



Legislative Assembly of Alberta

The 29th Legislature
Third Session

Standing Committee
on
Alberta's Economic Future

Ministry of Infrastructure
Consideration of Main Estimates

Wednesday, April 12, 2017
9 a.m.

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Third Session**

Standing Committee on Alberta's Economic Future

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Standing Committee on Alberta's Economic Future

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Ministry of Infrastructure

Hon. Brian Mason, Minister

Dave Bentley, Assistant Deputy Minister, Properties

Shannon Flint, Deputy Minister

9 a.m.

Wednesday, April 12, 2017

[Mr. Sucha in the chair]

**Ministry of Infrastructure
Consideration of Main Estimates**

The Chair: Good morning, everyone. I'd like to call the meeting to order and welcome everyone. Before we get started, I'd like to recognize that this meeting is commencing on the traditional land of Treaty 6.

The committee has under consideration the estimates for the Ministry of Infrastructure for the fiscal year ending March 31, 2018.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Minister, when we get to you, if you can introduce the officials joining you this morning as well. My name is Graham Sucha. I'm the MLA for Calgary-Shaw and the chair of this committee. I will move to my right, to my deputy chair.

Mr. van Dijken: Glenn van Dijken, MLA for Barrhead-Morinville-Westlock.

Mr. Schneider: Dave Schneider, Little Bow.

Mr. Taylor: Wes Taylor, MLA, Battle River-Wainwright, and beside me my assistant, Shannon Hamelin.

Mr. Orr: Ron Orr, MLA, Lacombe-Ponoka.

Mr. Drysdale: Wayne Drysdale, MLA, Grande Prairie-Wapiti.

Mr. Mason: Brian Mason. I'm the Minister of Infrastructure. With me are Shannon Flint, my deputy minister; Michael Lundquist, who's the acting ADM of corporate strategies and services; and Faye McCann, who is the senior financial officer of the department.

Dr. Turner: Bob Turner, Edmonton-Whitemud.

Mr. Piquette: Good morning. Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

Mrs. Schreiner: Good morning, everyone. Kim Schreiner, MLA for Red Deer-North.

Ms Fitzpatrick: Good morning. Maria Fitzpatrick, MLA, Lethbridge-East.

Connolly: Michael Connolly, MLA for Calgary-Hawkwood.

Mr. Carson: Good morning. Jon Carson, MLA for Edmonton-Meadowlark.

Mr. Dach: Lorne Dach, Edmonton-McClung.

The Chair: Member McPherson, if you could introduce yourself for the record.

Ms McPherson: Good morning. Karen McPherson, MLA for Calgary-Mackay-Nose Hill.

The Chair: I'd like to note for the record that Dr. Turner is substituting for Mr. Coolahan.

Please note that the microphones are operated by *Hansard*, and the committee proceedings are being audio and video live streamed. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for the consideration of main estimates. Before we proceed with the

consideration of main estimates for the Ministry of Infrastructure, I'd like to review briefly the standing orders governing the speaking rotations. As provided for in Standing Order 59.01(6), the rotations are as follows. The minister or a member of the Executive Council acting on the minister's behalf may make opening comments not exceeding 10 minutes. For the hour that follows, members of the Official Opposition and the minister may speak. For the next 20 minutes members of the third party, if any, and the minister may speak. For the next 20 minutes the members of any other party represented in the Assembly or any independent members and the minister may speak. For the next 20 minutes private members of the government caucus and the minister may speak. For the time remaining, we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the rotations are limited to 10 minutes at any one time. A minister and a member may combine their times for a total of 20 minutes. For the final rotations, with speaking times of up to five minutes, once again a minister and a member may combine their speaking times for the maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking time is being combined. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the minister's time. If members have any questions regarding speaking times or rotations, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

Three hours have been scheduled for the consideration of the Ministry of Infrastructure. With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose us having a break? I see none.

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute for a committee member may introduce an amendment during a committee's review of estimates.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a mike in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to any questions.

We also have pages available to make deliveries should any notes or other materials need to be passed between the gallery and the table.

Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table; however, members have priority seating at the table at all times.

If debate is exhausted prior to three hours, the ministry estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 12 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written materials provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

Again, I will remind all meeting participants to address their questions and responses through the chair and not directly at each other.

The vote on estimates is deferred until the consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2017.

If there are any amendments, an amendment to an estimate cannot seek to increase the amount of the estimate being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on April 19, 2017. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. Twenty copies of the amendments, including the original, must be provided at the meeting for the committee members and staff.

Now, with that being said, I will ask the Minister of Infrastructure to begin with his opening remarks.

Mr. Mason: Thanks very much, Mr. Chair. Additional ministry staff that are attending the meeting but not seated here are Dave Bentley, the ADM of properties; Brian Fedor, the ADM of learning facilities; Alan Humphries, strategic executive adviser; Neil Kjelland, executive director of health facilities; and Jessica Lucenko, who's our director of communications. Also in the public gallery we have several other ministry representatives, including some of my staff.

Mr. Chair and members of the committee, our government continues to focus its efforts on improving the lives of Albertans. One way we are doing this is by investing in the public infrastructure Albertans need. We know that when we strategically invest in our province's infrastructure, we can keep people working, stimulate our economy, and ensure generations of Alberta families and communities have access to the public infrastructure that they rely on.

As Minister of Infrastructure I'm pleased to note that my department holds a great deal of responsibility in this regard. As lead ministry in the development of the government's annual capital plan, we engage with all other ministries to determine capital priorities and then align these priorities with available funding. Government doesn't have unlimited funding for all projects that are submitted, so we use criteria to prioritize and to make decisions. These criteria are available online, involving improving the transparency of the process.

Alberta's Budget 2017 capital plan builds on last year's commitments, investing \$29.5 billion over the next four years on infrastructure projects. With an additional \$1.4 billion over Budget 2016, the 2017 capital plan provides historical levels of funding to build, renew, and maintain the hospitals, schools, roads, bridges, transit, and water infrastructure Alberta communities and families need. Of course, a capital plan alone won't ensure things are getting built, renewed, or maintained, so again in this regard I'm pleased to note that Alberta Infrastructure holds responsibility. I think we're doing a good job. For example, during this past year we marked construction completion milestones on a number of new or modernized facilities, including 54 schools; nine health facilities such as the Stollery pediatric surgical suite expansion, the Northern Alberta Urology Centre, and the CASA Child, Adolescent and Family Mental Health facility; as well as the new Royal Alberta Museum.

Despite economic challenges our government has demonstrated a clear commitment to ensure municipalities have the financial support for their infrastructure priorities. On a provincial level we've accelerated infrastructure spending, which includes significant support to municipalities, and we're working with the federal government to ensure we fully access all available dollars so that Alberta receives our fair share of federal funds. Municipalities will continue to benefit from our efforts, as will all Albertans, as new projects are built across the province.

Moving forward, we will continue to follow through on our historic investment in infrastructure. Alberta Infrastructure will continue to deliver projects in a timely and efficient manner by relying on good planning and effective communication with stakeholders, clients, and construction managers. We will be commencing with work on approved projects as soon as possible. In some cases that means starting the project planning and design phases. For projects that have already had planning dollars allocated last year, we'll be starting on the next phase of the project, and in many cases that means moving earth and getting started on construction.

Our efforts are guided by our 2017-20 business plan and its two desired outcomes and are supported through Infrastructure's Budget 2017 voted estimates, totalling nearly \$1.4 billion. Of our budget total, the majority, or \$766.9 million, is in the capital investment vote. These funds align with desired outcome 1 of my ministry's business plan, which is innovative and responsible infrastructure solutions that meet current and future provincial needs. This outcome reflects Infrastructure's role in the timely, cost-effective planning, design, and construction of public facilities, which are necessary to support the delivery of government programs and services for Albertans.

9:10

Of the \$766.9 million in our capital investment vote, most is dedicated to health projects. That includes \$387 million to build or renew a number of health facilities such as the Calgary cancer centre, the Edson health care centre, the Foothills medical centre, the Grande Prairie regional hospital, the Medicine Hat regional hospital, and Norwood long-term care facility. It also includes 143 and a half million dollars for health capital maintenance and renewal. More than \$128.7 million of our total capital investment vote is allocated to capital projects that enhance or construct government-owned facilities. It includes the courthouse renewal program, the Kananaskis emergency services centre, the Red Deer justice centre, and the gallery and exhibit work at the new Royal Alberta Museum.

The capital investment vote is an increase of \$110.9 million, or 16.9 per cent, from the 2016-17 forecast. This increase is mainly a result of moving cash flows to better reflect the progress of the Calgary cancer centre, the Grande Prairie regional hospital, the Kananaskis emergency centre, and the courthouse renewal. This increase also accounts for new funding provided in the 2017 capital plan for new projects such as the Foothills medical centre power plant, the Norwood long-term care facility, and the Red Deer justice centre.

I'd now like to mention the Infrastructure expense vote, which at \$589 million mainly supports desired outcome 2 of our business plan, and that outcome is that Alberta's public infrastructure is effectively managed and is environmentally sustainable. It reflects my ministry's efforts to effectively manage the province's building and land inventory, with a focus on reducing our environmental impact. Overall, the expense budget covers funding for day-to-day operations of about 1,600 government-owned buildings, including the Swan Hills Treatment Centre, management of lease space to meet government program needs, and staffing to support those activities. It also provides funding for ongoing capital planning activities in support of the capital plan. The expense vote is an increase . . . [An electronic device sounded] Is that my time?

The Chair: No. You still have three minutes, Minister.

Mr. Mason: Three minutes? Okay.

The expense vote is an increase of \$62.5 million, or 11.9 per cent, from the 2016-17 forecast. This increase is a result of moving cash flows to better align with progress being made on health facility planning and floodway relocation program projects. The increase is also related to operational costs of new government spaces coming online such as the Royal Alberta Museum and funding for the climate leadership plan.

Supporting the government's climate leadership plan is also highlighted in Infrastructure's business plan under outcome 2. It has long been a priority of my ministry to continue to reduce its environmental impact. We're always looking for ways to increase the sustainability in each new project we take on and on how we manage our assets. To achieve this outcome, the ministry focuses on areas like accommodation and asset management and on ways to reduce the environmental impact of our new and existing buildings by using sustainable design principles.

We continually explore options for green retrofits on existing buildings. These may include solar energy installations. We also aim to procure all electricity for government-owned and operated facilities from Alberta-based renewable energy suppliers. For example, a number of government facilities, including the Alberta Legislature, already have solar energy systems in place, and we're continuing to install systems at other facilities like the Lethbridge Provincial Building. As well, we're supporting the installation of solar power for the 26 new school projects funded in the capital plan. This is in addition to 36 other school projects already under way. These actions, coupled with the ministry's work to reduce the footprint of the government's physical workspace, will result in the reduction of greenhouse gas emissions and will contribute to the continued greening of Alberta's public infrastructure.

Alberta Infrastructure staff continue to concentrate on furthering green infrastructure practices and processes while concentrating on job one, which is building, renewing, and maintaining the schools, hospitals, and public service spaces that make Albertans' lives better.

Mr. Chairman, thank you very much. I'm pleased to present the Alberta Infrastructure estimates and business plan this morning. I'm looking forward to a very busy year ahead.

I know that my staff are outstanding public servants and produce, I think, great results for the public in terms of managing the money that we're given to make sure that our projects are well designed and built in a timely fashion and as close as possible to on time and on budget, so I want to thank them in particular.

I thank the committee for their kind attention. I'm happy to take questions.

The Chair: Excellent. Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. Would you like to combine your time with the minister, Mr. Taylor?

Mr. Taylor: I would like to combine my time if I could.

The Chair: And would you like the clock set at 20-minute intervals just so that you're aware of the time?

Mr. Taylor: That would be perfect. Thank you.

The Chair: Okay. Please proceed.

Mr. Taylor: Thank you, Mr. Chair. I would like to thank the minister and all of the staff that are here today, the department officials. You guys are doing a fantastic job with what you're working with.

As Alberta grows, its infrastructure demands have increased considerably over the last decade. The Wildrose has committed to discussing what needs and opportunities Alberta has and where we need to go as a province. Infrastructure is an important ministry to maintain a thriving economy and quality of life. Wildrose believes that we must meet Alberta's growing challenges in every community. So, without further ado, I'd like to start going into some questions.

The first question I'd like to ask is with regard to operating expense, estimates page 176, ministry support services, line 1.5. Last year, in 2016, there was a \$2.5 million increase to this line item from what was actually spent in 2015-16. At the time you mentioned that the increase in this line was due to eliminating the strategic partnerships office and that you moved some of the staff into new areas where they were going to continue to do similar work. The year before you mentioned that the increase was because some functions were transferred to corporate strategies and services, capital planning, procurement, and a consolidation of IT resources. I now see that this line has been reduced by \$316,000 from last year. Can you explain the reason for that to me, please?

Mr. Mason: Yeah. I'll do my best. There's a \$316,000 decrease from the 2016-17 budget and forecast to the 2017-18 estimate, and it's primarily due to a reduction in the budget in FTEs for two former strategic partnerships office staff that were transferred to procurement modernization in '16-17 and the transfer of one staff member to Transportation.

Mr. Taylor: So that would be a total of three, then?

Mr. Mason: Yeah.

Mr. Taylor: Okay. Thank you.

Being that I'm out of Wainwright and knowing that a hospital takes between seven to 10 years from the inception to the completion, you know, for the build and looking at this list on page 46 of the capital plan, fiscal plan 2017-2020, there is something missing here. The Wainwright hospital went from number 2 in the projects on the AHS capital list to not appearing. Can you explain to the people of Wainwright why they are not a priority and why there isn't some little dribble of planning dollars in this, please?

Mr. Mason: Well, hon. member, the capital planning process is driven by departments themselves. That is to say that the projects, for example, for Health and the priorities are determined by Health. In the process of doing this, different departments' priorities change from time to time. Then we reflect that change in priorities in our capital plan. You know, I understand very much the desire on the part of people in Wainwright to have a hospital or improved health care facilities. This is almost universal around the province, so setting the priorities is a difficult task. I think the Minister of Health could probably shed a little bit more light in terms of the priorities of that department with respect to that.

9:20

Mr. Taylor: Do you know why at that time it was taken off the priority list?

Mr. Mason: I think there are shifting priorities within the departments.

Mr. Taylor: Okay. I find the people would find that kind of curious, that it was a priority, and then it wasn't a priority.

Like I say, Airdrie is growing rapidly. Are there any plans to expand the Airdrie emergency care facility?

Mr. Mason: I had the opportunity just a couple of weeks ago to tour the city of Airdrie with the mayor, and it was very useful. Certainly, a number of issues were raised with respect to the requirements of that community. In terms of meeting those needs, we recognize that Airdrie is a rapidly growing city . . .

Mr. Taylor: I think it's the fastest.

Mr. Mason: . . . I think probably the fastest growing city in our province. You know, I may be dating myself. I mean, I can remember as a kid driving between Edmonton and Calgary, and Airdrie had, like, three grain elevators and that pretty cool water tower in that spot.

Mr. Taylor: It's okay. I remember that, too.

Mr. Mason: It didn't take long to go through it either. Now, you know, it's a big city. I mean, you can just see it growing and growing. We recognize that very much, and we're going to try and meet those needs as we go forward. I can't make a comment specifically with respect to those decisions.

Mr. Taylor: Okay. Well, thank you, then.

It's interesting that the Alberta 2017 budget boasts of promising \$400 million for a new Edmonton regional hospital, which I think is a great thing, but the money does not even begin to be disbursed until 2018-2019 and only at \$50 million for that year and the rest budgeted for any incoming government to take care of. While this government gets all the praise for the introductions, really, could it possibly be another government's, the next government's, problem? Why the delay?

Mr. Mason: Well, obviously, hon. member, planning those types of large-scale and very complex facilities requires a great deal of planning and engineering, and I assure you that as the next government we will make sure that we follow through on that construction. But you just can't start building a hospital. You have to plan it out. You have to do consultation. You have to make sure that the facilities you're offering actually are meeting the needs not just now but into the future as well. It requires, you know, an investment in planning and engineering before you can commit, even to determine the size and the scale and the scope. We've seen this problem before, the Grande Prairie hospital being an example, where that work wasn't done, and the result is that construction costs get out from under you.

Mr. Taylor: Again, I hate to go back to the Wainwright hospital, but the planning was done, and now it's been removed. That's a different story altogether, so I won't go down that path any more than that.

All Albertans deserve a high standard of health care, and we certainly do not want to see the governments picking projects for political reasons. With central Alberta's significant growth in recent years and the demand for patient care desperately needed, where are the infrastructure dollars for the Red Deer hospital in this budget, for the 96 acute-care and 18 emergency beds needed since 2015? If there is somewhere in the budget, can you please show me where that is?

Mr. Mason: I just wanted to mention that we've completed an expansion of the obstetric facilities at Red Deer hospital, and we handed it over to Alberta Health Services just in February. It was pretty close to a \$10 million project. It provided improved access to obstetric services. We are working on the development of two dedicated operating rooms for the maternal child services unit as

well as the renovation and expansion of the atrium for patients and visitors.

Mr. Taylor: What about the acute-care and the emergency beds?

Mr. Mason: I think that that's something you're going to have to take up with the Health minister.

Mr. Taylor: Okay. Since there is nothing designated in this budget for more beds, does the ministry realize that patients are waiting days for an in-patient bed in the emergency ward and that surgeries are regularly being cancelled, causing a huge backlog in the system that causes rural residents to be redirected towards cities, increasing costs of transportation via ambulances and the increased delays in the Calgary and Edmonton hospitals?

Mr. Mason: I think, hon. member, those are excellent questions, and I think that you deserve an answer to them. I, unfortunately, am not in a position to provide an answer as those are very specific to the Ministry of Health.

Mr. Taylor: Thank you.

It is a constant struggle to keep and attract medical professionals in the communities when there isn't infrastructure and equipment provided for rural communities. While much of the responsibility, I guess, will go back to what you were saying before, that it's under the Minister of Health – you've identified that – time and time again we hear from doctors about the lack of adequate infrastructure. That is what's holding them back from taking a position in many of our rural areas. What are you doing to address the infrastructure deficits in hospitals in central Alberta?

Mr. Mason: Well, obviously, hon. member, you're correct in saying that good facilities are important to provide good health care and to allow the professionals to do their job and in order to also attract professionals, but again the questions about priorities with respect to specific health projects, one over another, are not decisions that are made within my ministry. Those decisions are made in the Health ministry.

Mr. Taylor: Fort McMurray has a serious issue maintaining medical professionals' facilities and attracting surgeons due to the out-of-date equipment – I know; I'm going back to that same thing – that the new surgeons are not properly trained on. Again, I understand that the attracting of surgeons falls primarily within the jurisdiction of the Minister of Health.

I would like to think that all ministries need to do their part to ensure the best possible health care outcomes for our province. What will this ministry be doing not just to maintain these facilities – that's part of what your purview is – but to provide them with the infrastructure updates they so desperately need in their hospitals?

Mr. Mason: Well, thanks very much for that question. You know, one of the things that we are doing is moving ahead on the construction of the long-term care facility in downtown Fort McMurray. There was, as you know, quite a public issue around the location of that facility, and we made the decision in consultation with the city and in consultation with the local MLAs to transfer the location to the central part of the city. That planning is now well under way, and we're committed to constructing that facility in a timely fashion in co-operation with Alberta Health Services and with, of course, the community in Fort McMurray.

Mr. Taylor: Excellent. I'm glad that you're working together with them.

I'm going to switch a little bit here. I'm going to ask some questions, and it's going to take a few different pages that you might have to be prepared for: page 177 of the estimates, capital payments to related parties, line 2.2, health facilities infrastructure, and line 2.6, health capital maintenance and renewal; also, I'm going to jump to some more details on these estimates found on page 46 of the capital plan, fiscal plan 2017-2020.

The Edmonton hospital: \$400 million over four years.

Mr. Mason: Which line are you on?

9:30

Mr. Taylor: Okay. We're now on page 46 of the capital plan, fiscal plan 2017, about the Edmonton hospital and the \$400 million over four years – we talked about that; we touched on that briefly earlier – with \$50 million next year. Minister, it only cost a fraction of that to do the planning for the new Whitecourt hospital and the new Beaverlodge hospital. You're only spending \$10 million over three years for planning the renovations of the Royal Alexandra. That tells me that there is more than just planning money here. Is there land acquisition as part of that for that hospital, too?

Mr. Mason: For the Alex, or for the new hospital?

Mr. Taylor: For the Edmonton hospital, the new one.

Mr. Mason: There's no money for land acquisition.

Mr. Taylor: There seems to be, like, say, \$50 million, \$10 million – I just was kind of curious – but it wasn't the land acquisition.

My next question then would be: are you contracting out this new hospital to be engineered and designed?

Mr. Mason: We routinely provide contracts to private-sector engineering firms to do the engineering on our projects, hon. member.

Mr. Taylor: Perfect.

Couldn't you save money by just taking some of the south Calgary campus hospital design and customizing it to this site?

Mr. Mason: We're certainly looking at all of the options at this point. It's very early on in the process. The site has not yet been selected, and part of the issue you're referring to does come down to site selection. It's very early days in the process, hon. member, so we don't have any specific plans with respect to what the hospital is going to contain, which specialized facilities, you know, questions on the numbers of beds, the footprint. All of those things have to be worked out in a planning process with Alberta Health Services. When that's determined, then we can start shaping the budget for the project. But until we know what precisely we're going to be building and what's going to be in it, it's impossible to make a very hard and fast budget for the project.

Mr. Taylor: Okay. Thank you.

It is my understanding from the reports in the *Edmonton Journal* some time ago that the Royal Alexandra and the neighbouring Glenrose rehabilitation hospital need \$16 billion in maintenance and renovations over the next 15 years. Does that sound about right?

Mr. Mason: I don't have the specific breakdown. I know that the overall deferred maintenance that we're addressing in the budget for all health facilities is \$525 million. We can get you that specific breakdown, I'm quite sure.

Mr. Taylor: Okay. I would appreciate that.

Mr. Mason: We'll provide that to you, yes.

Mr. Taylor: In the \$10 million that the ministry will be spending on planning, is there any cost-benefit analysis being done on just putting the Royal Alex into a safe mode until a new hospital could be built on the Blatchford Field site, followed by redevelopment of the Royal Alex into something else?

Mr. Mason: Well, I believe that the Royal Alexandra hospital has immediate needs, not only for deferred maintenance, so I think that that's not the approach that we're going to be taking. We're not going to just, you know, sterilize the Royal Alexandra hospital while we do this other hospital. That's not how I think it would be wise to proceed.

Mr. Taylor: Okay. The Calgary cancer centre is on this page and showing \$1.19 billion over four years. Minister, can you please tell me why the project does not have the operations and/or the facility maintenance contract bundled in with the design/build contract as was done for the Calgary Courts Centre?

Mr. Mason: Well, you know, the operation of the facility is obviously the responsibility of Alberta Health Services, but I don't think we're so far along in the construction of that that we can bundle in those costs at the present time. In terms of the operation of the facility, the operating budget and so on, we haven't got that far, and that's within the purview of AHS.

Mr. Taylor: Okay. It's just a suggestion that, you know, going forward, that might be able to save some money. I just wanted to get that out there.

The Edson health care centre was just opened this fall and has been reported to already have leaks. What is the minister doing to hold the contractors to account?

Mr. Mason: Just give me a second, hon. member.

Apparently, there was a leak, hon. member, but I did not know about the leak until just now, so thank you for asking. The leak was due to a mistake made by an operator in the facility and was not due to deficiencies in the construction of the facility.

Mr. Taylor: Okay. Thank you. Good to know.

Edson health care centre, \$14 million; High Prairie health centre complex, \$15 million; Medicine Hat regional hospital, \$39 million; Lethbridge Chinook regional hospital, \$6 million: these projects have been going on for years, and they still aren't done. Can you explain the holdup with the facilities?

Mr. Mason: Well, take Medicine Hat for an example. It's a \$267 million project. It's complete, but the interior renovation work is still under way. We hand it over to Alberta Health Services in January. The interior renovations will redevelop and expand the existing emergency department and will include the administration area and the diagnostic imaging area. The project featured a major redevelopment and expansion of the existing hospital and energy centre. An ambulatory care hub will be created within the new facility. All surgical services will be incorporated into new suites which accommodate procedures for in-patients and outpatients, and the maternal and child program will be consolidated within a designated area that includes in-patient and outpatient services. Building system upgrades and site development, including parking and drop-off areas, are going to be undertaken.

That's an example. I mean, these projects, well, this one in particular and some others, are very close to completion, and

they're being handed off to Alberta Health Services for the final work that needs to be done.

Mr. Taylor: Well, that's good news, to see that that's been done. Are the delays the result of cost-plus contracting?

Mr. Mason: We can find out whether or not cost-plus was used in that, hon. member. But, obviously, when unexpected things are found, then there's a discussion about the change orders and so on. That's usually under the authority of the project manager. My understanding is that it's not generally used, the cost-plus method.

Mr. Taylor: It might be, but we don't know for sure.

Mr. Mason: With that specific case, we will make sure that we have a correct answer for you.

9:40

Mr. Taylor: That's fair enough. Thank you.

Again, I like talking about Wainwright being that out in Wainwright is where I'm from. You know, in Wainwright I see Chinook helicopters. They're flying overhead. In fact, they come right over my house, and you can just feel the reverberations in the whole house, the shaking when they do that. It's with the Canadian armed forces. It takes about \$10 million over two years to make a provincial heliport compliant with Transport Canada rules. Will any of these hospitals be compliant with the Chinook helicopters?

Mr. Mason: Chinook helicopters specifically?

Mr. Taylor: Well, yeah. Will they be compliant with those ones as well, the heliports?

Mr. Mason: I guess the question I have is: are they used for medical evacuation? I don't think that STARS uses Chinooks.

Mr. Taylor: STARS does not. STARS uses helicopters but not necessarily the Chinook helicopters.

Mr. Mason: They're a big one with double rotors, right?

Mr. Taylor: They are the large ones with the double rotors.

Mr. Mason: They're a big cargo type. Are they used for patient transfer by the Forces?

Mr. Taylor: They certainly could be from Wainwright because of the dangers that are involved in the military itself and the exercises that they do have – that would be the question – because there can be a lot of injuries very quickly adding up as a result of an exercise.

Mr. Mason: Yeah. I'm not aware that we've been contacted by the Canadian armed forces with respect to being able to accommodate those helicopters. We can certainly find that out for you, hon. member. I don't know if the heliports would take a large helicopter like that or whether it's designed in that fashion. But I think there would have to be some reason why we would design that because there are costs. You know, you have to make it bigger and stronger, and that costs money. If there's a good reason to do that, I think we would certainly consider it, but I'm not aware of any reason why we would do that at this point.

Mr. Taylor: Okay. Well, thank you. It would be for one of those, I guess, really bad situations, I suppose, if it happened.

The Norwood long-term care facility here in Edmonton is being doled out \$15 million this year, \$30 million for 2018-19. Then once again you have made any future government responsible for the

\$159.5 million for each of the fiscal years 2019-20 and 2020-21. Why is this work not being done now?

Mr. Mason: Well, just to put it in context, there are going to be 350 enhanced long-term care beds, and the net increase in beds is 145. It's 38,000 square metres of new and renovated space. What we have to do is to acquire the land from the city and from adjacent private property owners. We have to demolish the north pavilion upon the completion of the new building, and then there's a phased renovation of the existing Angus McGugan Pavilion to house complex care residents and extend the useful life by 20 years. Then there's the demolition of the CHOICE day centre and the construction of a new replacement building. There is a whole series of phases. These things don't get done overnight, hon. member, and some things have to be done sequentially. You have to build the new building before you can tear down the old one and so on.

Mr. Taylor: Okay. Thank you.

I'm going to be going over to page 184 under revenue, transfers from the government of Canada for the building Canada fund. Minister, I understand that the new building Canada fund is the responsibility of the federal department of infrastructure. It is my understanding that there is around \$476 million left in the BCF national and regional projects component. A large chunk of this went to fund the Edmonton valley LRT. There were some flood mitigation projects funded as well as the expansion of Fort Edmonton Park from this money. Can you tell me how much of this pool of money is sprinkled throughout the capital projects on pages 177 and 178 of the estimates, please, and what line items are they hiding under?

Mr. Mason: Could you give me the line, please?

Mr. Taylor: That's what we're looking for. It's on pages 177 and 178 of the estimates, but we're looking to find out what lines that money might be hiding under.

Mr. Mason: Okay. I'm going to have to get clarification on specifically what you're after, hon. member.

Mr. Taylor: Is there any part of the BCF national and regional projects component going to Transportation's estimates on page 259?

Mr. Mason: Page 259 of these estimates?

Mr. Taylor: Of the estimates.

Mr. Mason: Of the Infrastructure estimates?

Mr. Taylor: If you go to Transportation's estimates on page 259, what line . . .

Mr. Mason: Is page 259 in the Transportation estimates? I can't answer that.

Mr. Taylor: Yeah. Actually, the reason I ask you that is because with the previous question part of the money goes to Infrastructure, and part of the money goes to Transportation.

Mr. Mason: Well, almost all of the money from the federal program you're talking about is in the Transportation estimates, I think. Most of it, I think, is in the Transportation estimates. The funding includes Fort Edmonton Park; city of Calgary flood mitigation; stormwater management in Edmonton; Bragg Creek flood mitigation; Canmore flood mitigation; drainage in Raymond; money for the Athabasca River in Whitecourt; the Edmonton valley

line, as you've mentioned; paving rehab for southern Alberta; \$18.7 million for bridge renewal; intersection reconstruction projects, the \$25.8 million piece; highway rehabilitation, \$21 million.

So we have about \$458 million that is remaining that is unallocated, and we've submitted and are awaiting approval from the federal government for projects that include the Springbank off-stream reservoir to protect Calgary from flooding, the bridge in Peace River, Sandy Lake water treatment, highway projects on highways 2, 19, 43, and 63, and major pavement rehabilitation projects in central and southern Alberta.

Mr. Taylor: Okay. That was helpful, yeah. I would assume from that, because I was asking about \$476 million and you said that there was \$458 million, that there's a remainder of \$18 million. That would have been the balance that's going to Transportation. The rest is in Infrastructure.

Mr. Mason: No. None of it is in Infrastructure, hon. member. It's either going to a municipality or to the Transportation budget. Transportation is responsible for the construction of the flood mitigation projects, for example, and Fort Edmonton Park is a city of Edmonton project.

Mr. Taylor: Excellent. Well, thank you for that answer.

I'm going to go on to some postsecondary facilities kinds of questions. I'd like to discuss the chemistry building over at the University of Alberta. I'm sure you've heard about the decrepit state because I heard about it when I was in the Ministry of Advanced Education estimates. They pointed that out to me right off the bat, the state of that building. It needs either a massive renovation or a rebuild. Are there any plans to set aside capital for the chemistry building?

9:50

Mr. Mason: I think you're going to have to direct that to the Minister of Advanced Education. We do not have that project in our capital budget.

Mr. Taylor: We, in fact, did do that, and they asked us to ask Infrastructure.

Mr. Mason: Well, that's awkward, isn't it?

Mr. Taylor: It is awkward, because we did ask the question earlier.

Mr. Mason: We don't have that in our capital budget, hon. member.

Mr. Taylor: Okay. So right now there's nothing set aside, necessarily, for it.

Mr. Mason: Maybe I can just take a minute and sort of review the capital planning process that we go through in terms of infrastructure. I mean, we do oversee the capital plan, but that's based on priorities we get from line departments, Advanced Education and so on. The way it works is that when a project is in the capital budget, the money is in the department, for example Education or Health, for the project. It's in their budget. Then when the construction begins, when the work on the project actually begins, the project is transferred to us, and the money is transferred to our budget. We build it, and then we turn it back to the line department. So our involvement is twofold, overseeing the capital planning process in general and then, secondly, the specific construction phase of government facilities.

Mr. Taylor: Okay. Thank you. So it seems like, I guess using a hockey analogy, you're passing the puck back to Advanced Education.

Mr. Mason: Hopefully, he can score.

Mr. Taylor: Hopefully.

This province has promised \$20.7 million in capital funding over the next four years to go towards the new campus at Northern Lakes College in High Prairie. With at least two locations being combined into one, are there any other sites across northern Alberta that will be closed when all is said and done?

Mr. Mason: You're going to have to ask Advanced Education with respect to that. It's not our decision.

Mr. Taylor: Okay. One of the student residences at Fairview's Grande Prairie Regional College campus is condemned. The Advanced Education minister stated a couple of times that colleges easily could pay back borrowed money and maintain these costs through rental income. Is there anything in this budget to help them build a new residence so they can get to work on paying back that borrowed money?

Mr. Mason: I don't believe there's any allocation in the capital budget for that project.

Mr. Taylor: Okay. Well, thank you.

I'm going to go to some property management questions now, estimates page 176, property management, line 4.1. Now, this is generally lease money, management and staffing requirements like cleaners, correct? I should just wait for a second until you get there.

Mr. Mason: Yeah. That would be great if you would.

Okay. Line 4.1 is the one you're referring to?

Mr. Taylor: Yeah, 4.1. Now, this is generally lease money, management and staffing requirements like cleaners, correct?

Mr. Mason: That's the direct cost associated with the day-to-day operation, maintenance, and security of 1,600 government-owned buildings, comprising over 2 million gross square metres and a replacement value of \$10.5 billion. It also delivers accommodation projects on behalf of departments, agencies, boards, and commissions of the government of Alberta, including funding for manpower supplies and services and building operating costs.

Mr. Taylor: Okay. Well, thank you.

According to the Alberta Infrastructure website the Alberta government manages approximately 1,900 government-owned and -leased facilities. I'm just wondering if Infrastructure will be tasked with changing the light bulbs in all of the facilities that the government owns that do not already have . . .

Mr. Mason: No. We've got a company from Ontario that's going to take care of it for us. [laughter]

Mr. Taylor: Pardon me? I didn't hear that part.

Mr. Mason: Good.

Mr. Taylor: It might be on *Hansard*, though.

Mr. Mason: Sorry. What about the light bulbs, hon. member?

Mr. Taylor: Okay. I was just asking if you're tasked with having to install the light bulbs in the buildings that the government owns that do not already have efficient light bulbs.

Mr. Mason: You're talking about: are we upgrading the . . .

Mr. Taylor: Yeah. Will you be contracting Ecofitt to install light bulbs in the government buildings?

Mr. Mason: I don't think Ecofitt, no.

Mr. Taylor: No?

Mr. Mason: No. We have regular people that operate and maintain our buildings, and that's just part of the routine work of those contracts that they do.

Mr. Taylor: How long do you think it's going to take?

Mr. Mason: To change all the light bulbs?

Mr. Taylor: Yeah. I mean, you're going to have to let them go into the buildings. Somebody is going to have to let them in.

Mr. Mason: Yeah. Well, let's be clear. That's the regular maintenance of the building. That's contracted to private companies. They do that work for us. They sweep the floors. You know, they do the touch-up painting. They make sure that the building is working well. They maintain the physical plants of the buildings and so on. That's all just a part of that, so it's a matter of asking them to change the way they purchase.

Mr. Taylor: Yeah. Well, thank you.

Line 4.1, property operations, page 176. This line item has increased by more than \$5.5 million this last year. Is that due to an increase in wages?

Mr. Mason: Okay. It's primarily due to full-year operating costs associated with the new space that came online partway through '16-17. That includes the new Royal Alberta Museum for a full year and full services as well as an increase in security costs for the remand centre. Other changes include the partial reinstatement of funding reduced in '16-17 and the transfer of one position from asset management.

Mr. Taylor: Okay. Thank you.

Can you provide us with a list of vacancy rates in the government of Alberta buildings, and would you be able to table that?

Mr. Mason: By building?

Mr. Taylor: Well, we could have it by building if we're going to table it. I wouldn't want to sit here and ask you to recite those, but if you could give it to us and table that by building.

Mr. Mason: Yeah. We'll provide that information to you.

Mr. Taylor: Do you know offhand what the vacancy rate is currently, just as a general rule?

Mr. Mason: Well, I don't specifically, but what we are doing is that as we renovate and upgrade space that the government owns, we're relocating staff to government-owned buildings and reducing the amount of lease space that we have. We have quite a bit of lease space.

One of the other things that we're doing is that we're trying to hit new density targets. There's a specific amount of space that is considered optimum for each employee. The number of staff to the

available space is too high, and that drives costs, so we're trying to relocate staff into more efficiently designed buildings that are government owned as a way of managing our costs.

Mr. Taylor: Okay. Well, thank you.

What is the plan for the Legislature Annex out there, and what work or planning is being done currently?

Mr. Mason: It's currently being used by agriculture department staff. The purpose of the building is to house government staff now as we are preparing new permanent quarters for them. There are 425 staff, and it's swing space, basically. We're using that to support the J.G. O'Donoghue modernization project, which is scheduled to be completed in January of 2018.

10:00

In terms of that building, there are several major building systems that have reached the end of their useful life, including the building envelope itself, the plumbing and water systems, and the HVAC system. If we don't invest in those systems, it will accelerate the deterioration of the building. The core structure is in good condition. I just want to clarify that, you know, the final disposition of that building has not been determined. I think there are good reasons why we want to continue to maintain and utilize that building, but it will require a major investment in terms of upgrading it.

I know that there was talk several years ago about taking the building down. I spent many years in opposition toiling in that building. It's not my favourite building, but I understand that with a major renovation, if we go down that route, then it will be a modernized building, and with some of the problems we've had with leakage of the envelope, improvements to the ventilation, the heating, and all of that will make the building a modern, comfortable, and efficient building.

Mr. Taylor: I, too, spent some time in that building before we came over here to the Federal building, so I kind of have an idea of what you're talking about.

Mr. Mason: You have to go through a complete season though, hon. member.

Mr. Taylor: Yeah. What is done to ensure safe air quality in government buildings? Aside from smoke detectors, what other automated systems are in place in government facilities to monitor air quality?

Mr. Mason: If you'll give me a moment, I'll try and get some information for you.

Mr. Taylor: Sure.

Mr. Mason: I'm going to ask Dave Bentley, the ADM of properties, to come to the microphone and answer your question if that's agreeable, hon. member.

Mr. Taylor: Yes. That would be great.

Mr. Bentley: Thank you. To answer the question, we do continuous indoor air quality tests where required if there are particular issues, if there's a known building where we have to sort of just monitor, not that there are unsafe conditions. We also just on a regular basis will go into specific facilities and do indoor air quality. As an example, with the Leg. Annex we have ongoing indoor air quality testing going on there just to check to make sure things are safe for staff in that building.

Mr. Taylor: Well, thank you for that.

I would like to go over to page 177, line 4.4.

Mr. Mason: Sorry. What line again?

Mr. Taylor: Line 4.4.

Mr. Mason: Okay.

Mr. Taylor: In order for the University of Alberta to grow and attract the best researchers in academia in the world, we need to make some decisions in regard to buildings. A large portion of the south campus is currently being used by government bureaucrats. Are you planning on moving them to downtown spaces, where you have some vacancies, so that the university can take over these buildings and grow?

Mr. Mason: The department is looking at it. They haven't made any decisions as yet.

Mr. Taylor: Okay. Well, thank you.

Page 176, asset management, line 5, if I could.

Mr. Mason: Yeah.

Mr. Taylor: This line item has been doubled in the last few years, and with the outstanding recommendation in the Auditor General's October 2016 report, Infrastructure needs to "establish a process that enables public infrastructure assets to be properly maintained over their life." This recommendation has been outstanding since 2010. With the ushering in of the new government in 2015, this recommendation has still not been properly dealt with. The only plan we can see that this ministry has is deferred maintenance. If we keep deferring maintenance, the costs will continue to grow, or infrastructure will end up in a decrepit state. Has the government come up with a plan in the budget to deal with this issue? Is this why this line item is doubled?

Mr. Mason: I just want to make sure I've got the right thing. Sorry. It's page 176 of my estimates, line 5, asset management. There is a \$154,000 decrease in that line item.

Mr. Taylor: It looks like it's been over, like, the last four or five years.

Mr. Mason: Let's see. The 2015-16 actual was \$6,946,000, and then it went in the '16-17 budget up \$962,000. Now it's going back down, and it's going down – we've transferred one position to property operations. That's the reason that it's going down.

Mr. Taylor: Okay. That was going back to '14-15. That's where I was making it based on, so it was \$3.696 million at that time. Like you say, it's virtually doubled from that time.

Going on, deferred maintenance is a huge concern for school boards, hospitals, postsecondary institutions. At the University of Alberta there is close to a billion dollars in deferred maintenance. Since repairing and maintaining our infrastructure is in the best interest of Albertans, Minister, is there a plan to address the backlog of deferred maintenance?

Mr. Mason: Yeah. We have set aside in the budget \$525 million for postsecondary – sorry. It's health facilities you're asking about?

Mr. Taylor: Well, it could be school boards, hospitals, postsecondary institutions.

Mr. Mason: Oh. Postsecondary. I'm sorry. I was just looking at the wrong line. It's 767 and a half million dollars for deferred maintenance for postsecondary institutions. The total value of the deferred maintenance overall across the government is about 5 and a half billion dollars, so it's very significant.

Mr. Taylor: That is. I agree. So at the current rate that this government prioritizes maintaining our public infrastructure, is it likely that we will never pay off the infrastructure debt? Why isn't this government accounting for the deferred maintenance in the budget? I don't see it there. Are they trying to hide that part of the debt?

Mr. Mason: No. In fact, hon. member, we've substantially increased in the capital plan the amount of money for deferred capital maintenance. You know, just to catch up is very difficult because so much of that was let slide in order to pay down the debt. In a sense it appeared that when Mr. Klein was the Premier, there was a great deal of focus on paying down the debt – that is to say, the money that was owed to banks – but it came at the expense of investment in infrastructure. I've always likened it to basically doubling up on your mortgage but not fixing the roof of the house. You need to have that balance because deferred maintenance is a very real financial cost in the same way as if you owe money to a bank.

In terms of total capital maintenance and renewal the four-year total in the capital plan is \$4,665,000,000, so it's a very substantial increase in investment in deferred maintenance. Does that allow us to basically say that everything is in tip-top shape at the end of this? No. Does it get us to the point where we're getting close to holding it even? Yes.

10:10

Mr. Taylor: So this model addresses the infrastructure deficit? How do we stop the bleeding?

Mr. Mason: It's money, honey.

Mr. Taylor: It's money. You identified that it was because of the money that was owed, which we tried to pay down, which became part of the problem, that we have an infrastructure deficit. Are you concerned about the monies that are being racked up right now for how much we have in debt insofar as an infrastructure deficit in the future?

Mr. Mason: Well, I'm concentrating on making sure that we're trying to stop further deterioration in our physical infrastructure, which is consistent with my responsibilities as the Infrastructure minister.

Mr. Taylor: Okay. Page 176 again, capital grants, line 2.4, capital planning. This line item has increased substantially over the last few years. To be exact, then, we're going back a couple of years, but it was \$800,000 to over \$48 million.

Mr. Mason: Sorry, hon. member. I just want to get caught up to where you're at.

Mr. Taylor: Okay. I'm sorry. I'll hang on.

Page 176, capital grants, line 2.4.

Mr. Mason: Okay. Yeah.

Mr. Taylor: Okay. This line item has been increased substantially over the last few years. To be exact, from \$800,000 to over \$48 million. Can you explain why we have that huge increase?

Mr. Mason: Well, there's a \$36.1 million increase in this line item, hon. member, from the 2016-17 forecast to the '17-18 estimate, and it's primarily due to reprofiling cash flows from '16-17 to better align funding with anticipated spending on planned activities as well as the approval of \$10 million in 2017-18 for the Edmonton clinical laboratory hub project. There's \$10 million for that, but the rest is just moving the money from last year's budget into this year's budget because that's when the work is going to be done.

Mr. Taylor: Okay. Fair enough.

Page 176, capital construction, line 2.1. Government facilities infrastructure has decreased by over \$5 million in the last few years. You know, being a fiscal conservative, I like to see decreases, but what has been removed to have the decrease by over \$5 million?

Mr. Mason: Basically, we are assigning some of the staff costs to project capital budgets and removing them from the operating budgets. That basically means that their costs are associated with a specific project's budget.

Mr. Taylor: Okay. Again, it'll be line 2.2, same page. The health facilities infrastructure was budgeted for \$7.5 million in 2015-2016 but actually used \$14.8 million in that fiscal year. Now we see that line item being reduced to \$2.8 million. What was reduced there or removed?

Mr. Mason: Sorry. How much of a decrease are you suggesting there is?

Mr. Taylor: I'll read this over again here.

Mr. Mason: It's about a \$12 million decrease, right?

Mr. Taylor: That's correct. It's exactly \$12 million as far as I can see.

Mr. Mason: The \$12 million from the '15-16 to the '16-17 budget is due to \$7 million in payments in 2015-16, which were made on the Fort McMurray continuing care project after the November 15, 2015, announcement of the site relocation from Parsons Creek to Willow Square. The project – well, it was renamed, but that didn't cost anything. Approximately \$6 million was for contract termination costs and the balance for payments made for construction work completed on the Parsons Creek site prior to the project relocation announcement. While this project was budgeted under the capital investment vote, as a result of the move, costs incurred at the Parsons Creek site no longer result in an asset to government, and all payments related to the Parsons Creek site made after the site relocation announcement date were reported as an expense. The remainder of the decrease is due to staff directly attributable to the delivery of capital projects being charged to the capital project starting in 2016-17.

Mr. Taylor: Thank you.

Page 177 of the estimates, line 2.1, government facilities infrastructure. Minister, I understand that the AGLC is building a new warehouse in St. Albert so that Connect Logistics can increase the inventory of alcohol products stored on . . . [A timer sounded] Later.

The Chair: I apologize for interrupting, but the time allotted for the Official Opposition expired.

Mr. Mason: He's just getting to a good point, though, Mr. Chairman.

Mr. Taylor: Yeah. I know. That's a good one.

The Chair: I can't argue with that. However, it is the third party's time now.

Would you like to share your time with the minister?

Mr. Drysdale: Yes, I would if that's okay. We'll go back and forth.

The Chair: Please proceed.

Mr. Drysdale: Thank you.

Again, thank you, Minister, for being here and to your staff. I know first-hand that you've got lots of capable people behind you doing good work for Alberta and Albertans.

Mr. Mason: Agreed.

Mr. Drysdale: Continued success with that.

Unfortunately, after an hour of questions some of mine will overlap a bit, but they're not quite the answers or the direction I wanted. Some of them will be partly repeats, but it's on the same . . .

Mr. Mason: Take another run at it.

Mr. Drysdale: I'm going to start with a quote from last year in estimates, where you said:

You do a needs assessment. You do a business case, a functional plan, the design, and so on, and you do that before you announce the full funding for the project. Then it's included in the capital plan. That's the important thing.

That was your quote. You've said that several times, Minister, in the past, and I get it. I'm just a little confused on some of this stuff in your capital plan, like this new Edmonton hospital coming out of the blue. Do you have your needs assessment, functional plan, your design? Is that all done?

Mr. Mason: The overall need was identified by AHS for an additional major facility in the city as a result of growth. I think the last hospital was built in the '80s. Wasn't it about 1986 or something, the Grey Nuns? Is that about right, Bob? You know, that was clearly identified as a need on, you know, a general basis. In order to do all of that work, that's part of the capital plan, and that's what the money that you're seeing there is allocated to do. We will take those steps, but it has to be included in the budget in order to do that stuff. That will all proceed exactly as I laid out, but if I said that there was absolutely nothing in the capital budget to do that work, then I may have misspoken because obviously it has to be in the capital budget so that we can pay for it.

Mr. Drysdale: Exactly. That's a little different. You know, you said that you'd have that all done before it was in the capital plan. Here it's in the capital plan. I don't even think you have a site picked yet, and I'm sure you don't have the design done, so that's not quite in line. I get it. Believe me; I support a new hospital in Edmonton. It's well needed. You're right. I agree with that. About some of the statements you made and that have been made in the House, that nothing has been built in Edmonton – I don't know if you would call it a hospital, but the Kaye Edmonton clinic, I think, was \$800,000 or \$900,000, and that's only been open for a few years. You keep saying: going back to the 1980s. The Kaye Edmonton clinic is a pretty nice facility that isn't that old. Still, I agree that we need a new facility in Edmonton. To say that you won't announce anything or put it in the plan until it's designed and . . .

Mr. Mason: No, no. I may have assumed that that was a given, but, you know, obviously, that work has to be done, and it has to be included in the budget. So maybe the statement was a little . . .

Mr. Drysdale: So projects can be put in the capital plan without having all that work done? Is that what you're saying?

10:20

Mr. Mason: Yeah. Well, you don't put your numbers in the capital plan for how much it's going to cost until you know what it is you're going to build.

Mr. Drysdale: But you have some substantial numbers in, you know, for the Edmonton hospital and the Calgary cancer centre, so same thing. I know we've been criticizing that you keep saying things, and I'm not sure how this really differs from the Grande Prairie project. At least in Grande Prairie they had the land. They knew it was the cancer corridor. It was part of it. Yeah, they didn't have the design done, but you don't have it here either.

Mr. Mason: But what happened in Grande Prairie was that a political announcement was made, including some budget numbers. Then they were designing to the political announcement, which didn't take into account what the actual needs are whereas we're going to actually do the needs assessment.

I mean, one of the things that came up earlier in the hon. Member for Battle River-Wainwright's questions is that we don't have the major construction money in the budget. Well, that's, you know, partly because it's down the road a few years, but it's also due to the fact that we don't know what it is until the functional plan, the business plan, all of those things, are done. When that's done, we'll be able to scope the project, we'll be able to get good estimates of what we're expecting, and then it will be properly budgeted in the capital plan. Essentially, what you're seeing now is money to do that work as well as, basically, a placeholder. But, to be clear, we're not intending to scope a project without doing all of those things first.

Mr. Drysdale: The Calgary cancer centre: I don't know what the total is. In the four-year plan there's \$1.19 billion. I doubt if that's the total, but that's at the end of four years. Do you have the total?

Mr. Mason: We're waiting for the tenders to come in, and we'll have a much better handle on those costs. We think it's in the range of \$1.2 billion, the total cost.

Mr. Drysdale: So you have the design done?

Mr. Mason: Yeah. That's currently under way.

Mr. Drysdale: Well, I thought the tender included the design. It was design/build.

Mr. Mason: It's a design/bid/build.

Mr. Drysdale: So the design isn't done because you haven't awarded the tender.

Mr. Mason: They're working on their design proposals, but you're correct. It's going to be part of the tender.

Mr. Drysdale: So in this project you can announce \$1.2 billion without having a design?

Mr. Mason: Well, I didn't want to. I was trying to get you a ballpark number, hon. member. It wasn't an announcement. It wasn't an announcement; I was trying to get you a ballpark answer.

The question is: do you design it based on carefully assessing the needs and then projecting it forward, or do you just design it because the Premier says that it's going to be this much money?

Mr. Drysdale: I agree with you. It shouldn't be designed to a budget. It should be designed to the needs, but when you don't know the needs – you've done a ballpark number, which is kind of what they did in Grande Prairie.

Mr. Mason: Yeah, but please don't take that as a given. Maybe I shouldn't have tossed it out, but I was trying to get you a ballpark number because you asked the question. You know, we think it will be in that range, but we'll see what the tenders are going to be. Hopefully, they're considerably lower than that.

Mr. Drysdale: So will you build to that number, or will you build to the needs?

Mr. Mason: No, no. As I said, we're waiting for the tenders. We're waiting for the tenders, and when the tenders are in, we will have an actual number. I probably should have just told you: I can't give you a number; we're going to wait for the tender. That would have been a smarter thing to do.

Mr. Drysdale: I just don't see the difference in the two. We built to a ballpark number, and sometimes you hit it out of the park, Minister, and it's a bigger number.

Mr. Mason: We're not going to build to the ballpark number.

Mr. Drysdale: Anyway, I just really don't see a lot of difference in the way.

You know, it just leads into the 26 new school projects as well. I mean, good. It's all good stuff. I support it. I'm quite sure you don't have the designs and, you know, all the functional plans for those projects as well either, but you've announced them pretty similarly to the way we used to do it. I don't see what the difference is in the way you announced those 26. I'm not saying that it's wrong. It's all good. That's how we do things. I just don't see the difference. Can you explain the difference in how it used to be done to the way you did it this time?

Mr. Mason: Well, schools are a little different than hospitals, as you're aware, hon. member. There are a number of standardized designs. They're much smaller projects. An elementary school can be built in a couple of years, a high school in four, but designing a major hospital is just an order of magnitude more complex and needs to be approached differently. You know, I'm not so worried about how the previous government did with the schools as I am about how they did on certain specific projects, particularly major health care projects.

Mr. Drysdale: I mean, they're all good projects, and I support it. You know, you've been busy the last few weeks going around the province announcing these schools – and good for you – in each specific place, just like we used to do, I guess. You used to criticize us for doing that. It's all good, Minister. I just don't see a big difference in the way we used to do it. If you could point out the difference, fine. Otherwise, no comments.

Mr. Mason: I've done my best, hon. member.

Mr. Drysdale: Okay. Great.

I'll move on. Speaking of these school projects, I'm just wondering if some things have changed or not. Do you still or do

you now support, you know, giving some of the larger school boards the authority to build their own projects?

Mr. Mason: Well, they do now. They do now.

Mr. Drysdale: Yeah. So you're still supporting that?

Mr. Mason: Yeah.

Mr. Drysdale: But not all of them.

Mr. Mason: Well, it depends on their capacity, you know. The bigger school boards have the capacity to do that. The smaller ones are generally quite happy to have us do it for them.

Mr. Drysdale: So as long as they want to do them, you're still happy to let them.

Mr. Mason: As far as I'm aware, that's how we're going to continue to proceed.

Mr. Drysdale: Minister, in the past there was some good work done with partnerships, whether it's municipalities or developers building school projects with recreational projects or community projects like libraries or community facilities. I think it makes good use of public infrastructure, and they get used. Do you still support that?

Mr. Mason: Yes. I think it's a very good idea to try and incorporate them. Schools are often, you know, a hub in the community, right? They tend to be a centre of many communities. It might be a neighbourhood within a big city, or it might just be a small town, but they tend to co-locate them with municipal projects, pools or libraries, as you say, or projects like that. It makes a great deal of sense, and I think that where we can continue to do that, we'll continue to.

Mr. Drysdale: There are some really great examples of that in the province, some big projects that are working well. I was just curious if any of these 26 newly announced school projects have some of these partnerships.

Mr. Mason: That's going to be considered in the planning phase, that we're entering into now, which will take about a year, so if there are any, they will be identified in that process.

Mr. Drysdale: Okay. Usually they know ahead of time if they're, you know, shovel ready or planned. The school boards always have their numbers.

Mr. Mason: I think the school boards may know that information. I do not. If you'd like, we can try and get it for you.

Mr. Drysdale: Okay. No, I just hope that continues, and I'd like to see some of the new ones do that as well.

Another one I wasn't necessarily going to bring up, but it's a little bit of a pet project I've been working on, Minister. If I'd have known this when I was there, I would have done something about it. It's come up in the last year and a half. I worked through your department to resolve it, and I'm getting a little frustrated and didn't get the answers I was promised, so I thought I'd bring it up here today.

Mr. Mason: All right.

Mr. Drysdale: In procurement of roofing projects in Alberta through the government one of the requirements to bid on a roofing

project in Infrastructure is to be a member of the Alberta roofers association, I think, the ARA. You know, I won't ask all the obvious questions. Anyway, there are only about 29 members in the Alberta roofing association. You know, there might be two or three roofing companies that are owned by the same guy, so as far as owners, there are even fewer than 29. In order to bid on a government project, you're limited. For example, in Grande Prairie there's only one member of ARA that's able to bid on a major roofing project with the college. Any other person from around the province has the travel costs and all that.

There are good roofing companies in Alberta that have been trying to get into the ARA, but the only way to become a member of the ARA is to have an existing member invite you in and sponsor you. Well, of course, none of them want to invite them. They've been asking and asking and asking.

10:30

Mr. Mason: Oh, I see. Okay. So you've been bringing this forward to the department?

Mr. Drysdale: Yeah. I talked to your last deputy, your last ADM, and of course they've moved on.

Mr. Mason: Yeah. Okay.

Mr. Drysdale: Now it's given to a new lady, and I've been working with her. It's been a year and a half.

I hate to bring it up at this table, but I wasn't getting anywhere.

Mr. Mason: Okay. Thank you very much. I think there are legitimate reasons why you might want to make a requirement like that if there are some quality standards that, you know, would give us a sense that the work was of a certain standard, that we could be sure of that, that that might be a reason to do that. But if the membership rules are such that it's kind of a cartel, where companies can exclude people from bidding on government contracts by excluding them from membership and thereby reduce the competition, then I see that very much as a problem, and I would agree with you.

Thank you for bringing it up. Leave it with me, and hopefully before next year's estimates we'll have an answer.

Mr. Drysdale: Hopefully, it's not another year.

One of the reasons was because the ARA give a warranty. But this other company says that IKO, the roofing manufacturer, gives the statement of warranty whether you're a member of ARA or not. So other companies can provide the same warranty without being a member of ARA. Even if you ask for a warranty . . .

Mr. Mason: Right. Which is it there? They don't want to join and feel that they can offer just as much, or they do want to join and they're being blocked?

Mr. Drysdale: Either one. They've been trying to join. They've been talking to members to invite them in, and they say that they will, but then they don't. They make them jump through all these hoops. It would be easy just to remove that line item off the tender, that you have to be a member. I know the previous deputy told ARA that they were going to do that if they didn't change the practice.

Mr. Mason: Okay. I'm informed that the issue of having to be sponsored by an existing member is news to us. You brought it to our attention, but we'll make sure it comes up.

Mr. Drysdale: I hated to do it, but I was getting a little frustrated. I thought: well, if I brought it up today, it might get dealt with.

Mr. Mason: Yeah. Fair enough.

Mr. Drysdale: Thank you for looking into that.

Moving on, we talked about this a little bit in Transportation, you know, so I won't spend a lot – I mean, we've already established that the sunshine list doesn't really exist anymore. So I assume that's . . .

Mr. Mason: Another difference that we have, hon. member.

Mr. Drysdale: So you have a sunshine list?

Mr. Mason: We have an unfunded capital project list, yes.

Mr. Drysdale: Okay. Yeah. It's not a sunshine list, then. So that leads to the unfunded lists. I asked the same question in Transportation. You know, what happens to these projects that are on the unfunded list and then they're not? For some of them, I'm sure, you've got more announcements coming down the road – stay tuned – but some of them I think have been dropped altogether.

Mr. Mason: Yeah.

Mr. Drysdale: Could we find out which ones those are?

Mr. Mason: I think there are . . .

Mr. Drysdale: I mean, there are lots of good projects that aren't on the unfunded list. You know, what's the difference between one that's on the unfunded list and one that's not?

Mr. Mason: Well, the different departments' priorities shift from time to time, and we heard that, you know, with respect to some of the other projects that the hon. Member for Battle River-Wainwright was talking about. If they're no longer priorities in the department – in other words, the difference is: is it a project that they want to build that's a good project but we just don't have the money at the moment? Then it's on the list. If they don't want to build it anymore, then it comes off the list.

Mr. Drysdale: But you get projects like the Edmonton hospital.

Mr. Mason: Yeah.

Mr. Drysdale: Like I say, you've got a project that wasn't on the unfunded list; all of a sudden it's funded.

Mr. Mason: Yeah.

Mr. Drysdale: Projects that were on the unfunded list just disappear.

Mr. Mason: Yeah.

Mr. Drysdale: So the unfunded list doesn't really mean anything. There are lots of good projects out there that aren't on any list, and they could just appear.

Mr. Mason: But they're not in any way a priority of the department at the moment. I think that's . . .

The Chair: I apologize for interrupting, but the time allotted has concluded. We'll now take a five-minute break and resume at 19 minutes to 11 o'clock.

[The committee adjourned from 10:36 a.m. to 10:41 a.m.]

The Chair: All right. I would like to take this opportunity to call the meeting back to order.

We will now be proceeding to the ND caucus members. MLA Schreiner, would you like to share your time with the minister and go back and forth?

Mrs. Schreiner: Yes, I would, Mr. Chair. Thank you.

The Chair: Okay. Please proceed.

Mrs. Schreiner: Thank you, Mr. Chair. Good morning, Minister. First of all, I would like to thank you for being here this morning to answer our questions, and I want to thank you very much for all of the hard work that has gone into planning this budget. Thank you to your ministry and all your staff.

Infrastructure is such an important part of what we do in our government, and I want you to know that it is greatly appreciated. I know that we can all agree that Albertans deserve schools for our children, postsecondary institutions for our adults, hospitals for when we're not well, safe roads to drive on, safe bridges to drive over. I can only imagine all of the hard work that has gone into this budget. It's a huge task, and I'd really like to thank you and your department.

For my first question: would the minister please provide some information about the capital planning budget, which is on line item 2.4 on page 176? I see that there has been an increase on that line. Would you please expand on what that spending represents?

Mr. Mason: Yeah. Okay. Thanks very much. We're in the second year, as you know, hon. member, of the capital plan, which is 29 and a half billion dollars over the next four years. We think it's a major boost to the economy of the province. It puts people to work when, you know, they need the jobs, when the engineering companies, the construction companies, and so on as well as the tradespeople are looking for contracts. They're looking for work because of the downturn in the economy. It's a great time to invest in infrastructure. Our tenders have been coming in lower as well, so we get a better deal for the public in terms of how much we can get for the dollars that we spend.

We try to make sure that we get these projects off the ground but do so in an efficient way. I was just mentioning to Grande Prairie – it's Wapiti, right, Wayne?

Mr. Drysdale: Grande Prairie-Wapiti.

Mr. Mason: Grande Prairie-Wapiti. Yeah.

We need to do the assessments, develop business cases, functional plans, and make sure that the designs are in place and the engineering is done before we put shovels in the ground. That also includes facility evaluations for schools and health facilities, for postsecondary institutions, and all government-owned buildings. Those evaluations are critical to track the capital maintenance and renewal and to help with the overall capital planning process. All of those things, I think, are money very well invested because if you do it right, you know, your costs are going to be lower in the long run. It's sort of like measure once – no – measure twice, cut once. Sorry. I almost did a George Bush there.

Mrs. Schreiner: Well, thank you, Minister.

Mr. Mason: Cut twice, then measure: I wasn't saying that that's what the former government did on it.

Mrs. Schreiner: Thank you, Minister.

On the topic of school infrastructure, new schools as well as modernization of existing schools, one of my schools, St. Pat's elementary, is slated for a modernization. On behalf of my

constituents and the students and staff of this school I'd like to thank you for this investment and for building on the future of Red Deer-North.

Minister, looking at budget line item 2.3 on page 176, school facilities infrastructure, would you please expand on this line and explain what it represents?

Mr. Mason: Okay. The school facilities infrastructure, line 2.3, represents staff, supplies, and services that support the school capital program in partnership with Education and with school boards across the province. It includes support for planning, delivery, and maintenance of school facilities. Much of the funding for schools does lie with Alberta Education, but we manage many school construction projects. You know, the school boards do some, the larger school boards, and we do the others. There are 26 new projects in the budget, and right now we know that Infrastructure will be handling the construction of 11 of them. That's not a final number, but roughly it gives you a ballpark.

We take the direction, as I mentioned earlier, from the line departments, whether it's Education or Health or Justice and Solicitor General or Culture and Tourism. They know the facilities they need. They know what they need. What we can do is manage the projects for them and get them built and, hopefully, get them built on time and on budget.

Mrs. Schreiner: Thank you.

As a follow-up, would the minister please provide an update on the ongoing school construction projects outlined in this year's capital plan?

Mr. Mason: Okay. We anticipate about 29 or more projects that will open between January and June of this year, and those are ongoing projects. Construction on the 26 new projects, if they're approved in this budget, will begin next year. Again, that's because it requires some planning and design work that has to take place.

We need to be realistic about the timelines. Of the 26 schools, eight are new in Edmonton, Calgary, and Airdrie; nine are replacement schools, including in Grande Prairie, Irma, Banff, Medicine Hat, to name just a few; seven are modernizations, including projects in Bonnyville, Drayton Valley, Red Deer, and Spruce Grove; and two new school projects are approved for planning, one in Lethbridge and one in Edmonton.

Mrs. Schreiner: Okay. Thank you for that.

I'm guessing that the 26 new projects are listed on page 48 of the fiscal plan under education capital projects 2017-21. I know that you talked a little bit about this in your previous answer, but given that the government wants to be more transparent about construction timelines for school projects, when will the 26 new schools be finished?

10:50

Mr. Mason: The time to plan and design and construct a school is typically between 38 and 48 months from the time that the budget is approved. The schedules will depend on the complexity of the projects. High schools take longer than elementary schools. Generally, you know, as you scale up, they take longer to finish. Modernization timelines are different from new construction, for example. We're estimating that the first of the new projects should be ready for occupancy in September 2021. Don't take that for all, but we're aiming to get the first ones open for the start of the school year in 2021.

Mrs. Schreiner: Okay. Thank you for those timelines, Minister.

I'd like to go back to line 2.4 on page 176. Constituents may have questions about this. Despite not spending all of the 2016-17 capital plan targets, why is there an increase in this year's capital plan?

Mr. Mason: Well, we've committed to increasing the spending for reasons I've outlined. There's a very large infrastructure deficit. As well, when there is a recessionary period, it's a good time to invest in infrastructure, so this is the time to do it. As of the third quarter we're on track to spend about 85 per cent of the 2016 capital plan targets, which is comparable to other jurisdictions. That's a reasonable target. Nobody gets a hundred per cent, but we always aim to increase that to make sure that when we budget for projects, we actually get the construction happening in the year that the budget happens.

What we've done this past year because some of the projects didn't get done for various reasons – we just move the money forward into the next year's budget, and we proceed with the project as it was planned. But we're expecting and hoping for a much better performance this year in terms of making sure that money that is budgeted is actually able to be spent and construction can take place in the budgeted year.

Obviously, there are a great many factors that we can't control. Last year, for example, there was a lot of wet weather in southern and central Alberta and the fire in Fort McMurray, among other things. There was a shortage of steel. The steel supply was a bit of a problem. I would also note that a number of the projects, for example schools, are being managed by school boards, not by us, not to say that we didn't have some problems, too.

Mrs. Schreiner: Well, thank you for that, Minister.

One thing that people feel they are able to depend on is delays. I know because I hear it from my constituents, so I'd like to go back to my riding with reassurances that this government takes those concerns seriously. Given that your ministry is responsible for many projects that may be subject to unforeseeable delays, on page 96 key strategy 1.3 is to continuously improve planning, project management and procurement to deliver provincial infrastructure on time, on budget and to specification. Minister, my question is: are you concerned that projects will again be delayed this year?

Mr. Mason: Well, I'm always concerned that we should avoid delays as much as humanly possible, and one of the ways that we can do that is to continuously try to improve our own process. They're not perfect, and I'm not making the claim that we did everything exactly the way that we should, but I think that we have done things well, and we can do things better as well.

We're looking at procurement options that would strengthen the accountability in the contracts so that we could make people that get the contracts to build the stuff more accountable for their delays; getting more information at the front end, at the approval, to ensure that schedules can be, you know, more accurate; and updating and modernizing the report process.

I'll give you some examples. You know, there were issues in the last couple of years with delays of school projects. In some cases projects were included in the capital plan where the local board had not even identified the site yet, you know, didn't have the land. Then when they ran into trouble acquiring the land or it didn't go exactly according to plan, the project fell behind. So I think what we need to do is make sure, before we include it in the capital plan, whether it's us or whether it's somebody else, that they've got more of their ducks in a row so that when we approve it, we know it can move forward.

Mrs. Schreiner: Okay. Thank you. Thank you once again, Minister, for providing dialogue and transparency regarding capital projects.

The QE II-Gaetz interchange has recently begun and ultimately will support the safety of Albertans at this corridor of a major transportation artery. This project is slated for completion in 2019, around the same time that Red Deer is hosting the 2019 Canada Winter Games. I'm sure you'll be coming to join us in Red Deer to partake.

Mr. Mason: Absolutely. You've got curling, right?

Mrs. Schreiner: Absolutely.

This timeline is very important, so my question is: what is Infrastructure doing to ensure that capital projects are delivered on time and on budget, Minister?

Mr. Mason: It's a good question. You know, in terms of the Gaetz Avenue interchange there's a major safety issue. I've experienced it myself. What happens is that people come out of Red Deer heading south, and they merge onto the highway. The highway comes right around and comes down just before Gasoline Alley. It comes down and around, and then it goes this way, and you're merging with traffic coming in. The merging traffic comes right onto the highway. It's supposed to accelerate from the urban speed, 50 or 60, right up to 110 before it merges, but a lot of people don't. I've come around that thing at close to 110, and then somebody just pulls right in front of me doing 60 kilometres an hour. There's a huge differential in speed – right? – and you have to really hit the brakes. That's been a very, very dangerous particular site. This will provide the flyover, and then you'll be able to merge in properly instead of coming from this side. I'm hopeful that that will happen.

Your question was about on time and on budget. We're developing our business cases to define the scope, the market conditions, and the life cycle costs. We're assessing sites for their readiness and suitability for use so that if there are any unanticipated costs related to the site, methane gas or water or things that are going to affect your ability to construct – we've run into a few of those cases – then we can identify that. You know, just improving our communications with our contractors is an important thing so that we're not just assuming that they're taking care of business, right? We actually know how things are going.

Mrs. Schreiner: Well, thank you for that, Minister. I can't say enough how much I appreciate the infrastructure that you're doing with that interchange. It is a very dangerous place to drive right now in central Alberta. Thank you for making it safer for all Albertans.

Minister, as stated on page 95 of the business plan, the capital plan "supports key social programs and services provided to Albertans, economic development in the province, and environmental outcomes." This is no small task, but given the size of the capital plan and the many responsibilities of Alberta Infrastructure to build many of the projects in that plan, is your department ready to start on approved capital projects right away?

11:00

Mr. Mason: Yes. As I mentioned, a lot of parts of this budget relate to doing the planning and the design that's necessary for projects. Not all projects will start construction right away because the money has been set aside for the planning piece. Particularly those projects that we couldn't get going last year are ready to go out the gate this year. You know, I think it's important to remember that some of these projects are kind of long-term projects, and they operate over several business cycles, or budget cycles, I should say. We're looking forward to a great year. We're hoping that the weather is good and we can get a major and a historical capital budget in the ground, up and running, and get these projects because they're badly needed projects, every single one of them, in my view. It speaks also to the unfunded capital list, that there are lots of really

valid projects. We don't necessarily have money to do them all right now, but the need is very great.

Mrs. Schreiner: Thank you, Minister. I can appreciate that. I know that one of those projects . . .

The Chair: I apologize to interrupt. The time allotted has concluded.

I will now return to the Wildrose opposition. Mr. Orr, would you like to continue to share your time with the minister?

Mr. Orr: Yes, please. Thank you.

The Chair: Please proceed.

Mr. Orr: Thank you, and good morning. It is morning? Yeah.

Mr. Mason: It is still.

Mr. Orr: Still, yes. I'll begin by just saying thank you for the central region waste-water project. It's greatly appreciated, at least the north end of it in my riding. Thanks to you and your department for getting that one off.

Mr. Mason: Probably appreciated wherever it runs.

Mr. Orr: Yeah. Probably true. Exactly. Yes.

I have just a couple of brief riding questions. Particularly, let's start with the first one, which has been: I have a mayor from one of my communities who keeps tapping me on the shoulder and wants details about the new playgrounds piece in the capital plan 2017-20, page 6 of 10. Where do we get the details on how to apply, who can apply? How is that going to be managed?

Mr. Mason: I will get you that information.

Mr. Orr: I desperately need that.

Mr. Mason: Absolutely. That's information I'm sure all members of the Assembly could use.

Mr. Orr: Any idea when that might be generated?

Mr. Mason: Should be soon.

Mr. Orr: Is it kind of available now and just a matter of getting to us?

Mr. Mason: I don't know if it's coming immediately, but I would expect that it'll be out pretty shortly.

Mr. Orr: Okay. Related to that, then, maybe just notes for the answers. Will that mean that it'll still be run through CFEP? Will it be able to apply to CFEP as well is an additional question.

Mr. Mason: I don't think it's a CFEP program.

Mr. Orr: Okay. A second additional question: what about joint applicants? In one case we've got two new schools, as you're probably aware of, and they're going to share a playground, so they want to know – like, they build one playground for both schools to share.

Mr. Mason: Yeah.

Mr. Orr: So can both schools apply . . .

Mr. Mason: So they want, like, a really great playground? They want money for both schools?

Mr. Orr: Well, they just want to know how they're going to get the funding together for this thing. They're really quite after that one. The amount per playground will be part of the questioning as well.

Mr. Mason: We'll get you that answer. Hopefully, they'll be able to get both grants and build a Ferris wheel, you know.

Mr. Orr: I don't know if that's necessary.

Second question. You're probably aware that the St. Thomas Aquinas school board school in Lacombe was recently – the value scoping was completed, but the school is not included under the new and modernization projects for this year. Do you have any idea when that might show up on the system?

Mr. Mason: We'll try and get you that information.

Mr. Orr: Okay. That would be very helpful.

You know what? I think that I will leave it at that except to just ask if you've succeeded to get your sign for the Red Deer interchange yet.

Mr. Mason: I did, I did.

Mr. Orr: Good for you.

Mr. Mason: In fact, I was down to Cochrane last week, and we actually took a picture of it going by. I think it's not big enough. It's too far away. It may not be the right colour, but there is a sign there.

Mr. Orr: Well, that's progress. I'm glad to hear that.

I think I'll pass it back to my . . .

Mr. Taylor: Thank you. Thank you, Chair. I'd like to go back and forth with the minister if that's okay.

Mr. Mason: Sure.

Mr. Taylor: Minister, I want to go back to what we were talking about just before we got cut off because of time allocation, the AGLC building.

Mr. Mason: Yeah.

Mr. Taylor: The AGLC is building a new warehouse in St. Albert so Connect Logistics can increase the inventory of alcohol products stored before distribution. Is that correct?

Mr. Mason: Yeah. It's a bigger warehouse if that's what you're asking.

Mr. Taylor: It's a bigger warehouse. Okay. Is AGLC self-financing that infrastructure project, and is Alberta Infrastructure involved with the project in any way?

Mr. Mason: Yeah. We're doing the project management. I think of the various boards and committees the AGLC probably has a little more money than most of them, and they're actually paying for the warehouse.

Mr. Taylor: Oh. That's great. So some have suggested that the old AGLC warehouse will become a centralized distribution for legal recreational marijuana. If this is not the case, what will happen to the old warehouse?

Mr. Mason: Well, I think you're going to have to ask the AGLC. That's actually quite a good idea.

Mr. Taylor: It's more infrastructure, right?

Mr. Mason: I'm going to go to my constituents and say: the Wildrose has got a great idea here.

Mr. Orr: We have more than one.

Mr. Mason: Yeah, but I'm going to talk about that one.

Mr. Taylor: So on page 177, the departmental capital acquisitions, line 7.2, the 2013 Alberta flooding, reconstruction and accommodation, there is \$2.249 million budgeted for the flood-recovery plan, the High River community resource centre. The estimated cost for the project was \$16.7 million, according to alberta.ca, major projects, and according to the website it states that it's still under construction. Why do you need \$2.3 million this year to complete a project that was started in 2015 and that was estimated to cost \$16.7 million?

Mr. Mason: I'm going to get you to repeat the question if you don't mind.

Mr. Taylor: Okay. Why do you need \$2.3 million this year to complete a project that was started in 2015 and that was estimated to cost a total of \$16.7 million?

Mr. Mason: It's not actually an increase in the overall budget, hon. member. It's money that wasn't expended last year because we didn't get the progress that we'd hoped, and it's been carried forward into this budget to finish the project. My understanding is that the project still is going to be within the \$16 million budget item.

Mr. Taylor: Okay. So will it be completed this year, do you think?

Mr. Mason: I hope so. I think so.

Mr. Taylor: Okay. Excellent.

How much have you put towards the floodgate in this budget?

Mr. Mason: I'll get you that information.

Mr. Taylor: To protect the High River.

Mr. Mason: Yeah. So it's a community resource centre – right? – that we're talking about? High River community resource centre?

Mr. Taylor: Yes.

Mr. Mason: And it has a floodgate?

Mr. Taylor: That's the centre structure. That's a bridge.

Mr. Mason: Okay.

Mr. Taylor: They're putting in floodgates.

Mr. Mason: I'll just get some information, but is it in this line item?
11:10

Mr. Taylor: It is in line 7.2, under flooding reconstruction.

Mr. Mason: I have 7.2, reconstruction and accommodation. That just covers the resource centre.

Mr. Taylor: Okay. Line 7.1 rather than 7.2. How much did the Alberta government dole out to buy properties across the province after the 2013 flood?

Mr. Mason: We don't have that total, but we'll get it for you.

Mr. Taylor: That would be perfect if you could.

How many of these homes have been sold, and how much money now has been recovered?

Mr. Mason: All structures received bids. There are five confirmed sales with three structures in the process of being prepared for relocation. Other bidders have until the end of day on April 26 to return the completed purchase and sales agreement, purchase funds, and moving security. Currently documents are out for bids to professionally clean seven structures that failed air monitoring criteria. Once they've been cleaned, the structures will be reassessed, and if all test results pass, the structures will be listed for auction.

The Chair: I apologize to interrupt. The time allotted has concluded.

We'll now move on to Mr. Drysdale with the PC caucus. Continue going back and forth?

Mr. Drysdale: Yes, please.

The Chair: Please go ahead.

Mr. Drysdale: I wasn't quite done with our unfunded list there, so I'll just finish that off because I'd be in trouble if I didn't bring up my favourite topic of the Beaverlodge hospital. It's not on the unfunded project list. I guess, as we've seen, that doesn't really mean a lot, so that's okay. You know, they've done a lot of work in the last few years, and they've done a functional plan; they've done a needs assessment. You know, AHS was out there last fall and did lots of work with public consultations, all been done, and the Department of Health is supportive of it. They say now that it's given to Infrastructure for the design work. Here's one, as your quote last year: you've got to do the design and the needs assessment and the business case. That's all been done, and Health said that it's sent to Infrastructure for design. You've had money in your budget for three years now to design rural health and have always told me that that Beaverlodge design is in that rural health budget, but nothing has been done for three years. You've got it in there again. Are we going to actually do something this year on that?

Mr. Mason: I think that we're waiting for direction from Alberta Health with respect to that.

Mr. Drysdale: Well, Alberta Health has said that they've given it to Infrastructure to design.

Mr. Mason: To design. Oh, the design.

Mr. Drysdale: And you've got money in your budget to design it, but you've had it there for three years.

Mr. Mason: Okay. I'm informed that we have not been directed to proceed with that right now by . . .

Mr. Drysdale: Okay. I'll take that up with the Health minister, then. Nonetheless, Minister, you know, this project, you can say: well, Health has to tell us. I mean, they're not wanting this hospital anymore. They have a hospital there now. They're not wanting any more than they got. Like, operations won't change. It's actually an Infrastructure concern because the building is . . .

Mr. Mason: Because of the condition of the building.

Mr. Drysdale: Yes. I mean, there's . . .

Mr. Mason: But I think it has to depend on a decision in terms of redesigning a newer facility. You know, I think people are very reluctant to invest in a building that might be replaced.

Mr. Drysdale: No. I get it. That's been going on for years, and I'll take responsibility for that, too, but I just would like to see something, you know, move forward. We've had money in the budget for rural health facilities designs for three years. None of it's been spent, and it's back in there again this year. I would just hope that maybe this year something will get done. The Health department has said that it needs to be done.

Anyway, there seems to be a little bit of a pass the buck between Health and Infrastructure, so I'll ask the Health minister as well again. She was in the community this January and did a public announcement that she supported it and that it would be sent to Infrastructure for design.

Mr. Mason: I won't go into the details, but there's been about \$2 million completed with respect to that hospital over the last five years or so, and we're currently in the process of doing another 1 and a half million dollars' worth of work on the hospital. It's not that nothing has been done.

Mr. Drysdale: No, no. I never said nothing. But, I mean, how much do you keep putting into an old facility where we've got OSB on the outside for 10 years getting weathered? OSB is not a very good finish for the outside of a building, and it's been there 10 years. You know, if you ever find time to visit the facility yourself, I think you'll see that it's probably one of the highest needs in Alberta. I've visited most of them at one time.

Mr. Mason: I agree.

Mr. Drysdale: Anyway, I have to bring that up, or I'd be in trouble, Minister. And I'll keep asking the Health minister as well.

I'll move on to a couple more questions. It was touched on a bit before about the building Canada fund, and you listed it. What I was looking for is a list of projects that have been sent to the federal government for this program. I know you listed off a bunch there that I couldn't find in the budget document. You know, they're probably all in here, but which ones were actually sent for the building Canada fund. If we can get that list.

Mr. Mason: Okay.

Mr. Drysdale: I know you've sent it in. Do you know when we'll know or when we'll have approval on some of those projects?

Mr. Mason: We're talking about . . .

Mr. Drysdale: The building Canada fund. You've submitted them, and it's the feds that have to – you know, they've done some.

Mr. Mason: They're reviewing our business cases. All the business cases have been submitted. We're hoping that we're going to hear from them soon with respect to that. I know that initially they wanted to get it out the door really fast, but the process of preparing and reviewing business cases has slowed down the process beyond, I think, what the federal government had hoped.

Mr. Drysdale: Anyway, good on you for submitting. I take it that that's soon, I guess. Hopefully, we'll hear soon.

Mr. Mason: We're hoping. Yeah. The cheque is in the mail, I guess.

Mr. Drysdale: Okay. I get it. I know you don't control that.

I just wanted to comment, since you brought it up earlier, on the changing of light bulbs. I agree that it's a maintenance thing. You can do it as they, you know, burn out and switch to LED. That's what I've been doing for the last few years in my place. I think I've got most of them now. I know that most of the people that I know and Albertans have been doing the same thing, so a lot of us have changed to LED. That always brings the question: why are we being punished, and the guys that weren't doing the right thing are now being funded to do it? I know you're probably going to dodge that question, but I thought I'd ask it.

Mr. Mason: I think that's a good guess.

Mr. Drysdale: You're going to say that it's Environment.

Mr. Mason: Well, it is.

Mr. Drysdale: So the good operators are giving money, so the guys that did nothing are now getting free bulbs, after I bought all of mine. Anyway, we'll move on.

An Hon. Member: Submit your bill.

Mr. Drysdale: I won't bother.

Mr. Mason: That's the price of leadership, Wayne.

Mr. Drysdale: Yeah. Okay.

I'll just get to a few more here. I think it was in supplementary supply – it doesn't matter – that Education transferred \$100 million out of capital to put into maintenance and renewal. That's good. Maintenance and renewal: we always need to do more of that. It was said before that we never had enough money in capital to build all the schools we committed to, yet now we're taking \$100 million out of there. I assume that there's extra money there in capital for schools?

11:20

Mr. Mason: I'm going to get my deputy minister to give you an answer to this.

Ms Flint: One thing that we have done is that we continue to finish the 200 schools that were announced as part of the budget. As well, Education did announce the building of 25 schools each year for the next three years, so we continue to invest in education infrastructure as well as looking at maintenance of some of the existing infrastructure that we have.

Mr. Mason: The capital plan shows an overall decrease for schools of \$472 million over four years. Is that what you're referring to?

Mr. Drysdale: Well, no. I mean, I get it. Lots of the schools have opened, and the projects have been really good, so the capital is going to decrease. But the Education minister said that he transferred \$100 million out of capital into maintenance and renewal. He said that they didn't need that \$100 million in capital. It's confusing because you've said in the past that there was never enough money budgeted for all these capital projects. So I'm just confused on that. Hopefully, you can clarify.

Mr. Mason: Okay.

Mr. Drysdale: So there's lots of money in capital, then. There was \$100 million extra, I guess, is what you're saying.

The Chair: I apologize for interrupting, but the time allotted has concluded.

We'll now move to government caucus again. Would you like to continue sharing your time?

Mrs. Schreiner: Yes.

The Chair: Okay. Please proceed.

Mrs. Schreiner: Thank you, Mr. Chair. Minister, I have one more question for you, and then I'd be happy to pass it on to my colleague Mr. Piquette. As we know and as is stated on page 95 of the business plan, we have infrastructure deficit across the province, and as much as we would like to, we cannot possibly address every project at once. Minister, recently you visited Red Deer along with the Minister of Justice as well as the Premier to announce the capital submission funding for the Red Deer justice centre. I wish to take this time to once again thank you for your consideration for the constituents of Red Deer as well as central Albertans. I must say that since the announcement, I've heard from judges, lawyers, and constituents about how happy they are with this wonderful announcement for central zone. It was a dire need for many, many years.

Considering the needs for infrastructure in Alberta, my question to the minister is: how are capital projects chosen? Would the minister please explain how potential bias is addressed in the process?

Mr. Mason: We carefully review the projects to make sure that they align with government priorities. We take into account the need to enhance access to services. We take into account the condition of the facility, which may include a check on the health and safety concerns that might be around a given facility, its functionality, and the degree to which it's been utilized. So it's all of those things. That criteria list is on the Infrastructure website, so I encourage you and others to have a look at that.

It works like this. Treasury Board and cabinet identify government priorities and determine the overall size of the capital plan. Then we send a request officially to all the ministries, asking them to identify their priorities for the capital plan. They, in turn, consider the input that they get from their stakeholders, from their municipalities, and from the MLAs in terms of what are the needs of the community, what kind of things are important to provide for the safety of the public, to provide for improvement to the quality of life, and to provide for economic growth and development. All of those are important priorities to us.

Then the capital plan submissions come from the department to the ministers' capital committee, which consists of a number of officials as well as the Minister of Finance and myself, and we review them to see that they align with government priorities and so on. We then submit proposals to the Treasury Board and then to cabinet for a final capital plan as well as an unfunded capital project list. So that's the process that's followed in the development of the capital plan.

Mrs. Schreiner: Well, thank you for that, Minister, and thank you for answering all my questions today.

I know Mr. Piquette has a few questions he'd like to ask.

Mr. Piquette: Thank you, Kim.

Minister, I guess, first, I'd like to preface my remarks as well to thank you for the infrastructure projects that have been announced for our area. I know that in the Legislature we like to say: two pipelines. When I go back to my riding, I like to say: two bridges. I know that the bridge across the Athabasca River and the Fort Saskatchewan bridge are long overdue and are really going to, you know, help improve safety through the factors you've mentioned.

Mr. Mason: I was going to say that I only approved one bridge. But if you count Fort Saskatchewan, yeah. Okay.

Mr. Piquette: Yeah. Well, I count that one. Actually, one side of it is still in my riding. Lamoureux is, actually.

Mr. Mason: Oh. Is that right? Okay.

Mr. Piquette: Yeah. And the traffic definitely backs up there.

Also, I think that the intersection improvements – well, I mean, putting a new intersection at 28A and 643 as well as along 643 are really going to help improve the safety of workers and residents there.

Now, one area, you know, where we always seems to see a concern about a lack of facilities, with the always-increasing demand, of course, is in health. This has been previously alluded to. I understand Infrastructure builds health facilities for Alberta Health and that the budget for these projects is found in your ministry's capital budget. Would the minister, through the chair, please provide an overview of what is allocated to help infrastructure and indicate for us where it is accounted for in the estimates?

Mr. Mason: Sure. We've allocated about 4 and a half billion dollars for health infrastructure. I mentioned that a bit earlier. You know, it's important to – obviously, you don't have to explain why it's important. I mean, people understand the importance of this. It includes \$400 million for planning and implementation of a new hospital in Edmonton. As has been identified in earlier questions, that's not going to be the all-in price, but this will get us moving in the right direction.

There'll be \$155 million for a new child and adolescent mental health facility at the Royal Alex; \$131 million for a new continuing care facility in Calgary, that'll be for complex cases in particular; \$65 million for modernization and emergency room renos at the Misericordia hospital in Edmonton; and \$28 million for upgrades to the power plant at the Foothills medical centre. So there are 10 projects under construction and another 16 that are in planning and design.

In addition, there's another \$600 million over the four-year plan allocated toward health care facility, capital maintenance, and renewal.

You asked where it is in the estimates?

Mr. Piquette: Yes.

Mr. Mason: Page 177 at the bottom, capital payments to related parties, 2.2 and 2.66.

Mr. Piquette: Thank you very much, Minister.

You've actually anticipated my next question. I was going to ask about improvements to the Misericordia and Royal Alexandra, you know, considering that a lot of my constituents in particular would depend on the Royal Alex for major surgery. That's welcome.

Now, turning to the unfunded capital projects list, as Mr. Drysdale had already alluded to, of course, the list, formerly known as the sunshine list, is one that many have shown interest in.

11:30

Mr. Mason: I just want to clarify that the sunshine list name has been stolen from us, and it applies to the list of salaries of government senior staff and officials in the agencies, boards, and commissions. That is where the sunshine list went, just so you know.

Mr. Piquette: Okay. I think that's good to clarify for the record.

Mr. Mason: Yeah. We couldn't have two sunshine lists.

Mr. Piquette: Well, that's good.

Now, of course, you know, there are several priorities for my riding that are on that list: Athabasca University's IT infrastructure ask, H.A. Kostash school in Smoky Lake, Holy Family Catholic school in Waskatenau as well as the highway 28 roundabout in Waskatenau. I mean, these are kind of varied projects, I guess. Maybe once again for the record you might be able to clarify just what kinds of projects end up on this list.

Mr. Mason: Well, they're basically projects that we'd like to do. They've had a certain level of, you know, evaluation, they're found to be needed, and they are a current priority of the responsible department, essentially projects that we think are good projects that we would like to do but that we just don't currently have the money to do.

Mr. Piquette: Okay. Then, I guess, would these projects listed there be included in upcoming capital plans?

Mr. Mason: In most cases, yes, but not necessarily. As we heard earlier, sometimes the priorities change, and projects are removed from the unfunded capital list without going into the capital plan. I have a list of some of the ones that were removed from the unfunded capital list, a number of schools that have been removed.

The Chair: I apologize for interrupting. We will now move back to the Wildrose opposition caucus. Mr. Taylor, you'll continue sharing your time?

Mr. Taylor: Yes. I would like to be sharing my time with the minister if that's okay.

The Chair: Go ahead.

Mr. Taylor: I'm going to go to the Fort McMurray fire, if that's good, page 177, capital grants, line 7.2, reconstruction and accommodation. We know that the government financially helped out tremendously after the 2013 floods and that there was even a line item designated in the budget toward that tragedy. How much of the Infrastructure budget is going specifically toward the fire that devastated Fort McMurray last year, and what line items would that fall under?

Mr. Mason: Basically, there aren't any significant capital expenditures related to the fire in our budget. We were going to be providing, you know, mobile homes for temporary accommodation, and that proved unnecessary, so I think the answer is pretty much that there aren't any.

Mr. Taylor: Okay. After the Fort McMurray fire was there any damage to the Keyano facilities, and did insurance cover any of the costs?

Mr. Mason: We'll get you that information. I think that was part of the – I'm not going to speculate. I don't think there was, but I'll get you the information.

Mr. Taylor: Okay. I appreciate that.

There was \$7.79 million that we see here in the budget. Where is that money being spent at Keyano, and what are the upgrades?

Mr. Mason: Can you identify the line item in our budget?

Mr. Taylor: That's the capital plan 2017-21, and Keyano College would be the second bullet after Advanced Education down there on page 1 of 10.

Mr. Mason: In whose budget?

Mr. Taylor: That's the capital plan 2017 to 2021.

Mr. Mason: Okay. I've got a little information. It's actually Advanced Education's budget. For Keyano College there are upgrades, repairs for structurally unsound walls for the large maintenance bays and the lab spaces, and it's currently in the planning and design phase.

Mr. Taylor: Okay. Well, thank you for that.

I'd like to just turn the page over to the next one, which would be the Swan Hills Treatment Centre. We're looking at the estimates on page 176 under Property Management, line 4.2, the Swan Hills Treatment Centre investments, and at page 177. I see that \$6 million in capital is to be sunk into the Swan Hills Treatment Centre. Does this have anything to do with the test burns of medical waste?

Mr. Mason: What a good question that is.

Mr. Taylor: Well, it's important to the guys in Wainwright.

Mr. Mason: I think the answer is no. There are ongoing inflationary increases that have been anticipated, and I think that is basically where that's at.

Mr. Taylor: I was going to ask: are you doing some test burns of medical waste, and how are they going? I understand that's been happening.

Mr. Mason: We'll get that for you. I'm not aware of it.

Mr. Taylor: Okay. We know that the previous government took markets away from Swan Hills, hence why the privatization of the facility failed. Has the NDP government considered any changes to legislation to create markets for Swan Hills? Test burns could be happening, I guess.

Mr. Mason: Yes, we have considered a variety of things – you mentioned medical waste – waste from the oil field sector. The answer to your question is yes. Basically, it was set up to burn PCBs, and they're pretty much burned. Then it creates challenges in terms of finding additional, you know, things that can be provided. The information I have is that the Swan Hills Treatment Centre is looking to expand the types of waste processes and has recently received approval from Environment and Parks to treat biomedical waste, which is what you were saying.

Mr. Taylor: Okay. Well, thank you for that.

Page 177 of the estimates, line 6, realty services. It is my understanding that there are numerous surplus facilities around the province like the old Carmangay hospital. Inquiring minds would like to know when surplus facilities will be put up for sale.

Mr. Mason: They're put up as they are available to be put on the market. We do put them up for sale. You want to know specifically about the Carmangay?

Mr. Taylor: Sure. Yeah. If you could tell me when the Carmangay is going to be going up for sale.

Mr. Mason: We'll get you that.

11:40

Mr. Taylor: Okay. That would be perfect. Thank you.

I'm going to go to page 96 of the business plan, key strategy 1.2 and business plan performance measure 1(a). Now, it seems to be

disappointing that the targeted physical condition of health facilities in 2019-2020 matches the 2015-2016 actuals. This government has increased the provincial debt astronomically, and citizens will be on the hook for massive interest payments that could be put towards our capital funding, yet these measures say that we are not improving things in the health facilities. What's up with the recent assessment information indicated in note 5 at the bottom of the page? If you look at the bottom of the page, in mouse print you'll see it.

Mr. Mason: We're expecting the condition of health facilities to remain relatively steady over the next three years. It's expected that new health facilities and updates to the condition of individual buildings will result in small changes to the overall condition of health facilities. We have projects in Medicine Hat, Lethbridge, Grande Prairie, High Prairie, Edson, and Fort McMurray in upcoming years that will have a positive impact on the overall condition rating. The 2016 capital plan allocated \$600 million over the next four years for capital maintenance and renewal to specifically target health maintenance requirements.

Mr. Taylor: Page 176 of the estimates, line 8.1, green infrastructure: can you explain what that money is for?

Mr. Mason: That's basically annualizing the cost of integrating climate leadership work into our capital project and planning delivery functions.

Mr. Taylor: Okay. Well, thank you for that.

The Chair: I apologize for interrupting. We will now move on to the PC caucus. Mr. Drysdale, you'll continue sharing your time with the minister?

Mr. Drysdale: Yes, I'd like to share it back and forth.

The Chair: Go ahead.

Mr. Drysdale: Minister, I was actually done with it, but it seems that one of your own government members brought the sunshine list back up.

Mr. Mason: Thank you so much for that.

Mr. Drysdale: I just can't help it if it brings back a little bit of déjà vu. I mean, you said that the name was stolen. It wasn't really just the name of the old sunshine list that was stolen. You always said that munis needed to know five and 10 years out when their capital project was going to be built. That was the reason for the sunshine list. The answer you gave today, Minister, was that priorities change. I think that's the same answer that I gave you quite a few times in the House, so it was pretty déjà vu.

Mr. Mason: You know, just on this one, I'm certainly going to give the former government a pass on this one because in opposition there was a general feeling, mostly from the Wildrose but partly from us, that the government was playing politics with the priorities of schools. We had, to my recollection, Mr. Anderson. When he was Wildrose, you know, after he was a Conservative but before he was a Conservative again, he was certainly arguing that his and other Wildrose constituencies were being passed over for badly needed schools. He represented Airdrie. I think the government brought in a plan that did actually build some schools in Airdrie.

The assumption that we made was that there was a secret list that the government was not releasing and that they were fiddling with it for political purposes. I said this at the very first estimates, hon.

member, two years ago, that when I got there, I looked for the list, and there wasn't one.

So the question was, then: where do you go – it's not just a matter of taking a list and making it public – in terms of trying to provide more transparency in terms of the capital projects? What we came down to was: if it's not an approved project, what status does it have? I mean, it could be somebody's hare-brained idea, and you don't put that on a sunshine list, right? So the way I settled on it was that if we've sort of evaluated it, we consider that it's a legitimate and a needed project and should be a priority but we can't afford to pay for it at the moment, that's when it goes on the list. We've tried to adhere to that.

Then the question of: can you rank them? Well, you know, you evaluate a school according to different priorities than a highway, or you evaluate a hospital according to different criteria than a museum. So it didn't make sense just to give everything a number and say that we're going to proceed methodically down the list. That's how it came about.

And I just think – in fairness, I acknowledged that, you know, Mr. Anderson may have been mistaken and some of us as well in accusing the previous government of having this secret list.

Mr. Drysdale: Well, thank you for that, Minister. You've got your job figured out, and I know you have capable staff that evaluate the projects and priorities, and that's what we use to move forward. That's the way it's been done, and it looks like you continue to do it, so good for you.

Earlier you talked about a sign on a project, Minister.

Mr. Mason: Yes.

Mr. Drysdale: I think it's good to put signs up so the public knows what's coming. That leads to the question: are you going to put signs up on the new school project?

Mr. Mason: I hope so. I very much hope so.

Mr. Drysdale: That's good.

Mr. Mason: It has been a source of constant amazement to me that we can mobilize hundreds of workers, dozens of pieces of heavy equipment, that we can half build a major overpass, and, you know, we're halfway built before we can actually get a sign approved.

Mr. Drysdale: That's good, and I agree with that. I seem to remember us getting criticized about signs in the past, but I'm with you on that.

Mr. Mason: Well, you had the Premier's name on it and the fact that she had a QC. That was the problem. There's nothing wrong with identifying a project and saying, you know, how much it cost, when you're going to complete it, how many jobs it may be creating. I think that's legitimate for any government to do. But you shouldn't use it as political advertising. We made sure that our signs are not orange. Just saying.

Mr. Drysdale: Okay. Minister, you answered another government member's question, too, that construction on the 26 new schools would begin next year. You know, I ask some of these questions just as an opposition member so you have some information for the future. But I'd be surprised if you were building a lot of schools next year. It usually takes two years to do the planning and the permitting and the tendering, like you've always said in the past. So if you can get it done and you're going to be in the ground in a year, good for you, but I never could get that done.

Mr. Mason: I think the answer was: we're hoping that the first one might be in the ground but not a guarantee and certainly not all of them.

Mr. Drysdale: That's good. That's a little different answer, but that's good.

Just a question on: do you have any new methods of procurement? I know when I was there, we were working on some stuff. Right or wrong, some of our procurement in the past hasn't always been, I think, as good as it could be. We were working on new methods of procurement. I'm just wondering if you've been doing any.

Mr. Mason: Yeah. There are a couple of things I can say about that. We've received strong advocacy from the Consulting Engineers association to use quality-based selection, or QBS. It's used in some places. We haven't done it before. It basically involves assessing proposals based on their merit before you look at price and then going and negotiating on price. I think the concern is that that might drive costs higher, but also the argument is that if you do the planning and the engineering well at the front end, you'll save costs, you know, down the road in terms of the construction. So what we've decided to do is a couple of pilots to look at that. We see that there are also other jurisdictions, I think, Calgary for example, that use this, so we can draw from existing experience as well.

11:50

In terms of procurement in general, we are in the process of trying to develop a new proposal for procurement on a government-wide basis, starting with construction. Now, that's not approved yet, but the hope is that we will be able to focus on promoting more innovation. Companies have said to me, "Well, you know, instead of just prescribing exactly how we have to do everything, why don't you just tell us your bottom-line goal – like, what is it you're trying to accomplish? – and let us come up with the idea?" I think that's worth taking a look at. Maybe the private sector can actually give us some ideas that we haven't thought of. I don't think that's a bad idea.

I also don't think it's a bad idea to try and find ways to focus on local procurement, to give more opportunity to Alberta firms and Alberta workers where that's consistent with trade agreements.

Of course, greening the procurement as well and reducing our carbon footprint as a whole, I think, are also objectives.

I'd like to find ways to improve our procurement and modernize it and just loosen it up a little bit. You know, you have to protect the taxpayer, and you have to protect government funds, and you don't want to be taken for a ride by anybody or to get substandard work. That's the trick of it. Otherwise, I think we can be a little more open to new ideas.

Mr. Drysdale: Good. Thanks, Minister. I think it's important that you look at that, and I'm glad to hear you're continuing with it.

Next, I'm going to go back to playgrounds for schools. That was always an issue, and I know we were working with Education to when you build a new school, put a minimum playground with it. There was nothing. So this new money in the capital plan for playgrounds: you've got \$5 million a year. Will some of that money go to the new schools?

The Chair: My apologies for interrupting.

The final seven minutes will be for the ND caucus. Would you like to continue to share your time, Mr. Piquette?

Mr. Piquette: Yes, I would. Thank you, Mr. Chair.

The Chair: Please proceed.

Mr. Piquette: Yeah. Actually, on the subject of school construction, as has been previously mentioned, of course, school construction falls under both Infrastructure and Education. Now, I was wondering if the minister could explain what the department is doing to address concerns from the office of the Auditor General about role clarification between Education and Infrastructure and how it relates to school construction.

Mr. Mason: Sure. Well, we were asked by the Auditor General to clarify the roles of the different departments and the responsibilities and what authorities make what decisions, so we worked with Alberta Education, the two departments worked together to develop a memorandum of understanding about how that would work between the two departments as well as what's called a RASCI document, which stands for responsible, accountable, support, consult, inform. That is to make sure that the communication takes place in a systematic way, things don't fall down the cracks. The MOU was finalized earlier this year, and we're expecting that it'll be in place, you know, over the long term. The RASCI identifies in more detail the roles, expectations, and tasks for the ministries and their jurisdictions, and it will be reviewed annually and revised as required.

Mr. Piquette: Okay. Thank you.

Would the minister please explain what outcome 2, "Alberta's public infrastructure is effectively managed and environmentally sustainable" – that's in the ministry business plan on page 97 – refers to and how the department is working to achieve that outcome?

Mr. Mason: Okay. Sure. Performance measure 2(b) focuses on the cost of office space, and we use it to compare the average annual operating cost of government-owned and -operated facilities to the cost of the space that we lease from private facilities. The measure indicates how effectively the department is managing operating costs, which allows the department to identify opportunities for improvement. The targets for operating costs are to be within 5 per cent, above or below, of the average operating cost of office space in privately leased facilities. Aging facilities and inflationary pressures such as utility and contract increases also have a direct impact on the operating costs. So the objective is to, you know, benchmark ourselves against private leasing costs and to do better.

Mr. Piquette: Okay. Well, thank you for that. That kind of clarifies that for me. I had a follow-up question, but maybe I'll just move on.

Staying in the same area, I note that there's a new performance measure that I don't remember seeing last year. I have to state that I'm happy to see that the ministry seems to be always working on improving their processes. Perhaps the minister could explain why performance measure 2(c) is now included in the business plan. It's on page 97 as well.

Mr. Mason: Yeah. Sure. I'll just read it: "Net greenhouse gas emissions intensity in metric tonnes of carbon dioxide equivalents per square metre of government-owned and operated facilities." That's a new measure, as you mentioned. It was in the last business plan as a measure that was under development. It just measures the annual emissions relative to the size of the facility, right? It allows us basically to manage our emissions. It gives us a benchmark that then we can work to improve upon. The overall objective is to give the tools to government to allow it to reduce its carbon footprint over time, and that's very consistent with the goals of the government.

Mr. Piquette: Very interesting. Thank you.

Mr. Mason: Oh, I had another little piece for you here.

Mr. Piquette: Oh, please.

Mr. Mason: The methodology has been confirmed by the Alberta climate change office. It's aligned with the Global Reporting Initiative, the greenhouse gas protocol, Environment and Climate Change Canada, and Natural Resources Canada.

Mr. Piquette: Okay. Well, that's good. I'm very glad to see that as a government, you know, your ministry is actively working to reduce our carbon footprint and that we're, I guess, walking our talk.

Keeping in the same area, what do the targets under this performance measure we've been talking about say about the department's ability not just to set a baseline but to actually reduce greenhouse gas emissions?

Mr. Mason: Well, I think there are a lot of different things that we're doing. We're moving towards more generation of electricity, microgeneration with the facilities. We're looking at the standards. The LEED silver standard was established by the previous government. It was a very progressive standard at the time, but it's no longer state of the art. There are a number of different standards that could be applied, not just the LEED standard. There are different ones as well. We're doing work in a number of government facilities to reduce the energy impact, and we're going to be moving towards providing more capacity to put solar on various government buildings. We're looking at making sure that the government's purchase of electricity is green. That's another initiative of the previous government that we want to build on.

The Chair: I apologize for the interruption, but I must advise the committee that the time allotted for the items of business has concluded.

I would like to remind committee members that we are scheduled to meet next on April 18, 2017, at 3:30 p.m. for the consideration of the estimates of the Ministry of Education.

Thank you, everyone, for attending. This meeting is now adjourned.

[The committee adjourned at 12 p.m.]

