

Legislative Assembly of Alberta

Title: **Wednesday, March 2, 1994**

8:00 p.m.

Date: 94/03/02

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I'd ask the members of the committee to come to order, please. All the members of the committee please come to order.

For the benefit of the people in the galleries, this is the Committee of Supply. Committee stage in the Legislature is a less formal stage, so people are able to move around, sometimes at the displeasure of the Chair, able to sit in other places, take their jacket off, bring in coffee, and whisper in very low tones.

head: **Main Estimates 1994-95**

Public Works, Supply and Services

MR. CHAIRMAN: If there are no opening comments with regard to the arrangements, we'll proceed as in previous evenings and ask the minister to begin with comments. The Minister of Public Works, Supply and Services.

MR. THURBER: Thank you, Mr. Chairman. I'm glad to see we have some fans here. I had to threaten some of them that we were going to shut off their lights and their water and a few things, but they did come through for me.

Mr. Chairman, before I begin my remarks here tonight, I would be remiss in not thanking some of my staff. Some of the people in the gallery up there are public works staff, and they've been very dedicated in getting us through this three-year plan and the new method of doing business in this government. So I want to publicly thank each and every one of them up there that is on staff.

Mr. Chairman, I'm very pleased tonight to present the '94-95 estimates for this department. We are, you might say, going through some very challenging times which will require some very difficult choices and decisions. As the Provincial Treasurer indicated on February 24, "the price for securing Alberta's future is not taxes but fundamental change and renewal" of the way that we do business. This government's goal is to secure a prosperous future for Alberta. The strategy is to focus on a better way, a better way to get the most value for the taxpayer's dollar, a better way to provide high-quality essential programs at a cost that we can afford.

This process includes, as you're all aware, the formation of three-year business plans complete with very specific objectives and actions and results in spending targets. All government departments have prepared detailed plans for the future, which for the first time in Alberta and I believe in Canada lay out a plan of how we are going to balance this budget. We are on track, and I have every confidence, Mr. Chairman, that we will remain on track.

Mr. Chairman, as a central service agency Public Works, Supply and Services plays a critical role in supporting government program delivery, and ultimately Public Works, Supply and Services exists to help serve Albertans better in the core business areas.

The total budget for general revenue fund activities undertaken by PWSS is \$571.8 million, a decrease of 10.8 percent from the '93-94 budget. The '94-95 budget calls for a reduction of 299 full-time equivalent positions, a decrease of some 650 full-time

equivalents since the '92-93 fiscal year. Fewer capital projects, restructuring our organization, outsourcing, and the introduction of cost-improvement initiatives resulted in substantial savings in the '93-94 budget for PWSS. We are forecasting that we will save \$47 million of the '93-94 budget of \$640 million.

These estimates represent the first year of achieving the goals and objectives set out in our three-year business plan. Everything Public Works, Supply and Services does from providing the physical infrastructure to accommodating and supporting government activities to day-to-day operational needs such as computers, pens, pencils, and paper is driven by demand from the other government departments. Government is getting smaller. Our challenge is to become more efficient and effective in the delivery of our core businesses.

I would like to take a moment just to outline some of the initiatives that we are involved in and pursuing and some of the significant changes to our '94-95 budget. As departments in other parts of government downsize, the cost of accommodation, furniture, and parking will decrease. We expect to reduce our inventory of leased space by some 26,000 square metres in '94-95, and this would realize a savings of nearly \$2 million. This is the start of a major reduction over the next three years which will see PWSS reduce our leased inventory by some 129,000 square metres in this province.

Government departments currently occupy approximately 2.3 million square metres of owned space with 40 percent of this managed by private-sector property management firms or through private-sector contracts. Continued outsourcing of these property management services combined with cost reduction initiatives will result in a decrease in cost to operate and maintain government owned buildings by nearly \$7 million in this fiscal year coming up.

The '94-95 capital budget for the construction of government space, health care facilities, nursing homes, senior citizens' lodges, health units, and water development projects is just under \$200 million. It's \$195.6 million. You will note that the capital fund has been eliminated. Water development and health care and senior citizens' lodge projects previously included in the capital fund are now included in our general revenue fund budget under program 4.

This budget reflects the thrust of our three-year business plan, whereby we will undertake minimal new capital construction with emphasis on extending the useful life of existing buildings. You'll see this borne out as we go through the budget.

I would also like to draw your attention to the fact that the capital construction budget displayed in program 4 is in thousands of dollars, not millions, as some projects were reported in a February 26 *Edmonton Journal* article.

The '94-95 budget includes \$10,000, not \$10 million, for a minor maintenance project at the Alberta Distance Learning Centre in Barrhead. This building was completed in 1983 at a cost of \$9.8 million, not the \$120 million as was placed in the article.

The article also reported that \$9.4 million would be spent at the Northern Fish Hatchery in Cold Lake, when in fact the '94-95 budget includes only \$10,000 for that project. It's a very minor maintenance project that has to go on in there.

Mr. Chairman, I have to mention that this kind of irresponsible reporting to the public on budget matters and this government leaves a bad taste in a lot of people's mouths.

The '94-95 budget for health care facilities provides for the continuation or completion of the major new facilities which were under construction and which were allowed to continue last fall. We have also included \$47 million for the possible reactivation of deferred or new projects required for the health care restructuring.

Mr. Chairman, I probably should mention at this time that some of the projects which were on that list have been in the making for some 10 to 12 years. They have been on again and off again, and they have been restructured and realigned. At this point in time, it is our feeling that some of them probably will go forward when the health care restructuring process is completed, so we have left that \$47 million in there to handle those. Our main focus will be in maximizing the use of the existing facilities and maintenance and upgrading of other ones that need it.

[Mr. Sohal in the Chair]

PWSS is responsible for the acquisition of land for other government departments, including land required for the Edmonton and Calgary restricted development areas. In '94-95 all revenues received from the sale or rental of surplus lands will be dedicated to the acquisition of land for approved government programs. Dedicated revenue is estimated to be \$14.2 million, which consists of \$12.5 million from the sale of land and \$1.7 million in rent.

During 1993-94 three Bell helicopters of ours were disposed of with the remaining fleet of three Bells to be sold this spring, in '94-95.

As previously announced, we will be discontinuing the printing and warehousing and distribution business. All of these goods and services will now be handled by the private sector.

PWSS, as you are aware, is responsible for co-ordinating the implementation and administration of access to information and protection of privacy legislation. This is a new initiative consistent with our Premier's commitment to open government. The major focus in preparing for the implementation of this program will be on the improvement of records management practices in government to facilitate this access. This will include changes to legislation, regulations and policy, and the methods of retrieval and storage of these records. This year's estimates provide \$750,000 for implementation of this program.

8:10

We also reflect the following transfers of responsibility between Public Works, Supply and Services and other departments. The grants in lieu of taxes program has been transferred from PWSS to the Department of Municipal Affairs as they are responsible for co-ordination of municipal government programs. Responsibility for the executive vehicle fleet will be transferred to the Department of Transportation and Utilities, who are also responsible for providing trucks and cars to other government departments. Construction of senior citizens' lodges was transferred from Municipal Affairs to this department just recently.

My department provides computer services to departments on a cost-recovery basis through a revolving fund. During '93-94 cost improvement initiatives were put in place which reduced this cost to departments by over 30 percent. On our projected computer usage volumes we estimate that there will be another \$9.4 million of savings in this area.

Mr. Chairman, our mission, as stated in our business plan, is to reduce the cost of common services needed to support government program delivery. I believe these estimates illustrate that we are well on our way to accomplishing that, and I would welcome your questions from here on.

Thank you.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Chairman. The questions today are going to be as brief as possible in order to get as many in as we can in that we do have a great number of questions. You should recognize that although this particular department is a service department and delivers service for an awful lot of other departments, we in the opposition do have an obligation to question everything that we find in the documents provided. In fact, we have found a great number of what we consider inconsistencies and certainly a number of questions.

First, something which is new and different in this particular version of the annual budget is the business plan, or what is purported to be a business plan. It's rather difficult to make a business plan when the government professes to be getting out of the business of business. It's a little difficult to say, "Yes, we are doing it in a business-like manner" when in fact you're a government. All those anomalies aside in how one describes what one does, the plan is that which is before us, and it does have some interesting goals and objectives.

I paid particular attention to something that the minister just said about his Premier: the openness in government. There's one line in the business plan titled, "openness, honesty, fairness, sensitivity and trust in our dealings." It sounds like a religion, but in fact we know it is not. It's a deliverance of service.

I draw your attention to some questions that I have on simple accounting procedure. I notice in the revolving fund last year's net surplus was \$5.9 million, yet on page 4 of the business plan, after the mission statement and all the other sweet stuff, it says that the revolving fund is net \$6 million. Well, there's a mere \$100,000 lost there somewhere in the '93-94 projected estimates. If you move one line to the left to the actual – that's supposedly the actual expected to be completed by the end of this year – we see it's \$9.8 million net in the revolving fund. It's bracketed there, being in an expense category. One would assume that that's a revenue or above the line. You look over into what happened last year, and there's \$8.8 million. There's a million dollars' difference there.

I may not be an accountant, but I certainly do count. I can't understand for the life of me – when you're setting target limits, the closest numbers to you are the numbers that you're dealing with daily. I would expect that they would be accurate. Projections are projections, and you do the best you can on those, but certainly some history can and should be accurate. After the history lesson we had today starting from the Magna Charta, I'd think you could get last week kind of straightened out, guys.

There's a number of questions that revolve around the business plans, the honesty. Now, I wrote you a letter, Mr. Minister, back in January of this year asking some very, very simple questions with regards to the lighting here. I happened to be here a good deal of the time when the lights were going up, and I happened to be here when the lights came on. I happen to come from a business where we did a lot of that. I merely asked for the costs in a relatively detailed fashion and did not receive a reply to five of the eight questions posed. Now, sir, that's not openness. Maybe there's a gigantic new leaf being turned here, but it certainly isn't evident in the last month or so that I can see.

There are some questions as to some changes in revenue on the spending targets too, the revenue in the business plan. In the proposals the revenue has gone from \$43.7 million to \$21.7 million. That may in fact be the automobiles that you're sending off. They didn't amount to near that kind of money in the past when we dealt with them in the revolving fund, although I see that's moved out into a department, and I can't really find it. That relates again to openness.

I have spent a little time – and many of us have – in private enterprise having to evaluate business proposals a number of times, acquiring properties and the like, and it really is nice to have some clear evidence of an attempt to display the truth, as best one can, in numbers to a layman, should a layman have to read these documents. I say to you, sir, that this is not easily done when you have to dig around to find revenues and there doesn't seem to be any explanation of where these revenues are generated. They've disappeared into a net change of \$22 million, and then there's no explanation in the business plan. Then it goes up from \$21.7 million to \$28.2 million. There's no explanation of how it does.

Now, in a three-year business plan one sets the goals and objectives and then incrementally sets out how one intends to go about these. Revenue of \$6 million certainly deserves in my view some explanation. Maybe it needs a larger volume than the number of sheets of paper that profess to go into the document. I forget how many millions of sheets of paper. Certainly the department could publish another couple of pieces of paper to say what in fact the revenue generation is and how it works.

I have some other questions as they relate to an old specialty of mine, and that's the buildings. When one evaluates a building – and I heard the minister say again a few moments ago that the emphasis will be on extending the life of the capital entities, the capital buildings, I suspect, that are in place now. In the business plan there isn't anything mentioned that I could find called a life cycle. I'm sure the minister is aware that when one decides that a building is to be replaced and replenished over time, even in the first year after its initial existence one puts a time frame on that building so as to work out some value engineering of when to replace the furnaces, or in the last year of a 20-year life cycle of a building you do not replace the entire boiler system. That doesn't seem to be evident here.

I draw your attention to a building, perhaps one of the less attractive buildings in the portfolio you manage, sir, the one over yonder, the one that I have an office in and that you used to have an office in too. You know the one I mean: the annex, sir. In that building we have just recently spent a great deal of money on the electrical system, a great deal of money on the mechanical system, a little on the glazing, some interior renovations, and we still end up with an eyesore. Reasonable life cycle planning would have said some X years ago that that building had a finite life in either aesthetic terms or in real terms of return on some kind of a capital investment, and it would have been mused. There isn't anything in this business plan that says that we need life cycle planning. It doesn't say that.

8:20

Now, when you're in the work of capital replacement, that is the fundamental tool. I know you do it. I mean, you can't help but do it. Why not say so? Why not say, "This is how we intend to do it"? Why not say, "These are the buildings that we think have this kind of life"? It's a changing thing. The needs of government change. We all know that. But you should in fact keep a record of those, and it should be published, and it should be something that the public can make themselves aware of relatively easily. It is not done here.

Priority setting. Now, the business plan says something about "priority setting and management of resources in a fiscally and environmentally responsible manner." A very, very good goal. What does it mean? Does that mean that when you're doing work for other departments, you can say: "Oh, oh, hold it; hold it. That's not environmentally sensitive. You have to do it another way," or "It's going to cost you more to do it the environmentally sensitive way"? Does it mean that when priority setting you go

to a department and say: "No, no, no. You should not build this building now for whatever reason"? Do you and can you do that in your department, or does it vary from department to department?

Another part of the business plan speaks to involvement of customers, stakeholders, and staff in design solutions. Well, I happened to spend some time in the design business, and the design solutions are for customers. I guess it's an exercise in stating the obvious unless, of course, it was done in some other manner prior to this without the aid of a customer and end-user specifying what they needed.

There are some efficiencies displayed in the document. It says that, yes, we must be more efficient here; we must expect more of our individuals; we must reduce waste; the number of positions must come down: all of those things. The presumption is, then, that there is and has been waste. This government has been in the business of governing this province for 20 years. Presumably you haven't been doing a terrific job until this new and improved business plan that is going to solve all of the problems and we're going to get all of these wonderful things to occur.

The business plans are to save taxpayers money and improve services. Some of these initiatives involve other levels of government. I would like to know how one intends to do that. Having a little bit of time in the civic government here, they, of course, think they're one of the better bureaucracies about, and I would suspect that those people in the gallery would expect that they are also. It is very, very difficult in my experience to bring two bureaucracies together to be able to function side by side using some common resources. Presumably that's what is intended here. I would like a little better explanation of what the method of providing these services is: single points of delivery and that sort of thing. It may be beyond my knowledge base. It may be in fact in some of the smaller centres, in which case presumably you're going to contract some of that service. I'm not aware of how that can be done, but I would like to be educated in that matter certainly.

The department's responsibilities lie in deliverance of these services that are really very tangible and therefore can be measured. I go to the expected results, page 9 of your business plan. Now, I again see the revenues there, but I find that the expenditures, the ones that are to be measured here, are \$561.1 million. I find that number in a number of other places, but curiously enough I don't find that number when I turn to what is expected to be moved by the minister when the time comes for the expenditures, which is the first page of the estimates. There's a \$10.6 million or \$10.7 million difference there. I expect that can be explained relatively easily by some of your department. However, the point is this: it's not easily discernible from the documents presented, first of all, where the information is within the documents and, secondly, how you are going to measure that hereinafter. Is this going to be the same number, the \$561 million? If that's the base, then why are we voting on the \$571 million?

There is of course some optimism shown in the documents. It appears that there are going to be some surplus properties disposed of to the tune of \$9 million, and somewhere else there was a decrease, and I think it is in the revolving fund. I have to just guess, because it certainly isn't plain to anyone reading the documents that there's an increase in the assets charged to expenditure and consolidation at \$7.8 million in this coming year. I can't discern where that comes from. So it would be nice to have a simple accounting of the surplus properties, the cost of acquisition, and the cost of holding these properties so one can make an independent judgment as to how well the government is

doing in managing their properties and whether in fact they should be speeding up the process of disposing of properties or whether it should be slowed down and held for some reason that is not displayed here.

There is one line in the business plan at the top of page 4 that says:

- recognizing employee contribution through advancement, remuneration and rewards, which are based on performance and a learning attitude.

Well, I guess we've all been employees at one time or another and would always like to think that we have a learning attitude, but to put that down in a column and decide how one's remunerated on the basis of that I say is extremely subjective. If one intends to publish this so their employees will know it, then one had better have some kind of rating system in order to manage that. Certainly I have no idea of how one manages that kind of an element in any kind of promotion plan that I'm aware of. It's well and good and in fact admirable that one would promote those kinds of attitudes, but you don't just start on Thursday next and plan on having the following Tuesday to be able to measure the results. Certainly there has to be a great deal more work if one intends to carry out any kind of a performance standard that has a learning attitude in it.

8:30

There are some references on page 5 to contracting out. I assume that from all the statements we've heard – and I think in your opening remarks, sir, you said something to the effect that printing services will be contracted out and, by the numbers in the revolving fund, contracted out entirely and completely. That's on page 259 of the revolving fund. Like vehicles they have been either moved into another department or disposed of altogether. It would be nice to have a concise little package, a paragraph or two to explain from where those services are now being delivered and who in fact is managing the delivery of those services, because it doesn't appear that you're charging anything to the other departments for interdepartmental billing services.

The first page, below the mission statement – actually it's page 3 – says something about reinventing what you do. I'd like an explanation of that.

Thank you kindly, sir.

MR. ACTING DEPUTY CHAIRMAN: I would like to inform visitors in the gallery that this is a meeting of the Committee of Supply. This is an informal session of the Legislature. Members can move around. They do not have to sit in their chairs. They can have coffee or soft drinks if they wish to.

Hon. Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman. It's my pleasure tonight to speak to these estimates. First of all, I would like to compliment the minister and his department for the professional way that they have handled this department in the past year. I know that during our difficult reductions, when you're downsizing, there is a huge effect on personnel. People aren't even sure sometimes that they have their jobs as they're cutting. I do know that it puts a lot of tension on people. I really appreciate the way they have developed their three-year business plan and put everything out on the table, and I would just like to compliment you and your department for that.

I have a couple of things, and they're very short and to the point. One of them is that as we sell the liquor stores – and I know it's the Department of Municipal Affairs that is selling the liquor stores, but eventually the money comes back to you – it

would be nice if I as an MLA or any of us in here had a total list of the income from the sale of the stores and right beside it a list of the market value so that we knew what we were doing out there in the real world. Certainly we've heard a lot of what it costs to build, getting into book value and so on, but I think we have to get into the real world.

I also would like to compliment your department on the fact that our capital expenditures this year did not go down to the extent that I think a lot of people thought they would go down because we are trimming our budget. We did not cut a lot of dollars that we could have. I know how important it is to a lot of people in construction. Their livelihood is dependent on that.

I have one other, just minor little thing, and this is concerning our greenhouse. I have heard a few rumours that we are going to trim the dollars down to the point that we have to get rid of our greenhouse. I know that this greenhouse has been a tradition. It's actually part of this building. It provides flowers in the summertime. It provides flowers every week. We think it's something that's not necessary, but it is certainly a tourist attraction. It does lift the spirits of the people around this building. It does provide employment, and certainly even the minister of advanced education can use that in his training program, the horticulture program. So I think before we make those big, big cuts, we should have an itemized list of the cost of it all and have a careful screening of this program before we cut off our flowers.

I notice that our full-time equivalent employment has changed to 1,853 from 2,152. I would just ask if you could explain to us where the biggest areas of reductions are in employment.

I have one more minor thing – it's only the little things that grow into big things – where you can save money. I have a colleague or two whose teakettle or coffee pot died in the line of duty, and when it did, it seems like we have to package them up and return them, causing additional expense and stress. Maybe we should have some kind of a limit on the dollar value of an item like that that you can throw away.

With that, I would like to just say thank you.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. Mr. Minister, once again it's a pleasure to speak to the estimates for the department of public works. I'd just like to make a couple of comments in relationship to questions or points that were raised by my colleagues from Edmonton-Mayfield and also from Wainwright.

I also am puzzled as to how any government can give recognition to employees when they've identified good ideas. I think it's excellent that we do have incentives to reward people, but certainly there's nothing laid out that would show you a benchmark or how you're going to achieve this. I'd suggest that the way this government has approached the 5 percent across the board, just like the Auditor General stated in his report, is the most negative thing that you could do to increase performance. I hope that we will never see what happened in the U.K. many years ago, across-the-board cuts, happening again, and we start looking at initiatives in the way we reward people.

Rather than reinventing the wheel, I would suggest that we probably can learn something from Alberta Hospital Edmonton about greenhouses. We had to do an evaluation of the role of the greenhouse, so you might want to look at those numbers there and what ultimately resulted, Mr. Minister.

I'd like to address the first area within your portfolio, and that's the restricted development area, Mr. Minister. We all know that

the government of Alberta created a restricted development area around the city of Edmonton, and of course that naturally has stopped development in that area. They have over the years picked up lands, and of course there're still some lands that the government has not acquired as yet. In essence, you've got a monopoly. What I want to know is: is there legislation in place, or are you looking at legislation that would indeed create this transportation and utility corridor, which was the reason for this greenbelt being developed?

I also noticed that the restricted development area has a \$13.9 million budget for '94-95, and they show dedicated revenues of \$14.25 million. I'm wondering: what is the source of this revenue, and when land in the restricted development area is acquired by the department of public works on behalf of the government of Alberta, what is the process that you use to determine the fair market value? Certainly, as representative for Clover Bar-Fort Saskatchewan, I have had communicated to me by constituents a concern in that they deem everyone isn't treated equally when we start determining what is fair market value. The fact that they don't have the opportunity to sell it to anyone other than the government of Alberta – the question has to be asked: what kind of appeal process have we got to ensure that every Albertan who's living in that RDA is truly going to get a fair deal, that they will get a fair market value for those lands?

8:40

Now, in the business plan, hon. minister, through the Chair, I was fascinated to read that you're suggesting a transfer of responsibility for administration of the RDA from public works to some appropriate authority. Of course, naturally the question that leads from that is: what would the appropriate authority be? Of course, with that, what would the costs be if we're going to create an authority to deal with the RDA other than public works?

Now, something that has fascinated me for many years, particularly in my public life, is the whole question of maintenance. I think that now, when we're looking at tight fiscal times, it becomes even more imperative that we do have sound maintenance programs. So, Mr. Minister, once again I'm asking, and it results from the business plan: what does the department have in the way of short-term and long-term maintenance programs for government buildings?

Leading from that question and the importance of having these maintenance plans in place, I would suggest that if the government of Alberta doesn't show leadership in that area – we've seen within the municipal government area buildings that should have been standing today ending up being demolished because of lack of maintenance programs. Resulting from that, of course, we end up with new capital projects. So my question is: at what point in time and how does your department with the other departments determine what new construction should take place? I'll use a couple of examples that have been mentioned in this House during this sitting and one in the previous session. The school in Wemby: how could we allow a school to get to the condition where we had to evacuate the students from it? How could Alberta Hospital Edmonton ever get to a condition where staff and patients are living and working in totally inappropriate facilities? Obviously, there were not the appropriate decisions being made when it came to maintenance or the appropriate decisions being made to replace those facilities.

I want to take it a step further when we're trying to rationalize health care delivery, particularly in the Edmonton area. We know that Alberta Hospital Edmonton has been asked to evaluate if there are other alternatives to replacing building 9 and building 5. It has been suggested that they evaluate the Grey Nuns hospital.

Now, my question to you, Mr. Minister, is: how much money does the department of public works or the Department of Health allocate to evaluate a facility that is being used for another purpose instead of looking at replacing the present buildings? I'd like to know: how much moneys would you designate? I know that when Grande Prairie was designated for psychiatric beds, we indeed saw significant dollars being expended to bring that facility up to an appropriate designation for psychiatric care. We also know that in Lethbridge the psychiatric department within the hospital there didn't meet the psychiatric requirements, and they had to make substantial modifications that once again cost the taxpayers significant dollars. What I am suggesting to you, Mr. Minister, is: will there be the appropriate evaluation done between restructuring present facilities vis-à-vis replacing old facilities?

I would also be interested to know who really makes that final decision. Is it Alberta Health or Education that makes the final decision where the funding goes for schools or replacement facilities or upgrading in health care, or is it the expertise that's within the department of public works that has the final say in directing Albertans' public moneys?

Within the business plan, we're looking at asset utilization and, of course, the disposal of surplus government assets. I'd be very interested to see: does this government have a list of those surplus assets, and, like my colleague across the way from Wainwright, do we have a market value attached to them? If they're surplus and we're looking at possibly selling those surplus assets, do we have a market value attached to them?

Now, in the business plan we're dealing with information technology and supply, and we're talking about discontinuing the printing services and warehousing and distribution businesses. When could we look at this actually taking place? What, if any, cost benefits have been done? Have we done an analysis? Is it advantageous for this to happen?

Now, I was also interested, and so was my colleague from Edmonton-Mayfield, when we're talking about the information technology and supply implementation of access to information. We certainly don't see any increase within the budget that would allow for what I would assume the access to information Bill coming into existence. I may be reading it wrong, but I would assume if that becomes a reality – and hopefully this government is serious about making it a reality – it will increase the expenditures in that area.

Within the business plan we're looking at a 35 percent reduction in time taken in the labour content of major government processes under the public works' responsibility, such as space procurement, product procurement, and information technology. I would be interested to know what new procedures will be implemented to achieve these efficiencies. I may have missed it, but I couldn't find anything to indicate how we would indeed be able to achieve these efficiencies. Is the reduction in personnel that will be realized from this streamlining already reflected in the forecasted labour requirements?

8:50

Now, when we're looking also at the organizational streamlining and work processes reductions, how many ADMs are there in the department at the present time, and what is the goal as to the number of ADMs the department would likely be having by 1996-97? What I'm looking for is a projection of where we are today and what you would see within that whole area of personnel by 1997.

Once again in the business plan, the performance indicators in capital development: "reduction in number and cost of capital construction projects, increase in maintenance activities." I want

to reiterate here that we are identifying a change, and I go back to the point that we must know how you determine the construction of these new facilities or the upgrading of the old facilities. We also look in the business plan at the expected results regarding surplus property holdings going from \$56.6 million in 1993 to '94, to \$25.2 million. I'm wondering: have you identified or documented those surplus holdings? I think we as Albertans should know. Where are these surplus holdings?

The other area in the business plan we're looking at is expected results of revenues. We're looking from \$21.7 million in 1993-94 to \$32 million in '96-97, and I'm curious as to what is the source of these revenues. Will they be charged to the public or to other government departments? In other words, why are we seeing that increase?

Also when we look in the business plan, one of the highlights is that the government talks about charging nongovernment users of government surplus space full market rates. Have you identified who the nongovernment users are? One thing that would concern me is that if some of these nongovernment users are the nonprofit organizations, what could result is that we end up with them giving up that space. I think we should certainly look at: would it be in a better interest to partially cover the cost if we can't indeed lease them out for full market value?

Now, looking at the whole area of construction, I'd like once again to ask the minister: what is the complement of professional people that is presently within your department? What would you see over the next number of years, within the business plan, that that complement would be? I'm talking about the architects, the project managers, people that are also out in the private sector; you know, what's happening in that area, particularly when you're looking at the capital projects substantially decreasing.

Now, when you actually compare the administration of capital projects, it would appear that it costs the government of Alberta to administer 8 percent of the total capital investment. Information that I've got is that if you're out in the private sector, it's closer to 3 or 4 percent cost. We as Albertans should have a concern when we're looking at that why there's that great variance in that we're not being very efficient.

The last point that I wanted to raise and also ask some questions on is once again going back to maintenance. You're looking in vote 4.12.60, in 1993-94, \$9 million, and then '94-95, \$8 million. Can we get a list of these projects so that we know where that money's been expended? The business plan calls for an increase also in the maintenance activities, but I want to go back to my first point when I opened: that the budget for maintenance is being decreased by 11 percent. That doesn't make any logic to me, because if you've cut back substantially in capital projects and you want to maintain your present facilities for future generations and take us to the turn of the century, it would only be common sense to know that as things get older – I mean, whether it be my house or your car – your maintenance costs more if you're going to maintain those facilities. So why are we looking at a decrease in this area, which I would suggest will ultimately cost Albertans more money in the long term? Once again, I'm suggesting we're being penny-wise and pound-foolish.

Mr. Chairman, I would leave it to my colleagues to ask more questions of members from the government side. Thank you.

MR. PHAM: I have a few questions today on the accommodation services. I saw on item 3.2.2 on page 62 of the supplementary information that on that particular item we are spending in 1994-95 the amount of \$5.7 million, and the year before we only spent about \$4.9 million. That is an increase of about \$800,000. I would like to ask the minister why there is such an increase.

How much of that money is being spent on buying new furniture for offices across the province?

The reason I ask the question is that I had a very interesting experience. I opened my constituency office in late August of 1993, and I requested some furniture from Public Works, Supply and Services. They sent to me about the most beautiful set of furniture I have ever seen in my life. Two of the chairs are filthy and dirty. Two are black; one is yellow. My filing cabinet has four different colours: one in gray, the other one is yellow, green, and light yellow. You know, at first I thought it was a practical joke that someone played on me, but then I went and asked the minister. I said: "You know, the Halloween season is over. Please replace this with some decent furniture." But our minister just turned around and said: "That's the same everywhere. Every office across the province has that kind of furniture now." It's quite interesting, because for the first time I realized how much we have cut back since the good old days.

I would like to be assured tonight that we will only buy new furniture if we don't have any surplus furniture. I am willing to live with the furniture I have in my office, but if it is good for me, then it has to be good for everyone. I don't think we can afford to have two sets of standards, to go out and spend a lot more money to buy new furniture and at the same time for us to use surplus furniture. That is the only thing I would like to draw the minister's attention to.

Thank you.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for St. Albert.

9:00

MR. BRACKO: Thank you, Mr. Chairman. I will begin with a story today. I think it's very important that we're aware of it. It was back in 1971, Mr. Minister. I traveled through Asia and Africa and came to the beautiful country of Burma. It was a tremendous culture shock for me. I met with students who had graduated from university, and they were working part-time. That's all the work they could get. They had graduated. They had spent four or five years. It was a sad way to see what is happening to students there. I never, ever dreamed it would happen in Canada, never dreamed it would happen in the great province of Alberta. I know things may be rosy for us under the ivory dome here, but teaching high school for the last 14 years, things are not the same. The reality out there is different. My students are lucky to go out and get a part-time job. The odd one does get a good job, but most end up part-time. I guess just over the last two years six of my students had to go to the United States to work, leaving family and friends behind. It was sad to see. It cost probably half a million dollars, \$500,000, to educate them here in our province, and we exported them to the United States. I'm sure the Americans are saying: "Thank you. Keep up the good work, Alberta."

It concerns me because as we look at what's happening, looking at the sale of the ALCB stores, I've asked for a business plan, Mr. Minister, time and time again, and it's like it's a joke. So I'm asking you, Mr. Minister: will you provide us with the business plan for the privatization of ALCB? I have the regulations and the information, but the business plan that shows what's going to happen, the benchmarks, the evaluation, the complete picture. I know I spent seven years with junior achievement working with the chamber of commerce in St. Albert, and we taught the students a complete business plan from the beginning to the end: from setting up a company to producing a product, to

marketing the product, to selling it. Mr. Minister, I would expect the same of our government, only a more elaborate plan.

Further, I would ask for the ALCB warehouse plan. Mr. Minister, I know there were two plans in place they were working on. It was a five-year project. The administration there were working to make it as efficient as possible. They've taken it when it was run - they wanted to improve it, modernize it, and make it one of the best in Canada. In fact, they were spending \$6 million on a computer system to make it more efficient. However, because of a disagreement or something between the minister and the administration, it was privatized overnight without the plan, without any information. There are another two plans. One, they would keep 150 stores, and I'd like that plan too, Mr. Minister. Would you supply me with it? The additional plan was for keeping 50 stores for distribution across the province. I know they're there; I know people who worked on them. I'd ask the minister to also provide me with the 50-store plan.

What we have with the ALCB warehouse, valued, from what I'm told by people who worked there, at close to \$85 million, is a warehouse that they now are unable to sell. People have come through, looked at it, and have gone their way. Because of the confusion and the conflict between businesses caused by this government, would a warehouse be needed if certain businesses were allowed to warehouse their own products?

Mr. Minister, I'd like more information on why this has happened, the loss we're looking at, anywhere from \$50 million to \$60 million to \$70 million on what was the plan to sell this warehouse at.

Mr. Minister, my next question. Would you provide me with a market-value appraisal of the warehouse, including the inventory inside, not just the building: the computers, the storage, but not the alcohol? We know that the government has owned and leased the stores. One hundred and thirty-eight of the 204 stores were to be sold at fair market value. Fifty of the properties were leased and would be sublet, and the remaining 16 stores in government buildings would be closed. A new department is responsible for disposing of the 138 stores to be sold at fair market value. They are also responsible for subletting the other 50 leased properties. The original expectation by this government was that they were to receive \$50 million from the sale of buildings and assets. These assets were estimated to be worth \$115 million, and talking to people from the ALCB, they said that it's probably worth double that value. So we would need to see the market value appraisal for each one, as the Member for Wainwright has asked.

Of the 138 stores, to our knowledge 102 have already been sold, or 74 percent of the total. The total amount in sales for these buildings is just over \$19 million. This accounts for only 38 percent of the revenues expected from the sale of assets. The situation is that 74 percent of the buildings has been sold and 38 percent of the revenue has been received. There is no doubt the sale of the ALCB buildings was a fire sale. Why else would you put that number of stores, 138, on all at once? Anyone in real estate, anyone who's even gone through a junior achievement course could tell you the law of supply and demand: the greater the demand, the higher the price; the lower the demand, the price goes down. It's a very simple principle of economics. So when we have a number of stores put on all at once, the price naturally goes down. We're looking at \$50 million; we'd be lucky to even get \$25 million or \$30 million for it. Mr. Minister, I'd like an explanation of why it has come in at that low level.

Next, the ALCB store at Fort Vermilion. On November 10 the order in council authorized a sale for \$205,000. On November 9 another order in council canceled the sale, with a new sale for \$175,000, a difference of \$30,000 approximately. Mr. Minister,

why was the first sale canceled? The Turner Valley store: on November 7, '93, the same thing happened. An order in council for a sale of \$161,000; on February 9, 1994, an order in council canceled the sale and authorized it for \$100,000, a difference of \$61,000. Would the minister please explain the difference. Wabamun store: on November 17, '93, an order in council authorized a sale for \$215,000. On January 19 an order in council authorized a sale worth \$131,000, a difference of \$83,700. Again, why this huge discrepancy? For all the stores, was there a reserve bid value placed on each store, and what was the amount? So we'd have access to that, Mr. Minister. The Whitecourt sale: on November 17, '93, an order in council authorized a sale for \$500,000. On January 12 the order in council canceled the sale and authorized a sale for \$325,000, this time a difference of \$175,000. Please explain that for our Albertans. The Ponoka store, the same thing: on November 24 an order in council authorized a sale for \$331,000; on February 16, 1994, it canceled the sale and authorized a sale for \$258,000, a difference of \$73,000. Again, an explanation, Mr. Minister. The difference on these five stores totals over \$425,000. We would like the independent market appraisal used by the ALCB in selling these at this price.

Forty-eight of the ALCB stores have been leased with third-party landholders, and the terms of these leases run from one to 40 years. Will the minister provide concrete information of ALCB's obligation in rent payments that have been discharged or assumed by the subtenants? Also, can the minister provide details as to whether the length of the sublease is the same as the lease held by the ALCB, and the dollar value of the subleases? Can the minister provide confirmation that we are not subsidizing the subleases, or if we are, at what cost? Also we'd ask how many subleases have been returned to date.

As of February 17, 1994, the leases of the two stores in Fort McMurray, one store in Fairview, one in Medicine Hat, the one in Sundre, and the one at West Edmonton Mall still have not been sublet to anyone. My question is: what are the monthly payments being made to the landlords to have these stores sit empty?

I'd like to thank the minister for his response to these questions.

9:10

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Lethbridge-West.

MR. DUNFORD: Thank you, Mr. Chairman. I believe this is the first time that I've had the honour of you recognizing me, and I want you to know that I appreciate that very much.

Mr. Chairman, I would like to begin by congratulating the minister for the job that he's doing and also the staff that are here tonight watching the proceedings.

I really only have two questions and one comment. The first question I have is regarding the St. Michael's long-term care facility. As you are aware, Mr. Minister, there has been a long and serious debate in the city of Lethbridge that has gone on for decades, almost, on the various mandates between the two hospitals, the Lethbridge regional hospital and St. Michael's hospital, but through patience and perseverance and some persistence on behalf of the Minister of Health and yourself, we finally had an agreement as to mandates for both of those facilities. Of course, one of the key elements, then, in living up to those mandates, as I'm sure you appreciate, is now a construction project and the major work in order for St. Michael's to become a long-term care facility. So when I received the document of the government estimates and the element details, I quickly went to your section in the book, specifically to page 66.

Under reference number 4.9, looking at health, I then began to scan downward looking for St. Michael's, and I was unable to find it. So I would like your response, either this evening or in some manner, as to where St. Michael's might be in this situation.

The other question I had was from the government estimates document, I believe. Yes. It was under the revolving fund on page 259. I noted that for printing services under revenue an estimate was a dash, meaning zero, and for printing services under expenditure again a zero. I guess I was just wanting, then, confirmation that the government of Alberta is getting out of the printing business and that we are outsourcing that to the private sector.

The last comment, then, deals with the three-year business plans: again just wanting to re-emphasize that in your three-year business plans on the performance indicators, we must have a way in which to quantify those performance indicators so that private members or your cabinet colleagues can then track the progress that PW and SS is having in their three-year plan, really with the idea that we can get the productivity-plus plan put into place for civil servants or whatever sort of arrangement we're going to come to. We have to have that arrangement where we can identify exceptional and excellent performance so that we can reward that performance properly, but also that where we have substandard performance, we are then in a position to work with those particular people and show them where their weaknesses are and that that's what we can work on. Because we must always keep in mind that success never shows our weaknesses; it's only in our failures. It's in identifying the failure, identifying the weakness, and then turning that failure into subsequent success. That's where the real dramatic change to government comes, and that's where the real dynamic improvements to bottom lines come from.

So with those remarks, again thank you, Mr. Chairman.

MR. LANGEVIN: First, I'd like to take the opportunity to express my appreciation to the minister for taking the time this evening to appear before the Committee of Supply and answer questions from members in the House. I know that already quite a bit of ground has been covered this evening and a lot of questions have been put on the floor, but I have a few that I would like to add.

I would like to inquire about vacant buildings. If we're going to close the Grande Cache building and we have hospitals in Alberta that are closed or when a new hospital is built like in St. Albert and the old hospital becomes surplus, do these buildings become the property of public works and supplies? If they do, is your department responsible for the upkeep, for the heating, for the insurance, and for the disposing of these surplus buildings? In the future as we rationalize and amalgamate school boards and hospital boards, I presume that in some instances some buildings or parts of buildings will become vacant and maybe total buildings, even school board offices or other government buildings. Do they then revert to your department again to be looked after and disposed of by your department? I would like to know where these buildings end up and how they're disposed of.

On senior citizen lodges. This year in 1993-94 the total expenditure is \$20 million. Your proposed budget is going down to \$14 million and then \$12 million and \$10 million for 1996-97. At the end of the three-year plan how many of these lodges will remain to be upgraded and brought to a certain standard, and how many more dollars do you forecast that we're going to need to complete a program to do all the lodges in Alberta? I hope that the plan is to bring all the lodges to the same standard throughout this province.

We spend in your department a considerable amount of money for purchasing materials and supplies during the term of one year.

I would like to know: do we have a purchasing policy that favours local purchases or provincial purchases, or do you strictly go on the best buy or the best bid on every purchase? I'd like to know if your department would favour Alberta purchases and support Alberta.

The hon. Member for Wainwright talked about full-time equivalent positions in your department. They're going down from 2,152 this year to 1,743 at the end of the three-year term in '96-97. I would like to know in these two numbers, 2,152 and 1,743, how many individuals are involved in the total amount of full-time equivalent? I know that we have a lot of part-time or semipart-time, and does that involve twice that number to make the full-time equivalent? I'd be quite interested in knowing how many people are affected in those positions.

9:20

If you go back to the budget, under vote 1.1., the minister's office - looking at 17 different departments, most departments and the minister's office have been able to attain a cut in the neighbourhood of 10 percent, also in the deputy minister's office. In your case it remains the same for the coming year as in this year in both your office and the deputy minister's office. What would be the reason that your department is able to save 11 percent across the board, but it seems that in the minister's and deputy minister's offices there are no savings? That does not compare to the other departments that the government is looking after.

Also, under vote 3.1.1 the property management business support is \$32 million, and the property management operation is \$70 million. I cannot differentiate between the business support and the management operation. I would like an explanation on these two figures.

[Mr. Tannas in the Chair]

The land assembly. I know we're acquiring some property under that, but it seems that you're acquiring \$50,000 of land for the Department of Agriculture, Food and Rural Development. I'd like to know why we're acquiring land at this time for the agricultural department, where the land is in Alberta, and what the intent of the use is. It seems to me that in a time when we're trying to downsize the government and we're closing buildings and trying to amalgamate centres, we turn around and we acquire land. I would like an explanation on that.

Under 3.3.4, Public Works, Supply and Services, last year the estimate was \$17 million and this year the total estimate is \$4 million. That's a saving of roughly \$13 million, and that's a considerable saving compared to all the other votes in your department. I'm wondering how you were able to save that much or what that represents in that vote. It's a considerable amount compared to the rest of the figures.

Also, under 4.12.61 we have an item there, miscellaneous demolition projects. This year we spent \$610,000 in that department, and we're forecasting in the coming year \$320,000. This is a saving of 50 percent on that item. I'd like to know what these demolition projects are. Are they buildings that cannot be resold on the market and we have to dispose of them through demolition, or is there another reason for this?

That, Mr. Minister, covers the questions that I had this evening, and I'd look forward to your answer. Thank you very much.

MR. CHAIRMAN: Okay. Thank you.

Calgary-Varsity, and then Edmonton-Roper.

MR. SMITH: Thank you, Mr. Chairman. Really I'd like to laud the minister for his business plan, for his keen sense of the priorities of this government to move towards outsourcing, to move towards giving the private sector the opportunity to participate in government as much as possible. It's important that PWSS can in fact lead the charge on this because of its visible presence, and I think the minister and his staff are well equipped to do this, but really the whole topic of what PWSS's business plan is can go down to one basic premise, and that's greenhouses. The greenhouse is indeed a symbol of the whole business plan and the whole estimate of what this minister can do over the next thousand days. Indeed, the ability to take that, analyze it from a business standpoint, and realize that there are other alternatives that are more beneficial to this government, to saving money for the government, can all be boiled down to the subject of what's going to happen with the greenhouse over there.

Now, the growing of flowers and the supplying of aesthetics throughout this Legislature has a number of benefits. In fact, I would suggest that when the Legislature was constructed in 1913, a two-year building process, outdoor landscaping and indeed horses' hitches were probably even an important issue for that minister at that time, and in fact, they probably needed a place for the horse to drink. Indeed, they probably recognized at that point that horticulture was important as well, and I think that sums up exactly where we stand today on the issue of the plan of public works: you can always lead a horse to drink, Mr. Chairman, but you cannot necessarily always lead a horse to culture. [interjections] Horticulture. You can lead a horse to drink, but you can never lead a horticulture. So in fact the horticulture being of the Legislature is a real symbol of what your plans are.

MR. WHITE: Point of order, Mr. Chairman.

**Point of Order
Clarification**

MR. WHITE: A point of order, Mr. Chairman.

AN HON. MEMBER: Citation.

MR. WHITE: Any one of many citings in 'Bowchesnee.' If you're going to tell a horse joke, you have to tell it properly, I'm sure.

MR. CHAIRMAN: I'm not sure of that citation, but Citation was a well-known horse, certainly.

MR. SMITH: Well, in fact, Mr. Chairman, I would be more than pleased to repeat the story or draw the analogy so that it's absolutely crystal clear as to the nexus of the PWSS dilemma, and that is: you can lead a horse to drink, but you can't lead a horticulture.

Debate Continued

MR. SMITH: It's easy at the hour of 9:25 on a crystal clear, lovely Edmonton night to make some small jest, or beau geste, about the work and business plans of PWSS, which is, I'm sure, an absolute culmination, Mr. Chairman, of hundreds of hours of tremendous dedicated service by the technocrats within his department.

So in fact I think the PWSS business plan reflects the ability for the technocracy or the bureaucracy to work in concert with the political arm to meet the agenda of this government. The agenda of this government is to provide a balanced budget in three years, and it has to start somewhere. It has to start from an infrastruc-

ture department such as the Department of Public Works, Supply and Services. Indeed this department has made a tremendous contribution to the framework of Alberta. Gosh, I've seen buildings of majesty constructed by public works throughout this province and, Mr. Chairman, it's important to note that that time has lapsed in Alberta. Infrastructure in Alberta now talks fibre optics, information highways, indeed the links to an informed and wired telecommunications community. I see the trend of the skilled people of public works who are hanging on virtually every word that comes through in the Legislature this evening to be able to make that contribution, to be able to add their expertise to allow this government to achieve its business plans. It will not work without it. It's like riding a bicycle and it's like growing in a greenhouse. It's one petal at a time.

MR. CHAIRMAN: At least you're keeping the people in the gallery awake.

9:30

MR. SMITH: Indeed, Mr. Chairman, the ability for public works to lead the charge on putting forth a business plan with such a tremendous reduction, a fundamental restructuring of the way it does business and still have the committed efforts of its bureaucracy I think is a tremendous testimony to its senior managements, to every worker in that division of government, and indeed to the hon. minister, who in fact knows about horses from his previous years as one who rounds up same and I guess could be called the prototypical Alberta cowboy.

So what are we going to do about the greenhouse? How does it fit into the overall business plan? In fact, the ability for us to obtain supplies for this House, for these services, for the core businesses of government, which are wealth creation, investment, research and development, infrastructure, law, order, and good government, regulation – these are the core businesses of this government.

MR. EVANS: A clean and healthy environment.

MR. SMITH: And Brian's department too.

The core businesses, Mr. Chairman, are the things this government must concentrate on. Those core businesses do not include a greenhouse, and it's amazing indeed what a symbol in a very short period of time this greenhouse has come to represent. In fact, if you look at green being the colour of money, we have no alternative but to go forward on this route so that there's more green in Alberta taxpayers' pockets than there is in the outside doors of the Legislature.

I think that as the greenhouse issue begins to percolate and as the consensus and dialogue of all those that contribute and all those that use those facilities – and heck, perhaps there might even be the odd person who might want to grow a special pumpkin in that greenhouse. Now, in fact can we accept that pumpkin mentality in order to fulfill the business plans of the Department of Public Works, Supply and Services? I would suggest not, Mr. Chairman. I would think that it's more important to let the pumpkins stay on the farm, whether they're in a small town – for example, Irma comes to mind. That would be the Irma pumpkin, and, you know, he has to realize it's important that either I'm a pumpkin, Irma pumpkin.

It's easy to make light of it at this time of the evening, Mr. Chairman, but in fact it's the very symbol of the implementation of the three-year business plan of public works. I know the minister has been charged with that responsibility. I know that he has the capability to go forward, take hard decisions. Very

important that he knows one thing: things don't vote but people do. The man has a sense of compassion. He's very much government with a human face. I think it's very, very important that the road on which the minister will be traveling over the next thousand days will in fact be a long road. Unless that road is a toll road, it indeed may be a little bit bumpy. For the overall well-being of 2.6 million Albertans the journey may be long, the steps may be small, but indeed each step must be taken one at a time.

It was a famous leader in another hemisphere that once said: the journey of 10,000 miles begins with a single step, and I think the greenhouse is that first step for this minister. I know that indeed the other members around this minister would gather to say: the business plan is important; we've contributed. The MLAs of this governing side, Mr. Chairman, have spent hundreds of hours evaluating, contributing, and participating in every business plan of this department. Indeed, one may say that this group of private members may be – may be – more informed than their august cabinet colleagues, but only time will tell because general management is critical.

In fact, the management of all the services, all the supplies, all the buildings is resident in Public Works, Supply and Services. So the three-year business plan and the fulfillment and the performance measurement parameters that this ministry has put forth are critical to the success of this government and are in fact a tremendous mirror as to the success of how this government will achieve its agenda. I look forward to, I'm excited about the journey on which the minister is embarking with saddle. I believe that he is in a position to be able to fulfill those business plans by actively using them as a management document. It's the first time in the history of any government in Canada in which public works has laid out a three-year business plan and said: this is where we're starting from, this is where we're going to, and this is how we're going to measure how we got there.

In fact, ably assisted by my colleagues, we could say in Public Works, Supply and Services: the pumpkin stops here. From that pumpkin, Mr. Chairman, you get the seeds of rebirth; you get the seeds of regeneration. In fact, it's the seeds of today that are going to provide the balanced budget of tomorrow. It's important that in fact . . . [interjections] And I may be indeed heckled by rural members who don't know the difference between pumpkin and bumpkin, but I'm prepared to accept that in order to stand up here tonight and provide a ringing and strong endorsement for a minister who has published a business plan. He's laid his soul open, and he's prepared to move on that path. Again, it's important.

You know, it came from a lighthearted moment when in fact there were tough decisions to be made, when in fact three to six months ago the minister was freezing capital. He has taken strong management direction, Mr. Chairman. He has had not only the compassion but the understanding that in fact all the people who worked in public works six months ago don't work here today, and he's going forward on that. He's empowering the people with whom he works to say: you can have the ability to be a small businessman, to be able to provide services to this government, to have the independence, the freedom of the small businessman, and we in fact in public works want to act as that catalyst.

Now, in fact, Mr. Chairman, there are people who have been formerly employed with major corporations who will laugh and heckle because they haven't been on the front firing line of a small business. You know, it hurts to hear that, but with members opposite being from an elitist party representing major professions, one can understand that. They're not shirtsleeve Conservatives. They don't have the ability to work with a ministry such as this that has the vision to empower its employees

to be small businessmen, to be able to go out and compete in the marketplace and indeed to create wealth for Albertans and to create value added. In fact, as the Premier is showing all of Canada the Alberta advantage, I would imagine that as the business plan for Public Works, Supply and Services rolls out, in fact other ministries of public works throughout Canada will be phoning this minister and saying: "How did you do it? How did you dismantle an infrastructure that had grown beyond your wildest dreams and still provide a very high level of service to your client ministries and provide value to the Alberta taxpayer?" It's a noble quest. I guess that's why he runs the noble House, which is this Legislature, which I am in fact very proud to serve.

There's a lot of discussion about estimates. We talk about money, we talk about plans, and we talk about small line item errors or somehow this didn't work out and somehow that worked out. But in fact two things come to mind, Mr. Chairman. One, in previous administrations and in many other governments across Canada, when all is said and done, more is said than done. That's not going to happen here. In fact, this ministry is a ministry of action; it's a ministry of meeting its commitments that it has put forth in the business plans. I, quite frankly, look forward to their success, their meeting their business plans, and their ability to mould the wishes of the taxpayer, the needs of the Alberta government, and the needs of the private sector into a single force that will represent increased value for all Albertans.

Thank you.

9:40

MR. CHAIRMAN: Edmonton-Roper. [some applause]

MR. CHADI: Thank you. Thank you.

Mr. Chairman, thank you very much for the opportunity to speak to these estimates tonight. I can tell you one thing: that pumpkin is going to be an easy one to follow tonight.

Tonight I felt somewhat comfortable after listening to the Member for Calgary-Montrose. I felt comfortable, Mr. Chairman, because I realize now that I'm not the only one with yellow chairs. The fact that we've got used furniture in our offices, that the Member for Calgary-Montrose mentioned earlier, is a sign of the times that we're all willing to accept. Mr. Minister, I do accept that.

There are some questions, though, that I have for you, Mr. Minister, and I hope that the Chairman would allow me the opportunity. I, like my colleague from Edmonton-Mayfield, have a question with respect to the business plan, and in particular page 9. I know that the hon. Member for Edmonton-Mayfield asked: how is it that in the targets of 1994-95 the bottom line expenditures of \$492 million are in there, yet in the same breath, on page 249 of the government estimates it appears that the 1994-95 estimates there are \$571,794,000? As we heard from the hon. Member for Calgary-Varsity, how he so glowingly praised these business plans, I found it very difficult to believe that he could have even opened the book and had a look, because if he did, he would have noticed that these numbers just don't jive. He would have undoubtedly, knowing the Member for Calgary-Varsity, questioned that instantly.

Mr. Chairman, I have concerns with respect to the revolving fund and in particular on page 259, property management. When we look at the revolving fund itself, and I look at the notes on page 258, it says quite clearly that

Public Works, Supply and Services is authorized to provide specified goods and services to all departments, agencies . . . commissions, [et cetera] of the Government . . . through a revolving fund. Services to be provided . . . are: information technology

support, data processing . . . computer output microfilming, postage and courier . . . warehousing and distribution, and aircraft rental.

It says that

Public Works, Supply and Services will charge users for these services . . . which will recover direct and overhead costs and provide for the depreciation of capital assets.

My question is that if we're on a cost recovery basis here, how is it, then, that we look at property management and we've actually done \$50,000 worth of property management yet expended \$61,000? I question how that could happen if we're on a cost recovery basis within this program. Once again, within the spirit of cost recovery, I find it rather refreshing to see that air transportation actually made some money, but why are we making money, then, if we're on a cost recovery basis within our own departments? So please, if you don't mind, I'd like a response to that.

My next questions arise from the supplemental estimates and in particular reference number 3.2.3, the leases. I notice that the leases are somewhat down this year from last year: \$93,660,000. In his opening remarks the minister made it clear that we're actually downsizing and that we are going to be out of some of these leases or out of some of the spaces that we do occupy. My questions are: how much do we expect to be out in terms of dollars, and how much do we expect next year in terms of leases? Are we just getting out of these leases, or are the programs being downsized and certain department programs ending? Are we ending up with leases that we're having to pay on that remain vacant? What are we doing, if anything, to mitigate our losses in terms of subletting? I would suspect that we'd want to look at that quite seriously. It seems to me that \$93 million is an awful lot of money that we're paying out in leases. I would hope that we have a system in place that would do a complete inventory of leases that we have: lease space, lease spaces available, subletting spaces that we can actually sublet.

Property management is an area that I've been most interested in for some time. I noticed and questioned it last time, in the estimates in the last session. I see that it has gone down, and I applaud the minister for the initiative taken to see to it that we're paying less this year than we did last year.

In reference 3.1.1, property management business support, we're still spending almost \$32 million there. I'm wondering if that's the privatized portion of the property management division, and if it is, are these put out on contract basis, are they on an annual basis, or do we review them every so often, say, every year or every couple of years? Please advise as to that.

9:50

In 3.1.2, property management operations, we're spending \$70.6 million. Now, I do hope that we could look at the privatization of property management, but prior to doing the privatization of the property management operations, I'm wondering if we wouldn't actually go into a more detailed arrangement than we did with respect to the privatization of the ALCB and the registries. I think there is an awful lot to be gained by going out in the open market and allowing the private vendors to get involved. I think we can do it going that route. We can probably do it a lot cheaper than we can do it here ourselves. I would ask, though, that prior to doing so, I'd like to see a business plan, a plan of action for the privatization, and I'm wondering if you haven't already started that.

I suspect that you would not want to engage the Minister of Municipal Affairs in any of this for his privatization books. I can assure you that when we looked at the registries – and I remember quite clearly from the Budget '93 Update, the September update if my memory serves me correctly – there was a caption in there

that I thought was really interesting. It said that we have now embarked on a concrete way of doing business with the privatization of the registries. I quote from the Budget '93 Update: "The new Alberta Registries agency is a concrete example of the new approach to government."

Well, let me tell you about that new approach to government, Mr. Chairman. We used to do business at the land titles office at \$2 a title. For a search it used to cost us \$2. You go to a private vendor today, and it costs you \$6.75 for the same service that we used to get done for \$2. You know, it just doesn't make sense when you say that this is a concrete example of the new approach to government. I've spoken with many people who suggested that even a thing like a driver's licence, for example, that used to cost us \$5, all of a sudden at the private vendors is upwards to \$20. I would hope that it wouldn't cost us any more than we're paying now when we look at the privatization of property management. So a business plan designed specifically for the property management operations I think would be in order.

Mr. Chairman, on page 61 of the supplementary estimates, capital investment. Again, just in that program alone, departmental support services and information technology and supply, we're looking at capital investments of \$151,000 there, and then we go down to a total program of \$1,613,000. I'm wondering: is this capital used for the purchase of computers, the purchase of new equipment and the like, or is it something different? The reason for my question would be that if we are buying all of this stuff and we're downsizing from different departments all across government, I'm wondering if we couldn't use some of that equipment that we're getting elsewhere. I'm not talking in particular to yellow chairs. I would hope that if you actually found some nice burgundy ones to match one I have in my office, you could bring it over. But if we have a duplication of that kind of stuff, if we have excess equipment and furniture – if we could utilize that instead of investing further moneys. I suspect with the downsizing, like I say, we're going to see more and more of that as we go along.

Mr. Chairman, in program 4, planning and the implementation of construction projects, I look at administrative support, capital projects administration. When we look at that, we see \$15 million going towards the administration of capital projects. There's a whole slew of them. There's page after page of capital projects. When we look at the total amount being expended in capital this year, it amounts to \$287,820,000 in program 4. Out of that, there are 13 projects alone in Health that are costing \$133 million. So take those 13 projects away from that, and we're expending \$15 million, Mr. Chairman, to administer something like \$150 million. It's costing us 10 percent for administration. Then we look a little bit further. You look at page 68 and see 4.13.1, condition analysis of social housing, and it's costing us a further \$200,000 to give us condition analysis. I'm wondering if administration couldn't pick some of that up. I suspect that we've got within administration people traveling all over the place, because when we look at Advanced Education and Career Development, we're talking AVC Calgary. So we've got people in Calgary, and we have people in Edmonton, Grouard, Lac La Biche, and Slave Lake – Lac La Biche is close to my heart, sir; that's where I'm from, Mr. Chairman – Wabasca-Desmarais. Then we can go on to southern Alberta, and we talk about Brooks, Lethbridge, et cetera, et cetera. The story goes on.

I'm wondering if there isn't some sort of duplication going on here in terms of administration and if we can't somehow save ourselves some more money in that respect. The entire amount of money that is being spent on administration in public works – and I don't discount the amount of work that goes on. Don't get

me wrong, Mr. Chairman. I understand that quite clearly. What we have to do, I think, is take it a step further and look at all the administration that takes place and see what sort of duplication is actually going on and see if we can't mitigate our expenses there somewhere too.

With respect to the capital expenditures as well I note that there are many in the 1993-94 estimates that are no longer an expenditure this year, so in the 1994-95 estimates, of course, they don't show up. Just to give you an example at random here. The Glenbow Museum in Calgary: total capital investment last year of \$40,000, and this year \$20,000. I'm wondering if these are going to end in 1995-96. Are some of these expenditures that are being expensed in 1994-95 ending in 1994-95, or will we be looking at further expenditures in some of these projects? I would hope that we are not looking at any more expenditures. I do notice, though, that in Environmental Protection we are expending on things like the Pine Coulee project in Stavelly, \$13 million, which I know, if I'm not mistaken - correct me if I'm wrong - is an expenditure that won't show up next year. So I suspect we're going to see a huge reduction, and I would hope it's a huge reduction, in the 1995-96 estimates with respect to capital.

Mr. Chairman, in view of the hour, I would move that we adjourn.

MR. CHAIRMAN: It's been moved by the hon. Member for Edmonton-Roper that the committee do now rise and report progress. Is that the wish of the committee?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

MR. EVANS: Mr. Chairman, I understand that the minister is quite interested in at least having a few moments to express some

opinions and make some comments on some of the concerns that were raised by hon. members, and I think that's a very reasonable request. Perhaps the hon. minister would like to comment on that further.

10:00

MR. CHAIRMAN: The hon. Deputy Government House Leader is quite correct in saying that it's a reasonable request. However, the committee has voted to now rise and report, and we will do so.

[Mr. Herard in the Chair]

MR. TANNAS: 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. ACTING DEPUTY SPEAKER: Does the Assembly concur with the report? All in favour?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed? Carried.
The hon. Deputy Government House Leader.

MR. EVANS: Thank you very much, Mr. Speaker. My persuasive skills were found wanting in the motion that I made recently to committee. However, I've reworked my motion, and I have a hunch that this one will be received much more charitably.

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