



Legislative Assembly of Alberta

The 29th Legislature  
Fourth Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Infrastructure  
Consideration of Main Estimates

Monday, April 16, 2018  
7 p.m.

Transcript No. 29-4-7

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The 29th Legislature  
Fourth Session**

**Standing Committee on Alberta's Economic Future**

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van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP), Deputy Chair

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Clark, Greg, Calgary-Elbow (AP)  
Connolly, Michael R.D., Calgary-Hawkwood (NDP)  
Coolahan, Craig, Calgary-Klein (NDP)  
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**Also in Attendance**

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## **Standing Committee on Alberta's Economic Future**

### **Participants**

Ministry of Infrastructure

Hon. Sandra Jansen, Minister

Dave Bentley, Assistant Deputy Minister, Properties

Shannon Flint, Deputy Minister



7 p.m.

Monday, April 16, 2018

[Mr. Sucha in the chair]

**Ministry of Infrastructure  
Consideration of Main Estimates**

**The Chair:** Good evening, everyone. I'd like to call the meeting to order and welcome everyone. Before we begin, I'd like to acknowledge that we are commencing this meeting on the traditional territory of the Treaty 6 people.

The committee has under consideration the estimates of the Ministry of Infrastructure for the fiscal year ending March 31, 2019.

I'd ask that we go around the table and have MLAs introduce themselves for the record. Minister, when we get to you, could you please introduce the staff that are joining you at the table today. I'm Graham Sucha, the MLA for Calgary-Shaw and the chair of this committee. I will move to my deputy chair, to my right.

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

**Mr. Taylor:** Wes Taylor, MLA, Battle River-Wainwright.

**Mr. Schneider:** Dave Schneider, Little Bow.

**Mr. Gotfried:** Richard Gotfried, Calgary-Fish Creek.

**Dr. Starke:** Good evening. Richard Starke, MLA, Vermilion-Lloydminster.

**Ms Jansen:** Sandra Jansen, MLA for Calgary-North West and Minister of Infrastructure. Joining me are my staff: Faye McCann, our senior financial officer; Shannon Flint, my deputy minister; and Brandy Cox, my assistant deputy minister of corporate strategies and services.

**Mr. Dach:** Good evening. Lorne Dach, MLA, Edmonton-McClung.

**Mr. Coolahan:** Happy spring. Craig Coolahan, MLA for Calgary-Klein.

**Ms Fitzpatrick:** Good evening. Maria Fitzpatrick, MLA, Lethbridge-East.

**Mr. Carson:** Good evening. Jon Carson, MLA, Edmonton-Meadowlark.

**Mrs. Schreiner:** Good evening. Kim Schreiner, MLA for Red Deer-North.

**Mrs. Littlewood:** Good evening. Jessica Littlewood, MLA, representing the beautiful rural constituency of Fort Saskatchewan-Vegreville.

**Connolly:** Michael Connolly, MLA for Calgary-Hawkwood.

**The Chair:** Excellent.

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. 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 consideration of the main estimates, including the speaking rotations. As provided for in Standing Order 59.01(6), the rotations are as follows. The minister or the member of Executive Council

acting on the minister's behalf may make opening remarks not to exceed 10 minutes. For the next 50 minutes 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 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 wishing to participate must be present during the appropriate portion of the meeting. Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. The minister and a member may combine their time for a total of 20 minutes. For the rotations that follow, with speaking times of up to five minutes, the minister and a member may combine their speaking time for a total time of 10 minutes.

Discussion should flow through the chair at all times regardless of whether or not the speaking time is being combined. Members are asked to advise the chair at the beginning of their rotation 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 with either the chair or the committee clerk about the process.

A total of two hours has been scheduled for the consideration of estimates for the Ministry of Infrastructure.

Committee members, ministers, and other members who are not committee members may participate; however, only a committee member or an official substitute may introduce an amendment during a committee's review of the 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 microphone in the gallery area. Ministry officials are reminded to introduce themselves prior to responding to a question. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery should not approach the table. Members' staff may be present and seated along the committee wall. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the two hours, the ministry estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Otherwise, the scheduled end time is 9 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 House for the benefit of all members.

The vote on the estimates and any amendments is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on April 19, 2018.

Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for the committee members and staff.

I'll now invite the Minister of Infrastructure to begin your opening remarks. You have 10 minutes.

**Ms Jansen:** Thank you, Chair. I'm pleased to present Alberta Infrastructure's estimates for 2018-19. I have already introduced

my tablemates. Additional ministry staff attending the meeting are Dave Bentley, the assistant deputy minister of properties; Vince Farmer, the acting assistant deputy minister of capital projects delivery; and Jill Wheeler-Bryks, the director of communications. Also in the public gallery we have several other ministry representatives, including some of my office staff.

Our government knows that continued and strategic investment into infrastructure is critical to promoting growth, employment opportunities, and community wellness. That's why when our province was going through its worst recession in generations, we took action. Beginning in 2015 and in listening to the advice of former Bank of Canada governor David Dodge, we took a countercyclical approach to investing in infrastructure, taking advantage of low interest rates and available capacity in Alberta's construction industry.

We committed to continue building and renewing our schools, our hospitals, our roads, and other public infrastructure through one of the largest infusions of capital Alberta has ever seen. We made sure Albertans had jobs, we provided our cities and towns with much-needed economic boosts, and we worked to create even more vibrant, welcoming communities for Albertans to enjoy. Mr. Dodge advised that "the expanded capital plan is warranted at least through 2017-2018 when cost pressures are [at their] lowest." He said, "Capital spending can always be slowed somewhat in 2018 and 2019."

As we began planning for Budget 2018, the province's economic situation started to look up. In his advice David Dodge also said that when the economy begins to recover, government should bring spending back to a more normal level. But while the Conference Board of Canada said that Alberta's economy was leading the country, we knew that recovery was not reaching every community and every household and that we still had work to do.

So I circled back with Mr. Dodge. Going forward, he emphasized how important it was to remove any impediments to growth so that every corner of this province would have an opportunity to flourish. Based on this principle, my ministry led the development of Alberta's 2018 capital plan, working with all other ministries to determine capital priorities. We focused on careful and responsible spending, we worked to remove impediments to growth such as competing for resources and crowding out investment in private-sector infrastructure projects, and we returned government's capital plan spending to more normal levels.

At \$26.6 billion over five years, the 2018 capital plan ensures that the government's promises are kept. It delivers on critical public infrastructure projects while removing impediments to growth; it ensures that Albertans have jobs; it helps keep the province moving forward with its economic recovery; and it provides the schools and hospitals, roads and bridges, seniors' accommodations and affordable housing to ensure Alberta families have access to public infrastructure, that is much needed, for many years to come.

Alberta's families will also benefit as a result of the government of Canada infrastructure funding that is going to support public transit, green infrastructure, cultural and recreational buildings, and to help build rural and northern communities. On April 3 of this year Amarjeet Sohi, the Minister of Infrastructure and Communities, and I officially signed off on the Canada-Alberta integrated bilateral agreement which provides Alberta with over \$3 billion over the next 10 years through the federal government's investing in Canada infrastructure plan, or, as we call it, ICIP. I am pleased at the deal Alberta has negotiated with our federal partners. The ICIP funding complements our own capital plan investments, helping to provide communities of every size across Alberta the opportunity to drive economic growth and support families and businesses.

In addition to overseeing the delivery of Alberta's ICIP program, it's largely my ministry's responsibility to ensure completion of capital plan projects related particularly to health, school, and government facilities. Our efforts are guided by Infrastructure's 2018-21 business plan and its two desired outcomes. They're supported through Infrastructure's 2018-19 voted estimates, totalling nearly \$2.1 billion.

Of our budget total, the majority, or about \$1.5 billion, is in the capital investment vote. This is a decrease of \$153.3 million, or 9.3 per cent, from the 2017-18 forecast of \$1.6 billion. The decrease is mainly a result of the timing of cash flows needed to deliver approved school, health, and government facility capital projects. Funds in the capital investment vote align with desired outcome 1 of Alberta Infrastructure's business plan, which is that innovative, adaptive, and responsible infrastructure solutions meet current and future provincial needs. This outcome reflects Infrastructure's role in the timely, cost-effective planning, design, and construction of public facilities. Those are necessary to support the delivery of government programs and services to all Albertans.

7:10

Of the \$1.5 billion in our capital investment vote, more than half is dedicated to health projects. This includes \$616.8 million to build or renew a number of health facilities such as the Calgary cancer centre, the Foothills medical centre in Calgary, the Fort McMurray residential facility based care centre at Willow Square, the Grande Prairie regional hospital, the Medicine Hat regional hospital, the Norwood long-term care facility in Edmonton, and the Royal Alexandra hospital child and adolescent mental health project in Edmonton. It also includes \$130.5 million for health capital maintenance and renewal.

New for 2018-19 and the reason you may have noticed a significant boost to our total voted estimates, in particular to the capital investment, is the addition of \$525.6 million for school infrastructure. This is due to the transfer of responsibility and therefore funding from Alberta Education to Infrastructure for the delivery of the schools capital program and modular classrooms. This move ensures clear direction for accountability and responsibility between the ministries. It's another step Infrastructure and Education have taken to implement recommendations made by the Auditor General in 2016 about improving Alberta's school-building program.

Taking a look now at Infrastructure's 2018-19 expense vote, which, at \$547.9 million, mainly supports desired outcome 2 of our business plan, that "Alberta's public infrastructure is effectively managed and sustainable." It also reflects my ministry's efforts to effectively manage the province's land and building 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 these activities.

It also provides funding for ongoing capital planning activities in support of our capital plan. The expense vote is an increase of \$20 million, or 3.8 per cent, from the 2017-18 forecast of \$527.9 million. This difference is mainly due to an increase in school capital grants for the construction funding needs of the Peerless Trout First Nation schools.

Desired outcome 2 also reflects Infrastructure's commitment to reducing the environmental impact of government buildings. We are always looking for ways to increase the environmental sustainability in each new project that we take on and in how we manage our assets. By investing in energy efficient infrastructure, we are being responsible stewards of Alberta's money and our

environment. For example, at the Foothills medical centre power plant in Calgary work is under way to add a new combustion turbine generator for cogeneration. It's going to provide electricity with reduced greenhouse gas emissions and cost savings. In fact, the greenhouse gas emissions will be reduced by 27,000 tonnes per year once the project is complete in 2020. This will result in a net annual cost reduction of \$2.4 million per year for the life of the plant. The payback period is estimated at 11 years, with an annual return on investment of 4.6 per cent.

Guided by our business plan outcomes and focused on the strategic directions and investment of our government's capital plan, Alberta Infrastructure is committed to working with partner ministries and stakeholders such as school authorities and Alberta Health Services to continue to build, renew, manage, and maintain our public infrastructure, because when we do, we support our economy, we keep people working, and we ensure Alberta families and communities have access to the modern, efficient facilities they need in the future.

Thank you.

**The Chair:** Thank you, Minister.

For the 50 minutes that follow, members of the Official Opposition and the minister may speak. As mentioned, members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister's time, and discussion should flow through the chair at all times regardless of whether or not speaking times have been combined.

Mr. van Dijken.

**Mr. van Dijken:** Yeah. Thank you. I'll go back and forth if that's okay.

**The Chair:** Excellent. Please proceed.

**Mr. van Dijken:** Thank you, Minister, and thank you to your staff that's here tonight to try to help us understand more about what's in your business plans and in your strategic plan, your budgets, and I hope we can have a fairly good discussion with regard to the plans going forward.

I'm going to start with just some questions with regard to your ministry support services, page 182 in the budget estimates. I note a rise of about 3 per cent, \$25,000, over last year's forecast to \$780,000 to run the office. Was there a cost-of-living increase for staff, or where does that extra \$25,000 come from?

**Ms Jansen:** We had a \$25,000 cost increase from 2017-18 in our budget and forecast to the 2018-19 estimates, and that reflects full-year funding requirements for the ministry office activities. As you know, in October of last year Infrastructure and Transportation were split into two ministries, and costs were then split between the two ministries, which then became the separate ministries of Infrastructure and Transportation. That resulted in a \$25,000 increase.

**Mr. van Dijken:** Okay. If we move to, then, line 1.2, we see a fairly significant increase in the actual from 2016-17 to the forecast for 2017-18 and the estimate for 2018-19. Is that essentially part of that transition, having possibly an extra deputy minister or something like that in there?

**Ms Jansen:** Actually, what happened in the deputy minister's office, as you just mentioned: the actual for 2017-18 was primarily due to lower spending in 2016-17. That was related to staff changes, which resulted in some partial- and full-year staffing vacancies. The staffing changes were related to the transfer of the then deputy

minister and his staff to Transportation in July 2016. Then the new permanent deputy minister and staff commenced in mid-September 2016. So there was a three-and-a-half-month period, from July to mid-September 2016, where an assistant deputy minister and other staff within Infrastructure were acting in the vacated deputy minister office positions, with their pay continuing to be charged to their base positions within corporate strategies and services.

**Mr. van Dijken:** Okay. Thank you, Minister.

Line 1.4, corporate strategies and services, an increase of \$608,000 over last year, to \$17,048,000. Can you explain these increases?

**Ms Jansen:** There were higher than expected amounts being reduced from Infrastructure's 2017-18 forecast and reported by Service Alberta in 2017-18, resulting in a lower forecast in Infrastructure. That was for the enterprise information technology environment program, and it was transferred to Service Alberta on a comparable basis in Budget 2018. That included the transfer of two staff, the budget, and the responsibility from other areas inside the department, so offset by corresponding decreases in human resources and property operations.

There was a transfer of one FTE and related budget from Education to provide financial support for the school facilities capital program, that transferred from Education to Infrastructure. That was on April 1 of this year. There was the return of the budget from Treasury Board and Finance as an adjustment to the amounts previously identified under the communications and public engagement transfer – and that was of the responsibility of amendment regulation OC 275/2017 – and the transfer of budget from property operations to address funding shortfalls that we had within corporate services, corporate strategy and services, and that stemmed from a previous ministry reorganization.

7:20

**Mr. van Dijken:** Thank you, Minister.

I'm going to move on to maybe trying to get a better understanding of ministry co-ordination, how it's co-ordinated with the Health ministry, with Education, and that type of thing. I'm on page 183, the capital payments to related parties. We have here the capital budgets for schools and health facilities. In previous years school facility infrastructure had fallen under the Education portfolio, but Infrastructure provided support. Is that the way it was working before?

**Ms Jansen:** That's right.

**Mr. van Dijken:** Can you tell me: what determines whether or not you have spending powers for capital projects in other ministries? Are the decisions made by the other ministries, or is the responsibility on Infrastructure?

**Ms Jansen:** We have extensive consultation with all of our ministries to determine what they consider to be their priorities. For instance, Health gives us their priorities for what they'd like to see in the capital plan. We get that from all of our departments. We constantly have ongoing conversations about what those priorities are. Infrastructure itself would not set those priorities. Those priorities would come to us from the individual ministries.

**Mr. van Dijken:** Essentially, you work as a support role with the other ministries, as a support mechanism?

**Ms Jansen:** We build what they like us to build.

**Mr. van Dijken:** Ah, yes. Good.

Minister, now that we see with Education that Infrastructure has more control over those builds, is it conceivable that things like Advanced Education and the Alberta Social Housing Corporation and those types of entities would possibly in the future also come under more control of spending by the Infrastructure ministry?

**Ms Jansen:** Sorry. I'm wondering if you could just clarify.

**Mr. van Dijken:** Okay. When we look at the capital payments to related parties, your ministry is essentially in charge of the build within Alberta Education, if I'm understanding it correctly, and previously also with Alberta Health. The transition of control from Alberta Education to Alberta Infrastructure: the way I'm understanding it, it happened on April 1 of this year.

**Ms Jansen:** Right.

**Mr. van Dijken:** Do you foresee that that type of process would move into other capital spend projects within the government?

**Ms Jansen:** We don't see that as additional changes right now. Certainly, we handle the budget. When it comes to priorities for what projects we take on, we still speak to Advanced Education and, certainly, Education, and they give us the list of priorities that they want.

**Mr. van Dijken:** Okay. Thank you, Minister.

Then we go back to page 182, line 4.1, property operations. When we look there, we see a relatively steady increase to operating government facilities. Expenses are up \$12 million, \$12.8 million this year. Why are these costs up? Is that essentially just the cost of doing business?

**Ms Jansen:** You're on 4.1?

**Mr. van Dijken:** Yes, 4.1, page 182.

**Ms Jansen:** Property operations?

**Mr. van Dijken:** Yes.

**Ms Jansen:** We had a \$7.7 million increase from the 2017-18 forecast to 2018-19. That was primarily associated with the cost of managing and maintaining the government-owned facility portfolio at the existing service levels, recognizing that there are additional costs associated with aging facilities – our facilities get older every year – so that was \$6 million and some inflationary costs.

**Mr. van Dijken:** Okay. Thank you.

Would items like the carbon tax for things like the heat and electricity be under this line item also for plant operations?

**Ms Jansen:** Certainly, utilities fall under that line item.

**Mr. van Dijken:** One other question. We heard that there was a bedbug infestation at Neil Crawford centre last summer. Those types of expenses would fall under property operations also?

**Ms Jansen:** Yeah, they fall under properties.

**Mr. van Dijken:** Thank you.

Operating in this Edmonton Federal Building, we get to share the elevator with some of the public servants. They're wondering what happened to the cafeteria/restaurant that the building was supposed

to have, and as this is a property operations issue, could you provide some insight as to where that's at?

**Ms Jansen:** That is an interesting question. Hold on. Let me ask my deputy minister, who's furiously scribbling right now.

There is space in the building. We haven't moved forward with that yet. You know, when we look at how we spend money in Infrastructure, we look at our priorities. Certainly, it would be very nice to have that at some point in time. We're not moving forward right now, but it's something we can consider in the future. If you like the idea, you can certainly become a proponent of it.

**Mr. van Dijken:** Okay. I think it would do some good for AUPE morale. It allows them to have service right close to where they work.

Line 4.2, the Swan Hills Treatment Centre. The Swan Hills Treatment Centre is in my constituency. Has there been any consideration of new legislation or regulations in order to make markets for this facility? Currently we are projecting \$30 million worth of costs there for property management. When it was initially constructed, there was a hope that it would do a lot of work for other entities, other provinces, and so on. Is there anything in the works to try and move that forward?

**Ms Jansen:** Well, certainly, that falls under Environment and Parks, and I'm sure that they'd welcome the conversation.

**Mr. van Dijken:** I also see that on page 183, under the 4.2 line item, Swan Hills Treatment Centre again, the forecast is higher than what was expected. Is there a change in scope to the treatment centre? It went from a \$4.3 million cost to a \$6.85 million cost.

**Ms Jansen:** Which line item are you specifically referring to?

**Mr. van Dijken:** This is 4.2 on page 183.

**Ms Jansen:** Right.

**Mr. van Dijken:** It's capital acquisitions for the Swan Hills Treatment Centre. I know I toured the facility – I think that was in 2015 – and they were looking at some medical waste possibly being incinerated there. I'm just wondering if that's reflected in this capital acquisition.

**Ms Jansen:** There was a \$1.7 million increase from 2016-17 to the 2017-18 budget, and that was primarily due to lower spending in '16 and '17. If we go back to look at that, that was due to slower progress on capital projects, and that was a result of plant reorganization activities.

There was an \$857,000 increase from 2017-18 to the 2018-19 forecast, and that was due to the carry-over of unexpended amounts from 2016-17 for the delayed plant maintenance work that was scheduled to be completed in 2017-18.

The \$1.9 million decrease from the '17-18 forecast to the '18-19 estimate is primarily due to higher spending anticipated for the completion of plant maintenance. So there was a significant chunk of money spent on plant maintenance that was delayed from 2016-17 as a result of plant reorganization activities.

**Mr. van Dijken:** So there was nothing, really, to spend in capital on the change in the scope of the work being done there? I know they were trying to do some test burns of medical waste and that type of thing. I'm just wondering if you have any information on where that's at.



**Ms Jansen:** Well, we knew that Swan Hills was looking to expand the type of waste the facility processes. I think that's probably what you're referring to.

**Mr. van Dijken:** Correct. Yeah.

**Ms Jansen:** It recently received approval from Environment and Parks to treat biomedical waste. So that's a new piece that they're going to be doing at Swan Hills. I'm assuming that's what you were referring to?

**Mr. van Dijken:** Yes.

**Ms Jansen:** Right.

**Mr. van Dijken:** So it was recently approved. Is that, then, reflected in this year's budget? There will likely be some changes that need to happen there in order to do that.

7:30

**Ms Jansen:** Let me just check and see if that's the case.

**Mr. Bentley:** Dave Bentley, assistant deputy minister of properties. Basically, the plant can take the waste material as is, without any major adjustments to it.

As far as the volumes we're taking right now, I couldn't answer that right now, but I know that we are intending to have that, and it's not adding in any additional costs.

**Mr. van Dijken:** Thank you.

I'll go to page 182, line 6.1, Minister, realty leases. The expense for leases is down \$6.4 million over the last two years to 201 and a half million dollars. Has the department been able to shop for lower lease prices in the Edmonton-Calgary region? Is that reflected in these lower costs, or is it reduction in need?

**Ms Jansen:** The estimate is primarily related to the expected ongoing savings, and that's a result of the reduced rental rates. If you take a look at the current market trends right now, we're seeing those rates go down, and the number we have there is a reflection of that.

**Mr. van Dijken:** What efforts are under way to consolidate leases, trying to get lower costs with fewer facilities and less maintenance costs and that type of thing? What efforts are currently under way to try and reduce costs on that side?

**Ms Jansen:** Can you refer me to a line item?

**Mr. van Dijken:** We're talking with regard to property leases, the same line, 6.1.

**Ms Jansen:** If you look at the lease reduction projects that we have ongoing right now, Infrastructure currently occupies about 866,000 usable square metres of office space across the province. Fifty-four per cent of that space is leased, and the majority of that, as you mentioned earlier, is in Edmonton and Calgary. The annual cost of that leased space in 2016-17 was approximately \$200 million.

When we take a look at the density, as I'm assuming you're pointing to, the density of office space across the province is 30 square metres per person. This is one of the things that we looked at. Density in Edmonton is about 27 square metres per person, and in Calgary it's about 32 square metres. We realized we could see some significant budget savings if we reached an average density of 18 usable square metres in 80 per cent of the space in major centres. For instance, if you look at the Neil Crawford centre, which is not all that far from here, as the renovation was done, it was done

to reflect those new office space numbers. So you can see that the offices are taking up a little less room, and we're able to get more people into a facility quite comfortably.

Infrastructure really has undertaken about 20 projects – those are rolling out over the next three fiscal years – targeted at lease reduction. As new projects are approved, the annual lease savings and the reduction in space are going to continue to increase, and you're going to see that reflected in these numbers.

**Mr. van Dijken:** Okay. Maybe we should turn to page 185 in the estimates, expense amounts funded by credit or recovery. There's \$11,780,000 to property rentals. Are there any additional underutilized or empty government facilities that could be put on the market, rented out, or maybe provide some daycare spaces or the like? Is that an ongoing part of the property management, to identify those areas that are being underutilized?

**Ms Jansen:** We always look at our properties around the province with an eye towards how we best utilize them. That's one of those pieces that we're constantly examining and re-examining. As you can imagine, there are certain places, like Calgary for instance, that have a higher vacancy rate. One of the things we do is that we're constantly getting updates on what we have available in those areas. At the end of the day, the goal is to make sure that we use our dollars most effectively when it comes to those areas and not be spending money on property that we're not using.

We have about 16 properties, with a value of approximately \$43 million, and they're currently listed for sale on the open market, or they're being offered for direct sale. Given the uncertainty of sale proceeds and when sales will occur, there's not a line item in the budget for property sales, because we really don't know that until we make the actual sale.

**Mr. van Dijken:** Good. Thank you.

Line 4.4, accommodation projects, page 183: this is the line item that pays for the move of and sets up public servant offices. Are you expecting some moves this year with the projected increase?

**Ms Jansen:** Sorry. You're referring to which line item?

**Mr. van Dijken:** Line 4.4, accommodation projects. We're seeing it go up significantly, \$10 million.

**Ms Jansen:** Sorry. The question was what?

**Mr. van Dijken:** Are you expecting to see some moves with regard to this line item? Accommodation projects moves and sets up public servant offices. Maybe you could give me a further description of what's under that line item.

**Ms Jansen:** We've undertaken a number of projects that are going to result in a lease cost avoidance. In 2017-18 the accommodation of new or changing government programs within existing owned and leased space resulted in us not actually having to lease approximately 12,000 additional square metres of space. That was a saving we found. By using existing space, we actually saved about \$4.2 million a year in leasing costs that we didn't have to pay. Certainly, when we look at, you know, areas where we want to make sure that that consolidation takes effect, ensuring that we keep a close eye on our leases, what comes up and is available and making sure that we're using those properties most effectively, is something that we monitor very closely.

**Mr. van Dijken:** I have a question with regard to the infrastructure maintenance. It's in the business plan, under Strategic Context:

"Infrastructure must balance the construction of new facilities with the maintenance of existing infrastructure. A life-cycle approach to managing provincial assets ensures value." I'm just wondering: what program is utilized to be able to monitor facilities owned by the government? I was reading on the website, I believe, that the health facilities undergo a re-evaluation every five years. Is there a certain program that's identifying needs within the government facilities that can be continually monitored?

**Ms Jansen:** We have an asset management strategy. I think that's what you might be referring to.

**Mr. van Dijken:** Okay. Yeah. Under that management strategy what criteria, what program is being utilized to ensure that the facilities are managed in a way to bring best value?

**Ms Jansen:** If you want to look on page 182, under Capital Grants, we have a section there called Capital Planning, 2.4. That's where we would handle capital planning and our asset management. What we do under that program is an evaluation of our facilities. As we evaluate our facilities, we know ongoing exactly where we need to be in terms of maintenance and, you know, whether we have to do upkeep on the building or not.

**Mr. van Dijken:** That would, then, inform decision-making as to whether replacement is necessary, renewal, and that type of thing? That's the tool you utilize to inform those types of decisions?

7:40

**Ms Jansen:** The asset management strategy is an ongoing strategy that, really, is meant to keep us constantly informed about where we are on the health of a project. We have performance measures that look at, really, the physical condition of our major facilities. Those include our health facilities, our schools, our postsecondaries, our government-owned and -operated facilities. We have something called a facility condition index. That's a ratio of estimated costs – and that's over a five-year period, as you mentioned – that correct physical condition deficiencies in our buildings. Those are related to the facility's replacement value. Those are measures we put in place to allow Infrastructure to track, really, the long-term physical condition of our facilities, and that helps to support our capital planning.

You know, based on the June 2016 review of the deferred maintenance and the rating scheme commissioned by the ministries of Infrastructure and Transportation at the time, we had a "good," "fair," and "poor" rating scheme, and those were replaced by a numbered categorization. Certainly, they have categories 1, 2, and 3. In category 1 those were facilities with an FCI, a facility condition index, of less than or equal to 15 per cent. The definition of that is "adequate for intended use and expected to provide continued service life with average maintenance."

**Mr. van Dijken:** Yes, Minister. What I'm leading up to is in outcome 2 on page 97 of the business plan. What you were referring to was essentially key strategies under outcome 1. Outcome 2: "Alberta's public infrastructure is effectively managed and sustainable." In the key strategy there: "decision-making related to facilities, land, leasing and accommodation services." But there's only one measure there. Is that an effective measurable for outcome 2?

**Ms Jansen:** So you're specifically . . .

**Mr. van Dijken:** On page 97 of the business plan: "public infrastructure is effectively managed and sustainable." The only performance measure is on energy consumption intensity.

**Ms Jansen:** Really, for the success of the ministry in something like, for example, reducing energy consumption, if you look at the idea of us using more green technology and efficiencies, this is the sort of thing – we have to collect that information, and that enables us to move ahead and to actually be able to implement strategies that help us to find those cost savings. We look at all the phases of the construction process and incorporate asset management solutions that help us to come to that decision. So whenever we look at that list, we're really looking to sort of maximize the value of our provincial infrastructure while at the same time we're minimizing the overall costs, and that helps us, really, in our long-term investment planning.

**Mr. van Dijken:** Okay. Thank you, Minister.

Then let's take a look at page 182 in the estimates, line 8.1, under Operating Expense. There's no expense there for this year.

**Ms Jansen:** For green infrastructure?

**Mr. van Dijken:** For green infrastructure. Then also under Capital Grants: no expense there, but there was significant money spent in the last two years there. Has this, then, moved to another line item? I see that we have climate leadership plan/green infrastructure on the next page, page 183. Has that been consolidated into that line item?

**Ms Jansen:** We don't have funding budgeted in the 2018-19 plan because the funding requirements to implement the climate leadership plan activities are going to be reviewed in 2018-19.

**Mr. van Dijken:** Okay. That's good to know. Thank you.

I do have one question with regard to capital investment, page 183. The climate leadership plan/green infrastructure: \$11 million expected to be spent there. I'm just wondering how that capital is prioritized. Who decides? Is this decided by the climate leadership plan, or is this decided by facilities?

**Ms Jansen:** It's the climate leadership plan.

**Mr. van Dijken:** Okay. Thank you.

On page 190 of the estimates, transfers to the Department of Infrastructure from Alberta Health Services, I see that all of these numbers are negative numbers. I guess that would mean that it's actually a cost to the ministry. Is that correct?

**Ms Jansen:** Can you tell me which heading you're looking at?

**Mr. van Dijken:** Page 190, under revenue, transfers to Department of Infrastructure. This is just consolidation between the ministries?

**Ms Jansen:** I'm assuming what you're looking at there is the increase from the 2016-17 actual to the 2017-18 budget. That's primarily related to funding that's expected to be provided by Alberta Health Services for the northern Alberta urology centre. Alberta Health Services provided \$5 million in 2016-17 for the northern Alberta urology centre, but because of the timing and differences in how Infrastructure and Alberta Health Services recorded funding from external sources for health facility projects, the remaining \$4.8 million is recorded by Infrastructure under the net effect of deferred capital contributions – that was \$745,000 – and then accounting policy adjustments of \$4.1 million.

**Mr. van Dijken:** Okay. Thank you.

I understand that your department is a member of the joint capital projects table to inform the capital plan with the Ministry of Health and Alberta Health Services. Is that correct?

**Ms Jansen:** Yes.

**Mr. van Dijken:** How often does the joint capital projects table actually meet? Is that a scheduled meeting? Is that a meeting based on need? How often do you meet to discuss these things?

**Ms Jansen:** Can you refer this back to a line item in the budget?

**Mr. van Dijken:** Well, I think we can probably go into the business plan somewhere, to help with the development of a provincial capital plan. It's not necessarily a line item. It refers to the business plan of the department and their responsibility to lead the development of the provincial capital plan. With regard to that, then, I believe that this joint capital projects table would help inform that. Is that an entity that is meeting once a month to continue to work on that information, or is it an entity that's a "Well, we've got to meet now" kind of thing?

**Ms Jansen:** We've had frequent meetings to discuss capital plan projects and our priorities. One of the things that we all felt was very important was that we have a lot of ongoing feedback about what the priorities are in each of the ministries. Certainly, when it comes to capital planning projects, we do have a lot of discussion about what the priorities are in individual areas. I'm not sure that I could give you a number of how many times we've met, but it has been frequently as we put together the capital plan.

**Mr. van Dijken:** Regular meetings?

**Ms Jansen:** Absolutely.

**Mr. van Dijken:** Okay. Alberta Health Services, we've been informed, is going to tear down and reconstruct a parkade over on 100th Avenue and 111th Street in Edmonton. We were informed by a developer that has offered millions of dollars to AHS to purchase an unused asset, essentially the air rights above the parkade, that the developer wants to put apartments, condos overtop of the AHS parkade. The city of Edmonton planning department is supportive of the proposal, but AHS said no. I did send a letter to the minister and to AHS with regard to this concern. It looks like they're turning down millions of dollars in revenue from the sale of space over a parking structure. I guess my question is: has the joint capital projects table met to consider or reconsider this project, and if so, would the Crown then be auctioning off those rights for revenue? What process, going forward, would transpire?

7:50

**Ms Jansen:** Well, that would actually be a subject for the Health ministry. I'm sure they would be happy to provide you with some answers to that.

**Mr. van Dijken:** Okay. So the Infrastructure ministry would help inform that decision going forward with regard to the development of a project like that?

**Ms Jansen:** Well, certainly, when it comes to our health priorities, for instance, that would be an Alberta Health Services decision. The province doesn't support parkades. In this particular case it would be Alberta Health Services, and that would be a decision that they make.

**Mr. van Dijken:** Okay. Thank you.

We're going to go back to line 6 on page 182, realty services, which is operating expense, and also realty services on page 183, under Department Capital Acquisitions. Do you have some kind of study under way in your department or a list of properties that the

government considers to be surplus, that could be sold off? I'm thinking that realty services would be in charge of the sale of property as well as in charge of lease and acquisition.

**Ms Jansen:** We do actually keep a list of the properties that we're looking to sell off. Yes, we do.

**Mr. van Dijken:** Okay. Thank you.

On page 63 of the capital plan, in the fiscal plan, there's \$263 million over five years for regional water/waste-water projects, water for life. It's about a third of the way down the page. These projects are applied for through grant applications. In your letter of December 19, 2017, calling on all MLAs for submissions, we were denied to make representation for these critical municipal assets. Will there be an opportunity to inform that decision-making process as representatives of our communities?

**Ms Jansen:** Certainly, that's a grant program that's administered under Transportation, and Transportation is probably the best ministry to answer that question.

**Mr. van Dijken:** Okay. So Infrastructure will not be utilizing that under their capital plan? They will be fed the information from Transportation as you develop the capital plan?

**Ms Jansen:** We certainly look to Transportation to help us out in terms of the decisions they make on those water projects.

**Mr. van Dijken:** Thank you.

Flipping over to page 67, the unfunded capital projects list: Minister, can you tell me how the funding of these projects is decided? How is it prioritized? Is it essentially the number of projects that decides the funding, or is it the funding that decides the number of projects that move forward?

**Ms Jansen:** Well, certainly, as you look down this list, you know, we have a wide variety of projects that are on this list from schools to arts and culture, programs, modernizations. The most important thing for us when this list is developed is that this information comes from the individual ministries. For instance, when it comes to school projects, we take our cue from the Education ministry. You can see here on this list on page 67 where you have, for instance, Arts Commons. When it comes to those projects, we would certainly have a conversation with arts and culture, and they would inform us as to what they consider to be priorities.

**Mr. van Dijken:** Thank you.

I'll give you an opportunity to answer the question from our Member for Grande Prairie-Wapiti this afternoon that he was asking with regard to the Beaverlodge hospital and how it had moved from being under rural health facilities on the unfunded list to now where it looks like it's been dropped off. It appeared that you had an answer for him. He asked me if I could ask tonight what your answer to that question would be.

**Ms Jansen:** Well, thank you for that. I certainly have had a conversation with the member. We sat down and had a chat. You know, I value his input, certainly, as he is a former Infrastructure minister himself. When it comes to projects like the Beaverlodge hospital, those would really fall under Health. I believe the Health minister got up today in the House and answered that question. That would certainly be something that falls under Health, so I think it was entirely appropriate that she answered the question.

**Mr. van Dijken:** Okay. Thank you.

On page 67 of the capital plan, the unfunded capital projects, I see one in there, the Bighorn and eastern slopes management. Do we have any information on what that's referring to?

**Ms Jansen:** That is Environment and Parks.

**Mr. van Dijken:** Right.

**Ms Jansen:** It's a project through Environment and Parks. Hold on. I think we may have someone who has some information on that.

It will have to be Environment and Parks that would be able to give you a detailed explanation of that project.

**Mr. van Dijken:** Okay. Then we'll turn to page 66 of the capital plan, one page back, the Royal Alberta Museum, about halfway down there. Is this \$16 million over two years for the repurposing of the old facility or finishing the new facility on 103A Ave?

**Ms Jansen:** It's for completion of the new facility.

**Mr. van Dijken:** Okay. Thank you.

Then we have also on page 66 of the capital plan where I see \$477 million in unallocated capital funding. This is close to the bottom of the page, contingency. Is there any understanding of what that money would be destined for, or is that just an accounting practice at this time?

**Ms Jansen:** Give us just a moment. We're going to find that information for you.

When we have unallocated funds, as you're looking at in that line item, they're not currently earmarked for any particular projects. In future years' budgets priority projects are going to be considered and funded, and the funding would be allocated to projects based on need. As done in previous years, priority projects are gathered from all our ministries. As I did in the last capital plan, I went around to each individual ministry, and I asked our ministers to give me a sense of what they considered their priority projects and to assess those against all our government priorities. Based on those assessments, those unallocated funds in the future are going to go where they're needed most. That's really a determination that's made by the individual ministers based on what they believe is a priority in their areas.

**Mr. van Dijken:** Good. Thank you.

We're going to turn to page 64 of the capital plan, capital payments to related parties, and line 2.2, health facilities infrastructure, of the estimates. There is a line in the capital plan for provincial heliports on page 64.

**Ms Jansen:** Line 2.2 in the capital plan?

**Mr. van Dijken:** It kind of ties together. We have provincial heliports on page 64 of the capital plan, an estimate of \$7 million there. It's a critical function of the delivery of health care. A \$26 million project to bring the heliports up to Transport Canada requirements was supposed to take three years. It has now entered its sixth year. Do we have any information on what the holdup is, and is this project going to get completed?

8:00

**Ms Jansen:** We have a number of heliports around the province that are being upgraded. Those heliport projects are managed by AHS. When you look at that line item, there is more than one, and AHS actually is managing that program.

**Mr. van Dijken:** Thank you.

Okay. Still on page 64 of the capital plan and capital payments to related parties, Minister, you have \$590 million over five years for the Edmonton clinical lab hub.

**Ms Jansen:** Right.

**Mr. van Dijken:** I gather that the \$10 million this year would be for engineering. Would that be correct?

**Ms Jansen:** It would be planning and engineering.

**Mr. van Dijken:** So it would be planning and engineering. Is that the answer?

**Ms Jansen:** It's planning and engineering.

**Mr. van Dijken:** Okay. I also look right under there at Edmonton hospital. I believe that would be the new Edmonton south hospital. That \$5 million would be essentially planning and engineering. We have a five-year total of \$623 million. Do we have any understanding on: would that be the completion date? Would that be the total money kind of expected to be spent on that hospital?

**Ms Jansen:** For the Edmonton hospital the \$623 million was allocated to begin the planning, design, and construction of the new facility. It's a nine-year project, so it's a pretty intensive project. One of the things that we wanted to do was make sure that we put it into the capital plan as a priority. Really, from a government point of view, you know, what we're looking at right now is a government-owned and undeveloped piece of land, if you've ever been out to that area, which I'm sure you have, and had a chance to see it out there. We've already done an environmental site assessment. We've done geotechnical studies on that piece of land. Those have been completed. The site preparation work is done on that, and we're expecting the construction on that project to start in 2020.

**Mr. van Dijken:** Okay. Is that considered on schedule? I see that last year there was \$50 million expected to be budgeted for the Edmonton hospital. This year it's now reduced to \$5 million and then to \$15 million next year.

**Ms Jansen:** Well, certainly, we reprofile funds for our various infrastructure projects year over year, depending on where we are in the process. The total cost of the hospital is not going to be known until the planning is complete. The planning is ongoing, and as we go through that, we reprofile funds into future years. Really, we wanted to make sure that we put it in the capital plan, the funding of over \$623 million over five years, so that we had the money there and we were able to go ahead and do the work as it needed to be done.

**Mr. van Dijken:** Okay. Thank you.

I will refer to page 183, capital payments to related parties, and try to get an understanding on what exactly has changed and how that affects the budget with regard to school facilities infrastructure, line 2.3. We see that that number is reducing, yet the Infrastructure ministry is overseeing the contracts for school construction. How is that reflecting . . .

**Ms Jansen:** So you're speaking specifically on school facilities infrastructure?

**Mr. van Dijken:** Correct.

**Ms Jansen:** We have estimates that were changed due to project scheduling, cash-flow requirements for the school capital projects.

The responsibility in the budget to deliver the school capital program was, of course, as we mentioned before, transferred from Education to Infrastructure. As we go through and we do those projects, you're seeing – are you referring specifically to the \$410 million decrease?

**Mr. van Dijken:** Well, I'm trying to get an understanding on . . .

**The Chair:** I hesitate to interrupt. The time allotted for the Official Opposition has concluded.

We'll now move on to the third party. Member McPherson, would you like to share your time with the minister?

**Ms McPherson:** I'd like to share the time if you're amenable.

**Ms Jansen:** Thank you. Absolutely.

**Ms McPherson:** Great. Thanks very much.

I missed introductions. I'm Karen McPherson. I'm the MLA for Calgary-Mackay-Nose Hill. It's lovely to see all women at the head of the table here. It looks like you all got the same memo, too. You're pretty well co-ordinated.

On page 95 of the business plan, in the overview: "Infrastructure provides innovative, high quality and well-designed public infrastructure for Albertans." Can you give me some examples of innovation in planning or implementation of infrastructure in recent projects?

**Ms Jansen:** Okay. Sorry. Take me back to the page you're looking at here.

**Ms McPherson:** Page 95 of the business plan. It's right near the beginning. It's the ministry overview.

**Ms Jansen:** Right. You know, one of the things that we're constantly looking at in Infrastructure is how to be more innovative in how we work. One of the areas that we find that we enjoy doing the most is, of course, in terms of energy efficiency and those pieces. When we look at how diverse we need to be on our infrastructure builds, we look at the idea of making sure that we're up to date on our environmental standards, not just up to date but pushing the envelope there and really ensuring that Alberta's diverse range of needs in terms of policies integrate diversity and inclusion. I know that's an area that you are particularly interested in.

We have instituted gender-based analysis as a greater understanding of our clients' needs. We think that's pretty innovative in the work we do. We have GBA plus in supporting a lot of the projects we do. That's especially important when we look at projects that we do in areas like indigenous communities. We have some projects that we've attached that lens to, including courthouse renewal, courthouses that are being built in the Dene First Nations and Alexis Nakota Sioux Nation. We have our Peerless Trout First Nation schools. We're going to deliver a new K to 8 school at Peerless Lake and a new K to 12 school at Trout Lake. When we're doing those, we're doing those with consultation and using that GBA plus and that lens through which we examine those projects.

That's one good piece of, you know, innovation. We think that, certainly, when we look at how we view everything from construction tendering to procurement policies and methods, we're always looking at how we can be forward thinking and innovative.

**Ms McPherson:** Okay. Are there any examples where you're integrating a number of different services into one building, so a school that also has a community library or a seniors' centre or

community centre integrated into it? Are there any examples like that that you have?

**Ms Jansen:** I think we do have a few. You know, one of the interesting things about that is that I know that when we had talked about scope changes on schools and things, in one case the community had actually sat down and said: we'd really like to see a bit of a scope change on the school. I think they were including a community centre in that.

We know that the town of Banff has committed up to \$1.7 million for a total of more than 500 additional square metres within the second phase of Banff elementary school. They did that change to provide an additional area for an out of school club. That's one area where they added a gymnasium expansion and some supplemental gymnasium infrastructure related to it.

We know that in the Golden Hills school division they attached an additional 5,800 square metres for a field house. Again, that incorporated a school gymnasium, a public gymnasium, that was available to the public. It's pretty great when you have a school that you know the public can flow through. It's great for a community when you know that you have an additional use in the after hours because you know that kids are in school for only a certain number of hours a day. They also added a running track and a sports field to get maximum use of the space.

**8:10**

So we're finding that with schools we're having a lot of conversations with communities, and they're really wanting to see an expanded use for their schools. We want to sit down and have those conversations with them because, certainly, when you take a school build and you add facilities in there that are available to the public, too, you really maximize the use.

**Ms McPherson:** Great. Thanks very much.

You touched on two things that I want to follow up on. The first one: you talked about energy efficiency. On page 97, key strategy 2.3, "examine opportunities to implement environmental efficiencies, green technologies and the reduction of the environmental footprint of provincial infrastructure," there's no performance measure related to LEED, leadership in energy and environmental design, the building rating system. Why is that?

**Ms Jansen:** Actually, all of our facilities are built to LEED silver, and that is a constant in Infrastructure.

**Ms McPherson:** But that's not one of your measures that you've included in the budget information. Maybe stick that in there next year.

**Ms Jansen:** You know, one of the things, I think, when we look at LEED and we look at those other projects, our target is for government buildings to be 29 per cent better than the national energy code for offices and 22 per cent better than the national energy code for schools. But I certainly take your point. It's probably worth including in the material we put out.

**Ms McPherson:** Great. Thanks.

Something that I've noticed – and I don't go into a lot of government buildings, just a couple – is that there aren't a lot of recycling opportunities for things like compostables or plastics. I find that I drag a lot of plastic recyclables home with me. If we're in the cafeteria over at the Legislature, we are not composting any food waste over there. There are a lot of materials used that aren't reusable. There's a lot of packaging. So I'm wondering: do you understand across the provincial buildings how much edible food is

thrown out as waste that could be composted, and how much food that is still usable is being thrown out instead of being redistributed to people who might be able to use it?

**Ms Jansen:** Well, certainly, those are great questions. I think that my ministry staff is making a note to mark those down. It's a bit of a challenge to find a way to measure that. We have more than 1,500 provincial buildings around the province, but certainly to make a start on it in some places like Edmonton and Calgary is a terrific idea.

**Ms McPherson:** Great. Thanks.

You also alluded to GBA plus as . . .

**Ms Jansen:** A lens.

**Ms McPherson:** Yes. Exactly. On page 95 the strategic context is: Advancing gender equality is a priority . . . Infrastructure is integrating [GBA plus] across the ministry to ensure its engagement processes, policies, programs and initiatives support gender equality, diversity and inclusion of Alberta's population, including Indigenous communities.

Something that I've noticed in all of the estimates that I've read so far is that the ministries are speaking about a centre of responsibility, but Infrastructure is the only one that didn't mention that in their documents. I had trouble trying to understand or ascertain if the centre of responsibility lies within each ministry or if it lies within the Status of Women ministry. I wonder if you could just expand on that a little bit for your ministry in particular.

**Ms Jansen:** Certainly, it's very important to me, and it has been for a number of years. The GBA plus working group was established within our government with representatives from every ministry. We have folks from Infrastructure at the table and have had right from the beginning. As part of that working group our folks in Infrastructure are at the table as we develop tools and training modules and work on GBA plus to assess – it's important in Infrastructure to make sure that we're having diverse groups of men and women and gender-diverse people who experience our policies and our initiatives.

Infrastructure is being very intentional on how we examine the GBA plus model and how we apply it to our work. The goal for our staff – and we've certainly had this conversation before – is how to understand how we take stakeholders of very different race, ethnicity, religion, age, mental or physical disability and how they are affected by our policies. We're doing that work ongoing in Infrastructure. Infrastructure's executive management team is committed to GBA plus, having received training in January of this year. So our senior ministry staff are fully trained.

Our framework is in draft form right now. It's being reviewed by our staff, and once that framework is complete, it's going to ensure that we have a consistent application ongoing in all areas of Infrastructure, which is actually pretty big right now, and that we have that lens applied through the whole area. Certainly, when we apply that to things like our future capital planning cycles – that's another area where the GBA plus is important for us. We had six submissions, actually, that GBA plus analysis had been done on, and four of those six projects were funded through Seniors and Housing. They actually included an affordable housing complex in Fort Saskatchewan under the family and community housing development and renewal program, another one in Slave Lake, one in Whitecourt, and the Templemont seniors' housing development in Calgary under the seniors' housing and development renewal program. Certainly, we're applying it within Infrastructure and on

the projects that are being worked on. It's a great lens through which to view the work we do.

**Ms McPherson:** Great.

A little bit off GBA plus but in terms of the UNDRIP and the Truth and Reconciliation Commission, do you have members of your staff that have been trained or educated to do the work with that lens?

**Ms Jansen:** That is another area that is extremely important to us in the work we do. Infrastructure continues to support the UNDRIP mandate, and we've been supporting projects that directly impact life in indigenous communities. That's both on- and off-reserve.

We have a courthouse renewal project to replace existing courthouses. The scope of this project includes two courthouses on-reserve and others off-reserve that provide service to both indigenous and nonindigenous communities. We also have the Peerless Trout First Nation school construction, that is delivering a K to 8 school to Peerless Lake and a K to 12 school to Trout Lake.

We support Indigenous Relations through involvement with our indigenous relations work on the First Nations and Métis settlement consultation process. Certainly, when it comes to having those conversations, you know, our indigenous affairs minister and I sit down regularly and have conversations about how we each do our work in conjunction with the other.

**Ms McPherson:** Okay. Thanks.

I want to jump to the fiscal plan for a couple of minutes.

**Ms Jansen:** Sure.

**Ms McPherson:** I have some questions about page 66. Under Schools you've got a modular classroom program. In my riding the high school is John Diefenbaker high school.

**Ms Jansen:** Right.

**Ms McPherson:** They share the space with the Chinese Academy. The Chinese Academy is located in Chinatown, down Centre Street from my riding. Every Friday night the principal and staff collect all of their materials, put them in a few vehicles, drive up to Diefenbaker, and unpack everything. Then on Saturday they teach upwards of 2,000 students from across the city, and after classes are done, they pack everything back up in boxes, put them back in their vehicles, and take them back down to their offices. They've been asking over and over and over again for a portable to be located on the site of Diefenbaker to be able to store their materials. Diefenbaker is bursting at the seams. I know it's number one on next year's capital plan for the CBE, but I would love to see as part of some kind of program some space for them. They do amazing work, and for them to be able to store their materials at the school would make a huge difference for them.

8:20

**Ms Jansen:** I agree. Education sets the priorities for modulars. Infrastructure takes its cue from Education when it comes to those priorities, so we would follow their lead. Certainly, we are happy to have that conversation with the Education ministry and to pass that along for you.

**Ms McPherson:** Okay. Great. Thanks.

Something that was brought up earlier was the Royal Alberta Museum. What's happening with the old property?

**Ms Jansen:** One of the great things about Edmonton is that we've got a lot of folks here with a lot of great ideas about what should be done with that property. I just sat down with folks from Edmonton Heritage last week when I was out doing some site visits. We have a lot of folks, different cultural groups and community groups, who really want to have input into what they think that space should be. One of the things that I've heard over and over again is that people are actively interested in that site in Glenora and what it could be.

I actually put out – I think it was a couple of months ago now; maybe it was three months ago – on social media a request for ideas from people about what they thought the space should be. We took ideas on our website. I believe we had people contact us on our website as well. We got a tremendous number of ideas from the public, you know, who really wanted to talk about that.

The folks from Edmonton Heritage made it very clear to us – certainly, this is a conversation that we've had a number of times – that they really believe that we should have a detailed examination of our buildings and not rush out to try and remove buildings when we have an opportunity to really honour our heritage. I think, certainly, that the old RAM in its spot, right by Government House, has a really special place in a lot of people's hearts, and we've had conversations, certainly, with people here in Edmonton and even beyond Edmonton, because there are lots of people who come from other parts of the province, who remember back to their childhood, you know, visiting that site, visiting Government House and visiting the old RAM. I certainly am very open to that conversation.

One of the things I said to Edmonton Heritage was: bring me your ideas. A lot of people have talked about, say, for instance, the idea of an indigenous cultural centre, to do something like that in Edmonton. I know some folks are putting together some ideas there. But we've had, certainly, a lot of interest from the public and what they thought we should re-envision that space to be. There are also some really interesting architectural details and some amazing pieces of stonework inside that building, and it would really be a shame to lose all of that.

So we're going to listen really carefully to the community. They really want to be able to flesh out what they think that space should be, and we want to listen carefully to that.

**Ms McPherson:** So right now there's no concrete plan for it?

**Ms Jansen:** No. We have certainly some . . .

**Ms McPherson:** I just want to move on because I don't have a lot of time.

**Ms Jansen:** Yeah. Absolutely. Of course.

**Ms McPherson:** Thank you. I appreciate it.

**Ms Jansen:** Sure. Interrupt at will. I'm fine with that.

**Ms McPherson:** One of my earliest memories was going there, for sure.

On page 63 of the fiscal plan, near the bottom, there are two items: One Information Management and Technology Enterprise Planning Priorities, and One Management Technology Enterprise Priorities. Now, I'm assuming that the difference in the terms, even though it's using the same acronym, is just a typo. Is that right? It looks like the first item is for planning whereas the second one is either for implementation or operation of that.

**Ms Jansen:** Sorry. You're referring specifically to . . .

**Ms McPherson:** Page 63.

**Ms Jansen:** Page 63, down near the bottom.

**Ms McPherson:** Yeah. The last two lines.

**Ms Jansen:** We have One Information Management and Technology, IMT, and . . .

**Ms McPherson:** One Management Technology. I think it's a typo because they have the same acronym.

**Ms Jansen:** Actually, no. They are two separate pieces. One Information Management and Technology, IMT, Enterprise Planning Priorities is part of Service Alberta. They were given the responsibility to provide oversight and governance to a number of IMT programs and projects across the government, so that was consolidating funding for them.

**Ms McPherson:** Okay.

**Ms Jansen:** The second piece, One Management Technology Enterprise Priorities, was used to develop new software programs and to refresh the existing IT and software for a number of programs in Alberta, and that includes capital projects under the \$5 million threshold. So those are two pieces.

**Ms McPherson:** Okay. When I read that, I assumed it was an enterprise resource management system, but that doesn't sound like what it is. It sounds like it's more encompassing.

**Ms Jansen:** Right. The first part was achieving efficiencies in capital spending on information technologies, continuing to work with ministries to define and determine the dependencies of various programs. Then the second piece was developing new software. That's the difference between the two pieces.

**Ms McPherson:** Okay. Then there was one other line on there.

**The Chair:** I hesitate to interrupt, but we will move on to other members.

Dr. Starke, from the PC caucus, would you like to share your time with the minister?

**Dr. Starke:** Yes, please.

**The Chair:** All right. Please proceed.

**Dr. Starke:** Well, thank you, Minister, and thank you to your staff for being here to defend the estimates. I appreciate the process. I want to have a look at the business plan, page 97. You've been actually asked a couple of questions about this, but I'm also going to look back at last year's business plan. Now, I appreciate that you probably don't have it with you, or you might, and I also appreciate that at the time you weren't the minister.

There is something that is really puzzling to me, and that is that last year we had three performance measures under outcome 2, and this year we've only got one. The one that has survived the cut process is a good one, and I'm glad it's there. That performance measure is: "Energy consumption intensity in megajoules per gross square metre in government-owned and operated facilities." It shows that tracking gradually downward, and that's, of course, laudable.

I'm concerned that 2(b) and 2(c) from last year have disappeared. Both of these, when I read them, I think are eminently reasonable performance measures to track. One is the "percentage difference between average operating costs per rentable square metre of government-owned and operated office space and privately operated leased space," which I think you alluded to before but is

not specifically in the business plan being tracked. Then 2(c), and I think this one is very relevant: “Net greenhouse gas emissions intensity in metric tonnes of carbon dioxide equivalents per square metre of government-owned and operated facilities.”

If we look below those, it gives the linking of performance measures to outcomes for both 2(b) and 2(c) and gives, again, very reasonable reasons why those two things should be tracked. So, Minister, can I ask you: why are these things no longer appearing in your business plan? Are they still being tracked and just don't appear in the business plan, in which case they could be inserted easily next year? Or is it just something that we're not keeping track of anymore?

**Ms Jansen:** Yeah, we do continue to track that. We're just not tracking it in the business plan. Certainly, if you would like to see it in the business plan and you consider it helpful, I think it's a suggestion we could take into account and perhaps put it back in next year.

**Dr. Starke:** You know, personally, I tend to be a person who thinks that the more things you can track and measure progress on, the more credible your planning becomes and also the more credible the fact that your effort is actually resulting in an achievement of the goals. So I would certainly ask or recommend that it be put back into the business plan. I think both of those measurements are entirely reasonable and things that we should be looking at.

If we now go back to page 96, again I'm looking at last year's business plan, and I'm looking at this year's business plan. Minister, you've mentioned a couple of times that your ministry, in addition to being in charge of construction of new facilities or new infrastructure, is also responsible for the maintenance of existing infrastructure.

**Ms Jansen:** Right.

**Dr. Starke:** That's extremely important, and I'm really glad to hear that. You know, I will also say that in tough fiscal times your government has managed to continue to allocate precious resources to maintenance of our existing infrastructure base. I think that is very laudable. I mean, once upon a time, when we were in the same party, I will tell you that I think one of the failings of that party at certain times in our past was that we didn't do enough of that. So I'm glad your government is doing that.

Having said that, I look at the chart on page 96, and these are the performance measures 1(a) through 1(d). You explained before how the FCI is used to determine these numbers. I look at it and say: well, if we're adding in this additional investment and doing a better job of maintaining our buildings, why aren't we getting better? I look at health facilities, the physical condition, and that number drops to 79 per cent. I look at school facilities; that's basically a flat line. I look at postsecondary facilities, and I'll point out that under target 2019-2020 you've got an arithmetical error. That adds up 107 per cent, so that can't be right. But the physical condition: you know, the percentage in category 1 goes from 72 down to eventually 67 per cent. And for government-owned and -operated facilities it's again basically a flat line, 74 or 75 per cent.

Now, I get it that maintenance of buildings is a bit of a treadmill. You spend the money, but you don't necessarily see a whole lot of forward progress. I guess I'm wondering why those targets aren't more ambitious because, personally, I don't see a lot of progress being made there.

8:30

**Ms Jansen:** Well, you know, certainly, when it comes to the physical conditions – take health facilities, for example. There's a

1 per cent increase in 2019-2020. I assume you're looking at those same numbers that I am.

**Dr. Starke:** Yeah.

**Ms Jansen:** We have an expectation that with the completion of new health facilities – those would be coming onboard in Medicine Hat, Lethbridge, Grande Prairie, Fort McMurray – those actually have a positive impact on the overall physical condition rating.

**Dr. Starke:** Sure.

**Ms Jansen:** However, then we can assume that the measure will decline in 2021 as maintenance requirements ramp up as buildings get older. One of the things that becomes part of the balancing act is that new buildings come online, existing buildings get older, and that affects sort of, you know, what you're looking at in terms of those numbers. So I don't know that it's always a case of not getting better at maintenance but the ebb and flow of new buildings coming on and other buildings getting older. Of course, these buildings are well used and well populated. In the case of schools, as you can well imagine, when you've got lots of kids in a school, you've got a lot of maintenance to do.

**Dr. Starke:** Okay. I'm trying to figure out an analogy, and the only one I can come up with is the productivity of a dairy herd. Once cows get over 20 years of age, it decreases, and as you bring in new heifers, their productivity increases. So your overall PCA score for a dairy herd will increase. I'm not sure if that's even tangentially related to a facility condition.

**Ms Jansen:** I think you lost me at dairy herd.

**Dr. Starke:** Okay. Well, I will say that we have a new dairy barn at Lakeland College. Speaking of Lakeland College, Minister, that was on my list of Infrastructure projects that I submitted to you . . .

**Ms Jansen:** Right.

**Dr. Starke:** . . . and the funding was announced by your colleague the Minister of Advanced Education on Friday. I want to thank you. I already thanked him for that. That's a much-needed project, and we appreciate it.

I want to ask a question. Again, maybe this seems a little esoteric, but under the risks to achieving outcomes, this one is interesting, the second paragraph. It's interesting also, I'll point out, that the risks to achieving outcomes have radically changed from last year. That's fine. They need to be updated.

**Ms Jansen:** Right.

**Dr. Starke:** But the second risk:

As the demographics of Alberta shift, the ministry will need to enable adaptable provincial infrastructure to support multiple purposes over the facility's lifespan. Infrastructure will need to have the capacity to anticipate future needs and the agility to adjust how projects are managed.

Great goal. How do you get there? I know you talked a little bit when you were answering Mr. van Dijken's question about that you have the asset management strategy, but to throw out an example, you know, a lot of schools have been built and are being built. Right in the neighbourhood of Edmonton that I grew up in, the junior high school that always was our hated rival in junior high school sport is now shuttered.

**Ms Jansen:** Yeah.



**Dr. Starke:** There are just not enough students that go to it, so they've shut the place down. The question I get asked from people is: could this building not be repurposed for something else that we need? Are we looking at the design of buildings now such that if it's built as a school today, perhaps in 30 years or 40 years it could be reprofiled or changed into some other type of public facility?

**Ms Jansen:** I would argue in even less time than 30 or 40 years . . .

**Dr. Starke:** Sure. Okay.

**Ms Jansen:** . . . because as generations change, the needs of the building change. Those are conversations that I have on an ongoing basis when we talk about design/build and what we'd like to see. You know, when we talk about how we look at the building of the future, it has to be nimble. It has to be a lot more nimble than it is right now. Take the Calgary cancer centre, for example. One among many of the great things about the Calgary cancer centre is that it is going to be very nimble in terms of its design and its environmental impact.

**Dr. Starke:** Right.

**Ms Jansen:** So we're looking at things like high R-value for above grade roof assemblies, high-efficiency LED lighting. That's going to save energy. The heating and cooling systems are going to be designed specifically to have a massive impact on the reduction of . . .

**Dr. Starke:** Sorry, Minister. I don't mean to interrupt. I have absolutely no doubt that the Calgary cancer centre will be a state-of-the-art facility. I also think it's very likely that it'll be a cancer centre for pretty much the entirety of its lifespan.

I guess I'm looking more at buildings that are replicated in many instances across the province. We're building 2,000 new continuing care beds, for an example, to accommodate what will be the bulge generation, folks like myself and the baby boomers as we get older and more decrepit. As that happens, at some point that bulge generation will contract back down again, and we may – it's hard to say – find ourselves in a situation where we have an overcapacity in those beds. Are those facilities that are currently on the drawing board being designed so that at some point they could be changed into something else?

**Ms Jansen:** Well, as a matter of fact, it's a conversation we have ongoing. When you look at health care facilities, obviously, AHS has a great deal of control over what those look like. But, certainly, it's something in Infrastructure specifically. I go out specifically to look at where we find that nimble build. For instance, I don't know if you're familiar with DIRT, based in Calgary. They have the ability to go out, like a lot of these great innovative groups, and really snap together modularly the kind of room that could at one point in its lifespan be a patient's room. At another point you can remove walls and turn it into a lab facility. You know, those are the kinds of things that we're interested in talking about. So I've been doing a lot of site visits with groups like this who do this kind of work. DIRT does that work all over the world.

**Dr. Starke:** We have a new credit union building in Lloydminster that has DIRT walls, so I know what you're talking about. That flexibility – I mean, to a certain extent, even the flexibility that we see within this building is laudable. So it's on your radar. That's great. I certainly hope that it stays there because I think it's the kind of thing that sometimes when there's a focus on least cost and building to a certain specification, that can be lost.

You mentioned Alberta Health Services. I want to ask a couple of questions about the Edmonton clinical lab hub. I will tell you from the outset that I'm dead set against this project. I don't think that government should be operating clinical pathology services. We don't have the expertise. You know, like I say, there are numerous organizations that do a very, very good job of this.

That notwithstanding, if we're going to be the owners of a clinical pathology laboratory building, there are some very specific requirements of that building. I guess I'm wanting to know from Infrastructure – and I know it's still early in the planning process – are we going to bring in experts to ensure that the building, the structure, has ISO certification? Are we going to be building according to the most up-to-date HACCP principles, and are we going to build up to biosecurity considerations? Because if this building is going to be receiving clinical pathological samples from across Alberta, or at least across northern Alberta, it means that you are handling biohazardous waste or biohazardous items on a daily basis, and there are some very specific handling requirements for that. I'm quite familiar with them, you know, from working in a clin-path lab in our own hospital. What is this new building going to have? Is all of that going to be part of the design?

**Ms Jansen:** All of that is part of the design.

**Dr. Starke:** Okay. Like I say, I have a concern about what that might do to costs, and I'll give you an example of why I'm concerned about that. Last week there was an announcement of the Norwood facility and its expansion. Now, it's going to go from 205 to 350 beds. Is that correct?

**Ms Jansen:** Yes, it is.

**Dr. Starke:** Yeah. Okay. And the estimated cost is \$364 million. Is that also correct?

**Ms Flint:** That's what it is.

**Dr. Starke:** That was what was in the press release. Okay. I guess my question is that even if we were to say that these 350 beds are brand new – the beds are new, but in fact it's only an increase of 145 beds over what was there before – I'm concerned about the cost per bed. That's over a million dollars per bed. The question I get from folks that were involved, for example, in the ASLI program in 2014-15 and that build-out that built us some 2,251 beds for \$120 million is: why does it cost so much per bed?

**8:40**

**Ms Jansen:** When you look at specialized supports, so if you look at a project like this one, there are multiple factors that you look at when you're looking at continuing care, as you well know. The location: projects further from Edmonton and Calgary tend to be more costly, particularly rural, which you're very familiar with. Project size: smaller buildings tend to have a higher cost per bed. The services offered. This becomes an interesting piece, and that's sort of factored into the whole project. When you're talking about specialized supports or programs, they would increase the construction costs. Then, really, you look at the construction and design practices. For instance, for Alberta Infrastructure our design requirements are well above the minimum standard. Then timelines would increase it as well. So when you look at a project such as this one, all those things come into play, and they would affect the overall price per bed.

**Dr. Starke:** Minister, all of those factors you've identified are entirely relevant, and, yes, they will have an impact. A little bit related to that question, though, is with regard to standards for

continuing care beds. Your Health minister and, as recently as yesterday, your Associate Minister of Health were talking about the objective of building out the 2,000 additional continuing care beds.

Now, we have a need for some additional continuing care beds in the town of Vermilion. That's been identified. We've been in discussion with the Health ministry, but as Infrastructure minister could you or someone in your department give us some assistance as far as whether a new building has to be built to class B standards or whether it's class A standards? There seems to be a little bit of – I won't call it confusion; that's not the right word. There seems to be, you know, within the messages that our community group is getting some difference in opinion as to what the current requirement is for SL 4 and SL 4-D beds. I mean, obviously, that's going to have a huge impact on the cost of the facility.

**Ms Jansen:** Well, we certainly work with Health on those issues. They really do dictate what it is that we end up building. We take our direction from them.

**Dr. Starke:** So I should ask Health? Okay.

**Ms Jansen:** I would say that's probably a good idea.

**Dr. Starke:** Okay. We can do that.

Minister, a question, then, about the unfunded list. I'm now turning to page 67 of the fiscal plan. I always refer to the unfunded list, which, I will also say, is something that's good to see. It means it's on the radar; it's just not on the podium. You know, these are all worthwhile projects. Obviously, as you well know, there are always more wants than there are resources to handle it.

I guess, a couple of questions. How many projects that were on last year's unfunded list became funded this year? How many projects that were on the unfunded list last year are now not to be seen; in other words, they just dropped off the unfunded list? How many are still on the unfunded list that were unfunded last year and they remain unfunded this year?

**Ms Jansen:** Well, certainly, when we look at the list, as I can see, about 20 projects of the total 119 projects that were on the 2017 unfunded list are being funded in Budget 2018. So there are about 20 of those. I have a list of them if you're interested.

**Dr. Starke:** I do as well, actually, so that's great. Yeah. Thank you.

**Ms Jansen:** Oh, you do. So you're good.

**Dr. Starke:** Well, those I know, the ones that advanced. I guess I'm curious to know how many dropped off and are now no longer either funded or unfunded and how many remain on the list.

**Ms Jansen:** Well, we can find out that number. What happens is that priorities change in individual ministries, and they give us their updates as we progress. That's the direction I take from the individual ministries. If you're looking at health facilities, I would take my cue from Health on that.

**Dr. Starke:** Okay. No, I'm looking, really, at all the different departments. You know, there's obviously a long list from Transportation of various roads and bridges, projects that for this year at least just simply couldn't be proceeded with.

**Ms Jansen:** Right. Yeah.

**Dr. Starke:** I think that one of the things, for example, that I know the leader of the Alberta Party praised the government for and that I appreciate as well is providing the information in an Excel format

this year. It is extremely helpful. It would be helpful, just making a notation for next year, when it comes to the unfunded project list, just a summary of statistics: how many were on the list last year, how many are on the list this year, how many graduated, how many got set back, and how many are still there. And perhaps for the ones that are still there, what year they were added to the unfunded list. I just would find that to be very, very, helpful.

Minister, those are all of the questions I have. I want to thank you and your ministry officials for your efforts in this regard. We know that infrastructure is very important to Albertans, and we appreciate your efforts in terms of making sure there is excellence in the design and the construction of those infrastructure projects and also in the maintenance of those critical resources and capital interests for Albertans.

**Ms Jansen:** Thank you.

**The Chair:** Thank you.

The next 15 minutes will be for the government caucus. Would you like to continue to share your time with the minister?

**Mr. Coolahan:** Yes, please, Mr. Chair, if that's all right.

**The Chair:** Please proceed.

**Mr. Coolahan:** And I'll share some time with my colleagues as well. We don't have a lot of time, so we'll move fairly quickly here.

I'm thrilled to have you here. Thank you so much.

**Ms Jansen:** Thank you.

**Mr. Coolahan:** You talked about all the great infrastructure projects that are happening across the province, particularly for me in Calgary. I do really agree with Dr. Starke when he said that one of the failings of the previous government was maintenance and neglect of maintenance, I suppose.

**Dr. Starke:** You didn't have to bring that up.

**Mr. Coolahan:** It was a great segue. Thank you.

**Dr. Starke:** Any time.

**Mr. Coolahan:** But my question – and I know this isn't a static number, and it's forever moving – is: do we happen to know what the deferred maintenance backlog is in terms of dollars?

**Ms Jansen:** When we look at capital maintenance and renewal, you know, even though it's been reduced over the last three years, one of the things that happens is that sometimes properties are declared surplus and they fall off the list. That number is a little bit fluid at times, so I don't have an exact number for you. Certainly, when we look at deferred maintenance, we're looking at about \$379 million, somewhere in that neighbourhood, in deferred maintenance on Infrastructure's government-owned facilities. That's about the neighbourhood we're looking at. Of course, deferred maintenance doesn't mean a building is in unsafe condition and that you can't use it; it just means that there are maintenance requirements on that building. So that's about the number we're looking at right now.

**Mr. Coolahan:** Great. Thank you for that.

Let's talk about the good things going forward here, then. Can you give us an update on the progress of the Calgary cancer centre? Obviously, my constituents are thrilled. It's very close to my constituency, and I was there when you were breaking ground on that. Can you give us an update on that, please?

**Ms Jansen:** It's a fantastic project, and certainly we're really lucky that we have a dedicated team down there. When I've gone down to visit, Infrastructure and the folks from our construction leader are working hand in glove. You know, the early site work started in September of last year. Construction began mid-October. We were there on a very chilly day doing the sod-turning, as you know. The piling work at the site is now complete. That was an important piece, and that was done. The shoring and excavating work continues. It was quite an excavation that had to take place at the cancer centre site because, obviously, a whole lot of what we call the guts of the building falls well underground at that site. The bulk excavation is really going to continue until May of this year, so we have another two months of excavating work that is going to be done on that site.

There are four tower cranes that are going to be installed later this month, so once you see the cranes go in, then we know we're ready to look at starting to build upwards. When you look at the construction activity on the site, we know that now we really start to ramp up, and that's where you'll start to see the change happen, as we get the cranes in place and start to build upwards. It really isn't till we're in 2018 to 2022 that that build is going to go on, so we've got four years that we're going to be watching that. Then there is a year after that, between 2022 and 2023, when we begin to fill up the interior of that building. We've got research and development. We have clinical laboratories. We've got, of course, the areas where you do the patient care and the patient rooms and the offices and all of those pieces. So there's a tremendous amount of work that goes into making sure that we outfit the interior of that building with all of the experts who are going to be doing that work.

**8:50**

It will take about a year to move everybody into that space, and once we do, really, we have one consolidated area, one consolidated facility, state-of-the-art, that is going to house all of the cancer care that is currently being done in all those different areas of the city. Really, it will attract people from well beyond Calgary, so it really is going to be a hub for cancer care probably, at a minimum, in western Canada.

**Mr. Coolahan:** Great. Thank you for that.

Just quickly on another project that's very near to me and my constituents, which is the green line LRT in Calgary: can you update us on that one, please?

**Ms Jansen:** We know the advance work has been done for some time. Shovels in the ground on the actual line itself is 2019. One of the things that they're doing right now in doing the advance work is, really, preparing so that come next year, they're going to be able to get out there and start doing the work. Ground has to be cleared. Some areas certainly have to be dug out. Once all that prep work is done, we're ready to go ahead and do the main piece of work.

There's a tremendous amount of planning that goes into it, especially when you look at coming out of downtown, a high urban density area. But, really, you know, as we look at that project and where it's going and planning that route and making sure that all along the route you have anticipated, especially when you're looking at transportation projects, all of the unintended consequences of doing construction work, as we all well know in Calgary because there are constantly construction projects ongoing, it takes a tremendous amount of planning. We're very lucky that the city of Calgary has a fantastic group who work with us and update us regularly on what's happening there.

Really, at the end of the day, what we're going to have at the completion of this first leg of the green line is the ability to move

an extra 60,000 Calgarians a day in an easier fashion through Calgary, which is pretty remarkable, not to mention the ancillary benefits of that, not just making sure that we're breathing easier because we're taking cars off the road but 12,000 direct jobs as a result of that green line, 8,000 indirect jobs. You know, that is a pretty remarkable piece of economic development for Calgary in terms of job creation alone. It's pretty much a win-win project for us. We're pretty pleased about it.

**Mr. Coolahan:** Thanks for that.

With the lack of time, I'm going to turn it over to my colleagues here.

**Ms Fitzpatrick:** Okay. I have two questions, but we'll see if we get to two. When I looked at the government estimates – I'll refer you to page 190 – it shows a transfer to Infrastructure from Transportation. Can you explain what that is about?

**Ms Jansen:** All right. Just going to page . . .

**Ms Fitzpatrick:** Page 190.

**Ms Jansen:** Page 190. It's the transfer of assets resulting from the 511 Alberta project. I'm not sure if you're familiar with the 511 Alberta project. It's a transfer for administration agreement between Infrastructure and Transportation. Through this agreement Infrastructure manages the project's scope, the schedule, and the budget to move 511 Alberta equipment and furniture within the Twin Atria Building. Project expenditures that are incurred by Infrastructure will be transferred to Transportation through basically an interunit transfer. Ultimately, the cost for the project will end up belonging to the Transportation ministry.

We have a new accounting rule that took effect on April 1, 2017. It results in a revenue and noncash capital investment for Infrastructure – that's why it's listed on page 190 of the estimates – and that means that Transportation will record the corresponding noncash expense, and those entries will be consolidated at the GOA level. The 511 Alberta move is really meant to help better utilize resources to allow the 511 team to enhance their services and to accommodate some additional people in the department, so some additional employees. That's really what it's meant to do.

**Ms Fitzpatrick:** Okay. Thank you.

I'm going to ask the MLA for Red Deer-North to ask hers, and if there's time, I'm going to ask my second question after.

**Ms Jansen:** Okay. Perfect.

**Mrs. Schreiner:** Thank you. Minister, I cannot stress enough how so very appreciative not only the constituents of Red Deer-North but constituents from all across central Alberta were with the Red Deer justice centre announcement. I was wondering if you could please provide an update on this most welcome project.

**Ms Jansen:** Sure. And I just want to say that there's a great group of people. I met with the Red Deer mayor a number of weeks ago and some of her council members, and they took me on a tour out there of some of the sites that they wanted to look at. It was a great conversation we had and a great relationship we have with them.

The 2018 capital plan really invests about \$181 million over five years for the new Red Deer justice centre. The facility is going to provide 12 courtrooms for central Alberta upon its completion, and there will be the capacity in there to build up to a total of 16 courtrooms. As you well know, in that area those are much-needed courtrooms for Red Deer and for the surrounding area. Planning for

the justice centre is complete. The design work is expected to start later this spring.

Right now Alberta Infrastructure is in the process of completing the land acquisition for the project, which includes Parsons House, and we're expecting to be through that whole process, really, sometime by midsummer. The future of Parsons House – I know some folks had been wondering what was going to happen with that project – will not be determined, really, until the design work is done. So we're doing that. That design work is an important piece going forward, and we've got some great conversations going with the mayor and council of Red Deer.

One of the things that I mentioned to them, of course, as you well know, is that I have an open-door policy, and any time they want to discuss the infrastructure in that area, I'm happy to have that conversation with them. They have been a delight to work with.

**Mrs. Schreiner:** Thank you, Minister.

I'll pass it back.

**Ms Jansen:** Sure.

**Ms Fitzpatrick:** Okay. I get to ask my next one. You did touch on how capital projects were chosen in terms of the different ministries. Can you explain how potential bias is addressed in those projects?

**Ms Jansen:** Well, projects within the capital plan have been reviewed carefully to make sure that they align with our government priorities. In addition to making sure that projects align with our government priorities, we take into account a number of considerations. First of all, there is the need to enhance access to services. That's pretty important. We take into account the condition of a facility. That includes health and safety concerns,

functionality, utilization of a building. There's a full list of criteria that is actually available on our Infrastructure website.

The process, really, is that Treasury Board and cabinet identify government priorities. They determine the size of the capital plan. They take into account the fiscal situation in the province. What happens next is that an official request is sent to all the ministries to identify what their capital plan priorities are. The ministries consider input from MLAs – you know, we certainly heard some great feedback; of course, Red Deer is a prime example of some folks really articulating for us the situation on the ground there; of course, for yourself in Lethbridge, the same thing – and really take into account that conversation. But we don't just hear from the MLAs. We hear from stakeholders, we hear from municipalities, and all of that goes into the capital plan submission.

The submissions are then provided to the Treasury Capital Planning Committee, where they are reviewed for alignment with government priorities and with funding. We have a conversation around the table, and folks talk about the importance of particular plans or projects in their individual areas. Then what happens is that Treasury Board and cabinet review and approve a final capital plan and an unfunded capital projects list. So what happens, really, is that because we have folks . . .

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

I would like to remind committee members that we are scheduled to next meet tomorrow, Tuesday, April 17, at 9 a.m. to consider the Ministry of Agriculture and Forestry.

Thank you, everyone. This meeting is now adjourned. See you in 12 hours.

[The committee adjourned at 9 p.m.]







