

Legislative Assembly of Alberta

Title: **Thursday, April 24, 2003**

1:30 p.m.

Date: 2003/04/24

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen. Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Children's Services.

Ms Evans: Well, thank you very much, Mr. Speaker. What a distinct pleasure and honour it is for me today to rise and announce the presence of students from Bev Facey high school. It is a very solid academic high school with other specialty programs for the children of Sherwood Park and the region of Strathcona county. I'd like to welcome their teachers Mr. Barclay Spady and Mr. Allan Milne. Would they please rise and this Assembly give them the warm welcome they deserve.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm very pleased today to introduce to you and through you to all members of the Assembly 11 students who are joining us in the public gallery. They are from NorQuest College, and they're accompanied today by their instructor Mr. Bruce Huebener. I would ask them all to please rise and accept the warm welcome of the Assembly.

The Speaker: The hon. Leader of the Official Opposition.

Dr. Nicol: Thank you, Mr. Speaker. It's a real privilege today to stand and introduce to you and through you to the members of the Legislature Gordon and Lorraine Tocher. They're from Hinton, and they've been very concerned this spring about the cost of their energy bills out there. They came in today to watch the petition that they circulated be tabled later on in the day. I would like to ask them to stand today and have the House give them a warm welcome.

Mr. Mar: Mr. Speaker, it's my pleasure to introduce today to you and through you to members of the Assembly three visitors from Janssen-Ortho Incorporated: Mr. Jim Mitchell, president of Janssen-Ortho, a member of the Johnson & Johnson group of Canadian companies; Judy Keyser, who's the regional director from Bragg Creek, Alberta; and Michael Lohner, well known to members of this Assembly, a regional manager who is from the city of Edmonton. I'd ask that they rise and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Red Deer-North.

Mrs. Jablonski: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to members of this Assembly a very important person in my life. She's a single parent, an education student with the U of A program, and a part-time receptionist with Summit Strategies in Red Deer. She's my daughter, and she's a great mom and a great daughter. I would ask Krystin to stand and receive the warm welcome of the Assembly.

head: **Oral Question Period**

Natural Gas Rebates

Dr. Nicol: Mr. Speaker, temperatures have warmed up, but the discontent Albertans feel over high energy costs has not cooled off. At the appropriate time we will table another 2,343 signatures to a petition demanding natural gas rebates, bringing the total number of Albertans that have signed this petition to over 7,500. One thousand, five hundred and fifty-six of today's signatures came from the Hinton-Jasper-Edson area. All this winter we've listened to the Premier dismiss our calls for natural gas rebates as Liberal negativity. My question is to the Premier. Does the Premier plan to dismiss the 1,556 voters in Hinton, Edson, and Jasper as being negative when they demand these rebates that this Premier promised during the 2001 election and express their discontent with the government's current energy policy?

Mr. Klein: Mr. Speaker, it's reasonable to assume that people are discontent when they have to pay high prices. People are discontent with the premiums they pay for insurance, especially car insurance, and that's going to be a big issue. People are discontent when they have to pay high mortgage rates, high interest rates, and indeed that was the case back in the '80s when interest rates reached 19, 20, 21, 22 percent. People are upset when natural gas prices go up. That's why we put in place a reasonably thought out, intelligently thought out rebate program that averages the price of natural gas over a one-year period and sets a price of \$5.50 a gigajoule. If that \$5.50 average price is reached, then the trigger is pulled and the rebates kick in.

Dr. Nicol: My question to the Premier: does the Premier not recognize the difference between discontent over market-driven prices and prices that are because of a broken promise that he made to Albertans that he would protect them from natural gas increases?

Mr. Klein: Mr. Speaker, this was not a broken promise. They were not on the campaign trail with me. Mind you, they had some of their functionaries follow me around to try and bug me but to no avail obviously, because we have 74 and they have seven. But they have no idea. They weren't at my campaign rallies. Maybe they were. If they wanted to see how it's really done, maybe they were.

What I said that we would do during that time – and that was a time of extremely high gas prices – is we would bring in a program to shield Albertans. It wouldn't be on an ad hoc basis; it would be on a sustainable basis. That's exactly what we did. You know, Mr. Speaker, these people are misleading the Alberta public because the regulations pursuant to the rebate program were made in August, publicly announced, put on the Internet, the government web page, not the Liberal web page obviously, for all people to see and to learn about. But to say that people didn't know is absolutely wrong. We went to great lengths to inform people of the regulations relative to the terms and conditions of the rebate program.

Dr. Nicol: To the Premier: will the Premier not admit that the regulations put on that web site were way different than the trigger point that was based on your analogy of a thermostat when you passed that legislation?

Mr. Klein: Mr. Speaker, I challenge the hon. member to go back first of all to the election and quote me on any trigger price or any specific program other than to say that we would develop a program. The legislation was thoroughly debated on the floor of this Legislative Assembly. They supported the bill. The Liberals supported the

bill. The Liberals supported the legislation. Now, in a way that – I know it's unparliamentary – could be construed as hypocritical, they stand up and say, "Oh, the legislation was all wrong," when they supported it at the time. They have to stand up and admit that. They supported the legislation, and the regulations associated with that legislation were well publicized so that people would know the terms and the conditions of this very sustainable rebate program.

Dr. Nicol: Mr. Speaker, we supported the legislation based on his analogy of a thermostat, not the regulations that were passed.

Education Funding

Dr. Nicol: My second question. In Alberta expectations of our education system are high, which is why we're disappointed when not as many students as we'd hoped finish high school or go on to postsecondary studies. These are warning signs to the government that if they want one of North America's best education systems, they'd better find out how much funding is enough to deliver that. To the Premier: is your education funding enough to ensure that 90 percent of 18 year olds graduate from high school?

1:40

Mr. Klein: Mr. Speaker, I can't answer the question right now because our budgets are predicated on what we reasonably expect in terms of K to 12 education and postsecondary education, but I'm sure that these are questions that will be put to the learning commission. One of the questions to be posed to the learning commission, I presume, is that of funding and the adequacy of funding and the whole issue of dropout rates and how people proceed to postsecondary institutions, not just universities but NAIT, SAIT, Grant MacEwan College, Mount Royal, Lakeland, Grande Prairie College, Medicine Hat, Lethbridge College, and so on. I can tell the hon. member that it goes without saying that we do have the best educated workforce in Canada. We have all the opportunities available for people to proceed to postsecondary education. As I understand it, there is such pressure on the part of the labour market to get people into the workforce that a lot of people leave high school, go into the workforce, then at a later age go to university.

Now, Mr. Speaker, in my own case, you know – this is many, many years ago – I dropped out of high school, went back, tried to get as much of my education as I possibly could, and I'm going to university right now, as we speak. I'm 60 years old, so am I classed as one of those people? Well, I feel good about going to university. I wish I could have gone when the hon. leader of the Liberal opposition was a young man and went to university. I wish I could have gone then, but I had to wait until I was 60 years old. But, you know, in all that time I learned a lot that I could apply.

Dr. Nicol: Mr. Speaker, the Premier just spoke about dropouts. Is your education funding enough to ensure that our high school dropout rate falls from the current 13 percent to the target of 5 percent?

Mr. Klein: Mr. Speaker, this is a matter of concern. As I said, the learning commission will look at this because this indeed is one of the major issues related to education. Certainly, we have identified lifelong learning as a priority of this government, and lifelong learning starts with learning not only at my age but the ability to continue from high school through postsecondary education. If it is a problem, we will address that problem as a government as best we possibly can.

Dr. Nicol: To the Premier: is your education funding enough to ensure that over 60 percent of our high school students get a chance to go on to some kind of postsecondary education?

Mr. Klein: Mr. Speaker, we believe it is. Yes.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. As a result of local boards losing their ability to tax, school funding adequacy has become a problem. Boards may no longer make up provincial government shortfalls in support by turning to local ratepayers, and as a result school boards across the province, including three of the four largest urban boards in the province, are facing deficits. My questions are to the Premier. Why, if a 2 percent instructional-based budget increase was deemed sufficient, are boards across the province projecting such deficits?

Mr. Klein: Well, Mr. Speaker, as I indicated yesterday in this Legislative Assembly, that is purely speculative. The budgets of the school boards have not been confirmed. The budget we presented as a government was predicated on the best estimates available to us relative to sustaining the education system. I would remind the hon. member that subject to a plebiscite school boards still have the potential to raise an additional 3 percent through property tax through a local requisition, but that of course depends on the mood and the will of the ratepayers.

The Speaker: The hon. member.

Dr. Massey: Thank you. Again to the Premier: what does the Premier suggest that schools who are setting school budgets as we meet in this Legislature – they're setting them right now, Mr. Premier – are to do to avoid teacher layoffs and increased class sizes?

Mr. Klein: Mr. Speaker, basically, most of those school board budgets I think are set in May. They may need to find out who's going to retire, what their staff requirements are going to be, what their student growth is going to be. There are a number of factors that need to be considered, including what we have set in our own budget to accommodate education, so it's too early to speculate and to make statements or assertions relative to what might or might not happen with respect to the various school districts.

Dr. Massey: Again to the Premier, Mr. Speaker: given that boards have no funds to replace retiring teachers, leading to further increases in class size, how is this seen as a solution to the inadequate funding?

Mr. Klein: Well, Mr. Speaker, I don't know. I don't get involved in the day-to-day operations of the 61 or 62 or 63 school boards, but certainly when people retire from the system at maximum salary, it stands to reason that they will hire young, bright, educated teachers coming out of university at starting salaries. I mean, that is simple math, and that's the way it should be done unless the school board has a policy – and I would hope that they don't have a policy – of hiring nothing but top-of-the-scale teachers. I would think that the hon. leader of the Liberal opposition, especially coming from Lethbridge, where they have one of the finest faculties of education, would support wholeheartedly the hiring of young graduates coming out of the University of Lethbridge and into the system.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Edmonton-Manning.

Severe Acute Respiratory Syndrome and West Nile Virus

Dr. Pannu: Thank you, Mr. Speaker. Alberta's public health system is facing the twin challenges of the ongoing SARS outbreak and the likely arrival of the West Nile virus. Years of funding restraint and an ongoing shortage of health care professionals have left Alberta's public health system stretched and hard-pressed to respond to these twin emergencies. My questions are to the Minister of Health and Wellness. Why has the government this year increased by only 1 percent its spending on health protection, promotion, and prevention when these programs are key to dealing with SARS and West Nile virus outbreaks?

Mr. Mar: Mr. Speaker, I want to say first of all that our public health officials have an outstanding track record in this province. For some number of years we have been anticipating a pandemic influenza coming. We don't know when and we don't know exactly where, but it's coming. As a consequence, some number of years ago we started to work on a plan to ensure that we can deal with issues of communicable diseases including things like SARS.

Now, if anybody wants to test how well that's worked, look at our experience with meningitis, Mr. Speaker. We were the first province in Canada to react appropriately to provide a vaccine that protected our young people against meningitis. So we don't have anything to be ashamed about, and in fact we should be very proud of the public health system, that has been so responsive to things like meningitis and will be to SARS.

With respect to SARS, Mr. Speaker, there were five suspected cases of SARS in the province of Alberta. I am happy to report to this Assembly, to Albertans that all five people have recovered completely. We never did have a probable case of SARS, nor did we ever have a confirmed case of SARS, and as of today there has not been a new SARS case reported for the last 21 days. So we've dealt with SARS appropriately, although we remain vigilant in all circumstances with respect to SARS.

1:50

With respect to West Nile virus we have not had a single case of West Nile virus here in the province of Alberta. There have been two Albertans that contracted West Nile virus from another place and then came back to Alberta, and I can say that those two people have also recovered from their virus. So we are vigilant, Mr. Speaker. We do have a plan in place. We do take the health of the people of Alberta very, very seriously, and we do an excellent job.

Dr. Pannu: To the same minister, whose answer is very, very worrisome because it's very complacent: why is the government allowing the provincial health authorities to spend up to a million dollars on newspaper, radio, and TV ads putting their spin on the nurses' negotiations when that money could well have been used far better in strengthening the capacity of Alberta's public health system to respond to the twin challenges of SARS and West Nile virus?

Mr. Mar: Mr. Speaker, we have taken appropriate measures with respect to SARS, with respect to West Nile virus. Today – and perhaps the hon. member is not aware of this – we did announce a program with respect to West Nile virus, our response to it, some \$2.5 million, working in collaboration with the department of environmental protection and the Department of Agriculture, Food and Rural Development. We do have a response program where we

are co-ordinated in a very serious way with all of our regional health authorities, who have also devoted resources to this, for monitoring and surveillance of the presence of West Nile virus. When West Nile virus does come to Alberta – and we expect that it will sometime this summer – we're ready just like we were ready with meningitis.

Dr. Pannu: A final question to the minister, Mr. Speaker: why is the government attacking our frontline health care workers by passing punitive legislation like Bill 27 at the very time – at the very time – that we most need these health professionals to deal with these challenges of SARS and West Nile virus?

Mr. Mar: Mr. Speaker, we place a great deal of value on our health care professionals in the province of Alberta. We have an outstanding system in this province. Again, don't take my word for it. Look at the results from the Canadian Institute for Health Information. Look at the results from *Maclean's* magazine. Look at what has been said about our health care system by Senator Kirby or by former Premier Romanow about how outstanding a system we have in this province. It is in large measure because of the frontline people who dedicate themselves to the benefit of Albertans for the purposes of delivering a health care system that provides Albertans what they need when they need it at an appropriate place and time.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Edmonton-Gold Bar.

Health Safety of Police and Emergency Workers

Mr. Vandermeer: Thank you, Mr. Speaker. I recently had the opportunity to attend a meeting of the Alberta Federation of Police Associations where I heard concerns about the safety of its members when in contact with individuals with transmittable diseases. I heard that in many situations after the police make an arrest, there is concern that the officer may have been exposed to a transmittable disease such as AIDS. They have no way of knowing whether or not they should seek medical attention. Ontario recently passed legislation requiring blood samples to be taken whenever emergency response personnel believe they may have been contaminated with a transmittable disease. Alberta police would like to see similar legislation passed in Alberta. My question is to the Solicitor General. What is your department doing to address this issue?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. As the Solicitor General I believe that this is a logical request and one that I support. I believe that the health and safety of the men and women who put their lives at risk for us should be our collective priority. Ontario legislation comes into effect on May 1, and it allows the local medical officer of health to order blood samples from someone who accidentally or deliberately exposes a frontline emergency worker, victim of crime, or Good Samaritan to his or her bodily fluids. We'll be keeping a close eye on how this issue unfolds in Ontario. I'll be discussing the matter with my Ontario counterpart, and I'll be working with the minister of health on this particular issue. However, this is a complex issue. It requires that we balance privacy issues with public health and personal protection. While the confidentiality of patient records is important, so too are the lives and health of our emergency workers.

Mr. Vandermeer: Mr. Speaker, my first supplemental is also to the

Solicitor General. What steps can police, corrections officers, and emergency workers take to protect themselves now?

The Speaker: The hon. minister.

Mrs. Forsyth: Mr. Speaker, thank you. It's a good policy for our police and our emergency workers and our corrections officers to assume that anyone that they come in contact with could potentially be carrying an infectious disease and for them to take the appropriate precautions. We have clear policies in place in our correctional centres. Alberta's police services also utilize procedures to help police officers protect themselves from communicable diseases.

In our corrections centres screening is conducted on all offenders by qualified health care staff to identify potential communicable diseases. Reportable diseases such as HIV, AIDS, and hepatitis A, B, and C are reported in accordance with the Public Health Act to the local public authorities. Mr. Speaker, inmates who are suspected of having an infectious disease are tested, and appropriate measures are taken to treat the disease and to prevent transmission. Our corrections officers are provided with stab-proof Kevlar gloves and other protective equipment to use when they are handling potentially infected inmates.

If there are any other measures that can be taken to protect our frontline workers, I'm open to any suggestions.

Mr. Vandermeer: Mr. Speaker, my second supplemental is to the Minister of Health and Wellness. What is Alberta Health doing to address this issue?

Mr. Mar: Well, Mr. Speaker, let me say first of all that it's very important that we do everything that is reasonably possible to help protect our emergency workers from bad health effects as a result of communicable diseases. What we do right now is we provide them with information on how they can best protect themselves against getting communicable diseases during the course of their work. In the event of an accidental exposure, of course, a notification is put in place immediately so that the worker can be quickly assessed and appropriate measures taken to mitigate or to treat their particular condition. We do conduct ongoing monitoring of diseases and infectious conditions in communities throughout the province. This is part of our government department's role in ensuring public health.

Mr. Speaker, I want to say that we will commit whatever resources are required to working with the Solicitor General on this particular issue, and we certainly will be watching the experience in Ontario with a great deal of interest.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Calgary-Lougheed.

Natural Gas Rebates

(continued)

Mr. MacDonald: Thank you, Mr. Speaker. On the eve of the last provincial election the Alberta government announced a natural gas rebate program for natural gas commercial operations that lasted roughly from the time of enumeration until the time the last vote was counted. The provincial government took this step to hide the expensive failures of energy deregulation and delay the true costs of energy deregulation until after Albertans voted. My first question is to the Premier. If a \$5 gigajoule credit on natural gas was good enough during an election year, why is it not good enough now?

Mr. Klein: Mr. Speaker, the very, extremely, extraordinary spike in the price of natural gas was coincidental with the election. We had no control. We didn't tell gas to go up just because it was an election. We had to do something. These people, you know, complained loud and long about giving rebates and helping Albertans. They screamed: "Oh, my gosh. This is just political."

Mr. Smith: You didn't send yours back.

Mr. Klein: Yeah. That's right. They gladly took the rebates; right? They gladly took the rebates.

Mr. Speaker, I take exception to this program lasting only as long as the time it took to cast the last vote. This was a three-month program.

An Hon. Member: A four-month program.

Mr. Klein: I'm sorry. Maybe it was a four-month program. Okay. It was a three- or four-month program – I'm not quite sure – that really went a great distance to alleviate hardships on a lot of Albertans. It was during that election that we said: lookit; we understand that the price of natural gas is extremely high. I believe it had reached something like \$10, \$11 a gigajoule. It was extremely high at that particular time, and we said that we would introduce a program. If I recall, I said that we would introduce a program that would be akin or similar to the interest rebate program. [interjection] Will you please instruct the hon. member for wherever to keep his yippy yap shut.

2:00

Mr. Speaker, we said that we would bring in – and this is a quote. As I said, they weren't on the campaign trail with me. They were on their own campaign trail, you know, telling people a bunch of baloney. So they weren't on the campaign trail with me where we had to deal with the real issues and the realities. Along the campaign trail I was asked: well, what do you plan to do on a more permanent basis? I said: we will consider a program similar to the interest rebate program introduced by then Premier Lougheed where interest was shielded down to 12 percent from about 19 to 20 percent. I instructed the Minister of Energy to get to work on a program. He brought through legislation to bring about the program. The regulations relative to the legislation were announced, and now the Liberals are complaining. So what's new?

Mr. MacDonald: Again to the Premier, Mr. Speaker: given that the election promise from 2001 was broken by this government, did this government refuse to give Albertans rebates earlier this winter when there was a huge price spike because they knew it would interfere with the high-pressure sales tactics used by energy marketers like Direct Energy selling three- and five-year contracts to Albertans?

Mr. Klein: Mr. Speaker, I just went through the process. As I said, unless the hon. member tells me otherwise, I would assume that he was not on my campaign trail.

Mr. MacDonald: You bet I wasn't.

Mr. Klein: Right. I would assume that he was not on the campaign trail. I would assume that he did not visit the numerous constituencies, practically every constituency in the province, where I gave the same speech over and over and over again. [interjection] If he was there, then stand up and say that he was there and that he heard all this; in other words, that he heard the malarkey that he just spouted

off, because he didn't. What he would have heard is exactly what I explained: that, yes, there is an emergency problem right now; the price of gas is extremely high; that, yes, we will bring in a sustainable program; that, yes, it will be a program, and the best I can think of at this particular time is a program similar to the mortgage interest rebate program brought in by Premier Lougheed; and that I will instruct the Minister of Energy to get to work on it. And I did all of those things. That is not breaking a promise. That is fulfilling a promise.

Mr. MacDonald: To the Premier: given that an election promise from the last election, in 2001, was broken by this government, why is it government policy that consumers come first only during election years?

Mr. Klein: Mr. Speaker, I just pointed out the difference between keeping a promise and breaking a promise. The statement that I broke a promise is entirely misleading. It is wrong. It is wrong for them to say that I broke a promise when in fact I kept a promise. I will explain it one more time. Here's what I said.

Dr. Massey: It doesn't matter how many times you say it.

Mr. Klein: Well, it doesn't matter how many times they say it. They say that I broke a promise. I say that I kept a promise, and I kept the promise. I kept the promise, and here's how I kept the promise.

Mrs. Nelson: People know they can trust you.

Mr. Klein: Right.

Again, I would ask him, because he doesn't have an opportunity to stand up and ask another question: will he go outside the House and tell the press that either he was a fly on the wall or he wasn't? All you need to do is get your researchers, which the government pays for, go into the morgues of the newspapers and find out exactly what I said.

The Speaker: The hon. Member for Calgary-Lougheed, followed by the hon. Member for Edmonton-Ellerslie.

Clean Coal Technology

Ms Graham: Thank you, Mr. Speaker. In this province coal is still the number one fuel used to generate electricity. We all know that the burning of coal does create carbon dioxide, which creates global warming. One of the strategies of the government plan to address this issue was supposed to be speeding up the development of clean coal technology. My first question is to the Minister of Environment, whose department is responsible for Alberta's climate change plan. Mr. Minister, it would appear that you haven't taken active steps to accelerate the development of clean coal technology. What is the holdup?

Dr. Taylor: Well, Mr. Speaker, I'm a little surprised by that question, but let me say that we have taken action. We've taken action long before Kyoto. As I pointed out to another member in the House this week, you know, Alberta is first and foremost in the country in taking action on many areas around climate change, and certainly clean coal technology is one that is important to Alberta. As you know, we've got 70 percent of the coal resources in the country in this province, and if we can learn to develop it cleanly and burn it cleanly, there's a huge opportunity for energy in this province.

We're doing a number of things, Mr. Speaker. In the first place, I've asked the Clean Air Strategic Alliance to look at our electricity generation and the emissions that come out of those plants, and about 60 to 70 percent of that is from coal. So I'm expecting a report from them, hopefully in June or perhaps September, once they get their group together again. That's one thing that we're doing.

Then as a government we announced a \$30 million investment in research, and certainly much of that will go to the Alberta Energy Research Institute, which is under the purview of the Minister of Innovation and Science, and it's my understanding that he might want to supplement, Mr. Speaker. A lot of that money will be spent on clean coal. I'd ask the minister to supplement on exactly where that money is going.

The Speaker: No. We'll go on to the member.

Ms Graham: Well, thank you, Mr. Speaker. I'm happy to ask the Minister of Innovation and Science just what in fact his ministry is doing to accelerate clean coal technology.

Mr. Doerksen: Well, Mr. Speaker, with the assistance of the Minister of Energy and the Minister of Environment we have implemented an Alberta energy research strategy. In fact, through the good work of the Alberta Energy Research Institute, if you look at it on the web site at www.innovation.gov.ab.ca, you can read the whole energy research strategy. One of the key elements of that strategy is the development of technology that will enable us to develop our huge resources of coal so that it will be effective and we won't strand it, and we'll be able to use it to further our economy.

The Speaker: The hon. member.

Ms Graham: Thank you, Mr. Speaker. My final question will be to the Minister of Environment. In that you, Mr. Minister, have the lead in developing our climate change plan, when are we going to start doing something other than talk about all the things that we can do? When are we actually going to do it?

Dr. Taylor: Well, Mr. Speaker, certainly we are doing. As I've indicated in the past, we're about 24 percent below our 1990 target. It's supposed to be 6 percent. Other things that we're doing, actual concrete actions that we're taking, are things like 90 percent of our power is going to be generated by green power. Half of that 90 percent will come from biomass; half will come from wind.

2:10

Of the 140 new wind turbines that are being put up in Fort Macleod, roughly 70 of those will produce power for the government. So by doing a purchase of green power like that, the Minister of Infrastructure has created a huge new market for green power, Mr. Speaker, and I would say that that is the largest purchase of green power in North America.

So we are taking action. We will continue to take action. As we move forward, Mr. Speaker, I would encourage all the members to take a look at the climate change plan, which is also on the government of Alberta web site.

Health Authorities' Advertising Campaign

Ms Carlson: Mr. Speaker, the United Nurses of Alberta are currently in negotiations with the provincial health authorities. During these negotiations the health authorities have invested a significant amount of money and resources into launching a glitzy ad

campaign to sway public opinion. My first question is to the Minister of Health and Wellness. Why are the health authorities spending valuable tax dollars on ad campaigns rather than investing that money into hiring badly needed frontline staff?

Mr. Mar: Mr. Speaker, we have had a dramatic increase in the number of health professionals in this province over the last three years. There has been a significant investment in health care made by this government, and it has been passed on by way of grants to regional health authorities. They have benefited from the hiring of hundreds of new nurses over the last three years. In fact, with respect to physicians it's gone up by about 600 new physicians over the last three years. So we have invested, as have regional health authorities invested, in dramatically increasing our frontline staff in nurses, physicians, and other health care professionals.

Now, with respect to an ad campaign being paid for by the regional health authorities, they are in negotiations with nurses. The nurses have taken steps to indicate their position in this matter. I think it's entirely appropriate that what's sauce for the goose is sauce for the gander, and if the employees during the course of their negotiations choose to make public their position on their bargaining, then it's an entirely appropriate measure for employers to do the same thing, Mr. Speaker.

Ms Carlson: Mr. Speaker, to the same minister: given that the estimates range as high as \$1 million for the cost of this campaign, will the minister commit to informing the public of just how much this PR campaign has cost Albertans?

Mr. Mar: Mr. Speaker, it will all come out in the matter of public accounts when it's all accounted for at the end of the year.

Ms Carlson: The minister knows that that isn't true.

How about this question: given that this PR campaign has had no effect upon continuing negotiations, does the minister know if this fruitless campaign will continue and how much more it will cost? A figure?

Mr. Mar: Well, Mr. Speaker, we entrust our health care system to regional health authorities, who make important decisions about what's appropriate for them. That includes the matter of negotiations with their nurses. It's not my intention to interfere in this particular area. I wouldn't consider myself to be a micromanager. Perhaps the hon. member would.

The Speaker: The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Riverview.

Municipal Taxation

Mr. McClelland: Thank you, Mr. Speaker. My questions are to the Minister of Municipal Affairs. Tuesday in Edmonton the Toronto-Dominion Bank released its third report on Canada's cities. This report dealt specifically with the Edmonton/Calgary trade corridor and is full of good news, including the fact that the gross domestic product of the corridor is by far the highest in Canada and is in fact higher than the United States' average. There are, however, challenges, challenges identified in the report to do with municipal financing. My question: will the minister advocate vacating tax room to allow municipalities direct taxation powers as recommended in the report?

The Speaker: The hon. minister.

Mr. Boutilier: Thank you very much, Mr. Speaker. I want to say at the outset that I think that perhaps the title of the report, which I have here, should be more than just simply The Calgary-Edmonton Corridor. As we know, with the resource that's taking place in northern Alberta, \$87 billion is being spent there. That is very important to this corridor as well, and I'm proud to say that the mayors of Edmonton and Calgary and Red Deer recognize that as well.

Relative to the issue of what we do in the future, our roles and responsibilities are investigating that with the mayors and the presidents of the AUMA and AAMDC. But I would like to say – and I add this word of caution though – that at the end of the day, as we all know, there is only one taxpayer. One of the things that was highlighted in the report was that the province of Alberta has the lowest tax regime of any other Canadian province, and that's certainly a strength we want to build on.

The Speaker: The hon. member.

Mr. McClelland: Thank you. My first supplementary: will the provincial government pressure the federal government to remove GST entirely from municipal purchases as one order of government does not tax another?

Mr. Boutilier: Where do I sign up? Let me just simply say this. This province was the only province in Canada that took the federal government to court over the issue of the GST, and I'm very proud to say that we launched a very aggressive campaign. We all know that the best example would be on the issue that affects municipalities. To those who may not be aware in the Assembly, relative to transportation did you know that over the past 10 years when we filled up at the pumps in the province of Alberta, we contributed to the federal government \$7 billion? Do you know how much we got back?

An Hon. Member: How much?

Mr. Boutilier: You asked how much we got back. About \$70 million. You know, the province of Alberta collects over \$700 million a year – and the Minister of Transportation wanted to supplement. We spend over \$2 billion a year relative to transportation. That's another good example of some of the inequities that take place across this Confederation.

The Speaker: The hon. member.

Mr. McClelland: Thank you, Mr. Speaker. My final question. The report indicated that the regions must seek efficiencies. Has the minister's 3R committee a set of priorities for the municipalities to reach these efficiencies?

Mr. Boutilier: A good question. Absolutely, yes. In fact, in our ministry goals, that we talked about in estimates last night, we talked about the strategies of regional partnerships, how we can take a dollar and stretch it into \$3 by sharing. I want to compliment the capital region, just one good example of 22 municipalities. They're coming together, they're working together, and they're serving their taxpayers as a whole, but what they're doing is they want to get the best value out of that one dollar to ensure that we perhaps can get even greater value. One thing that I've heard – and the hon. member may be aware – is that the last thing we want to do in this province, though, is create a tax jungle.

Toxic Mold in Foothills Medical Centre

Dr. Taft: Mr. Speaker, on Tuesday the Minister of Health and Wellness implied that there was no evidence that mold found in the Foothills hospital was toxic. However, tests done on mold found in the fall did indeed indicate toxic mold near the renal dialysis unit of the Foothills hospital. My questions are to the Minister of Health and Wellness. Where did the minister get his information that the mold in the Foothills hospital was not toxic?

Mr. Mar: Mr. Speaker, the hon. member was good enough to send me a letter last week indicating that he would be asking these questions about toxic mold, and the best advice that I had available from the regional health authority was that there is the presence of molds in some facilities. You'll find them in schools. You'll find them in office towers. You'll find them quite likely in this building. But I did express the caution in answering his question last week to refer to the issue of the word "toxic." There are many kinds of molds that may appear in buildings as a result of different types of HVAC systems, heating and ventilation systems, but there has to be caution expressed when he uses the word "toxic." There has been, to the best of my knowledge, no evidence of any toxic molds, and those things which are toxic molds, that sometimes do appear in buildings, are only harmful to individuals if breathed in or if ingested through the mouth.

So, again, the best advice that I have available from the regional health authority is that there is no evidence of a toxic mold in that facility.

The Speaker: The hon. minister to supplement?

Mr. Dunford: Yes, Mr. Speaker. Unless something has happened in the last 24 hours, I would like to indicate to the House that from a workplace health and safety standpoint as well we are not aware that there's been a definition of a toxic mold at this point in time.

2:20

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. Our information is that last fall it indeed was found to be toxic mold, and I'll send that material to them.

If the two ministers are so sure that the environment is that clean at the Foothills hospital and that there's no toxic mold, can either one of them or the Premier explain why an independent evaluator is being blocked from entering the hospital and conducting air quality tests?

Mr. Klein: Mr. Speaker, first of all, I can say that if an independent investigator has been blocked and thrown out and bodily prevented from going into the hospital, I'll find out why. I'm sure the hon. Minister of Health and Wellness will find out why. Unless, of course, the so-called investigator was sent in, hired by the Liberal Party, to do a job or a number. Then I can understand it. I can understand it. But I would accept any day the evidence and the word of people who work in the Department of Health and Wellness and occupational health and safety, who are professionals charged with the responsibility of investigating very serious situations such as this and make their findings in an unbiased fashion, that there is no evidence of toxic mold in the facility; that is, the Foothills hospital in Calgary. I put my faith in these professionals. I put much more faith in these professionals than I would in someone hired by the Liberals.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker. If it turns out, then, that the Premier and the minister have been misinformed by the Calgary health region and there really is toxic mold, will they not finally admit that this is just another example of the CHR treating a serious health concern as nothing more than public relations?

Mr. Mar: Mr. Speaker, the regional health authority in Calgary has an exemplary record of patients who come in, get diagnosed and treated, and are released. They don't have anything to be ashamed about with respect to their track record in treating patients with the treatment that they require so they get better. That's not to say that any such large organization can be perfect, and there are efforts that are being made by the regional health authority to deal with issues in a better way that may relate to matters of, for lack of a better expression, public relations.

If there is a genuine situation with toxic mold in such a facility, I'm not aware of it. But if there is, then certainly the regional health authority takes the safety of its staff and the patients in the facility at the Foothills hospital very seriously, and I am certain that they will do everything that is necessary in order to remedy the situation. But again, Mr. Speaker, there is no evidence of toxic mold in that facility that I'm aware of.

The Speaker: The hon. minister to supplement?

Mr. Dunford: Yes. I think it deserves a comment here. Occupational health and safety is the impartial third party in this investigation. We as an operation have been working with employers right across this province for many years on many issues, but we stand independent of any employer group or any employee group. We have a job to do. We have a legislated, mandated job to do, and at the Foothills hospital we are doing that job and performing that function. If there is toxic mold at some point in time, we'll be reporting it. I think that this line of questioning has really made some inferences that need not be made at this time.

head: Members' Statements

The Speaker: Hon. members, before calling on the first of several members to participate today, might I extend on behalf of all members of the House congratulations and best wishes to two members who have celebrated milestones this week. First of all, to the Member for Little Bow, who has arrived at a certain age, and to the hon. Member for Highwood on reaching a real milestone in his life this week.

The hon. Member for Cardston-Taber-Wamer.

Apex Youth Awards

Mr. Jacobs: Thank you, Mr. Speaker. It is my pleasure to rise in this Assembly today to recognize four exceptional individuals from southern Alberta. On Thursday, April 10, Stacy Smith, Denica Farough, Jordan Williams, and Jordan Litchfield were honoured as winners at the second annual Apex youth awards. These awards were developed by the Taber Rotary Club and the *Taber Times*, which now sponsor the award every year. The Apex awards are a unique honour in Alberta that go beyond recognizing sports and academics. These awards are presented to youth that exemplify dedication and commitment to serving their community and their families. They are granted to students who represent the best qualities in youth, youth that unselfishly give themselves in the service of others.

Stacy Smith, a grade 11 student from Vauxhall, has shown the skills needed to be a lifelong learner with a strong desire to pursue a university education. Denica Farough, a grade 12 student from St. Mary's high school, surrounds her life with her family, school, and church. Her volunteerism illustrates her kind and caring nature. Jordan Williams, a grade 11 student from St. Mary's, puts others and their needs as well as the greater needs of the community before himself. Jordan Litchfield, a grade 11 student from W.R. Myers, has always expressed love and devotion to his parents. Jordan has grown from assisting his father, who suffers from a serious chronic illness.

I must stress, however, Mr. Speaker, that there is a common thread among all four winners and the 22 nominees: they are all outstanding individuals. Growing up as a kid today is not an easy task, but there are individuals who strive and stand out above the rest to make life more enjoyable and gratifying for themselves and those around them. The Apex youth awards were created to recognize these remarkable people.

I feel that it is important to acknowledge those that devote themselves to the betterment of our communities. I would ask that members of this Assembly join me in congratulating the four winners of the Apex youth awards and the 22 nominees for their accomplishments and dedication to their communities and their families.

Thank you.

Ecological Footprint

Ms Carlson: Mr. Speaker, John McConnell, who is the 86-year-old founder of Earth Day, stated the following:

From its beginning the purpose of the authentic Earth Day was to provide an annual date on which the whole world (people of every creed and culture) would rededicate themselves to the care of Earth. The March Equinox (nature's special day of equilibrium) provided an appropriate time to celebrate the wonder of life on our planet. This could be a special day for the human family to focus on a common cause that would appeal to all – stewardship of Earth.

Mr. Speaker, we traditionally celebrate Earth Day on April 22. One way we can participate is to calculate our ecological footprint. The ecological footprint is an accounting tool for ecological resources. Categories of human consumption are translated into areas of productive land required to provide resources and assimilate waste products. This footprint is a measure of how sustainable our lifestyles are.

The footprint of the average Canadian adds up to 4.8 hectares. This is the total amount of land required for food, housing, transport, consumer goods and services. If everyone on Earth lived like us, it would require at least three Earths to provide all the material and energy she or he currently uses. Preliminary estimates show that the ecological footprint of today's consumption in food, forestry products, and fossil fuels alone might already exceed global carrying capacity by roughly 30 percent.

So what can we do? We can recognize that all of our actions have consequences for the natural world. We can focus on becoming responsible consumers. Take an ecological footprint quiz and determine your family's impact on our Earth. Then think about what actions you can take to become a more responsible consumer.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

National Soil Conservation Week

Mr. Danyluk: Thank you very much, Mr. Speaker. I rise today to recognize and bring attention to National Soil Conservation Week, which is currently under way. National Soil Conservation Week

helps promote soil conservation among farmers across Canada.

I don't think there is a rural member in this House that doesn't understand the need to conserve Alberta's fertile topsoil, a vital part of agriculture production. Without the topsoil layer, a scant five to 20 centimetres deep, agriculture production in Alberta would be an impossibility.

That's why National Soil Conservation Week is so important. All week promotional events are taking place across Canada to highlight the importance of conserving vital topsoil. Fortunately for the future of agriculture in our province our producers are listening. In the past decade the reduced tillage and direct seeding acres have grown dramatically as more and more producers realize the benefits of conserving topsoil. In fact, there has been significantly less wind erosion after the past drought than there has been since the recording of wind erosion began. This can be directly linked to the prudent soil management practices employed by Alberta's producers as they continually increase the practice of reduced tillage.

2:30

There are many benefits to soil conservation. Not only is the topsoil saved, but reduced tillage and direct seeding mean that more moisture is retained in the soil, helping producers grow their crops. As well, reduced tillage means that less carbon, mostly from dead plant matter, enters the air, reducing overall greenhouse gas emissions in the province. In short, it's better for the earth and better for the air.

I applaud the efforts of Alberta's producers, the best in the world, and I'm happy to recognize National Soil Conservation Week. Thank you very much, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Living in Harmony with the Natural World

Ms Blakeman: Thank you very much, Mr. Speaker. Nearly 200 years ago William Wordsworth expressed his frustration with humanity and human nature when he wrote:

The World is too much with us;
late and soon,
Getting and spending, we lay waste
our powers:
Little we see in Nature that is ours;
We have given our hearts away, a
sordid boon!

Wordsworth saw in the world around him that greed, materialism, and acquisitiveness had supplanted many of the more virtuous characteristics of mankind. Indeed, Wordsworth observed that people had effectively divorced themselves from the surrounding world, instead choosing to focus on their own interests and problems.

Although Wordsworth's message was delivered nearly two centuries ago, it retains its power today because, if anything, humanity has only furthered its separation from the natural world. Rather than viewing ourselves as important and influential actors in a complex system, we prefer to downplay our importance and ignore our influence.

My point today is this: we, humankind, can no longer afford to view ourselves as being distinct or separate from the natural world. All of our actions have consequences for it just as its actions have consequences for us. I urge all members of this House to remember the words of Wordsworth and act with consideration for the greater world around us. Let us no longer "lay waste our powers" but rather see in nature what is truly ours.

Thank you.

head: **Notices of Motions**

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you. Mr. Speaker, I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday I will move that written questions 13 and 14 be dealt with on that day.

I'm also giving notice that on Monday I will move that Motion for a Return 14 be dealt with on that day.

There being no further written questions or motions for returns at this time, there are none left to stand and retain their places.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Edmonton-Castle Downs.

Mr. Lukaszuk: Thank you, Mr. Speaker. I would like to table the appropriate number of copies of a letter penned to me by Mr. Don Fleming, chairman of the board of trustees, thanking all members of the capital region caucus for being strong advocates of public education and particularly for being instrumental in obtaining the \$51 million infrastructure grant recently released by the Minister of Infrastructure to the Edmonton public school board.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. I'm tabling five copies of a presentation given by Aldergrove elementary school at a March 13 ward C and E school council meeting attended by five west Edmonton MLAs.

Thank you.

The Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Speaker. I have three tablings today. The first is a letter from Mr. Gordon Tocher of Hinton, Alberta. He is upset with high utility costs and is tired of hearing the hon. Premier "stand in the House and constantly deflect the Opposition's questions by discussing other jurisdictions."

The second tabling is 1,556 more signatures on the Alberta Liberal petition calling for natural gas rebates from the Hinton area, and these were kindly collected by many citizens, but it was spearheaded, again, by Mr. and Mrs. Tocher.

The third tabling I have this afternoon is an additional 787 signatures from all over the province on the Alberta Liberal petition calling for the reinstatement of natural gas rebates. That brings the total number of signatures on this Alberta Liberal petition to over 7,300.

Thank you.

head: **Projected Government Business**

The Speaker: The Official Opposition House Leader.

Ms Carlson: Thank you, Mr. Speaker. I would ask at this time that the Deputy Government House Leader share next week's projected government business with us.

The Speaker: The hon. Deputy Government House Leader.

Mr. Zwozdesky: Thank you, Mr. Speaker. I'll be very happy to do that. On Monday, April 28, we will begin the afternoon with private members' business, Written Questions, and Motions for Returns, followed by Public Bills and Orders Other than Government Bills

and Orders. From 8 p.m. until 9 p.m. we'll be dealing with Motions Other than Government Motions, and at 9 p.m. we'll deal with Private Bills, second reading likely and if possible Committee of the Whole – we'll see – on Bill Pr. 1, Bill Pr. 2. Thereafter, we hope to move to Government Bills and Orders in second reading, including bills 33, 34, 36, 37, and possibly even get to Committee of the Whole on Bill 10 and otherwise as per the Order Paper.

Tuesday will be Committee of Supply day 14 of 24, and I believe the opposition has designated Health and Wellness, so we will discuss those estimates. On Tuesday evening, Government Bills and Orders under Committee of Supply, which will be day 15 of 24, the designated committee will look at Government Services. Committee of the Whole should follow thereafter if time permits on bills 23, 24, 25, 35, 6, 26, and 10 and otherwise as per the Order Paper.

On Wednesday afternoon Committee of Supply will consider Children's Services and otherwise as per the Order Paper, and on Wednesday evening Committee of Supply will consider Transportation. Time permitting, Committee of the Whole may also wish to look at bills 6, 20, 26, 12, and 10 and otherwise as per the Order Paper.

Finally, Mr. Speaker, on Thursday, which will be the 1st of May, that afternoon the Committee of Supply will be considering the estimates of the Department of Justice.

Thank you.

head: **Orders of the Day**

head: Committee of Supply

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

head: **Main Estimates 2003-04**

Infrastructure

The Deputy Chair: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Chairman. Before I start, I'd like to introduce some of my staff in the gallery. First, Eric McGhan, the deputy minister; Jim Bauer, the chief financial officer; and David Bray, the communications director.

Mr. Chairman, this year's Infrastructure three-year business plan and the 2003-04 estimates indicate how we plan to contribute to Alberta's economic prosperity by ensuring efficient planning, design, construction, rehabilitation, operation, maintenance, and land management of government-owned facilities; developing innovative partnerships to ensure supported infrastructure meets the overall needs of Albertans, including health care, learning, and community service facilities and seniors' lodges; and managing central services to all departments, including accommodation requirements, property acquisition and disposal, air transportation on government fleet operations.

Before going over our budget targets, I would like to outline the new capital initiatives in our business plan. New funding was provided to reinstate projects deferred in October of 2001 as a result of the global economic slowdown. A total of 22 capital projects were reinstated. This includes nine health care facility projects, the Victoria school of performing and visual arts project, the Edmonton and Calgary health research innovation centres, along with various centennial projects such as the Northern and Southern Alberta Jubilee Auditorium refurbishments. When the deferrals were first announced, the government made a commitment that when the fiscal

situation of the province improved, these projects would proceed. The government has kept that promise, and I'm anxious to see these projects begin.

2:40

Alberta Infrastructure's total budget increased by some 49 percent from \$838 million to over \$1.2 billion. These are much-needed funds to help us address Alberta's aging infrastructure. Now, I'd like to discuss how we prioritized and allocated our dollars. We prioritized spending based on what's needed to cover the day-to-day operations of government infrastructure. As well, we prioritized our capital commitments for schools and postsecondary institutions, health facilities, and seniors' lodges. Some projects are under construction, and others are just being completed. Then we looked at allocating dollars needed to undertake priority maintenance projects to protect the integrity of existing infrastructure and taxpayer investment.

From the \$1.2 billion operating budget funding was allocated to the four main functions of Infrastructure: operations, preservation, expansion, and ongoing commitments. Infrastructure operations received \$581 million for lights-on costs, and that includes caretaking, grounds maintenance, utilities, and routine repairs. Of the \$581 million, \$331 million will support the day-to-day facility operations of the 1,466 schools in the province; \$123.8 million will keep more than 2,000 government-owned buildings open; lease funding of \$99.9 million for more than 500 leases will accommodate government programs.

The operating budget for infrastructure preservation is \$232 million, of which \$122.7 million is for preserving our health care facilities, \$48 million for school facilities, \$24.8 million for postsecondary facilities, \$31.6 million for government facilities, with the balance of \$4.8 million going to seniors' lodges and site environmental services.

We have allocated some 285 million dollars to expand or replace existing infrastructure, including \$97.7 million for health care facilities expansion, \$67.6 million for school facilities, \$100 million for postsecondary facilities, and \$12.5 million going towards centennial projects, legacy grants that are administered in conjunction with Alberta Community Development. The legacy grants program will provide funding for municipalities and not-for-profit groups who wish to undertake major publicly accessible capital projects commemorating Alberta's centennial.

The last part of our operating budget is to address ongoing commitments which total some \$107.4 million, ongoing commitments including the day-to-day administration costs, program support costs, and noncash items such as amortization and consumption of inventories. Sixty million dollars, or 55 percent, of ongoing commitments is allocated towards noncash items such as amortization and consumption of inventories with the balance designated for support service and air and vehicle transportation services.

I believe that the budget estimates for this year will allow us to meet our business plan goals and help maintain the government's commitment to fiscal responsibility.

So with those brief comments, Mr. Chairman, I would be only too happy get into the discussions of our estimates. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. It is a pleasure to rise this afternoon and speak to the estimates for the Infrastructure ministry and also to thank the minister for his opening comments and also his staff who are here today to listen to questions that we have for the minister. They've certainly been very good in the past at

providing answers when either the minister didn't have the information with him in the Assembly at that time or more work was required. So I thank them for being here today.

Infrastructure, quickly glancing through the budget this year, I believe is the third largest ministry according to dollars, a very large responsibility, falling right behind education, which is second, and, first, health, and certainly a department that has a direct influence on the lives of Albertans. So we cannot mitigate in anyway the tremendous influence that Infrastructure has on the lives of Albertans.

Now then, in looking over the budget for Infrastructure for this year, the budget calls for nearly \$400 million more in spending than last year, and I think that's great. I think it helps in so . . .

An Hon. Member: Those free-spending Liberals again.

Mr. Bonner: Oh, this is not free spending. This is wise spending. Well, most of it is wise spending. But we will look at other issues here as well.

This certainly will provide those structures that'll help Albertans in their day-to-day living. It will certainly keep our business sector strong and vibrant, and of course that is one of the things that's happening in this province right now. While we love the great economic success, it certainly puts a tremendous amount of pressure on infrastructure. It's something that cannot be addressed overnight. We certainly realize that. So it does take a long-term commitment and long-term plans in order to satisfy those needs.

I was looking in a little publication that was sent to me here, *Review of Infrastructure*, and it certainly – there was a particular phrase in there that struck me – indicated the magnitude of infrastructure not only in the province but in the country. Just to quote from that particular bulletin, it goes on to say, "The Canadian Society of Civil Engineering, through their Technology Road Map project, estimates municipal infrastructure in Canada is a \$1.6 trillion asset." So it is absolutely enormous in this country as well as in this province, and I look to that last word in that particular little quote, which is "asset."

In the constituency of Edmonton-Glengarry in 1959 we had Queen Elizabeth high school completed at a cost of \$1.8 million. Now, getting close to 45 years later, the replacement costs on that school would probably be in the neighbourhood of \$15 million – it is a huge composite high school – certainly an investment that the province made in that school 45 years ago. We still have a structure there today that is worth in the neighbourhood of \$15 million. It was a well-constructed school. I think it could easily be used for another 30, 40 years. So, certainly, infrastructure can provide a huge investment for Albertans. One of the great advantages is that we own it, that we are getting top value for our dollar.

2:50

Traditionally when we look at infrastructure in the province, infrastructure projects in Alberta have been built by a series of public tenders, private construction, and public ownership and operation, and this has proven to be over a great span in Alberta a very, very efficient, very, very wise use of taxpayer dollars. When we look at Edmonton, where we are rapidly approaching the point where half of our schools are going to be 50 years or older, it certainly indicates that by spending wisely with a long-term plan, the needs of Albertans are met, and they continue to have great value for their dollar. So in the opposition we certainly endorse this type of spending in Infrastructure.

Now, then, I also noticed that the minister had indicated that municipalities are going to have moneys to share in order to

participate. I think the recreational facility that was built between the towns of Spruce Grove and Stony Plain, just a magnificent facility and certainly a facility that I believe follows along this same design – it is one of those, I think, that more municipalities in the province would like to see and to work with the provincial government to provide these types of services and facilities.

In looking at the highlights of the budget, there is a three-year capital plan, which calls for \$5.5 billion to be spent. That is again a much needed stability in the construction sector of this province. I was also very happy to hear the minister announce that construction was going ahead on a number of projects that had been deferred from previous budgets. So there are a lot of good things happening in Infrastructure. Of course, some we will be questioning as we move through the debate this afternoon regarding estimates.

Where I would like to start today with my questions is in regard to the business plan. Again, as I indicated, Mr. Minister, if you require some time to get back to us with answers if you don't have the information here, that would be fine. We'd certainly appreciate hearing any responses that you're able to provide us today as well.

I'm looking at page 238 of the business plan, where it says in relation to the province's infrastructure debt that "the backlog of unfunded work is in the order of \$2.4 billion." Earlier this year in a response to the Minister of Finance, the Minister of Infrastructure was quoted as saying that the infrastructure debt of the province could be as high as \$7 billion. This is quite an enormous difference, \$4.5 billion.

Now, then, as well, along these same lines, I think we have to look at not only the infrastructure debt but the Alberta debt. What we have done in focusing on paying off the debt over the last few years is that there have been other programs that haven't been funded adequately, so we do have what I like to call the Alberta debt. But we will stick this afternoon to discussing the infrastructure debt, so my first question to the minister would be: could he give us an actual figure of what the infrastructure debt is? Could he clear up this difference of the \$2.4 billion that was announced and the \$7 billion he announced earlier? If the minister would please table all documents that he has relating to Alberta's infrastructure debt and any documents relating to the methodology of calculating this number.

Moving forward in the business plan to page 239, it says that "the ratification of the Kyoto Protocol by the federal government will have a significant impact on Alberta's economy." The passage continues: there will be "higher energy and operating costs." In spite of this, Suncor has gone ahead with a \$3 billion project and estimates that Kyoto will only add a few cents to the extraction price of each barrel of oil.

Again, this is certainly another situation where we look at private enterprise and we give them a challenge, and they certainly respond to that challenge. They do it much quicker, much more efficiently, and certainly much better than we can in government. So my question to the minister in regard to this would be: can the minister reconcile the statements in his business plan to reality? How can the Ministry of Infrastructure see an extra few pennies per barrel of oil as making energy prices significantly higher? Considering that these statements appear to be in conflict, how will the Minister of Infrastructure's budgeting have to be changed to compensate for these statements?

Moving along to page 240 of the business plan, it says that the ministry plans on implementing "infrastructure management systems." If the minister could please indicate what systems he proposes to implement. How much will these systems cost, and what will be the tangible return on their implementation? As well, when will the policy framework for alternative service delivery and financing be available?

On page 240 of the business plan it says that the ministry wants to "ensure the facilities are kept in good or fair condition," but on pages 244 and 245 it shows that between 5 and 10 percent of all facilities are anticipated to continue to be in poor condition. Can the minister resolve this conflict between these two differing statements? Does the ministry plan on ensuring that no facilities are in poor condition or plan on having between 5 and 10 percent of facilities in poor condition?

On page 241 of the business plan it says that the ministry plans on continuing "to sell or divest surplus and underutilized properties." Is the ministry planning long enough into the future so that it does not divest itself of land that may be needed in five to 10 years, and what decision-making process does the ministry use to decide which lands it should sell off?

As well, what will be the components of the program the ministry plans to implement to address environmental concerns at highway maintenance yards?

To continue on page 240 of the business plan, what decision-making process does the ministry use to decide which lands it should sell? If the minister could please indicate to us when this program will be implemented.

The ministry has indicated that it is taking steps to improve the efficiency and cost-effectiveness of the government's transportation provisions and if he could please indicate what those plans will include.

As well, what plans does the ministry have for streamlining and improving procedures and processes in the ministry?

3:00

Now, then, on pages 244 and 245 of the business plan it shows the evaluated conditions of provincial infrastructure, and it goes on to say that anywhere between 3 and 10 percent of provincial facilities rank as being in poor condition. According to the business plan poor condition indicates that a facility does not comply with the minimum codes or standards. If this is in fact the case, then this would be quite alarming. Could the minister explain why buildings that don't meet minimal codes or standards are not being immediately upgraded, and as well why does the ministry accept such a large number of buildings that do not meet code or standards? Do any of these buildings violate safety codes and standards?

Now, again, when we look at the manner in which utilization rates are calculated in this province, we certainly realize that this is controversial and depends on which side of the fence you're looking at this particular issue. How does the ministry compensate for older and irregular school buildings in its calculation of utilization in schools, and are there any plans to change the method of calculating utilization in schools? This is a case, I think, that you'll find particularly in the larger cities in the province. We do have schools that are very, very old that are in the inner city that no longer have the populations attending them that they were built for. It certainly is a situation where in Edmonton last night at St. Patrick school there was quite a large gathering of parents and concerned citizens. That is one of the schools that could possibly be shut down, and it is extremely difficult for these people in the inner city as they see school after school close and new schools being built out in the suburbs. It's a huge issue, so if the minister could please comment on the utilization rates and particularly those in older or irregular schools.

The table showing the average operating cost per square metre of the ministry's facilities indicates that the ministry currently operates its facilities at a rate well below the industry average. My question to the minister would be: why is the ministry content as long as its

operating cost does not exceed the industry average when it has shown that it can beat those values?

The business plan also indicates that the ministry is happy maintaining the average energy consumption in its buildings, and my question would be: why isn't the ministry planning to engage in further energy efficiency initiatives to reduce their energy consumption? Shouldn't new facilities reduce the average energy consumption with time? Why is this not shown in the targets?

As well, respecting the client satisfaction survey who does the ministry consider to be its clients, what complaints are most often heard about the ministry's services, and what is the ministry doing to address the concerns of clients?

With those questions I will take my seat and give the minister an opportunity to respond to those questions that he's prepared to at this time and look forward to his comments. Thank you.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, Mr. Chairman. Thanks for the comments relative to the overall budget and what we are trying to accomplish and what we are doing. Unfortunately, it would help me a lot when you were asking those questions if you would be more specific. For example, I missed what you were talking about on Kyoto because, quite frankly, it was just the one bullet, and I couldn't follow exactly your question. But we'll be visiting *Hansard* and get you the answers where I wasn't able to follow completely what you were mentioning.

This isn't the first time that I've heard the hon. member mention that somehow we had talked about a \$7 billion debt in infrastructure. We never, ever said a \$7 billion debt. What we did say is that there were requests for infrastructure. When we took all of the health regions, the school boards, the postsecondaries and we asked them for their capital plans, the requests amounted to \$7 billion. There's a difference between a request and debt.

We have said all the time that the debt is about \$2.4 billion, and as a matter of fact I can give you a very detailed breakdown of how we arrived at that. Looking at some 10,858 projects, it totals some \$2.4 billion, and the breakdown is: in mechanical, \$885,997; the interior, \$455,110; electrical, \$339,688; building envelope, \$232,292; functional upgrading, \$183,203; site, \$147,046; roofs, \$107,293; and structural, \$23,708. As a matter of fact, we've got it broken down into school facilities, health facilities, postsecondary facilities, and government facilities, so we've got the complete breakdown. I think it's a result of a lot of very detailed work that we got these, so we'd be only too happy to share that with you.

Facility conditions, the comments that you made there. Part of the reason that you see the number of facilities that are in poor condition relates right back to this debt. As we try to pick up the modernization in schools and the preservation of the other structures, we will see the numbers increase, and of course that's what we're reflecting in some of our school and health facilities. We want to see the number that are in good condition, excellent condition coming up and, of course, a decrease in the number that are in poor or fair.

The issue about divesting of land and building. This process started very vigorously about three years ago. As a matter of fact, if you go back and look at the three-year business plans going back three years, you'll see that it was an objective to sell 100 million dollars' worth over those three years. We exceeded that. The way the process works, if a department has land and/or buildings and they declare them surplus to their needs, they are turned over to us. The first thing we do then is canvass all of the government departments and see if they have any use for those lands and/or buildings. If they don't, then we go to the host municipality. We see if they are

interested in purchasing those at the market value. If they say they're not interested in it, then we put it on the market. That's how the process works.

A lot of the barren land that you may have seen often relates to the corridors that are around both Calgary and Edmonton. When Transportation does their more detailed analysis and design, we find that there are parcels scattered around that are not necessary that we purchased some time back, so those will go up for sale, and that's why you maybe have seen some of those lands. Certainly, it's our objective to make sure that we aren't disposing of land that we're going to need in the future. We're trying to prevent that, but at the same time it makes absolutely no sense that we would continue to have a lot of land that we're never going to use on the books, and for buildings the same thing applies. So that's the way we look after that.

3:10

You commented on the environmental concerns on the Transportation yards. As you see in the budget – and I mentioned it in my opening comments – we do have some money set aside to look after the environmental situations that we find. What we are also finding is that depending on the use of the site – for example, say we have a site that has some creosote contamination – if the proponent or someone that's going to buy it is going to pave it over, that stuff is going nowhere. So we are able to move the property with the understanding that they will be only allowed to use it as, like, a parking lot.

With the situation with salt and contamination from their salt piles we do the perimeter testing, then do some testing internally. Sometimes we will sell the land as is with the notation that there is that contamination there. Sometimes we'll go in and clean it up, but it depends on the groundwater level, the danger of it migrating off site, if there is a danger. In some cases, of course, when we go in and test, we find that, in fact, it has migrated off site, and we then become responsible for some property outside of the old Transportation site.

I lost track of where you were on something, so we'll have to go to *Hansard* and find that.

Then you talked about the procedures within the ministry, and I assume that what you're getting at there was back on the questions that you asked in question period relative to the procedures for hiring contractors and consultants. We, as I said before, are in the process of fulfilling what the Auditor General asked us to do in developing a new procedure. We are very anxious and up front that the procedure be such that someone that has just graduated and maybe isn't a member of a big firm or is operating out of a basement even has an opportunity within Infrastructure to get their foot in the door and to at least have an opportunity to present their credentials to us.

Then we move forward to the tender process on any contracts that are of any size. As I mentioned to you in answers before on this issue, there are times when it simply is not practical for us to put out a tender: on a very small consulting project. In another case where you may have hired a consultant to do certain work and they get into the project and find that there's a bit more to do, it would make no sense, then, to send out another proposal. So we are working with the whole process and hope to have it refined so that the Auditor General is pleased with it.

You asked why buildings that don't meet codes and this sort of thing aren't updated immediately. It's a case of money. It goes back to this debt that we have, and how much money we can spend on the preservation and upgrading. The fact is that about 50,000 people came to the province over the last five years. They don't bring their schools or their hospitals or any of their infrastructure with them, so

in our balance, in our prioritization we do have to address that issue and do have to build some new. We can't spend it all on preservation.

If you look at our business plan, you will see that we are moving a lot over to the preservation side to try to make sure that we do bring the buildings up to a standard, but it does cost a lot of money, and it does take a bit of time. So we will continue to have some buildings that could be called substandard because of not meeting the codes entirely, but I can assure you that we are aware of them and we're working on them. Actually, the good work that the staff did in getting this full analysis of where our debt and where our problems are is of great assistance to us as we target money.

Now utilization. Let me tell you right up front that we have a committee working on this because it does cause some heartburn as we find cases where it just simply is not working properly. I find that a little bit frustrating because this was done in consultation with superintendents, with school boards. The formula wasn't just dreamt up in our department. I am a little disappointed that it doesn't work better than it does, but I acknowledge that we are having some problems. We're having problems particularly in the older schools, the way they're designed. You know, you just simply can't chop off a little bit out of each room to make it fit.

Another area where we're finding problems – we've moved in many situations to building what we call a core school. The reason for building a core school is that you know that as the community grows, there are going to be students coming there. You can put portables on it to get you past when the population starts going down. The problem is that when you build a core school, you oversize in a number of areas for the number of students that are going to be there. Of course, you could have all the classrooms full and still have a utilization rate of maybe 70 percent, but that's because you have to get the portables on before you can get it up to 100 percent. So we're addressing those issues because those are two areas that are causing some difficulty.

I want to also tell you that we're aware of these things. When we look at a school that may have the score on utilization, we do take into consideration some of these other factors. While a lot of people think that we make major decisions strictly on that utilization number, it's not so. It's a number. It's a valuable number, but the decision isn't totally made on utilization. The operating and maintenance formula, for example, does include a utilization factor, but it's only one of a number of factors. So it does have an impact but not quite to the extent that some feel.

I think you had one or two that I missed, but we'll pick those up out of *Hansard*.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to participate in the estimates debate this afternoon for the Department of Infrastructure. Certainly, when one considers the constituency of Edmonton-Gold Bar and some of the infrastructure needs of that community, particularly the schools and the streets, it is vital that this government through long-term planning initiate policies that are going to bring the entire infrastructure of this province up to standard.

If we were to leave this Assembly and drive directly to Edmonton-Gold Bar, of course we would go over the McDonald bridge. You could either look to the left or to the right and see where the concrete is eroded, worn away. Describe it as you wish, but you can see the rebar. I believe that is the infrastructure deficit that has been referred to by so many people. The traffic is going slower and slower and slower every morning and every evening on that bridge, and it gives

the citizens so much more time to look at the rebar poking out from the concrete. It is symbolic of the lack of attention that has been paid certainly not only in Edmonton but in Calgary as well. The minister and his staff are to be commended for recognizing that this is a problem, and if I had a hat, Mr. Chairman, I would have to tip it for acknowledging that we have significant infrastructure deficits in this province and at least attempting to try to solve those issues.

3:20

Now, I see in the business plans on page 248 and then again on page 249 a mention of money that we are setting aside for centennial projects. We are looking at roughly \$9 million and then next year we're going to \$29 million for centennial projects, and if the minister could share, please, with all members of the House exactly how these projects are going to be allocated. Are they going to be sort of orchestrated ribbon-cutting ceremonies, hopefully not, leading up to the next election? I suspect the next election will be long over by that time.

Why not consider this? I will use two schools that are long overdue in the community of Edmonton-Gold Bar for retrofits. For instance, Kenilworth school has been on and off the list, stop and go, for a number of years now, and the price for the retrofit because of this stop-and-go practice has increased by at least 25 percent to a handy \$4 million or a little bit better than \$4 million. Kenilworth needs a lot of work, but so does McNally. McNally high school needs a lot of work. Instead of some elaborate projects designed to bring attention to our centennial year, which is important, why not have a bricks-and-mortar campaign to fix the public schools that we have, the public hospitals, the roads that we have? Let's bring everything up to snuff as a centennial project, and if the minister wanted to come over to the constituency of Edmonton-Gold Bar and have a ribbon-cutting ceremony after the gymnasium in McNally is fixed, I hope I would get invited, and if there was a little plaque up on the wall that said, "Gym fixed . . ."

Mr. McClelland: A big plaque on the wall.

Mr. MacDonald: A big plaque up on the wall. As long as it didn't cost any more than 300 bucks, I don't care what size it is but a plaque indicating that the hon. Minister of Infrastructure was by and rededicated the gym as part of our centennial year projects and that \$50,000 or \$70,000 was used to retrofit an existing public school. I think that's one of the ways we should celebrate our centennial.

I have some other ideas, but that would be certainly one of them. No grand schemes. Let's just fix up what we have and be proud of it so it will last well into the next century of our prosperity and participation in the Canadian dominion.

I'm not at all fond of this notion of P3s that is being discussed. You know, I hear the argument between the hon. Member for Edmonton-Glengarry and the hon. minister, and I don't have a great deal of confidence that this P3 idea will work and will save money and make things better for us. In fact, I think the government should devote its attention to public health care, public education, and enhancing the public service, that works for all Albertans. I see this P3 as just private political pork. Yes, that's what I'm afraid this is going to wind up as: private political pork, P3.

Now, this is quite an interesting department, Mr. Chairman, the Department of Infrastructure. If we were to downsize the cabinet to what it used to be, say 16 portfolios instead of 24 and Executive Council, Infrastructure would be one of the ones that would remain, definitely. It is vital to the long-term prosperity, the well-being of all Albertans.

Getting directly to the government and lottery fund estimates, it is

interesting to note, before I start there, that we indicate in the budget that the total request for the budget is up \$414 million from last year. That's sort of in the same range as the amount of money that was lapsed in the natural gas rebate program. I'm just going to look that up, Mr. Chairman. I thought it was \$396 million that was lapsed. Yes, on page 57 of last year's annual report, at the very bottom of the financial analysis: "Due to favorable energy prices experienced last year" – and this is in regard to the natural gas shielding program – "\$396 million was lapsed." So was this \$396 million squirreled away somewhere and brought out this year? Now, I would like to know and so would other Albertans, because certainly there was a need for another natural gas shielding program this winter, and of course there didn't appear to be any political will nor any government money for this. It's odd that we would have \$396 million lapsed, that was budgeted last year, and the increase in this department's budget for this year is a little bit better than that by roughly 20 some odd million dollars. I would like to know at this time if that's where the money came from for the budget increase this year.

Will the minister table a document that describes each budget line item, including all the specific plans and projects that fall under each line? Program 1 – and I've got a lot of interest in that – the ministry support services. The budget for the minister's office is staying the same, but the budget for the deputy minister's office is increasing by \$25,000. Why? If one was to go back and look at previous years, I would think we'd see that that deputy minister's office budget increased quite a bit. If anyone in the Assembly is interested, I have last year's annual report, and when I conclude my questioning, I will look it up.

Again, what is the breakdown of the minister's and deputy minister's office budgets by salaries, including salaries for the top officials, travel expenses, and hosting? Also, what is the average salary of employees in the ministry as well as the highest and lowest salaries in the ministry? How much was spent on bonuses last year? What is anticipated to be spent on bonuses this year? What was the amount of the largest bonus given out, and to whom was it given? I see that last year's annual report, the end of 2002, includes achievement bonuses of I believe it's \$459,000. I don't know whether that amount is for the entire department. When you look at last year, if that is the amount from last year, that's about 2 percent of the total salary budget, or maybe it's a little bit better than that. An explanation on that would be appreciated by this side of the House.

3:30

Now, on page 227, also of the estimates, it states that strategic services is budgeting for \$3.1 million, up from \$2.5 million spent last year. What's the reason for this increase?

Information management is getting \$2.2 million more than it spent last year. Why is this increase necessary at this time? Now, again, the estimates show that information management went over budget by nearly \$5 million. They spent – I'm just figuring this out – it looks like close to 500 percent more than last year, than they were budgeted for. What is the reason for this colossal budget overrun, if my calculations are correct? Information management is budgeted to receive more than \$1 million more than they received last year for capital investment. What is the extra million dollars being spent on?

Program 2: infrastructure operations, preservation, and expansion. School facilities operations are receiving an extra \$8 million. What is the \$8 million for, and will this cover the added expenses of higher utility costs, unlike this year?

Now, leases are receiving an extra \$9 million. Why is the government paying out 10 percent more for leasing next year? Would it not be more cost-effective to build or buy new infrastructure rather than to lease space?

The Swan Hills waste treatment plant. Over the years I've had

various questions and various exchanges with the hon. minister, and for a government that pledged to get out of the business of being in business, this waste treatment plant certainly contradicts that pledge. We know where the minister stands on this. There has to be a place for waste in this province, but where's the private sector in all of this? You're talking about having P3s. You're talking about having the private sector play an increased role in the delivery of health care and in education. Why do we not pursue the private sector more as far as waste management goes?

Again in regard to Swan Hills, why doesn't this government let ordinary market forces run and sell the plant or simply close it? What makes Swan Hills, again, an exception to this government's free market policies? You know, in this case the invisible hand is dipping into the pockets of the taxpayers. Why are Albertans subsidizing other jurisdictions' waste processing? What is the total amount of money in which Alberta taxpayers have subsidized the treatment of other jurisdictions' waste? Why will Infrastructure not get a \$13 million credit or recovery next year for Swan Hills, like it received this year?

Now, health care facilities, as I understand it, are receiving more than \$90 million more for infrastructure preservation than they spent last year. Again this is noteworthy, and the only thing I can say on behalf of Albertans is: thank you; it's about time. But what projects does this money go to? Is this money meant to catch up on previous work that was never done? Will this be only a onetime cash infusion, or will subsequent budgets allocate similar amounts?

We know that it's going to be very tempting for this government in the run-up to the next election to announce a lot of projects and have some ribbon-cutting ceremonies and hope that the citizens forget that energy rebates only seem to occur during election years. There's going to have to be something done, and I'm wondering if there's not going to be a whole series of projects announced like the stop/go measures that the hon. Premier talks about in the business plan. But precisely how much long-term planning is going to go into this, or are we just going to have long-term planning replaced by a re-election strategy?

Now, school facilities are only receiving an extra \$5 million for infrastructure preservation. Again, what projects will this go towards? What is the reason that health care facilities are receiving a much larger absolute and proportional increase in funds for infrastructure preservation? Postsecondary facilities are receiving nearly \$23 million in new funding for infrastructure preservation. Again, what projects is this money going to? Is this money to make up for projects not completed in the past? Once this money is spent, how much work will remain to be done on infrastructure preservation for postsecondary facilities?

The money for infrastructure preservation for seniors' lodges is being slashed by approximately 70 percent. I don't know how many times in question period I've heard the hon. Premier stand up and say: "We have an aging population in Alberta. It's a crisis. It's driving up the costs of health care." If that were true, then why are we not going out of our way to not only look after the seniors' lodges now but, say, in 20 years, when the hon. minister is getting ready to retire and might want a place in one of those seniors' lodges? You know, we've got to start calculating and planning for when the baby boomers retire. If we are to slash budgets, I would urge the government to perhaps have another look at this. Why is this line item being reduced so drastically? I think and the hon. minister would agree that seniors' lodges require maintenance almost monthly, whether they're new or whether they're 30 years old. What is this slash of infrastructure preservation for seniors' lodges? What is the anticipated effect of these cuts on the quality of all seniors' lodges? Would it not be cheaper to maintain stable funding for

lodge preservation rather than have that large yearly fluctuation?

I hope I get an opportunity later, Mr. Chairman, to continue. Thank you.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, Mr. Chairman. I'm very pleased to hear that the opposition agrees with us on how important the infrastructure is in this province because in fact there are about 1 million people daily who either work in and/or use facilities that are under our jurisdiction. That's a pretty impressive number, and it certainly does indicate the need to keep these projects going.

The hon. member certainly didn't disappoint me in some of his comments. Of course, they're way off base, but I would have expected that.

3:40

The comments about centennial projects. You know, if you would look at, like, the press release, you would see that we talked about all of these school projects, the hospitals projects, all of those great projects being centennial projects, so I was very pleased to hear you suggest that because in fact that's what we've already done. So I'm very, very pleased to hear that. I'm sure that when it comes time to actually do these, you'll then be right behind us and totally agree with what we're doing.

I should maybe get back to the smaller centennial projects that you talked about. There are a number of them, things like the Jubilee Auditorium. There are things like Lougheed House in Calgary. There are things like completing the move of the archives, looking at what we might do at the museum, and the list goes on. There are a number of those kinds of projects that we're talking about for centennial.

Your comments about the P3s. You know, I really find it interesting. One of your kissing cousins, David Collette, made some interesting comments about P3s. I don't very often quote a Liberal, but seeing as how I seem to be having some difficulty across the floor and there is one Liberal in Ottawa that does seem to get it, I want to read a couple things to you. Of course, he is Minister of Transport, but it applies well to our infrastructure. "Governments everywhere realize that the massive investment required in transportation infrastructure and services can only be made by infusions of private-sector money."

An Hon. Member: A Liberal said that?

Mr. Lund: A Liberal cabinet minister said that. It's interesting.

I think you'll find this rather interesting because I think it's probably part of the problem we're having here.

For some, any type of change is unnerving. Many people are more comfortable doing things the way they've always been done, especially with regard to the provision of services and infrastructure offered traditionally by the public sector.

So we'll leave it rest. I know I could say a lot more about your P3s, but I do have to mention what a great success P3s have been, particularly in the health care field so far. As we move forward, you will see more of these coming forward that will be of a great deal of assistance.

Maybe I need to give you a little bit of a lesson in how budgets work because this isn't the first time you've talked about that \$396 million lapse in 2001.

Mr. MacDonald: No, I haven't.

Mr. Lund: Well, one of you over there did. I don't remember which one. Well, it could be you.

Nevertheless, what happened in 2001. Yes, there was money in the budget, but the fact is that when September 11 hit, when the economy was going sour, when all our income was dropping, we had to in this department find over \$700 million. Well, part of it is the \$396 million. That's part of it. We had to find a lot more money as it relates to the cancellation of capital projects. But that money, while it was in the budget, wasn't set aside and kept; it was used for other programs. So it's got nothing to do with the capital increase that you see here today. That's got nothing to do with it.

We'll get into some of your comments about things like the increase in the deputy's office. I just have to find where we're at there. As you can probably recognize, the budget of some 385,000 dollars, where it was at in the previous year – the increase in demand in the deputy's office does require some increase in staff. So this is a manpower pressure issue, and we found it necessary to increase that number by that \$25,000, a 6.5 percent increase.

You wanted to know about strategic services. Once again, that increase is to address strategic initiatives and the manpower pressures. As you can appreciate, as we go forward with the aggressive program that we're operating this year, we do have those kinds of increases.

I think you asked about information management. The increase of \$4.8 million was as a result of information technology enhancements to support corporate governmentwide initiatives, corporate technology releases, and operational requirements such as software licensing and network and technology support. That's the reason for those increases.

I think you skipped the shared services increase, although that one is a small one. It's \$1.4 million and is primarily due to establishing an appropriate budget to reflect the costs incurred.

Then you went on to the increased costs of leases, some \$15,576,000. Of course, those increases are the increase in lease rates. As you can appreciate, Edmonton was where we had the largest number of leases, and if you check with any of the real estate people or anyone else, you'll find that lease rates have gone up in Edmonton. So of course we've got no choice but to pay those. We have to have the space. Also, in some of our leases we have to pay for the utilities, so of course those have increased. That does affect our budget.

Then I think you jumped over to the increase in the preservation of health facilities, and there we see a very large increase. The additional funding to the health care facilities for this budget are for such things as the health sustainability initiative; the Royal Alexandra here in Edmonton, a very large project; the Bow River forensic centre; the Red Deer regional hospital development, a big project that we're doing down there; the long-term care facilities in Wetaskiwin and Vegreville. So that's where some of those increases are coming from.

I think you mentioned something about the school increases as well. No, you didn't touch those, so we won't respond to anything there.

Now Swan Hills. I must remind you again how important it is that we have that facility. Being a former Environment minister, I'm sure the current Environment minister would agree that the Swan Hills facility is an absolutely necessary plant to be operated in the province to protect the environment, to enhance and protect. So we believe that it's similar to a utility. If you look at any of the cities, they subsidize things like garbage collection. They subsidize it. They also subsidize wastewater management, wastewater treatment. They subsidize it out of tax dollars. So if you look at the Swan Hills plant and how it is an absolutely necessary component of the infrastructure in the province to handle those kinds of wastes that can only be handled in a facility like that, it's going to cost some

money. We are using the private sector. As a matter of fact, we just signed a contract with Earth Tech (Canada) to operate that plant. So the private sector is in there.

One of the things that I knew you would ask sometime is to be able to show that we are not subsidizing out-of-province waste for treatment. We will be able to show you that because that is one of the things that we're going to make sure doesn't happen. It's not as easy as it sounds. A good manager of a plant takes advantage of the heat units that are available in various types of waste, so they've got to feed their incinerator a specific diet, and that may be a combination of out-of-province versus in-province waste, depending on things like the heat value. That was one of the things that we were going to make sure doesn't happen, that Alberta tax dollars are not subsidizing out-of-province waste.

I think that that pretty well covers the questions that I got, so we'll continue.

3:50

The Deputy Chair: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Chairman. I guess what I'd like to do is just go over a few things with the Minister of Infrastructure. As you realize, the audit that we had on schools was our school century audit, and of course then in 2001 we had the slump in our dollars and cents when the market crashed on us. We had a couple projects in the town of Edson that were looked at for the aspects of two schools. One was an addition on Pine Grove so that we could finally close the A.H. Dakin school and bring them in there. Then of course we had the high school, which was Parkland high school, and we're looking at modernizing that because it's a very old school but a very solid and good one.

So then on April 11 this year the hon. Minister of Learning and the hon. Minister of Infrastructure made a press release in Edson to try and alleviate aspects of the space in the town of Edson. My understanding when the announcement was made was that we were going to look at Pine Grove elementary school, that we were going to look at \$4 million to go to upgrade that school so that we could have the other students from A.H. Dakin come in there. Then there was a transfer of a school; Jubilee junior high school was going to the Living Waters division No. 35 because of their high utilization in the Vanier school in the town of Edson.

Since then, there's been quite a bit of change and upset people in the town of Edson. When you made that announcement with the other hon. minister, there was the mention on the aspect of the \$5 million for Parkland high school to get its renovation and upgrading, and it was not in that press release. As I look at your budget, on page 248 you have school facilities, and then of course for '03-04 you've got \$67.6 million. With your budget three years out, with '04-05, where you've got \$86.8 million, I'm just wondering if we're looking at the aspect of modernizing Parkland high school in that year. I don't really want to put that to you, but I'm just wondering, being that it was on the audit as a high priority, if there's some way we can lean towards that. I know that what's transpiring has got the community quite upset for the simple reason that we're looking at September 1 as the rollout for the transfer of schools and the public is saying that it's not really practical.

Then there have been some other aspects of moving portables and that down from Grande Cache and putting them on Pine Grove school and on Parkland school. I realize that when we made the announcement, Parkland high school was going to have a high utilization but that that hopefully was only going to be for a short while. That's I guess my big concern: whether we're going to look at it for the next fiscal budget.

I have another question. We had done an audit on the aspect of the Edson and District Health Care Centre. We did a complete study on that building, and it was turned over to Infrastructure, and what had transpired at that time was that we were looking at the aspect of building a new one. I've looked at different publications coming out of Economic Development where they're showing a new health facility in the town of Edson, and there was a quote, if my memory serves me right, for \$4 million for the year 2004.

I guess the other aspect of that, too, is that with the present facility we have 50 long-term care beds in the town of Edson, and of course, as you know, they're hooked up with the hospital, but the hospital was built in very many stages. With the aspect of the long-term care needs in that community there was also a functional plan looking at that in the aspects that maybe we could do some conversion and have extended long-term care beds in that hospital. As you realize, in the fall of last year and then this year we had extra beds built in West Yellowhead in the town of Hinton, and of course we transferred some people from Edson's long-term care there, and then also the other aspect was the one in Evansburg that looked after the area. So there was some shuffling there, but the need still shows that we have a need for more long-term care beds.

So I'm just wondering if you can sort of give me any kind of update on where we're at with these projects on the school side and the hospital side in the town of Edson. Thank you.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, Mr. Chairman. I don't have before me the announcement that we made in Edson. It was a very complicated situation, as the hon. member knows. Both the separate and the public boards operate schools in Edson and in Hinton, and we had to do things in Hinton with both boards and things in Edson with both boards, and some funds would flow from one town to the other. In Edson as far as Pine Grove elementary school, though, we did in the last announcement under the capital centennial program announce \$4 million for that particular school.

As we move out into this fiscal year, on the school side we have very, very little room. The money is pretty well all allocated, so we'll have to see what we can work out. As I said at the meeting in Edson, we want to move it ahead as fast as we can, but the fact is that we may not have the dollars to do some of the work that needs to be done. We will do it as quickly as we can.

4:00

As far as the long-term care situation in Edson, as you all know, we get the recommendations from the regional health authority, and I simply don't have that one right offhand, so I can't answer where we're at on the long-term care. If the new regional health authority still deems that it's necessary, I would really encourage them to be looking at a P3 because that seems to be working very well.

I now have how this is all going to work in Hinton and Edson, so maybe I'll just quickly run through it. In the Edson project for the Grande Yellowhead division, which is public: the transfer of Jubilee junior high school for the depreciated value of \$2.698 million, and that would happen immediately; Pine Grove elementary addition and modernization to increase capacity to 625 as a result of the closure of the A.H. Dakin elementary school, and that was the \$4 million that I mentioned earlier; the Parkland composite high school modernization rightsizing from 695 to a capacity of 500, and that one was for a little over \$5 million, but that could not happen until the budget became available. Now, one of the things that I have received since this announcement is that folks are concerned that Parkland would be crowded even if we left it at the 695, so I'm not sure just how that will all work out.

With the Living Waters, the Catholic division in Edson, as many

know, there was a contract already let to build a new junior/senior high in Edson for the separate board. We canceled that contract – so there will not be a new junior/senior high Catholic school in Edson – but then we'll transfer the Jubilee junior high school. The board may use the \$6.4 million that was allocated to the contract and funding approved for the junior/senior high school and \$400,000 in interest, the \$466,971 for the costs associated with abandoning the project, and the balance of the funding in the amount of \$3.644 million for any necessary modernization to accommodate the transfer of Jubilee junior high school students. Of the funding \$2.698 million will be allocated to Grande Yellowhead school division for the transfer of Jubilee junior high.

In Hinton the public board will transfer the Roche Miette school for the depreciated value of \$3.16 million, and that would happen immediately. The public board will have to upgrade the Mountain View school to accommodate the transfer of students from the Roche Miette school. The funding for the transfer could be used to accommodate the transfer of students to the Mountain View school. This was to happen immediately as well.

The Living Waters Catholic regional division, the transfer of the Roche Miette school, \$5.5 million has been set aside for the Hinton multicampus project. The majority of the \$5.5 million will be used to address the conversion of the Gerard Redmond school to a junior/senior high school and remove six freestanding portables. Some of the funding may be required to address limited needs at Roche Miette, and that \$5.5 million was held and we have that money from last year, so that could be used in this whole thing.

So we have \$9.8 million to Grande Yellowhead and \$9.1 million to Living Waters.

The Deputy Chair: Hon. minister, I regret to interject. The level of noise in that corner is getting very, very high. Kindly respect the opportunity that the minister has to speak.

Hon. minister, you may proceed.

Mr. Lund: I've answered the questions. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I have a few more comments here, and I see that there are other members that would like to participate in the debate, so we hope that we will get the opportunity to hear all of these in this important ministry.

Quickly to get back to Swan Hills and the huge amount of public moneys that have been put into that particular facility. I don't think there's a member in the House that wouldn't say that we do have to have some way of disposing of hazardous waste. Certainly, there was a time when Swan Hills was an excellent alternative or maybe even the only alternative we had, but since that time new technologies have been developed. They are much more efficient, they're a great alternative, and it certainly would allow us in this province to get out of the business of being in business by supplying or helping to fund a facility such as Swan Hills.

I look at one in particular called Eco Logic. Now, Eco Logic is a Canadian company, and one of its strengths is that it is portable, so the great advantage of this is that it would be able to travel to the various sites instead of us having to transport waste across this country and North America. It would certainly allow us to avoid the possibility of hazardous waste spills. As well, one of the great advantages to their particular process is that it is an alternative to incineration. It involves the gas phase chemical reduction of organic compounds using hydrogen at temperatures of approximately 850 degrees Celsius and ambient pressure. What this certainly does is it

allows a breakdown of hazardous waste in a much more efficient way. One of the problems, of course, when we do use the technology that is at Swan Hills is that we do use much cooler temperatures, and the possibility of those wastes not being broken down completely is much greater.

Now, as well, in getting back to the general overview of the ministry, I look under Core Businesses, and one of the bullets there is, "Working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services." Under operating divisions, one of the bullets, property development: works with partners to provide, preserve, and upgrade owned and supported capital infrastructure. Under Strategic Priorities:

- preserving taxpayer investment in infrastructure;
- balancing preservation and growth needs;
- ensuring health and safety in government facilities;

Under major goals in that department: work with partners to provide quality building infrastructure.

Now, then, when this whole concept of using P3s came about, we had looked at this issue and had certainly done research to see if in fact these were an acceptable alternative to the present system that I had mentioned earlier involving tenders to provide these, and we saw problems with the P3 infrastructure solution from a number of different perspectives, certainly financing rates, corporate profits – and when we're looking at corporate profits, we're not only looking at the profits that these companies would make from building the structure, and certainly we have to have those, but the profits down the road that we would have to pay, and I will mention a few examples as we go – certainly higher procurement costs, forgone ownership interest, failure to transfer risk, project quality considerations, the myth of private-sector efficiencies. So there are a whole number of issues that certainly would have to be satisfied to indicate that P3s are in fact a wise use of taxpayer dollars and that they will be getting the greatest return for their tax dollars that they can.

4:10

We do have, for example, one situation in Calgary where the Hampton school was built using the P3 model. Certainly, in the building of this school it was determined later that construction materials and details were of residential grade and are already starting to show signs of age and deterioration. Now, this is a school that was built I believe in 1999, and here are some of the problems that are occurring in that new school: cracking tiles in the gymnasium, drywall cracks in the main corridor, roof leaks in the portable, low-quality, high-maintenance mechanical systems, low-quality light fixtures that are expected to fail in a few years, and steep slopes near the school's entrance, where there are no guardrails. So that is one of the examples that we have.

Now, as well, we had in the city of Edmonton a proposal by Carma Developments to build a \$5.3 million school. Under the lease agreement the province would pay \$390,000 for the first five years of the agreement and then \$490,000 for each of the next 15 years. This would mean that taxpayers were on the hook for \$9.3 million for a \$5.3 million school, and at the end of the lease agreement the school is still the property of the private developer. When I compare that type of scenario to what we paid for Queen Elizabeth school, in the example I quoted earlier, there isn't any comparison. There certainly isn't a savings and a wise use of taxpayer dollars.

I would like to put on the record, particularly in estimates here, some issues that we have tried to address in question period and are certainly still looking for satisfactory answers. When we look at the P3 financing, how can this be cheaper when private firms borrow at a higher rate and include a profit margin in their price? My next question would be: what evidence is there that P3 financing is

superior to conventional financing? What I would like to know is: what studies has the government done on P3s to evaluate their viability in Alberta?

Certainly, in looking at where P3s have been tried in other jurisdictions, we have some examples of where P3s did not work: in the United Kingdom, particularly private finance and value for money in NHS hospitals. "A policy in search of a rationale?" a very good paper that indicates that in that particular case these did not work. As well, I believe it is in New Brunswick where P3s were used to try to alleviate the stress of the shortage of schools, certainly a problem in that situation. Again, we are looking for studies that the government has done which would show the opposite of studies that I have mentioned here.

As well, I would like to see the minister table the government's cost-benefit analysis that it generated before proceeding with the Calgary courthouse project, one that he has used as an example of P3s and their effectiveness. So we certainly would be most interested if you could provide us with that information.

Along the line of P3s how can the minister guarantee that P3-financed projects are not going to turn out like the Hampton school in Calgary? Obviously, having had the opportunity to look at that situation and the shortfalls in the construction of that school, the minister will be able to show us how plans along those lines have been altered to ensure that the construction standards that we have enjoyed in our old system are going to be protected in new ones and that cost-cutting measures are not going to be there just to provide profit.

Why is it not possible for the public sector to use private-sector efficiencies to develop infrastructure without charging the public for corporate profit margins? Again, I think that we have in the history of this province been very fortunate to have staff in the Infrastructure department that have served the people of Alberta extremely well. I think that they have certainly demonstrated that and the record stands. For example, even if we want to look at the school system, if we wish to look at the medical system, if we want to look at the excellent highway system that we have in this province, those are a testament to the work that these people have done and continue to do, and to drop a system like that would certainly be wrong. As well, I think the minister would not want the public to lose control of its buildings to the private sector or profit-motivated corporations.

Again, to use the example of Queen Elizabeth high school, if, for example, after the first 20 years that we had that school – if it had been built with P3s, could you imagine how much more we would have paid to use that same facility over the past 25 years? So it would have been an enormous cost over the \$1.8 million that it originally cost. That certainly was an investment and a wise investment, particularly when we look at the rate of inflation, which continues to average about 3 percent and has averaged about 3 percent for many years. Certainly, the value of any of those buildings appreciates, and it is a wise investment for Albertans.

Will the minister admit that when the government borrows money to develop infrastructure, as it proposes in the business plan, it will be adding to the provincial debt load rather than reducing it?

Finally, one area I would like some more clarification on – and I know that we've tried to get this in other times during question period. The minister has never given us records of the sole source contracts mentioned in the AG's report. Why won't the minister release those records of the sole source contracts? The estimate was that it would cost only \$5,000, and when they are talking about a budget that is the size of Infrastructure's, certainly \$5,000 is not much to inform Albertans of where the money for these contracts is going.

Just a couple more questions here. How can Albertans be

confident that their money is being spent wisely if some contracts don't go through a tendering process and aren't made public? Again, I can see the minister's point that not all contracts are large enough to be tendered, but certainly there should be some public record that is available so that they can be perused by the public. Will the minister commit to public documentation and justification of all new sole source contracts?

I know that there are other members that would like to participate in our discussions today on the ministry, so at this time I'll take my seat, and if there's time later, I'll add some more.

4:20

The Deputy Chair: The hon. minister.

Mr. Lund: Thanks, Mr. Chairman. You know, the member talked about Swan Hills to start with. I don't know how many times we've got to go over this. Maybe the hon. member could tell me: if there are all these new technologies and there are all these portables and there are all these cheap ways of doing this, why is it that Ontario hasn't moved in? Ontario has a stockpile of PCBs. Why did they spend some \$160 million trying to find a site, just to try to find a site, to build a plant? Why are they doing those things?

We had a call for a proposal some time back relative to Swan Hills, and an international company was very interested in it. I had the opportunity to meet with them a couple of times. This is a company that has plants all over the world, hazardous waste plants for the destruction of hazardous material. They told me that there is no plant that they know of that's state of the art like Swan Hills and that can do a complete destruction of hazardous materials. So if the hon. member has a technology that is proven, bring it forward. I'm sure that we and the Minister of Environment would be very anxious to look at it. But I've still got to go back to the question: if this is out there and it is so good, why aren't other provinces in Canada using it?

The comment about going portable and it being safer because there's a danger of spills, how many spills have there been of material being transported to Swan Hills? Even before you attempt to answer that one, how many accidents have there been by vehicles going there? You can count them on one hand. In all of the years that that plant has been operating, not once was there product spilled. Not once. It's never happened. The accidents actually were very minor, but there was no product that was spilled. I don't buy the argument that we should be looking at portables because of the hazard of moving the material around.

Of course, once again I wasn't disappointed when the hon. member brought up P3s. I expected that that would happen, and he didn't disappoint me. I'm not going to stand here and try to defend the Hampton school. I don't know the details about that particular project, I mean, as far as how it happened. I will acknowledge that there were mistakes made, like using residential standard versus commercial standard, and that comes back to haunt you. You know, we know that. We know some of the things that were wrong there. We're not talking about going down that road. That's not what we're talking about. As a matter of fact, if a proposal came forward similar to that, we wouldn't accept it.

If anybody thinks that P3s are the answer to all infrastructure, no, we've never said that. As a matter of fact, we've always said that the application would be very specific and will not suit every situation. We acknowledge that, but we think there are areas where it can work and it will work. As far as your comment about some proposed project that Carma Developments brought forward, I'm not aware of it. I don't know where it was. Obviously, it was not accepted if there was such a thing. I'm not at all aware of it, so I don't know where that came from.

The contracts. Well, be specific. What is it that you want? Just a quick estimate of the time and the dollars that it would cost to go through – when you say contracts, we have hundreds of contracts, thousands of contracts. We don't know what you're talking about, but if you'd be specific, we maybe – maybe – could help you. But I refuse to spend good taxpayers' dollars going through the thousands of contracts that we have to satisfy your fishing trip. I'm just not going to go there. So unless you get specific, and you ask us exactly what it is you're looking for, then . . . [A buzzer sounded] Oh, the hon. Member for Edmonton-Gold Bar wants to get in on the fishing trip? [interjection] Well, we're not going to provide one for either one of you, so forget it.

An Hon. Member: They're obviously not interested in what you're saying.

Mr. Lund: No. Well, that's fine.

Chair's Ruling

Use of Electronic Devices in the Assembly

The Deputy Chair: Hon. members, I regret interjecting once again, but lately I've noticed that quite often we have people using electronic devices in this Assembly, and you know that that is not permissible. I caution all members to please respect the rules under which we operate. It's happened one too many times, and it's happened to a number of different people, so please be aware of that.

The hon. Member for Calgary-Currie.

Debate Continued

Mr. Lord: Thank you, Mr. Chairman. During the last little debate I heard the word "P3" being used again in vain. I know that some people are perplexed at the process to the point of going apoplectic in opposing the province's participation, but the problem is that we have to have the background and intellectual capacity to be able to understand complex issues like P3s. If you had a pragmatic, progressive perspective, if you could recognize and analyze partnerships with performance potential, performance that people perceive, if you had that, then at election time you would be the most popular political party because P3s can work. Pity the poor people who don't have that. Some have it; some don't.

I will observe, however, that in some jurisdictions P3s in fact did not work, but I did notice that that jurisdiction had a Liberal government in power at the time. Coincidence? I think not. One could observe the major successes of P3s worldwide, particularly in free enterprise, capitalist jurisdictions where they know how to do them and understand them. They also succeeded even in jurisdictions that didn't have that and were much less supportive of the private sector and leaned more towards government interventionist monopolies. So it does seem that P3s have a bit of a mixed record, very much dependent on the competence of the government administration and leadership. I think we have an excellent government and leadership and competence in this province.

Speaking of P3s that can work, one in particular, which I'm quite fond of, is performance contracting, in which you have to perform or you don't get paid. That has no risk to the public, to the taxpayers, and frankly what better model could you imagine than a performance contract, especially in the area of energy conservation?

Now, we know that the city of Calgary some years ago embarked on a program which is saving some hundred million dollars at \$10 million a year in energy savings and retrofits. We know that the province is also leading the way in this through the Department of Infrastructure. I believe we're now doing energy retrofits some-

where in the order of 190 buildings, saving millions and millions of dollars in doing so.

I'm wondering if the minister could discuss schools across the province and school boards across the province. This is technology that's been available for at least 10 years, if not longer. I'm wondering how the school boards and schools across the province are doing in terms of having already done energy retrofits, whether or not they've managed to save a bunch of money, whether we've calculated those savings into school funding in this province. When we talk about how much money we put into school funding, well, a penny saved is a penny earned. So school boards could have been saving millions of dollars. I'm wondering if they have done so, where we're at with that, and if those dollars have been included in the amount of money that we are sending to education in the province. That's the first question I would have of the minister, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Lund: Thank you, hon. member. That is a very good point. As a matter of fact, I have been talking to some of the boards about what we in government did as far as our energy retrofit program and how that operated and how effective it was and how it reduced our consumption of energy and therefore helped immensely on the emission side of the equation. Of course, for the benefit of those that don't know the way the energy retrofit program worked, we identified areas where the payback would be in about three years. We simply signed a contract with the private sector to come in, do the work. We paid for the work, and then over the period of three years by us paying him what we would have paid had we not done the retrofit, they got their money back and made some profit, which is not, in my opinion, a bad word. Then we moved forward to the five-year, and as a matter of fact a year ago now you probably saw people in here changing the light fixtures and light bulbs and the lighting situation. I've had some complaints that it's not as bright as it used to be, but I'm not sure that that has anything to do with the electricity.

4:30

The fact is that that was a five-year estimated payback. I've encouraged school boards, hospital boards, and others to look at that and see what they could do, because I firmly believe they could in fact be helping themselves a lot. As far as when we're constructing new buildings, we are ensuring that incorporated into the design are the most cost-efficient systems that we can put in so that we reduce our consumption and make them efficient, and the payback is great over time. So we're trying to encourage people to do it. So far I haven't heard of any of them actually taking it up. It's interesting that the AUMA now are asking for a fund, money that would be lent to them at low interest or interest free over a period of time to retrofit, and I would throw the challenge out to them: do what we did first and see how it works, because you may very well find that the payback is as great and as rapid.

The Deputy Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Just be patient.

Thank you, Mr. Chairman.

An Hon. Member: I hear that every night.

Dr. Taft: No comment.

Mr. Chairman, I have a series of question for the minister. I

appreciate his responses here. I'll be as clear as possible, and he can answer as much as he can here and perhaps follow up with some written responses.

Some of mine focus on health facilities, given that I'm the critic for that area, although not all of my questions do. It would be helpful to me if the minister could explain the working relationship between his department and the regional health authorities when it comes to building new facilities. I'll be honest with you; I don't understand the details of how these projects are managed, who designs, how that process works. That would be useful information for me. There's a particular example that's of real concern to tens of thousands of Albertans or even maybe hundreds of thousands, and that's the need for a new hospital in southeast Calgary. We understand that although that has been identified as a priority in some circles for five or six years, it's still not even on your department's books in terms of: you haven't received a request for it. That makes me wonder what's going on in the process generally between the RHAs and the department. So some enlightenment on that would be very helpful.

Also, I'm not sure if this is even appropriate for this particular minister, but the issue of energy contracts between RHAs, say for electricity and natural gas and so on. Does that have anything to do with Infrastructure? No? Well, if there are comments there from this minister on that, I'd appreciate that. What contracts have been signed regarding electricity and natural gas supplies to the health facilities?

I have raised the next one in this Assembly before, and I am going to persist because I think it's a very, very important issue, and that's the issue of asbestos in buildings. I was saying in this Assembly yesterday that the number of major multinational corporations that have gone bankrupt because of asbestos litigation is very significant. Companies like Johns-Manville, gone. Kaiser Aluminum, gone. W.R. Grace, gone. These are huge, huge companies that were put under because they came under such financial stress from litigation about asbestos. I am going to persist in encouraging this government to manage this risk as effectively as possible, and it seems to me that one of the ways to do that would be to develop a list of all the public buildings which currently contain asbestos and a list including details of the nature of the asbestos, where it is, and how it will need to be managed in the future. I think that at some point – and I was making this point to the Minister of Finance yesterday – we need to probably record some kind of liability for that risk on our government books somewhere because I'm concerned that in the future it's going to become a real liability if it's not properly managed. So there's that concern about asbestos.

Another issue that's come up even today and will come up, I expect, again and has come up before is the concern over the toxic molds in public buildings. We discussed the school in Sundre in the last couple of days, and my impression is that the department did the right thing there and acted very decisively. We are going to need to watch this issue as well.

So I'd love to hear about any initiatives the department is taking to stay on top of that problem, and if there's something here in these business plans like a risk management office for asbestos and molds or something – I'm sure there isn't, but some idea like that – I'd be interested in that.

Now, shifting to the estimates themselves, one of the things that I like to do with departments is to lean heavily on the business plans and compare this year's estimates to what were predicted to be this year's estimates when the business plans were put out last year. In other words, we had a target last year of where we would be this year. Now that we're in this year, how are we doing compared to that target? It raises a number of questions. Right now I'm looking

at page 248 of the business plans document. I'm looking for the title for the ministry business plans for this year, page 248, which has Ministry Statement of Operations on it. Then I'm looking at the equivalent document from last year on page 247, so almost exactly the same page even, and I notice that in some categories we're very close to where we expected to be last year, and that's good. In some categories we're very significantly off, and that needs some explanation. It's not necessarily bad, but it does suggest to us that the plan over a 12-month period got pretty drastically changed.

My first comment to the minister would be just one of noting a bit of difficulty in comparing last year and this year because they're somewhat different formats in terms of the presentation of the statement of operations. But I notice, for example, that the school facilities target put forward in the 2002 document for this year is, as I read it, \$140,000,000. Then for school operations and maintenance, \$331,000,000. It's pretty difficult to compare directly because of a bit different format. But the school facilities operations figure looks to be right on the money. School facilities: there may be some significant differences.

4:40

Let me just put my question in general. You aren't going to be able to answer this now. For the sake of this Legislature's ability to hold your department accountable to its business plans, I would appreciate it if your officials could do a comparison between where you were planning to be this year and where we actually are this year by the couple of dozen major categories that are presented in the ministry's statement of operations. So I'm looking for something that would say: "Okay. We planned to be at this figure in health care facilities, and we're actually at a different figure, and here's why." To me that's a fundamental exercise in making the business plans work, you know, the old adage: you plan your work and then you work your plan. This is a process where I'm asking the minister to work his plan. Show me how the business plan is on target, as it clearly is, and where it's different. If it's a significant difference, some explanation for that would be helpful. I would hope the minister and his staff could take the time to do that. I think it would be a useful exercise for all of us.

I know that there are a number of other MLAs who would like to comment or ask questions of the minister, but if he has something he can tell me right now, that would be helpful.

Thank you.

Mr. Lund: Thanks to the hon. member for the questions. The first one dealt with the health facilities and the relationship and how the expanded facilities are dealt with. We asked for the regional health authorities to give us a capital plan similar to the school boards, where we asked them to give us their capital plan, the three- and five-year plan of what their needs are. Then once we've got those, we internally prioritize those using very extensive criteria. The primary one, of course, though, is health and safety. That is on the school side, and of course the functionality of the building, the need for the building to fill the government's programs are some of the factors that all go into prioritization as we go through.

Once we've got the prioritization and we have our target numbers as far what we have to spend, we come down the list, and that's how they're determined. Even though they send in their targets, there's a lot of consultation that goes back and forth between staff in Infrastructure and the regional health authorities to determine the need. If in fact the facility is what you really do need, the area that's being asked for – is it excessive or is it sufficient or just where does that all fit in? So it's a long process between the regional health authorities. We try to work very closely with them because there's

no point in us going out and building something that doesn't meet their needs. Plus we bring in Health and Wellness because once again there's no point in us building something if in fact they're not going to have the money to turn the lights on.

You also asked something about energy contracts. We are working closely with the school boards on this because it has more of a direct impact through our operating and maintenance grant. That's how they pay for the utilities. It's not the same in the operation of a hospital or an extended care facility or at the university or any of the postsecondary institutions. Incidentally, I shouldn't have just talked about health and schools. We also do the same process for the postsecondary institutions to determine their needs.

The energy contracts. I know that a lot of the school boards signed up for five-year contracts as far as the electricity side. They are wrestling with the gas side, though, because they didn't have those kinds of contracts. I'm not familiar with what the regional health authorities have done relative to their structures and their energy costs because we're not closely related to those, but it would be interesting to find out what they've done.

The asbestos issue. I'm not sure. With the very detailed work that has been done to assess the condition of our buildings, we may very well have a pretty good idea – I don't know if we've got, you know, a list of the detail that you suggested – but we'll get back to you on that one. I think that is a worthwhile suggestion, though, because I agree with you. That could be a problem for us down the way with the asbestos in these buildings. Now, when we're doing renovations and/or demolishing a building that has asbestos, we have a very defined process that the contractors have to use in order that it's handled properly at that stage, but of course the asbestos can probably cause other problems.

With the toxic mold situation on the health side and on the school side as well the operating authorities are the ones that are responsible to handle the issue. Now, we do assist in air monitoring, for example. We do have experts on staff so that we can do some of this work, so we do assist them. However, the process is driven by the authority. There are some interesting things about the air quality as we get into some of these issues; for example, the school in Sundre that you asked about the other day. We discovered that probably an even bigger issue than the mold was the air quality in the carbon monoxide reading, for example. Those older schools simply were not built to – the air conditioning was opening the windows, and that was the air circulation. Well, Sundre is a good example. I've been in that school, and when they did some renovation on it a number of years ago, they boarded up most of the windows so you can't get air circulation, so we are looking at those kinds of things.

Your comments about last year's business plan and projections versus what is in this year's plan. This year with the infusion of all that money through the centennial program, the \$5.5 billion – and out of that we end up with around \$2 billion – that makes a big difference on the numbers that we have got for this year. I'm not sure when we're comparing last year versus this year whether that was the status of the structures and where we're at as far as filling the need or if it was just the dollars that you were looking at.

Dr. Taft: Actually, mostly on the dollars.

Mr. Lund: Yeah. Okay. We will make it a more thorough answer, but that's basically why the difference.

Mr. VanderBurg: Just two short issues, and one deals with the Northern Gateway school division. They had two priorities. One was a school in Whitecourt that had 109 percent occupancy. That was addressed in last year's budget, and I thank the minister and his

department for taking such quick action on that. Also their second request, and that's dealing with a school in Onoway that has just under 90 percent occupancy but rates very high because the original part of the school built in 1921 is in need of some major work. You know, I'd like to know the status of that project, but knowing that every issue relates to financing, I have a suggestion for the minister of maybe a possible way to help finance this needy project in Onoway, and that is similar to what the Member for Redwater was talking about on surplus land.

4:50

I do believe that there are surplus buildings that fall under your ministry, and surely white elephants like the federal building have high utility costs, security costs, grants in lieu of taxes, and I'm sure that those things are major line items on your budget. I think those major line items could be easily removed by putting up the for-sale sign, and I think that we should be a little more aggressive when it comes to these surplus buildings that we have that we have no intention of using. Surely your department and all the great staff that they have can come up with a way to find some additional dollars in your budget from these surplus buildings to put into projects that are much needed.

So just those comments I'd ask the minister to address.

Mr. Lund: Thank you, hon. member, for those questions. I'll have to get back to you on the school situation. I just simply don't have the details of all the projects we have out there.

As far as the federal building is concerned, we'll certainly take your comments forward. Currently the way the process works, of course, is the proceeds go into general revenues, so they don't flow right back into our department, but I think you had two very good suggestions in your comments there, and we'll be taking those forward.

Thank you.

[Several members rose]

The Deputy Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: It's good to see that everybody wants to participate in this ministry. It is a very interesting ministry, and certainly we are appreciating the comments made by the minister today.

Earlier on in debate the minister had asked me to provide some examples of what other alternatives would be to Swan Hills, and of course one is Eco Logic, a Canadian company, and they have a robust technology for the treatment of chlorinated hydrocarbons in various matrices, and this is extremely important. This is the part of the breakdown of PCBs that we have to be very, very careful about. It's the new compounds that are formed, and certainly if it isn't done at a high enough temperature or under the correct conditions, we end up with more problems than we had with the PCBs. So they do a marvelous job with this particular technology. Now, Eco Logic has operated large-scale systems at sites worldwide, so they are internationally known.

One of the other questions that the minister had asked me was: what type of hazardous waste can they handle? They can handle chemical weapons that have been stockpiled in the United States. They've had experience with that. They've also done military waste, energetic materials and munitions, pollution prevention, waste minimization, industrial hazardous wastes including PCBs. They have done site remediation, and I know that's a huge issue here in the province, and last night in estimates with Municipal Affairs we were discussing this particular issue when it comes to the under-

ground storage tanks. So those are a few of the answers that I can provide for the minister in regard to alternatives to Swan Hills and a huge cost that Albertans continue to face to keep that particular plant functional.

Now, then, as well, other questions I had today. I would certainly like the minister to update us on the status of our fleet of airplanes here in the province. It's my understanding that some of those have had extensive use – they have served us very well – and there are plans to perhaps purchase new planes, and if he could please indicate to us if in fact there are plans to purchase a new corporate jet or new planes and what the procedure will be for selling off the old ones.

As well, the hon. Member for Whitecourt-Ste. Anne was talking about the federal building, and one of my questions to the minister would be: is there a problem with the federal building in that it is an older building? It was one that was probably constructed when the use of asbestos would have been quite prevalent. Is there an asbestos problem with that building? Could we sell it even if we wanted to? Also, if we can't, has the ministry ever looked at what the cost would be for the demolition of that building? Of course, before we could demolish it, we would have to remove the asbestos products.

I would like to refer to a news item, and this was written by Lewis Auerbach. The title is Building for Profit Costs a Bundle: Objective Analysis Needed to See Whether Proposed P3 Hospitals Save or Lose Money for the Public. He goes on in this, and I'll quote part of the first paragraph.

The Ontario government has given cabinet approval to proceed with two public-private partnerships (P3s), to build and provide all non-medical services at a new Royal Ottawa Hospital (an estimated capital cost of \$95 million), and at the Osler Hospital in Brampton. All indications are that the P3s will cost more, not less, than the same project publicly owned. My estimate is at least \$14 million more for the [Royal Ottawa Hospital].

Now, then, in looking at this \$14 million more on \$95 million is an increase in price of somewhere between 14 and 15 percent. Certainly, with these additional costs by using a P3 model this is not cost-effective. And this isn't a contract that was given out by a Liberal government. It was given out by your Conservative cousins in Ottawa, and perhaps this is the reason why they are currently trailing the Liberals in that particular province in the polls. They have not made wise use of their taxpayer dollars, and if it's costing an extra 14 to 15 percent on projects, we can certainly see why.

So those are just a few comments and clarifications I wanted to make. Thank you.

The Deputy Chair: The hon. Minister.

Mr. Lund: Thanks, Mr. Chairman. Thank you, hon. member, for your questions. Relative to the airplanes. We, of course, have three King Airs – one 350 and two 200s – and the Dash 8. There's currently no plan to expand the fleet or replace any portions of it, but we know that particularly the 200s are getting up in age, so the maintenance costs start going up. If the members have had an opportunity to use them lately, they will have seen that we did do major interior work to both of those aircraft. So we just simply are not looking for and/or planning to do anything with them.

5:00

The federal building. Yes, it does have asbestos. We don't believe that it's insurmountable for someone to do something with that building. As a matter of fact, there have been some tire kickers, but we haven't really gone out with a call for proposal or hung up the for-sale sign, as the hon. Member for Whitecourt-Ste. Anne suggested, but I will be pursuing that.

Back to our favourite topic of P3s. It might be interesting for the member to know that the last time I looked, the Liberals were still in government in British Columbia. And guess what? They're in the process currently of a major P3 project where they are going to build a facility that is going to be a health facility.

An Hon. Member: No.

Mr. Lund: Yeah, a health facility. The concept is that the regional health authority will rent about 40 percent of the space in the building, and the rest of the building will be used by doctors, by an MRI, by diagnostics, and all of those good things, a true P3.

I think I walked through once in question period how we are going to be dealing with proposals that come forward. Internally we have set up a committee, that's chaired by one of the assistant deputy ministers, that will look at these and assess them and work with people as they're going through, because we don't want people to spend a bunch of money only to bring something to us that is unacceptable.

Then under Treasury they are setting up an independent group of people that will assess these and come back with recommendations to us whether in fact it's an acceptable alternate way of doing things. As I have said before, one of the things that has to happen: you have to be able to take the lifetime cost, bring it back to present-day value, and compare that with what we are doing. There are things like off-loading risk. There are things like getting the building done early, things like if you get someone to own, operate, finance, and build over the period of the contract, they possibly can operate even more efficiently.

I can't resist the temptation to give you a little bit more of what Collette said. He's talking about defining our role. That would be the role of government.

It's true that there are many functions best left in the hands of government, but these tend to lie in the field of policy and regulation. . . . private-sector organizations that have taken over the operation of parts of the transportation system have much more freedom to be innovative in how they run the business. I am sure most of you will agree that day-to-day operations are best left to the private sector, which has the freedom and the expertise to respond quickly to market forces.

An Hon. Member: Who said that?

Mr. Lund: Minister Collette, the Minister of Transport for the federal Liberal government.

An Hon. Member: How low can you get, quoting from a Liberal in here.

Mr. Lund: One hon. member asked me why I would quote a Liberal federal minister. The reason I'm doing it is because – and I don't know just why it's happening – somehow our Liberal opposition doesn't seem to want to get the blinders off and look at what it is we're trying to do here.

He went on to say:

At the same time, the new market-driven approach brings to the private sector greater accountability. Costs that were once hidden – paid for by government – are coming out in the open. Of course, the costs have always been there, but they were paid by the taxpayers. Now they are paid by those that benefit from the service. Going on, here he talks about the new approach.

We're not alone in this trend. Many European countries are restructuring services using the vehicle of public-private partnerships. During a recent trip to Europe, I was impressed by the role

public-private partnerships are playing in servicing infrastructure and other transportation needs.

This is from Minister Collenette as he talked about P3s and how they can work. I guess that one of the best examples right now is the Confederation Bridge and what a tremendous P3 that is and how it can work. They can work, and we are going to continue to pursue them.

The Deputy Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chairman. I would like to follow up briefly on the thread of the federal building here in Edmonton. As the minister and members are aware, that building has been empty for many, many, many years. I understand that the annual cost to heat it, to maintain it, to keep it from falling into disrepair is very substantial. Because it occupies such a privileged and great location and because of the development that's taking place in that part of the city and because of the potential of the site, I'm wondering if we would not be better disposing of it in some fashion for a dollar and have it turned into something positive. We would have to be very, very careful how we did it and make sure that whatever party was involved carried out their end of the bargain, but would we not be better getting positive revenue from it in one fashion or other rather than paying and having it carried on the books as an expense?

Mr. Lund: Thanks to the hon. member for the suggestion, and as I commented earlier, we will certainly take these comments forward and see what we can do with them. I assure you that we'll pursue it.

Dr. Taft: I know the hour is drawing late. It's a shame it's going to end so soon, but I have some very specific questions for the minister which he'll need to follow up on in writing.

In the statement of operations there's a specific line around air transportation services. My questions are the following: could the minister provide us the estimated number of miles planned to be flown by the aircraft, the amount of fuel that's estimated to be consumed, and could the minister provide us the price per litre of that fuel that's paid under the contracts that the government has with the fuel suppliers? That's for aviation fuel.

You don't have to have it right now, but if you have it, that's great. Thank you.

Mr. Lund: No. I don't have it. But having been a former owner of an aircraft myself, I want to tell you that the distance flown isn't that important. Probably what you'd find more useful would be the cost for the operation of each aircraft. Distance flown isn't a big measure of anything. We can get you the issues about the fuel and the cost of the fuel.

The Deputy Chair: The hon. Member for Edmonton-Gold Bar.

5:10

Mr. MacDonald: Thank you very much, Mr. Chairman. I have some additional questions at this time that I certainly did not get on the record, and certainly it applies to all hon. members of this Assembly, whether they're from Edmonton-Glenora or Spruce Grove-Sturgeon-St. Albert, who are present in the Assembly at this time.

All across the province, regardless of whether it's a school, a hospital, or a lodge, there is an important, significant deficit in the infrastructure. We discussed that earlier. On page 239 of the business plan – and I don't know if in the course of this afternoon's events there was any discussion on the ratification of the Kyoto protocol. There have been claims that the ratification of this by the

federal government will certainly "have a significant impact on Alberta's economy." When we consider that the passage of this legislation is for the future, not so much for today or yesterday but for the future, we have to ask: can the minister reconcile the statements in the business plan to the reality of the situation of Kyoto? With Kyoto, according to this government, the world as we know it was going to end, yet we find out that in spite of this Suncor has gone ahead with a \$3 million project, and there are estimates that Kyoto will only add a few cents to the extraction price of each barrel of oil. How can the Minister of Infrastructure see a few extra pennies per barrel of oil as making energy prices significantly higher?

The Deputy Chair: I hesitate to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 on Tuesday, Wednesday, or Thursday afternoons, I must now put the question on the proposed estimates for the Department of Infrastructure for the fiscal year ending March 31, 2004.

Agreed to:

Operating Expense and	
Equipment/Inventory Purchases	1,209,415,000
Capital Investment	42,416,000

The Deputy Chair: Shall the vote be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

Mr. Zwodzdesky: Thank you, Mr. Chairman. I would move that the committee now rise and report the estimates of the Department of Infrastructure and beg leave to sit again at a later date.

[Motion carried]

[Mr. Shariff in the chair]

The Acting Speaker: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2004, for the following department.

Infrastructure: operating expense and equipment/inventory purchases, \$1,209,415,000; capital investment, \$42,416,000.

The Acting Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Zwodzdesky: Thank you, Mr. Speaker. I think that in view of the hour I would move that we now call it 5:30 and adjourn until 1:30 on Monday next.

[Motion carried; at 5:15 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

