 2025, it's been estimated, 70 percent of all records of corporate America will be in electronic form. I'm interested, sir, in terms of to what extent this province is prepared to deal with that proportion of records in electronic form. I think it's clear, and I expect you'll agree, that planning has to take place now, if it hasn't already, to be able to deal with those sorts of demands.

Now, at the time that the ARDA, the Administrative Records Disposition Authority, produced its handbook, firstly in April of 1986 and then supplemented and amended in April of 1989, it provided for periodic reviews; it provided for spot-checks to determine the level of compliance. What's of interest to me is that if problems existed, the Public Records Committee had the power to withdraw from a department the right to use ARDA. Now, I'd like from you, Mr. Minister, particulars of periodic reviews that have been undertaken. I'd like to know how many times sanctions have been imposed pursuant to ARDA and also sanctions that may not have been imposed but have been explicitly threatened to a particular department or departments.

Number three. I'm interested, sir, in exploring the issue of whether the Provincial Archives can't be better integrated with records management in this province. It seems to me, Mr. Minister, both awkward and illogical that we have archives operated over here by the Minister of Community Development, yet we have the warehousing and those kinds of roles being performed by your department. Now, I think that each department, as I understand it, now has responsibility for its own records. If I'm wrong, I hope you correct me before the end of the evening. My understanding is that each department basically sets its own policy, subject of course to the Public Records Committee. I submit to you, Mr. Minister, it's not good enough to let each department assume that responsibility. I'm not talking simply about destruction schedules. We need, I suggest, an individual in Alberta responsible for overall records management. Now, I know some departments like Justice – and I'm sure your seatmate probably runs an exemplary records management system, because that's the nature of lawyers, of course. But I'm concerned about the other 16 departments of your government. I'm interested in exploring with you, sir, some standards and some processes to put in place to ensure that we have uniformly high information management and retrieval processes.

I have an ongoing concern that in Alberta, although certainly your department has made some headway, we're still to a large extent dealing with processing documents after the file's been created. When we're considering whether it should be destroyed or not, surely, Mr. Minister, it would be much more efficient if we establish the life of a document, if you will, its mode of destruction, and those sorts of things before the file is opened, at the front end of the system.

Now, in Prince Edward Island, Ontario, Newfoundland, New Brunswick, Manitoba, and British Columbia, in each of those

jurisdictions, the provincial archivist or some other officer has a kind of overarching responsibility for information management and records management. In Alberta there's no such office. I think that's a significant omission now, and I think that with the advent of freedom of information, this omission may come close to being catastrophic. I have visions, sir – you talked about a football field piled five feet high with documents. I have this concern that we don't know, you don't know, and your department doesn't know what's in that five-foot pile of documents on that football field. How on earth are we going to go in and retrieve a particular bit of information, a particular file, when one of my constituents contacts you and wants that information under a freedom of information law? In some jurisdictions, like Manitoba, Mr. Minister, the provincial archivist in fact is the freedom of information commissioner. Now, that's not my choice. I think that is, if I can say so, an awkward kind of model, but at least in Manitoba it recognizes the importance of having one officer with that responsibility. In Ottawa it's the president of the Treasury Board. It matters not so much to me who the individual is, but I think there has to be one individual who has responsibility for archives and regular information management.

In Alberta, from where I sit, for things to be done it looks to me like it requires a decision of the records management branch, of the Provincial Archives, of the public records advisory council, the minister of the department of public works, and perhaps the Minister of Community Development because he oversees the work of the archivist. That seems to me to be an unreasonably cumbersome and awkward way of dealing with an information explosion. I would be interested in your views in terms of how you plan to resolve that type of lack of direction.

Mr. Minister, how many employees of your department currently are tasked to deal with information management? The archives office – and this is of interest, I think – in Alberta is on a par with Newfoundland, Prince Edward Island, Yukon, and the Northwest Territories when it comes to staffing. We have 14 full-time employees in Alberta. Newfoundland has 12, Prince Edward Island has seven, and the Northwest Territories has five. The next smallest staff in an archives office is Nova Scotia, with 27 people in their department. Now, I recognize we're not dealing with the minister responsible for the archivist, but it seems in other provinces there's an inextricable link between freedom of information or access to information and archives and document management.

9:10

In my view, Mr. Minister, I don't think we're at all ready for an access to information law in Alberta. I'm interested in hearing what your plans are to facilitate that kind of law coming in. Whether that be Bill 1 or, hopefully, a stronger, more effective access to information law, it's clearly coming. I'm interested in more detailed plans in terms of how your department is going to be able to facilitate and accommodate that.

Destruction of documents. There's a move federally to reduce the default life of a document to three years. I understand there's some sentiment in some provinces to increase it to seven years. I suggest that in Alberta, for no reason other than that it seems to be a good compromise, we shoot for five years as a default mode for destruction of documents unless a department indicates otherwise, and I suppose I'd rather see it shorter than longer. Mr. Minister, will you announce a moratorium on destruction of departmental or ministerial records pending implementation of an effective access to information law? Will you undertake on behalf of your government to publish a directory of government records to assist Albertans who wish to identify and locate records?

DR. WEST: Can we have a freeze on legal documents?

MR. DICKSON: Mr. Minister, that's a good suggestion as well.

I note that in the 1987-1988 report from your department there were a number of requests for retrieval of information, and the requests were increasing at a very significant rate. In 1987-88 there were 284,816 retrievals, an increase of 18 percent over the previous year. What's the number of retrievals, sir, for 1988-89, 1989-90, 1990-91, and 1991-92? Would you confirm that those retrievals were initiated by departments and not from some other source? What costing has been done to sort of quantify the cost of this retrieval activity? I think that kind of information is going to be necessary when we deal with access to information law at some point.

Mr. Minister, in the survey that had been done of the records of the Alberta government held in the archives and a guide to their use – this was done in June of 1989 – there is an item that gives me some concern, and I quote:

The major government records collections held in the Provincial Archives and its off-site storage facilities are listed on the following pages. Please keep in mind the fact that many of these have not yet been properly inventoried or indexed.

Well, that was 1989. Mr. Minister, given the modest size of staff charged with the responsibility to look after archives, I'm fearful that what was true in 1989 is a much bigger problem in 1993.

Thank you very much.

MR. DEPUTY CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Chairman. I would like to preface my questions this evening by again congratulating the minister on his appointment and just relating a bit of a story to the members of the House, and I think it's indicative of the minister's department. All of us, I'm sure, have been busy establishing constituency offices over the last few months. Working very closely with public works staff in Medicine Hat, I've found them to be a most co-operative group of people. Anything that we ask for is just right there. I congratulate you, and I certainly congratulate the people that are in Medicine Hat for making my transition a very smooth one in opening a constituency office.

I have a number of questions that I would like to address this evening, and we'll start out with Program 1: 1.0.6, Cost Control and Tender Administration. I think you may have partially addressed this in your opening comments, Mr. Minister, but I note that this program is down from previous years, and while I applaud anyone who has savings in budget, this is one area where I think cost savings should be looked at very carefully. If we're saving money on Cost Control and Tender Administration by not doing as thorough a job, we may end up in the long run costing ourselves a lot of money. So that's one area where, as I say, I applaud you for saving money, but I would like your assurance that we are doing as good, if not better, a job of controlling our costs and still saving money in doing so.

I'd also like to deal with Program 3: 3.3.3, Grants in Lieu of Taxes. I also note that this program is reduced from previous years, however marginally, \$47 million compared to \$46.5 million. Again I congratulate you, but I just wonder how you were able to manage to do that. I wonder how these grants in lieu of taxes are established? Is it related to the mill rate in the municipalities where we are paying these grants in lieu of taxes? If so, I haven't seen too many municipalities that have been lowering taxes lately, and I'm just wondering how you manage to have your estimates reduced when municipalities seem to be increasing taxes on a very

regular basis. It could well be that you have a lot less land that's assessable or whatever. I'm wondering if perhaps these grants in lieu of taxes are not necessarily directly related to the mill rate and the assessment as other properties are. So I wonder if you might comment on that.

I also have a question in this same area: under Accommodation Planning, 3.2.2, Tenant Improvements. This is what I as a businessman would, I assume, refer to as leasehold improvements, and I wonder why we have about \$2 million in expenditure estimates and about \$3 million in capital estimates. It doesn't make sense to me that you would split them. Either they are written off as expenses or they're capitalized, and I wonder why you choose to show some of them as capital and some of them as expenditure.

In 3.3.2, Leases, I'm very pleased to note that this is down \$5 million from the previous year in estimates. Again I wonder how it is that you are able to reduce these. Have we let leases expire? Obviously, we all know of surplus property around the province as the government is downsizing. We do have property that is surplus. We're always led to believe in this House that the government is tied into long-term leases that we can't get out of, and I congratulate you on reducing the expenditure. I wonder if you could enlighten us somewhat on just how you were able to do it with all these long-term leases that we keep hearing about all the time.

The member opposite mentioned the Alberta petroleum training centre in Beijing. That caught my eye too, Mr. Minister, and I'm wondering, as the member opposite is, if you could enlighten us a little bit on that project. I was wondering if there was perhaps some cost recovery on this. This would seem to be somewhat of a joint promotion with industry, and perhaps you could enlighten us on exactly what the net effect of this project is.

Also in program 4: 4.4.45, Reynolds museum in Wetaskiwin. I note there's a \$100,000 capital expenditure for this facility. This is a brand-new facility, and I'm wondering if this \$100,000 is a cost to finish it that's left over from last year or if it's a further expansion. I've spent some time in the Reynolds museum myself. I was very impressed with it, but I wonder in times of economic restraint if they should be expanding their facilities there, and if so, what actually it is that we are spending the further \$100,000 on.

Finally, Mr. Chairman, I looked through these estimates and I was unable to find something which I was expecting to find here. All of us who have been spending a lot of time around this building and the annex lately have been seeing a lot of work going on in renovating offices both here and in the annex, probably more so in the annex. I'm wondering if the minister could let us know why all this renovation is going on around here and perhaps enlighten us a little on some of the costs of the renovations that are taking place in both places.

That's all the questions that I have. Thank you very much.

9:20

MR. DEPUTY CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you, Mr. Chairman. I noticed that the minister of public works got a tremendous ovation when he stood up. It's clear that he's caught the fancy of some members of the House over there, and I thank the minister.

The other thing I want to comment about is the renovations to the annex. I want to assure my friend on the other side that wherever renovations are going on, wherever they might be going on, wherever they are in this building or in the annex, they aren't

in that little eight by 10 office that I call home over there. So I want it to go on record as telling you that.

Mr. Chairman, I know that the minister has waited for probably a week since I asked a public works question during the transportation debates and was invited to come back during the public works debates. Mr. Minister, I took you up on your invitation, and I'm back.

You will notice that many of the questions you are being asked today are questions of natural curiosity, and I intend to carry on in that vein and ask you some more questions of natural curiosity. The first natural curiosity that I would like to ask the minister to comment on should be an easy matter that the minister can deal with very quickly as he opens his remarks in response to us this evening. That is a philosophical question, Mr. Minister, because I'm always concerned about the integration and the relationship between how public works works with the rest of the departments.

I want to share a little anecdote that has occurred up in Fort McMurray in the last few weeks. We wanted to get a little bit of a project under way in Fort McMurray, and the Minister of Health very graciously directed me to you. You very graciously directed me to the Minister of Health. I appreciate those directions, but I would be grateful if you would sort of elucidate to the House on how exactly it works between your department and any one of the other departments. You can pick one for anecdotal example, sir. It doesn't matter which one you pick. Pick transportation. That's a favourite. Pick Health. That's a favourite. Pick environment. Any one you want. Who is it that can put the brakes on a capital project around here when it shouldn't be built? In other words, if the Minister of Health comes to you and says, "We've got to build a hospital in small town X," does the minister of public works have the ability to stand up and say, "No, that's bad for the province, and we won't build it"? I'd like to get that answered.

DR. WEST: You campaigned on no capital projects.

MR. GERMAIN: You know, to the Minister of Municipal Affairs, we allowed you to play Provincial Treasurer this afternoon. I hope I get a chance to play public works critic a little bit here tonight.

Mr. Minister, I'd like to ask about the aspects of the public works budget that deal with Transportation and Utilities. I don't want to be flippant in my comments in the House, and I don't want *Hansard* to record any of them as being flippant, but I just don't know where Various, Alberta, is. Now, you know, of course, that various is a collection of miscellaneous projects, but last year those miscellaneous transportation projects entitled as various equaled \$900 million and some. This year they equal \$300 million. At the same time, there are individual projects in that similar schedule on transportation that are as small a dollar amount as \$60,000. It seems to me, Mr. Minister, that what I'd like to know is: where do you draw the cutoff between something that will be identified in this particular document as giving regional detail as well as a little insightful narration as to where it comes from as opposed to the grab bag word "various"? That could be members down in Calgary; that could be myself in Fort McMurray. Any of the members might be curious as to where all of that various spending is going on.

Now, under that category of Transportation and Utilities it appears clear that what you've been building there or what your department has been building there are garages and compounds, presumably to hold public works vehicles. I'm wondering, Mr. Minister, in these difficult, tight, financially restrained times if all of those particular projects were necessary this particular year. There is approximately \$600,000 of additional capital expenditures for garages, while at the same time in many parts of the province,

because of the downturn in the economy, industrial-type garages are going empty, going begging, and looking for tenants.

Mr. Minister, I want to talk to you as well about some of the lightning rods that have attracted lightninglike attention to the members of this Assembly and the government and how it conducts its business. I want to pick up where my friend from Grande Prairie-Wapiti left off earlier and that is: I want to talk to you about aviation and aviation costs. Doing some rough arithmetic, it looks like the government is paying about \$250 an hour for the use of helicopter operational services. Now, I do not know if that compares well or poorly with the helicopter commercial leasing rate. Against fixed-wing aircraft it would probably compare rather poorly. Now, it was suggested that the government had decided a while back that they would be out of the Bell helicopter business, and I'd like to know if in fact the department has been successful in liquidating the helicopters and whether in fact a positive rate of cash has been returned to the government for that.

Now, the minister will recall that for the last 10 or so years in aviation there has not been a large development of aircraft. As a result, the supply of good quality used equipment has to some extent dried up, and the prices for some of the government's aircraft would be going up on the books. In light of that favourable vending opportunity I'm wondering if the department has given thought to liquidating in its entirety the aviation fleet. All members of this House will appreciate that when we are asking people on social service to take cutbacks in their stipends, when we are asking health care workers to take cutbacks, when we are suggesting that hard times are coming to the province, an aviation fleet of the number of planes that this government has seems to be something that we can do without. I'd be grateful to have the minister's comments on that.

Another area of curiosity that I have, Mr. Minister – and it's a question driven only by curiosity and no other motive. I'm looking in this budget for where it is that the government records its insurance liability. As I understand the government situation, the government, with the exception of leases in which insurance is covered as part of their rent, is generally a self-insurer. There must, therefore, be occasions when somebody takes a little slip or fall on some government property, on some government operations, and I'm wondering where the itemization for general liability or assessment of liability in lieu of insurance is set out in these budgets and in these documents.

Now, I want to talk as well about the fourth lightning rod or one of the other lightning rods, and that is that individuals look at this budget, Mr. Minister, and they seem to focus on the amount of third-party rental lease payments that are paid by the department of public works to third-party landlords. It is indeed a staggering amount, and I want to focus your attention, and I hope you will be able to comment on it. There is an escalation reflected in the budget, which I assume must be a budget for lease increases that would include operating expense increases, maybe the odd lease that had to be renewed at a higher rate. That number is about 12 percent of the amount documented for lease payments, and it seems to me that in this business climate 12 percent represents an inordinately high percentage given that many landlords throughout the province of Alberta right now are grateful simply to have their buildings rented let alone getting a 12 percent rate increase. I would be grateful, Mr. Minister, if you would explore and walk us through the maze of lease rentals, because I suspect that there are many landlords in the province of Alberta that would be grateful to read in *Hansard* how it is that we can get 12 percent rent increases in this particular economic time.

9:30

One of the other lightning rods is the question of property management fees. Now, I recognize that the government does not go and track and keep a record of the dollar amount of all of its capital property in terms of assessing its overall assets. We don't put a value on the parks, and we don't put a value on the park benches and that sort of thing, but in this particular budget we do put a value on what we pay for property management services. If you look at the division of the province – the cities, the north, and the south – there are large dollar amounts attributed to property management services, and it seems to me that if you divide that number by say a \$60,000 property manager salary, you will come up with a staggering number of property manager employees that are simply managing property for the government. The department of public works appears to be running an astute and carefully thought out program, Mr. Minister, and my question to you is why they have to spend that kind of dough to manage the government's properties around this province. Again, of course, that is not a challenging question; that is not a critical question. That is just a curiosity question.

I want to talk now about another lightning bolt. I want to talk about the lightning bolt of government vehicles. Is there anything, Mr. Minister, except perhaps the construction of roads, the construction of hospitals, or the lack thereof that has attracted more lightning rod type questions about the activities of this government than vehicles? All you have to do is mention vehicles and the press galley comes alive, the man on the street comes alive, and if you really want them to go ballistic, just mention vehicles that are also washed courtesy of the government. So I want to talk to you about vehicles. Is there a standard of vehicles, a standard of accessories and equipment beyond which nobody, but nobody, in the government can transcend?

I want to give you a little example, a little classic example. Since I don't know many of the members here, I'll talk only of my own experience. Last year I was able for the first time in my life to buy my very first brand-new car. It was rather a significant day in our household, so I'm happy that *Hansard* has recorded it. I'm going to send a photocopy of it home to my wife. *Hansard* will record that I bought my first brand-new vehicle last year, a season-end clearance.

AN HON. MEMBER: What kind?

MR. GERMAIN: It was a beautiful car, thank you. Thank you for asking. I appreciate it.

Mr. Minister, it was a Dynasty, a little Chrysler. It had a six-cylinder engine. It was a four-door car, more than adequate, I suggest to you, for any member of this government or any member of this Assembly. Okay; it wasn't a big Buick Roadmaster. Okay; it wasn't a Cadillac Seville. It was a Chrysler Dynasty. I had a choice of getting a high-powered fancy Chrysler with cup holders, power seats, and the whole bit. That difference, that cost . . .

AN HON. MEMBER: You should have bought it.

AN HON. MEMBER: You made a mistake.

MR. GERMAIN: I see, Mr. Minister, that if we wait long enough at night, we can wake anybody up. Anybody who suggests that the dead don't come alive should be here at 9:30 on Monday night.

The difference in price – and I inject a little humour to make this point – was about \$4,900. Now, if you multiply that through all of the government fleet, there is a tremendous amount of savings if people will just back off some of the accessories. Out of curiosity again, Mr. Minister, I wonder if you as the minister of public works have laid down your foot and said: “Here are the specs that you can have. You can have power windows, power brakes. You can have an eight-track stereo if you want one, but lay off those other accessories.” Better yet, if you're the Minister of Family and Social Services, you even lay off the eight-track.

AN HON. MEMBER: Do you have a trailer hitch on yours?

MR. GERMAIN: No. I have no trailer hitch, Mr. Minister, and I have no transmission cooler.

Now, Mr. Minister, I move on if you'll let me. I want to talk about the government's attitude to disposing of land this year. The government is going to dispose of land. It's been indicated by the department that you will be starting to liquidate the land. I wonder if you have made a calculation as to the likely amount of land that you will liquidate this year and where it impacts in the budget and how much has been budgeted for land disposition recoveries.

Finally, Mr. Minister, another lightning rod in some parts of the province is Kananaskis. Over the years there has been much said about the merit of the Kananaskis development. I notice that in this year's budget there appears to be some significant amount of money spent on sewer development in Kananaskis. I wonder whether in some fashion there is a recovery at the end of the line for that sewer development, or if there is any component of user-pay to that particular sewer development.

Finally, Mr. Minister, I want to talk about the Cold Lake Fish Hatchery. Wonderful facility that it is, it cost the government 3 and a half million dollars last year. I would like the minister to tell me whether it has yet produced one fish that can be stocked in an Alberta lake.

Thank you, Mr. Minister.

MR. DEPUTY CHAIRMAN: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Deputy Chairman. I as well would like to congratulate the hon. Member for Drayton Valley-Calmor on his appointment as Minister of Public Works, Supply and Services.

One of my questions was under program 3, but I understand that the hon. Member for Medicine Hat beat me to that one, so I'll await your response on that.

I imagine that Public Works, Supply and Services would have many areas that it could look at for privatization. I know that in your opening remarks you did indicate a number of areas that you had already privatized. I'm thinking of areas like capital works, for example. A number of my constituents who are in the engineering business and the architectural business and so on wonder why the government employs so many professionals in capital works when in fact the companies out there are looking for work. That's one area that I'd like you to touch on. Other areas might include telecommunications, computer services, and others. So what plans does the minister have with respect to the privatization, downsizing, or right sizing as part of the four-year plan to balance the budget? We're in year one. I'd like to know what you're looking at with respect to years two, three, and four.

Another question I have is: what financial monitoring do you have in place to ensure that departments that find they have

surplus funds towards the end of the fiscal year don't go out and spend these funds in order to have these amounts in subsequent years? I'm wondering if there is any monitoring that you have of exactly where everybody is in their budget so that there isn't a flurry of expenditures at the end of the year.

Those are all my questions. Thank you.

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Leduc.

9:40

MR. KIRKLAND: Thank you very much, Mr. Chairman. I, too, would congratulate my neighbour on his recent appointment to the Public Works, Supply and Services position that he presently holds.

I'm going to cover this as quickly as I can. We have a couple more speakers. One of the areas that I think that it's very necessary to reiterate, and certainly the minister would not stand alone in this area – I've been involved with agriculture, Treasury, transportation, and now public works. In all cases the minister's office has a tendency to understate the estimates from year to year, and in every year they have been overspent. I wonder why we continue with that practice, and I wonder, in fact, if the minister has some steps to see if we can ensure that we stay within budget in that particular case.

I would reiterate the comments made by the hon. Member for Clover Bar-Fort Saskatchewan and also alluded to by the hon. Member for Medicine Hat. That was that from '87-88 from the stats presented we have had an ongoing decrease of manpower and people in the department, yet the relative reduction doesn't appear to surface in most of the administrative support or any of the finance and administration aspects of the document.

Taking you over to Advanced Education and Career Development, and that's more a question of curiosity, I see in most cases we are expanding educational institutes; for example, in Calgary the AVC, AVC in Grouard, and AVC in other various locations, also in Wabasca. Well, I should retract my comments on Wabasca; there was a considerable reduction there. I have to assume the facility has been now built, and that this \$300,000 again would be finishing touches such as at the Wetaskiwin museum. Those three that I identified, in Calgary and Grouard and in Various: I wonder if we might have an explanation as to exactly what's happening there.

There's a new expenditure under Agriculture, Food, and Rural Development, and that is Agriculture Facilities and Laboratories. There's a hundred thousand dollar expenditure there that I don't see identified in previous years. I wonder if you might provide an explanation there.

In Community Development I look at the Jubilee auditoriums in Calgary and Edmonton. It seems they're both getting a like increase in their funding for capital investment this year, and I wondered if we could have an explanation as to what is happening there. A word of caution, I guess, when we look at the Ukrainian Cultural Heritage Village in Mundare. That seems to be, when we look at a cultural theme there, the only one that stands out. I wonder, in fact, if we're not inflaming other groups to become involved in recognizing their cultural heritage at public expense. I wondered if in fact that's an expenditure because they are very dedicated at looking after their culture and they have done very well, as we witness by the monument they've put out here, whether it's an area we can seriously look at off-loading seeing as we're into the privatizing mode in this day.

I was somewhat perplexed, I guess, when I looked at Economic Development and Tourism. I see there's significant capital

expenditure increases when we look at Alberta Research Council, Various; Alberta Research Council, Edmonton; Alberta Research Council, Clover Bar. Yet we have only a very minuscule research capital investment at Devon, the coal plant out there, and coal is a very important natural resource in this province, as we know.

Moving on down the line, I have a look under Environmental Protection and vote 4.7.20, Blue Lake Centre, Hinton: \$130,000 expenditure I assume is an expansion of that facility. Though I hesitate to share it with the members here, that is probably one of the most inexpensive vacations one can take in this province if you're on a course. Is the department moving into a recovery situation with that particular facility, and exactly what is it we're expanding there?

I think the hon. Member for Fort McMurray described it as a "lightning rod," and the one that struck me was the Oldman River dam. I think the question has been asked several times, and I await the answer in that particular aspect.

Moving over to the Executive Council, this is something that again I find a little perplexing. We have Indian Metis Rehabilitation Centre, Bonnyville, where we have an increased expenditure. We have an increased expenditure at that particular facility, yet when I look at some of the others that show great concern, such as the group homes which cover young offenders – and we all are aware and chatted in the last few weeks here about the problem we have with young offenders – I wonder in fact what facilities are being shut down as far as the group homes are concerned. Also, I believe the Member for Clover Bar-Fort Saskatchewan asked the question pertaining to the Michener Centre and why the sudden decrease of some \$1 million in that aspect.

Moving on down the line, we look at item 4.10.45 under Justice, and I may have overlooked the question asked by Calgary-Buffalo. There's a provincial court in Whitecourt. Is that a new building? Is that a renovation? I wonder if we might have that information.

The Beijing project was brought up by several. Certainly I'd be interested to know exactly what is occurring there. Under that same vote with the Multi-use Facilities, we have the Terrace building in Edmonton. We show a potential increase here from \$200,000, which I assume is a lease, up to \$630,000 projected in '93-94. Is this a new lease, is this renovations, or is this just an increase in the existing lease that's there? I think my concern would be obvious in light of some of the comments on the buildings that are available in the province and whether we're looking for the best deals in these circumstances.

I thought the increase in Government Buildings, Various – and it was a substantial one – was worthy of at least a partial list so we can have a handle on exactly what we're doing there. That would be vote 4.12.57. The question, I believe, was alluded to, but I don't know if the hon. Member for Fort McMurray addressed it in clear terms. That was: what are these Transportation and Utilities projects? Are they renovations? Are they new buildings? I ask that again in light of the fact of the strong movement we are having towards privatization. Do we have a mechanism in place to ensure that these are justified in light of our move to privatization?

My own personal experience with the question that Grande Prairie-Wapiti brought forth – and it was an excellent question – is that that Dash 8 is not an aircraft that moved frequently in the many years I spent at the Municipal Airport. I would suggest that the hon. Member for Fort McMurray made an excellent point when he indicated that small aircraft carry a premium today. With three King Airs over there – I know one of them was rarely moved as well. It may be very timely to move on that particular basis.

I do have a question, I guess, and again it's standards and requirements. I've talked to the hon. minister in this regard. To

be specific it was the moving of the social services from Leduc to Nisku. Being aware that the \$4.50 per square foot lease space offered in Leduc was by all my research a very good price, did the move come as a result of a better price in Nisku? It would be very interesting, I'm sure, for all the citizens of Leduc to know that.

In closing I would say that I see a move to privatization, and certainly we've heard it time and time again. I think that is the correct move, but I look at most of our administration support services, and that administration support service doesn't seem to show the reduction that we have in assets and buildings. I wonder if we have a plan in place to ensure that the relativity of reduction in our assets and our businesses is also reflected in our management. I think it is extremely important.

Thank you very much, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Minister of Public Works, Supply and Services.

MR. THURBER: Thank you, Mr. Chairman. I think that's the first time I've sat through two hours of estimates and had them go by so quickly. Part of it was that there were a lot of very good questions brought forward. It's very interesting for me to sit here and really concentrate on what you're saying. I haven't always done that when I wasn't the minister involved in the estimates. I'll try and go through the ones that I can answer here in the time that we have. As I said before, the ones that I don't get answered, we will send you answers in writing in the very near future.

Edmonton-Mayfield brought up some very interesting questions right off the bat when he talked about tests for privatization. Of course anything that we're involved in and if we're talking about privatizing, we do run a variety of tests, you might say, on that. We must maintain the standard of service. There must be some economic benefit or viability to the taxpayer, or there's really no purpose in us moving it out to the private sector. I agree that we've got involved in a lot of things that we maybe should have never been involved in, but times have changed, and a lot of attitudes have changed over the years. So those are a couple of the tests that we do run on things, and they have to be there or there's really no reason for us to do it.

9:50

Grants in lieu of taxes: my main idea of bringing that point forward to you was to point out the importance of a good relationship with Edmonton and to point out to you that we do have a very large involvement in your city as we do with all of the departments. In that area in particular, it just points out the number of buildings and operations that are carried out by government in the city of Edmonton, and we're very proud to have these facilities here, but just so that you're aware that we do have that relationship.

We talked about the open-bidding system and the accessibility to that system by a small producer that wants to get involved in it. The Alberta chambers of commerce were very much involved in the development of this, and they approved of it. What they're doing in a lot of communities is the chamber of commerce as a service to their community are actually installing the computer themselves, and if somebody is unable to operate it or have their own computer, they will access this. It's a very small fee to get into it, so they can jointly have access to it through the one communal computer. They can give the access and help local businesses to access this information.

I suppose the other question that you asked, hon. Member for Edmonton-Mayfield was: why is there so little information, in

your view, in the estimates here? I suppose that could be a problem. I also suppose we could get down to itemizing the paper clips. We could itemize how much it would cost to fill your glass with water and ice. We could further itemize and break down the costs of the phones and the desks in the annex for the Liberal renovations, but I'm not sure that this would serve any useful purpose. You know basically where the money is going. If you need further information, all you have to do is contact any of the ministers, and we'll certainly advise you of that.

You talked again, hon. member, about the design build component of construction for lease construction. I don't know the exact percentage of our work that is done on that basis. There was a lot of it done at one time. There is less done now because there's a large availability of lease space. We do in certain communities have a design/build component that goes in there, but generally these are built with the design to have them paid for by the lease. Certainly in today's world if there is access to available space, we would rather use what's there than build more space to have more empty space around the country. In some areas it works quite well, and in other areas it doesn't work all that well.

You also talked about staff layoffs and what's happening to those. We've availed ourselves of the voluntary severance program, and it's worked quite well up to this point in time. Certainly the other thing comes into it under the hon. Minister of Labour. There is a certain amount of training and job finding and financial advice. Under other departments the same thing is available. So we try and do any of this downsizing in the most compassionate manner that we can. We do have co-operation between the private sector and the public sector, and we encourage them to develop expertise for export in all areas.

The air fleet and the car fleet: you talked about the maintenance on them. Most of that is privatized. We are looking at the privatization of a number of things. As I mentioned in my opening remarks, we are looking at privatization of the helicopter fleet, but we still have to be cognizant of the fact that there is a private industry out there that has to survive, and we also want to make sure that it's a viable operation if we do privatize it.

Grande Prairie-Wapiti, you talked about the cost benefits in the aspects of the open-bidding system. I've already touched on that in that probably the local chamber of commerce has got involved in this already, and they're offering this service to their clients and to the local business.

We are also looking at the utilization of the Dash 8 and the other aircraft, because the utilization of all of our aircraft has dropped off in the last few years. When the oil patch was booming and Alberta was booming, it was the proper thing to have these airplanes. We're looking at the viability of these with an eye to privatizing them or probably selling them at some point in time.

Clover Bar-Fort Saskatchewan talked again on the privatization aspect on our lease agreements. We do put most of the land sales out to the private sector, to the real estate firms under the MLS, and I believe I mentioned before that we're looking at probably \$12 million in sales in that area. As we downsize and bring departments together, we may find other parcels of land that are surplus to our needs or other rental agreements that are surplus to our needs. Not all rental agreements are 20-year leases. Somebody had intimated that they were long-term leases. When we're dealing with the different departments, we try and bring this down and get away from having empty space over here and empty space over here and put them in the same building. So our lease agreements are an ongoing thing. At one point in time it was profitable to have long-term leases. Right now it's not profitable

to have long-term leases. So we're trying to wean that down and bring it down and review all of these.

Olympia & York was mentioned. Certainly that's been asked in this House before, and I could dig out the figures and the numbers and talk to you for half an hour on that, but certainly I will get you an answer in writing on that so that you know where that's at. It was a long-term lease, and at the time it was very viable. It's still very viable considering some of the other parts that were put into it that a lot of people don't talk about.

The capital for the Alberta Hospital Edmonton: you'll probably get into that in the capital discussions, in the capital estimates. If not, I'll make sure you get that in writing.

The Oldman dam. Of course there are some finish-up dollars to go into that. I'd have to look and see exactly how much money it is, but I can tell you what it's for. It's for the fisheries mitigation which I talked about in the House the other day, where we're making sure that the fish habitat is maintained and enhanced both above the dam and below the dam. We look at other things like bank stability and erosion that goes in, and we continually monitor not only the buildings but the property around the dam to make sure that it maintains its high level.

You also talked again about the Michener Centre in Red Deer. As you are aware, it has been downsized considerably. A lot of the people are being moved out into group homes and other forms of care. Some of the budget is being used in that case. There was an old chimney there that's been there for a long time, and it's about time that either came down or it's going to fall down on somebody. So it's a matter of demolition, and it's much cheaper to demolish it when it's not needed than it is to try and repair it and make it functional.

We talked about Beijing. It's a joint effort to try and promote industry that wants to go into China, such as the oil industry in particular. They are looking for our technology. It's a joint project between us and the Chinese government and some of the industry people to try and promote our product in there. I think it's going to be very successful. There is some money going in there. You can say what you like, but we do need a government presence there. We do need to have a facility to allow our businesses to go over and promote their business and add to our exports.

10:00

Just briefly, Calgary-Buffalo talked about the records that we have and the storage facilities, access to information, et cetera. As a member of the opposition he feels that he or somebody from the opposition should be on the Public Records Committee, and I suppose we'd be open to your suggestions as to how that would work. But again when you look at this football field five feet deep with storage of a variety of different kinds - we have paper. Of course you're well aware that that committee decides how long certain records should be kept. I think that's where we have to look at it from a government point of view or from a Legislature point of view. How long do we need to keep adoption records, birth records, driving records, arrest records? This overlaps into a great number of different departments. I'm sure that my colleagues the ministers of Justice and Health and Community Development are going to have many, many discussions on how we move this to a central location and then the process of accessing this information as well. I know that in that regard other provinces have taken at least over a year to even get started on the process of getting the information out.

I guess, Mr. Chairman, rather than repeat some of the answers and go on with this, I would rather that I did bring them their answers in written form.

In view of the hour, Mr. Chairman, I would move that the committee rise and report.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: Order. The hon. Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions of the

Department of Public Works, Supply and Services, reports progress thereon, and requests leave to sit again.

MR. DEPUTY SPEAKER: Does the Assembly agree in this report? All those in favour, say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, say no. Carried.

[At 10:03 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]