



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Alberta's Economic Future

Ministry of Infrastructure
Consideration of Main Estimates

Monday, March 8, 2021
7 p.m.

Transcript No. 30-2-5

**Legislative Assembly of Alberta
The 30th Legislature
Second Session**

Standing Committee on Alberta's Economic Future

Neudorf, Nathan T., Lethbridge-East (UC), Chair
Goehring, Nicole, Edmonton-Castle Downs (NDP), Deputy Chair
Ceci, Joe, Calgary-Buffalo (NDP), * Acting Deputy Chair

Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)
Barnes, Drew, Cypress-Medicine Hat (UC)
Bilous, Deron, Edmonton-Beverly-Clareview (NDP)
Irwin, Janis, Edmonton-Highlands-Norwood (NDP)
Jones, Matt, Calgary-South East (UC)**
Reid, Roger W., Livingstone-Macleod (UC)
Rosin, Miranda D., Banff-Kananaskis (UC)
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC)
Sweet, Heather, Edmonton-Manning (NDP)
Toor, Devinder, Calgary-Falconridge (UC)***
van Dijken, Glenn, Athabasca-Barrhead-Westlock (UC)
Walker, Jordan, Sherwood Park (UC)

* substitution for Nicole Goehring

** substitution for Roger Reid

*** substitution for Drew Barnes

Also in Attendance

Dang, Thomas, Edmonton-South (NDP)
Deol, Jasvir, Edmonton-Meadows (NDP)
Renaud, Marie F., St. Albert (NDP)

Support Staff

Shannon Dean, QC	Clerk
Teri Cherkewich	Law Clerk
Trafton Koenig	Senior Parliamentary Counsel
Philip Massolin	Clerk Assistant and Director of House Services
Sarah Amato	Research Officer
Melanie Niemi-Bohun	Research Officer
Nancy Robert	Clerk of <i>Journals</i> and Research Officer
Warren Huffman	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Director of Parliamentary Programs
Amanda LeBlanc	Deputy Editor of <i>Alberta Hansard</i>

Standing Committee on Alberta's Economic Future

Participants

Ministry of Infrastructure

Hon. Prasad Panda, Minister

Tracy Allen, Assistant Deputy Minister, Capital Projects Delivery

Faye McCann, Executive Director and Senior Financial Officer, Finance

7 p.m.

Monday, March 8, 2021

[Mr. Neudorf in the chair]

**Ministry of Infrastructure
Consideration of Main Estimates**

The Chair: Welcome. I would like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Infrastructure for the fiscal year ending March 31, 2022.

I'd ask that we go around the table and have members introduce themselves for the record. To begin, I'm Nathan Neudorf, the MLA for Lethbridge-East and the chair of this committee. We will begin, starting to my right.

Member Ceci: Thank you very much, Mr. Chair. I'm Joe Ceci, the MLA for Calgary-Buffalo.

Ms Rosin: Miranda Rosin, MLA for Banff-Kananaskis.

Ms Armstrong-Homeniuk: Jackie Armstrong-Homeniuk, MLA for Fort Saskatchewan-Vegreville.

Mr. van Dijken: Glenn van Dijken, MLA, Athabasca-Barrhead-Westlock.

Ms Renaud: Marie Renaud, MLA for St. Albert.

Mr. Dang: Thomas Dang, Edmonton-South.

Mr. Deol: Jasvir Deol, MLA for Edmonton-Meadows.

The Chair: Thank you.

Now we'll go to the members participating virtually. When I call your name, please introduce yourself for the record. We have Mr. Rowswell.

Mr. Rowswell: Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

The Chair: Mr. Walker.

Mr. Walker: Good evening. Jordan Walker, MLA, Sherwood Park.

The Chair: Mr. Jones.

Mr. Jones: Matt Jones, MLA, Calgary-South East.

The Chair: Thank you very much. Due to the current landscape we are in, all ministry staff will be participating in the estimates debate virtually. Minister, please introduce yourself and any officials who are joining you who may be speaking on the record.

Mr. Panda: Thank you, Mr. Chair. I'm Prasad Panda, MLA, Calgary-Edgemont. I have with me my DM, Shannon Flint, ADM Tracy Allen, and ADM Jennifer Flaman, and I have acting ADM Sheila Harrison and then our senior financial officer, Faye McCann. I also have our ED of property management, Leonid Oukrainski, and also our communications director, Jo-anne Nugent. As required, they will speak.

The Chair: Thank you very much, Minister.

I'd like to note the following substitutions for the record: Member Ceci as deputy chair for Ms Goehring, Mr. Toor for Mr. Barnes, Mr. Jones for Mr. Reid.

Before we begin, I would note that in accordance with the recommendations from the chief medical officer of health attendees at today's meeting are advised to leave the appropriate distance between themselves and other meeting participants. In addition, as indicated in the February 25, 2021, memo from the hon. Speaker Cooper, I would remind everyone of committee room protocols in line with health guidelines, which require members to wear masks in committee rooms and while seated except when speaking, at which time they may choose not to wear a face covering.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee meetings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostreams and transcripts of meetings can be accessed via the Legislative Assembly website. Those participating virtually are asked to turn on their cameras while speaking and please mute their microphones when not speaking. To be placed on the speakers list, virtual participants should e-mail or send a message through the group chat to the committee clerk, and members in the room are asked to please wave or otherwise signal to the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

At this point in time I would like Mr. Toor just to introduce himself for the record.

Mr. Toor: Good evening, everyone. Devinder Toor, MLA, Calgary-Falconridge.

The Chair: Thank you very much.

Speaking rotation and time limits. Hon. members, the standing orders set out the process for consideration of the main estimates. A total of two hours has been scheduled for consideration of the estimates for the Ministry of Infrastructure. Standing Order 59.01(7) establishes the speaking rotation and speaking times. In brief, the minister or member of Executive Council acting on the minister's behalf will have 10 minutes to address the committee. At the conclusion of his comments a 50-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for independent members, if any, and then a 20-minute speaking block for government caucus.

Individuals may only speak for up to 10 minutes at a time, but time may be combined between the member and minister. The rotation of speaking times will then follow the same rotation of the Official Opposition, independent members, and the government caucus, with individual speaking times set to five minutes for both the member and the ministry. These times may be combined into a 10-minute block. One final note. Please remember that discussion should flow through the chair at all times regardless of whether or not speaking times are combined. If members have any questions regarding speaking times or the rotation, please feel free to send an e-mail or message to the committee clerk about the process.

Ministry officials, at the direction of the minister, may address the committee. Ministry officials are asked to please introduce yourselves on the record prior to commenting. Space permitting, opposition caucus staff may sit appropriately distanced 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 two hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Points of order will be dealt with as they arise; however, the speaking block time and the overall two-hour meeting clock will continue to run.

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

The vote on the estimates and any amendments will occur in Committee of Supply on March 17, 2021. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and as a courtesy an electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

I now invite the Minister of Infrastructure to begin his opening remarks. Mr. Panda, you have 10 minutes.

Mr. Dang: Point of order, Mr. Chair.

The Chair: Sorry. Go ahead. Point of order?

Mr. Dang: Sorry, Mr. Chair. Thank you. I just wanted to get it in before we get started. I believe that pursuant to the February 22, 2021, memo and the guidance you just outlined at the beginning of this meeting, members who are not speaking should be wearing masks at this committee.

Thank you.

The Chair: That is correct. Please, members, would you be wearing masks according to the rules. Thank you very much.

Again, Minister, you have 10 minutes. Thank you.

Mr. Panda: Thank you, Mr. Chair. I'm pleased to present Alberta Infrastructure's estimates for 2021-22 and our business plan for 2021-24 together with my deputy minister, Shannon Flint, and all of our department colleagues, as I introduced before.

Budget 2021 protects the lives and livelihoods of Albertans with a historic investment in infrastructure, in particular in health care facilities, while laying the foundation for economic growth. I'm proud to say that my ministry, Alberta Infrastructure, plays a vital role, which is to deliver on the priorities laid out in the 2021 capital plan. With the change in government in 2019 we initially promised to adopt the outgoing NDP government's capital plan, which committed about \$6 billion annually. With the onset of the pandemic we decided to somewhat increase the spending on capital projects to keep more Albertans working through the downturn.

We know that infrastructure investments drive our economy and are a major force in job creation. In fact, the government's 2021 capital plan investment of \$20.7 billion over three years will support more than 50,000 direct and 40,000 indirect jobs throughout our province. These include good-paying jobs related to construction, design, engineering and that support tradespeople throughout the duration of a project. In addition, the positive impact from this investment ripples out from the construction work site to benefit local manufacturers, suppliers, and trucking companies. At a time when jobs remain scarce, taxpayer spending on infrastructure supports the lives and livelihoods of Albertans.

I'd also like to point out that Alberta's culture of workplace safety and rigorous adherence to advice provided by the chief medical officer of health has kept construction sites across the province busy throughout the pandemic. My thanks to all the tradespeople, construction workers, and project managers who made this possible.

7:10

As my ministry builds, renews, and maintains public infrastructure like the schools, health, and government facilities, we are guided by Infrastructure's 2021-24 business plan and its two

desired outcomes. Our efforts are supported through Infrastructure's 2021-22 voted estimates, totalling about 2 and a half billion dollars. Of our budget total, the majority, or \$2 billion, is in the capital investment vote, largely split between school and health capital projects. This is an increase of \$527.1 million, or 35.9 per cent, from the 2020-21 forecast of 1 and a half billion dollars. The increase is mainly a result of the timing of cash flows needed to deliver approved school, health, and government facility capital projects. These facilities are necessary to support the delivery of government programs and services for Albertans.

Looking at school infrastructure, \$778.2 million is dedicated to constructing new facilities, modernizing existing schools, or investing in school capital maintenance. This includes \$267.4 million of new funding for 14 new school projects, including funding for the modular classroom program, and provides for 63 previously approved school projects that are in planning, design, or under construction throughout the province. By the end of 2021 we expect construction on 17 of these school projects to be complete and ready to meet the needs of students and communities for years to come.

Looking at health infrastructure, \$768.8 million is dedicated to building new health facilities, renewing existing ones, or investing in health capital maintenance and renewal. Some of the health projects currently in construction include, in Calgary, the Calgary cancer centre, the Foothills hospital power plant expansion, the Peter Lougheed Centre redevelopment, the new Bridgeland Riverside continuing care centre. Projects in Edmonton include the Gene Zwodzesky centre in Norwood, the Misericordia community hospital modernization program, and the new south Edmonton hospital. There is also funding for the Rockyview hospital in Calgary, the La Crête community health centre, the old High Prairie hospital demolition, and the Red Deer hospital expansion.

Infrastructure's capital investment vote includes \$315.9 million to property management, which includes upgrading and reviewing government-owned facilities. In addition to health and education there is \$123.7 million for the government facilities like the new Red Deer justice centre, the agrivalve processing business incubator in Leduc, and the complex needs residential build, which will provide a new housing complex in Calgary with integrated health and social supports for clients with complex needs.

Infrastructure also works with the government of Canada to ensure Alberta receives its share of federal infrastructure funding to support the most critical and current needs in our province. This includes the investing in Canada infrastructure program, or ICIP, which is providing \$3.6 billion to support infrastructure projects. To date, 78 projects in over 20 constituencies have been approved for ICIP funding. Recently we also approved some small-scale capital maintenance and renewal projects through a new ICIP COVID-19 resilience stream. This stream is meant to help offset challenges brought on by the pandemic. The COVID-19 stream is not new money, but it does provide us with more flexibility on how we spend the ICIP money already allocated to Alberta.

I would also like to reiterate this government's commitment to explore alternative financing options like public-private partnerships and using the Canada Infrastructure Bank. We saw an important agreement signed with the CIB to improve irrigation in southern Alberta and are currently evaluating bids on a bundle of high schools to be delivered using the P3 model.

Taking a look now at Infrastructure's 2021-22 expense vote, which includes \$446.8 million, this number reflects my ministry's efforts to effectively manage government-owned and -operated facilities with a focus on sound financial stewardship, quality, and efficiency. Overall, the expense budget covers funding for day-

to-day operations of about 1,800 government-owned buildings, management of leased space to meet government program needs, and staffing to support these activities. It also provides funding for ongoing capital planning activities in support of the capital plan.

The expense vote is a decrease of \$43.2 million, or 8.8 per cent, from the 2020-21 forecast of \$490 million. This difference is mainly because of a decrease in property operations from reducing government space and reductions in COVID-19 costs paid by Infrastructure. In 2020-21 this included government-wide changes such as personal protective equipment, Plexiglas installations, and increased cleaning. While almost 95 per cent of Infrastructure's total operating expenses are due to the management of government space, mostly in lease obligations, utilities, and property management contracts, we are committed to doing our share to help our government meet its fiscal objectives.

With measured and practical solutions in place, Infrastructure will continue to achieve savings over the long term. This includes reducing government space, taking advantage of lower leasing costs, and using tenant allowances as a strength. Guided by our business plan outcomes and focused on . . .

The Chair: Excuse me, Minister. Sorry to interrupt. Thank you very much. That concludes your 10-minute opening remarks.

For the 50 minutes that follow, the members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals so that you are aware of the time. Mr. Dang.

Mr. Dang: Thank you, Mr. Chair. If we could go back and forth with the minister.

The Chair: Minister, are you prepared to go back and forth? I think that was a yes.

Mr. Dang: I want to thank the minister for his comments and the work done today. I know it's a considerable amount of work to get these budgets done. I want to start out by saying that even though we are going back and forth, I'm going to try to keep my questions brief, and I hope that you can try to keep your answers brief as well. We have a lot of questions and not a lot of time here.

I'd like to start off fairly high level and perhaps even start on the strategic plan so that we can work our way into the more nitty-gritty details. I just want to start on page 15 of the strategic plan. I want to talk about the headline under building public infrastructure. Under building public infrastructure there's a reference to grants to improve rural high-speed Internet and utilities. Could you tell me, I guess, just basically where in the budget, in the fiscal plan, in the business plan a line item for that is going to be or how much money is going to be provided to these grants for improving high-speed Internet and rural utilities?

Mr. Panda: Sorry, Member Dang. Actually, broadband is not part of Infrastructure. It's not in Infrastructure's budget right now – yeah – so probably maybe in Service Alberta or another department.

Mr. Dang: So if I understand that correctly, there's going to be no capital component to improving rural broadband?

Mr. Panda: We're actually discussing with the federal government and the Canada Infrastructure Bank to explore options. Right now it's not part of this Budget 2021.

Mr. Dang: Thank you.

I'd like to move on, then, to – still on page 15, we're talking about the irrigation project. I'll get into the specifics of irrigation a bit

later in the fiscal plan, but it mentions that you're planning to spend \$244.5 million over seven years on irrigation expansion projects. Just to clarify, does that include rehabilitation, or is that just on the new projects that have been announced under the joint project with the feds?

7:20

Mr. Panda: Probably you have to talk to Agriculture about that because the irrigation investments we announced last year were part of funding from the Canada Infrastructure Bank. That's a loan. The Alberta government also invested a part of that together with the local irrigation districts, but it's not part of Infrastructure's budget right now.

Mr. Dang: So you're telling me that even though it's on page 141 of the fiscal plan under irrigation projects and we've got \$120 million over three years, which is the Alberta government portion, I understand, about \$830 million in total – but 75 per cent of that, of course, is irrigation districts self-funded – you can't tell me how much of that is going to be in irrigation rehabilitation, which is also on page 141, versus irrigation projects, which is the ICIP portion? I understand your ministry is responsible for administering those projects in Alberta. Isn't that right?

Mr. Panda: Our ministry is responsible to co-ordinate with the Canada Infrastructure Bank and assist other departments. In this case we assisted the department of agriculture, but the budget is accounted for in the agriculture department's budget, mostly. When you do that department's estimates, either you or your colleagues may be able to get answers there. Right now it's not part of my department.

Mr. Dang: Thank you. We'll follow up with Agriculture, then.

Then I guess the last question I have about the strat plan here is, same page, that you mentioned that there has been a third-party review that's intended to be done or will be done to review all of the government-owned assets. Have you decided on a contractor for this third-party review? Do you have an idea of how much that review will cost and how you will be determining who conducts the review?

Mr. Panda: It's not finalized. I'll share with you more details when we finalize how we select the contractor. Most likely we have to bid the contract, and one of the consultants will be awarded from competitive bidding.

Mr. Dang: Sure. I understand that you don't have those details today. I would hope that maybe you could have them before we vote on the budget, but if not, would you commit to tabling those to the Assembly when it becomes available?

Mr. Panda: When they are available, we'll definitely let you know. But as we stated in the budget, we're trying to do more with less. We're trying to find efficiencies. As you know, we ran a budget deficit of \$20 billion last year, \$18 billion this year. We have to deliver government services more efficiently at a lower cost compared to other provinces. That's what we are working on. When we are ready, I'll definitely share with you.

Mr. Dang: Thank you.

I'd like to move on to the business plan, then. Like I said, I'm going to get slowly more and more specific. In the business plan on page 64 you have performance measure 1(b), which is about government-owned and -operated facilities and their physical conditions. I'm just wondering: could you explain to me how the

categories are evaluated and how often the ministry evaluates the categories for the buildings?

Mr. Panda: That's performance measure 1(b). The overall condition of our government-owned and -operated facilities is expected to stay steady in the next three years, with no changes to the targets. Condition targets take into account major building renovations and modernizations that have been completed such as upgrades to current infrastructure as well as government property plans for disposition. Similarly, new facilities in various stages of development will impact targets. The targets also take into account the natural aging of all facilities, which offsets the impact of new facilities and major renovations. The methodology uses a facility condition index, FCI, which is the ratio of the estimated cost over the next five years. These measures allow Infrastructure to track the physical condition of our facilities over time to support long-term capital planning. These measures are updated annually.

Right now Infrastructure uses a numbered rating scheme; for example, category 1, with an FCI less than or equal to 15 per cent. Then category 2 is facilities with an FCI that is greater than 15 per cent or equal to or less than 40 per cent. Category 3 is facilities with an FCI greater than 40 per cent. Then I have definitions of each category. For example, category 1 is adequate for intended use and . . .

Mr. Dang: Thank you, Minister. I can read that in the budget itself.

I'm wondering: will you be able to provide the formula for FCI that the government uses? Perhaps you could table that at a later date if that's possible.

Mr. Panda: The methodology used, as I said, to calculate FCI is the ratio of estimated costs over the next five years to correct the physical condition deficiencies relative to the facility's replacement value. So that's the formula we use.

Mr. Dang: Thank you. That will help, actually.

You mentioned this already in your speech here, that the intent is for the government to maintain at the current level for the next three years. Could you explain to me: does that mean that with deficiencies that exist, you intend to, I guess, limp them along or maintain and not improve the condition of facilities on average over the next three years in Alberta? Is that right?

Mr. Panda: No. We will continue to invest and improve the facilities because that was one of the recommendations from the MacKinnon panel. We want to look at all the deferred maintenance because we want to, you know, extend the life of those assets. Otherwise, it will cost too much to replace those assets. So we'll continue to invest. As you see, this year and last year we increased our capital maintenance and renewal budget. We, in fact, accelerated. Last year, in 2020, we brought forward a million dollars for both Infrastructure and Transportation CMR projects.

Mr. Dang: The question, I guess, then, because the numbers aren't changing, is that you will bring the – could you explain to me if that means that for the stuff that's in the bottom third, or category 3, you'll bring some of those up but you expect some of category 2 to drop to category 3? Why won't the numbers change over time?

Mr. Panda: I gave you the ratios there, so depending on the assessment we receive from the professionals on the condition of the asset, we either accelerate fixing those assets or we delay, based on the evidence and professional advice we get.

Mr. Dang: Okay. Thank you.

Moving on, I guess I want to ask about performance measure 1(a) as well, which is the "average number of calendar days required to complete Infrastructure-managed over threshold procurements." I'm just wondering why your target over the next three years, which is 26 – it stays the same over the next three years – is, I guess, worse than your average over the last year. Like, why are you aiming to do worse?

Mr. Panda: So you're asking me about the 1(a) performance measure, the average number of calendar days required to complete Infrastructure-managed over threshold procurements. Is that the question, Member Dang?

Mr. Dang: Yes. I'm just wondering. Like, it says here that in 2019-20 it takes you an average of 23.3 days to complete a procurement. But then your target for this year and next year and the year after is 26 days. So you're actually aiming to do not as well as you did previously.

Mr. Panda: Right. This is actually a new performance measure. This measure supports the ministry in creating efficiencies, and it will allow for the timely delivery of innovative infrastructure solutions and higher quality outcomes by enhancing the ability to deliver projects on time, on budget, and to specification by developing more accurate project schedules and gaining efficiencies in . . .

Mr. Dang: But, Minister, you're aiming to do worse. That's literally in the measure, right? You're 23.3 days right now, but your target is 26 days, so you're aiming to get worse. I'm just trying to understand why that would be the case.

7:30

Mr. Panda: Well, we can't generalize. That depends on the type of projects, procurements we're talking about. For example, you know, hospital projects: they're more complex. It all depends on the type of project.

Mr. Dang: Okay. Thank you.

Let's move on, then. I want to move on to the next page, 65, and I want to look at performance measure 2(b). I just want to note that these are quite good, actually, successful targets. It seems like you've done quite a good job in decreasing the megajoules per square metre. I'm just wondering: can you explain to me how you're improving efficiency in these buildings? Is it largely through upgrades and renovations, or does it also count closures of old buildings and things like that?

Mr. Panda: So 2(b) is the energy consumption intensity in megajoules per gross square metre. Is that what you're referring to, Member Dang?

Mr. Dang: Yeah.

Mr. Panda: Okay. Energy consumption intensity is the amount of energy consumed by a facility relative to its size, and we are using that measure to evaluate how effectively Infrastructure is managing energy in government-owned and -operated facilities. We forecast a steady reduction over the next few years based on planned energy projects. These types of projects can include light-emitting diodes – for example, LED upgrades – building retrofits, mechanical equipment calibrations, or control systems upgrades. That's how we will try to gain efficiencies through green technologies.

Mr. Dang: Thank you . . .

The Chair: Excuse me. Sorry. I just wanted to interject. I really appreciate the congenial tone, but I do want to be careful. If we go through the chair, then we don't risk talking over one another. But that's only minor.

Thank you very much. Please proceed.

Mr. Dang: Thank you, Mr. Chair. I guess, again, yeah, I think that it's a good job that the minister is doing here, and it does seem to be decreasing the energy consumption over time. Just to clarify, then, you're saying that the majority of those changes are going to be through retrofits, not through closure of old buildings or anything like that.

Mr. Panda: No. We haven't closed down any buildings if they are functional. I'm also looking at other avenues. For example, as I said, the province is already running a huge deficit, so I'm trying to work with the Canada Infrastructure Bank to use some of their programs to achieve those energy efficiencies through a cost-shared program. If that doesn't cost Alberta taxpayers much, I want to use those programs. I'll update you in the coming months as we conclude those discussions with the Canada Infrastructure Bank.

Mr. Dang: Sure. Thank you. When those discussions get concluded, would you be able to commit to tabling the outcomes, I guess, for us to see?

Mr. Panda: Yeah. I can let you know about the details of the agreement if they are not commercially sensitive, but the outcomes will depend – I mean, it takes time to get the outcomes in terms of energy efficiency results that we gain. It takes time, but the process and the conditions and all that I will update you on.

Mr. Dang: Thank you.

My next question is from page 66 of the business plan, just on the statement of operations here. I want to look at the revenue line. In your revenue line item, basically in the totals, we see a pretty significant drop from the estimate this year to next year. Could you just explain to me why it's basically a \$10 million difference in revenue?

Mr. Panda: You're talking about the 2021-22 target versus the 2022-23 target, right?

Mr. Dang: Yeah. I just wondered: what would account for that \$10 million difference?

Mr. Panda: If you look, this line reflects the funds transferred by the government of Canada for capital contributions towards provincial assets, which are recognized as deferred revenue. Upon receipt of the transfer, the revenue will be used for the life of the asset once it is put into service.

There's no change in the 2022-23 and the '23-24 targets compared to the '21-22 estimates. These are a lot of numbers to read. There is no change in premiums, fees, and licences, but there is some difference, a decrease of \$9.9 million, for the other revenue, which is primarily due to less revenue anticipated from Swan Hills Treatment Centre as the facility moves to process only high-concentration PCBs, polychlorinated biphenyls, and biomedical waste. That's mainly because of the decrease in operations there at Swan Hills.

Mr. Dang: Okay. So there are no, like, projected sales or anything that would affect that number this year.

Mr. Panda: No. I think that will come up in the next hour or so, about Swan Hills, because I also asked the federal government to

make up some of that loss. So far we are not successful, but I'll talk about that more in the subsequent questions.

Mr. Dang: Sure. Thank you.

I want to look at the capital construction line item as well, which is just the second item under Expense. Of course, we know this year it's projected to be quite high, at \$1.5 billion, but we see a very sharp drop-off next year and the year after, dropping to basically historical lows in only two years. Could you explain to me why there's such a significant drop in capital construction over time?

Mr. Panda: The year 2022-23 and the year 2023-24 targets decreased by \$174.8 million and \$642.5 million respectively compared to the 2021-22 estimate, mainly due to scheduling and cash-flow requirements for health facility projects and school capital projects; for example, the Calgary cancer centre or the Gene Zwozdesky centre in Norwood, Edmonton, or the Edmonton hospital and announced capital school projects.

These projects: you know, once they go into construction, then the contractor gives us the cash-flow requirements. Some years they consume more budget in certain years based on the construction progress. In other years they lag. It's all about reprofiling. But all those projects that are committed: they will be fully funded, and they'll be completed.

The Chair: That was your first 20 minutes. We're on our second 20 minutes now. Let's carry on.

Mr. Dang: Thank you. Just to clarify, I'll get two more of those, I guess, right?

The Chair: Twenty and then 10.

Mr. Dang: So 20 and 10. Okay. Perfect.

Thank you, Minister. I guess, going back to that, it basically means that because you're completing a lot of projects, you're not anticipating starting any new projects, so the spend will go down over time. Is that right?

Mr. Panda: No. Of course, we are starting new projects. For example, this budget this year, 2021, approved 41 new projects – 41 – which includes 14 schools and five health care facilities. They will be . . .

Mr. Dang: Thank you. I guess it's just that the cash value of those projects will not exceed the number that are completing, because the projects that are completing are quite large such as the Gene Zwozdesky centre or the Calgary cancer centre and things like that.

Mr. Panda: Yeah. Mr. Chair, through you, you're right. All those projects that are approved, either previously approved or approved this year – for example, the 41 projects that are approved this year are not fully funded in this year's budget, but they are approved, and they allow money in this year's budget, the same as, like, with the Calgary cancer centre, for example. We continued the funding over the years. They'll be funded through the life of the projects. They won't be funded in year 1, but as the project progresses, they'll get the funding based on the full cash flow that they get from contractors.

Mr. Dang: I have one more question here in the business plan. I'm just looking at the property management portion, which is under Capital Investment, the second line there. I'm wondering, I guess, basically, why you project such a significant drop – it's about half, more than half, I think – why there's such a big drop over time in property management. What are you doing to find such significant savings?

7:40

Mr. Panda: Sure. Through you, Mr. Chair, to Member Dang, he's right. The '22-23 and '23-24 targets decrease by \$192.8 million and \$190.4 million respectively compared to the 2021-22 estimate, mainly due to project scheduling and the cash-flow requirements for accommodation projects such as renovation and restacking of GOA-owned and -leased buildings. Acceleration of capital maintenance and renewal projects for government buildings is part of the economic stimulus in 2021-22 and additional funding allocated in 2021-22 towards these high-priority capital maintenance projects for government buildings.

Mr. Dang: Sure. Thank you.

Through you, Mr. Chair, for my next question we're getting into the fiscal plan now. Just to make it easier for everybody, I'm going to be on page 182 of the fiscal plan, and this is schedule 21, which speaks to FTEs in the government. I note that in this year's estimate the Ministry of Infrastructure intends to reduce the number of FTEs by 72, which is the single largest number out of any department of the government. Would you be able to provide a detailed breakdown of exactly which positions are being reduced?

Mr. Panda: Yeah. You asked a very important question. I take that very seriously because it's the jobs, it is the livelihoods of people. The department is currently undertaking an analysis and a review of the model that we have for several buildings to see if there are savings that can be applied if we shift the delivery model. In the Royal Alberta Museum, in that building, for example, we're looking at options to outsource the service instead of delivering in-house through our own staff. Decisions like that: we are consulting with their union representatives, but we have not made any decisions yet on those. We're still working through the analysis and with the Alberta Union of Provincial Employees, as I mentioned. Also, we are trying to minimize layoffs and trying to achieve those targets through mainly attrition.

Mr. Dang: Okay. I'm going to dig into that a little bit. Like you said, I understand that AUPE is being consulted on these changes, and my understanding is that I think there are four sites that are primarily being consulted on: the Michener Centre in Red Deer; the Spy Hill correctional facility in Calgary; the Federal Building here in Edmonton, which we're both in right now, of course; and, as you said, the RAM as well. And, I believe, the courthouse is being consulted on as well. I think that works out to about 180 employees in total that the AUPE represents between those sites. That is my understanding. So you're accounting for 72. That's your estimate, right? The consultation is not done yet, the negotiation isn't done with the union yet, but you've already decided a number. I guess: can you just help me understand how you've made this projection and whether it will change based on how those consultations go?

Mr. Panda: The breakdown of the 72 is 28 at the Royal Alberta Museum, and the remainder of that, 72 less 28, is through attrition. Once the list is finalized, we'll reveal that. The workforce of our other buildings you are talking about: we're not looking at any of that right now, but I can tell you that the full-time equivalent reductions do not include any reductions for those locations you talked about, the Federal Building or Michener or Spy Hill or the courthouses. We are only looking at this Royal Alberta Museum right now.

Mr. Dang: Thank you. That's actually really good to hear. I guess since this is the largest number of FTE equivalents and you said, of course, that there are 28 at RAM and the remainder of those jobs –

to be clear, there are no layoffs. It will entirely be through attrition. Is that right?

Mr. Panda: Over a period of time there could be some layoffs, but we will think that through carefully because that impacts people. We'll try to minimize that. As I said, mainly my ask of my colleagues is to achieve those targets through attrition.

Mr. Dang: Okay. Thank you, and through you, Mr. Chair, those jobs, of course, you said, will be replaced in terms of things like at RAM. You're intending to outsource those. Are those going to be put out for public tender, then, and if and when the decisions on the remainder of those positions are – would you be able to commit to tabling the breakdown of those positions?

Mr. Panda: Yeah. But one thing I want to make clear is that the jobs are not going to go away. Instead of public service employees employed in the government of Alberta, those services will be delivered through private companies. They still need those people, so the number of jobs will remain there, but the delivery will be changed from my colleagues here in Infrastructure to the private agencies.

Mr. Dang: Thank you. I want to move on from this. I think that it's been very illuminating, some of what you've said there.

I want to move on to other sections of the capital plan. Minister, I think you're probably expecting this question, so I won't belabour it too much, but I'm looking at the line item on page 138 for the Edmonton hospital. The Edmonton hospital was of course announced several years ago now and has seen a significant delay over the next several years here. I've noted, of course, that in the 2021-2022 estimate and targets from last year to this year, we've seen a reduction of around \$12 million. I see that there's money budgeted in the out-years for those, in '22-23, '23-24, and presumably further down the road as well, but could you explain to me why you've reduced the target in this fiscal year by \$12 million?

Mr. Panda: Yeah. That's a very good question. Through you, Mr. Chair, I know that Member Dang is very passionate about this particular hospital project. I appreciate his concerns, but I can assure him, through you, Mr. Chair, that major projects like the hospital project are multiyear, long-term projects because they need careful and thorough planning; otherwise, I'm afraid things could go sideways like, for example, Grande Prairie hospital, which we just finished. The member opposite's party also went through that when they were in government, because these kinds of projects could go sideways if we don't handle them carefully. That's why there are different steps, through business case, through clinical planning, through functional programming. Those are all done through multiple stakeholders.

In this case, Alberta Infrastructure is the client for Alberta Health and Alberta Health Services. Depending on their availability for participating in the clinical planning or functional programming and all those steps, there was a slight delay because they told us that they are busy dealing with the pandemic. But I can assure Member Dang that right now we are actually bidding to award site services for underground utility work. Once we award that contract in the coming months, I'll keep you informed. You can see when the contractor mobilizes; they're doing site service work. Then probably you can go there and take your videos there next time if you tell me in advance.

7:50

Mr. Dang: Minister, thank you. I mean, I drive by it every day as I come to the Legislature, so I definitely see the work when it starts.

I guess, just to clarify, then, when you're saying that it's a result of the clinical operations and planning delays, basically you're saying that due to issues outside of your control the design of the process has been delayed slightly, and you have reallocated that into the later years.

Mr. Panda: Right. Exactly. The funding will reflect the requirements of projects. If suddenly all the plans have fallen in line and if we are able to achieve more progress, then those projects will be funded adequately. I'm very confident in telling you that.

Mr. Dang: Perfect. Thank you.

I want to look at a couple of other things, but I'm going to give my colleague from Calgary-Buffalo a chance to ask a couple of questions before, hopefully, he leaves me a few minutes as well.

Member Ceci: Yeah. I just wanted to follow up on the hospital theme that my colleague from Edmonton has started. The Calgary cancer centre is one that – I think you'll agree, Minister – looks beautiful from the outside. It's a massive building, and the structure coming up and the envelope being finished are very striking. I'm certainly proud of our government for making that decision to go with that one hospital in that one spot for people who need cancer support throughout southern Alberta.

My question. When I look at the capital plan on page 138 in the fiscal plan, it seems like – and I heard your answers with respect to, you know, the cash flow and the construction schedule and the drawdown and those kinds of things and putting money in place for that, but perhaps you could take me through the numbers a little bit. I see the estimate for this year is \$213 million. Then it goes down to \$192 million and \$63 million, for a three-year total of \$468 million. When I compare that to previous fiscal plans, I have a four-year total of \$1.034 billion. My question is: has the size of the total expenditure for the Calgary cancer centre changed, or is it still the same? We're seeing less money in targeted out-years here in your three-year total than previous fiscal planning line items for it.

Mr. Panda: Yeah. Through you, Mr. Chair, to my colleague from Calgary, as a fellow Calgarian I agree with him. The building is coming up really nicely. Even during the pandemic, luckily – touch wood – we had every day more than 1,000 people working at that site. I want to thank all those tradespeople and construction workers who kept that construction pace to continue the work. As a fellow southern Albertan I also want to thank Alberta taxpayers for funding that project.

As you mentioned, the budget for that project is \$1.41 billion. That was the investment we approved in the past, and that will be fully funded. The project scope remains the same for that full \$1.41 billion. The contractor assured me that the project is on track and it is on time and on budget. I don't have the individual numbers right now, because there are a lot numbers, but I can assure you that the project is tracking on time and on budget, and it will be completed as per that budget.

But the devils are in the details, right? The issue is that it's easy to ramp up the construction through the structural progress, but once you get into interiors, that's where it takes a little longer because there is a lot of detailing and all the interior fit outs: furniture, equipment, all the instrumentation. I mean, we progressed a lot with finishing the floors and casting the slabs and all that. Right now they told me that they have ordered all the furniture and equipment. They're working with Alberta Health and AHS. The contractor assures me – and I'm maintaining a close tab on that because I share your concern, but I want you to rest assured that there is no issue with the budget. As I explained, the cash flow

varies based on the contractor's progress year to year, but they assured me even recently that they're tracking it on time.

Member Ceci: That's a relief and good to hear. You can appreciate that you don't see those confirmations in this fiscal plan; what you see is an estimate in two years and the total. I think that's good news for all the people who need that support, and that will help in the future.

I'll turn it back to my colleague.

Mr. Dang: Thank you, Mr. Chair. Of course, through you, I want to move on to school projects, which I think is something that almost every MLA in this place finds near and dear to their heart and certainly something that we need to commit lots to. Under renewing educational infrastructure on page 139 I noticed that there's just a very large modular classroom program spend in this year, which I think is probably necessary considering how many kids are at least running around my riding. I know that in many other ridings in Calgary there are lots and lots of kids as well. Could you explain to me perhaps just how many modular classrooms you intend to build and distribute, and could you give a breakdown of the number of modulars per board?

Mr. Panda: Just one second. I'm just asking my staff here. I don't have the numbers right away. We had to work with Education on this, and we'll provide that information. I agree with your comment a lot, but it's a good problem to have, lots of kids in every riding. It's a good problem. Those are all future Albertans and future taxpayers, and we have to support them. I don't have the exact details of those modulars, but I can provide that to you in due course.

Mr. Dang: For sure. Thank you very much. I'd be happy to take that as a written tabling later.

I guess my next question is going to be on the new school capital projects. This year, of course, you've budgeted \$33 million. I'm wondering if you'd be able to break down how many schools you intend to build for \$33 million.

Mr. Panda: In this budget we approved 14 new schools. If 14 new schools, for example, cost, say, hypothetically, half a billion dollars or half a billion dollars more, you won't find that in a line item in this year's budget, as I said. Based on the progress, they'll be funded in the upcoming budgets, too. All those 14 are fully approved. It's not just design money, like previously. I have some numbers here on page 139. If you look at the last line item, school capital projects budget 2021, in that column you mentioned \$33 million this year, but next year it's \$97 million, the following year it's \$98 million, and the three-year total is \$228 million. That's how they're accounted for in the budget.

But I can assure you, for example, that in addition to these 14 schools that were approved in this budget, we have 63 other schools at various stages of planning, design, and construction. They're also funded in this year's budget although they were approved in the previous budget. That's how the accounting works.

We know that this \$33 million is not enough for the 14 schools, if you're trying to relate them like that, but they'll be funded fully as required in the upcoming budget.

Mr. Dang: Thank you. I appreciate that certainly it's over – I mean, most of these school projects take two or three years to complete. But at an estimated about \$20 million to \$30 million per school, which is how much a K to 9 school, give or take, costs, you're still looking at needing over \$400 million, right? Over three years you're only budgeting \$228 million here. I guess: are you basically

accounting for that difference through things like P3s, or how are you finding that difference of \$200 million?

8:00

Mr. Panda: No, no. Even the P3 schools: once they are approved, they're approved fully, for the full amount of funding. But the delivery method could be either design/build or P3. But right now we are evaluating five high schools, schools that are bundled through the P3 process, and by late summer or early fall we will know whether there's value for money. That's the procurement method. But funding is different. All these schools are fully funded.

Mr. Dang: That's what concerns me, Minister. I think you've said that you're evaluating as many as five high schools. The procurement method doesn't matter. But if you're evaluating as many as five high schools, a high school costs between \$70 million and \$80 million, so we're looking at almost a billion dollars in school spend for the 14 schools you're talking about, right? Again, in your budget you only have \$228 million budgeted over three years. These projects, again, take two to three years, like you said, and that's why they're often funded in the out-years. So are you saying that these schools won't be completed within three years? Is that where the discrepancy of, I guess, over \$800 million is now?

Mr. Panda: Yeah. Whatever it costs in the out-years, they'll be funded fully.

Mr. Dang: You're saying that the – sorry. Thank you. Through you, Mr. Chair. Of course, the projects you announced or a significant number of those projects won't be completed within three years because the money is just not there right now.

Mr. Panda: No. They will be completed even before three years. There will be money for those in the out-years.

Mr. Dang: I guess I'm just not understanding, Minister, through you, Mr. Chair, where that money is because in '22-23 and '23-24 the numbers just aren't there, right? The number only goes up to \$97 million, \$98 million, and the total over three years is \$228 million, so that's just not adding up to 14 schools.

Mr. Panda: I can tell you that there will be funding because we just announced today a capital plan for three years, almost \$21 billion, so there is money there. Accounting works differently. You can't just, you know, calculate that schools cost so much, and it's not matching. But the funding will match the project needs. Those projects will be announced. You'll know the details in the coming days. I'm going to talk about those 14 schools together with the Minister of Health. Stay tuned. Sorry: the Minister of Education. We already did Health announcements with the Minister of Health last week in Calgary. But with the Education minister, I'm going to do that in the coming few days, very soon, so stay tuned. That will clarify for you.

Mr. Dang: I will definitely follow that. I know we've had similar discussions in the past. I'm always happy to be corrected or wrong. Actually, I'm happy to be wrong if indeed the funding does come to fruition.

I want to keep moving forward on schools, and I want to look at, still on page 139, the second item under Renewing Educational Infrastructure, playgrounds. For this year, there's \$6 million budgeted for playgrounds, which I assume is in the new playground grant, that new schools get the playgrounds. Can you explain to me why in '22-23 and '23-24 those numbers are zero?

Mr. Panda: For the playgrounds? They've changed that now. It seems it's included in the project budget itself. They're not breaking out costs for playgrounds separately.

Mr. Dang: I guess, to clarify, then, if you're including those playgrounds in the project budget, does that mean that when you build the new school, you will also build a complete playground with that school, or what is the intent here?

Mr. Panda: Correct.

Mr. Dang: Thank you.

Through you, Mr. Chair, of course, formerly it was a grant program, right? I believe there was \$225,000 given per school. You're saying today that the schools you've announced, the 14 schools, and any future schools – you will build a full playground with that school.

Mr. Panda: Right. They still issue the grants, as I understand, for playgrounds, and those schools will have playgrounds.

Mr. Dang: But that grant: will it be \$225,000, or will it be for a full playground? Now it's no longer broken out in the budget. Like, I see playgrounds. In '22-23 it says zero, or there's a dash, right?

Mr. Panda: Correct; \$250,000 per school lighting. That will be the grant that will be issued to each school.

Mr. Dang: Sure. Okay. Well, we'll follow up with that.

I think my colleague from Edmonton-Meadows here has a question around schools as well, so I'm going to get to him for now.

Mr. Deol: Thank you, Mr. Dang.

The Chair: Two and a half minutes, just so you know.

Mr. Deol: Two minutes?

The Chair: Two and a half minutes.

Mr. Deol: I have a very quick question – thank you, first, Mr. Dang – to the minister, through you, Mr. Chair, very specific to the line on the fiscal plan, page 139. Member Dang has already referred to school capital projects in Budget 2021. How can we find the specific funding allocated to the high school that was announced last year in Edmonton's southeast?

Was my light on? No?

The Chair: Try again.

Mr. Deol: Can you hear me, Minister?

Mr. Panda: I heard. He's asking about specific funding for a school in Edmonton's southeast. That's part of that high school bundle. We talked about those high schools we bundled together. Edmonton southeast is bundled together with Edmonton Heritage Valley and three other high schools: one in Leduc, one in Blackfalds, and one in Langdon. We are trying to procure through P3, and those are all funded. As I mentioned to Member Dang, once we get all those bids finally evaluated by late summer, early fall, then we will determine if there is value for money through that procurement method. Then if we determine there is value for money, we'll proceed with P3. If not, we'll go through a traditional design/build method right away.

Mr. Dang: Is there still time?

The Chair: There are seven seconds.

Mr. Dang: There are only about seven seconds left, so thank you, Minister, and we'll get back to you later.

The Chair: Thank you very much, members. That concludes the first portion of questions for the Official Opposition.

Given that there are no independent members here, we will now move to the government caucus for 20 minutes of questions from their members, starting with Ms Rosin.

Ms Rosin: Thank you, Chair, and thank you, Minister, for being here today. In your estimates, page 134, sections 2.2 and 2.3 are for Health and Education infrastructure. I'm just wondering if you can confirm that these amounts listed in those line items – there's \$634 million and \$762 million respectively – are above and beyond the funds that are already allocated towards health care and education in their budgets. Can you just confirm that?

Mr. Panda: Give me just one quick second here. Which page are you referring to again?

Ms Rosin: Just sections 2.2 and 2.3 of your budget. They're for Health and Education infrastructure. I'm just confirming that those amounts are above and beyond the Health and Education budgets.

Mr. Panda: Usually we get – for capital projects they transfer their budget to my department. I'm just looking up here quickly. Just one second. Is it above and beyond the Health and Education budgets? If you look at page 137, line item 2, capital construction: health facilities infrastructure, \$634,857,000; and school infrastructure is \$762,236,000. Yeah. This is for the capital build of those schools and hospitals. They won't be included in the health budget.

8:10

Ms Rosin: Okay. Thank you.

Just a follow-up on that, then. The Health budget and Education, \$21.8 billion and \$4.9 billion respectively, are not even covered by every tax dollar collected in our province, which is around \$16.5 billion every year. So every tax dollar collected in our province alone doesn't even cover those two ministries, and then we've got \$1.4 billion in additional spending allocated in your budget. I'm just wondering: since a lot of the funding in your ministry is set to accompany funding already allocated for ministries in their personal budgets, can you just speak to what your ministry is doing to ensure that critical infrastructure continues to be built in Alberta while also being cost-effective in the building and the contracting of the infrastructure?

Mr. Panda: I commend you for your concerns about a short in funding through tax revenues. I appreciate it. But our UCP government is committed to building these capital infrastructure projects, basically to recover and grow our economy. I fully agree with you, but as part of our government's third objective, which is to improve efficiencies in delivering government services, Infrastructure is playing its role. We are trying to do more with less. We play our part in meeting the government's fiscal objectives. Your concern is very valid.

I can tell you that the MacKinnon panel also identified how to improve those efficiencies. One is that they wanted Infrastructure to lead the response, to look at the land assets, for example, across the public sector, to develop policies and processes on surplus land and land disposal.

Also, my department is working with Treasury Board and Finance to ensure that capital maintenance and renewal funding will go to the highest priority because we want to first, you know, renew and extend the life of the existing government-owned assets,

because to replace them will cost much more. That's why MacKinnon recommended that we invest in renewing those assets. That will result in best practice management.

Also, we are leading the development of the approach to alternate delivery models, like I said before, including public-private partnerships. At Alberta Infrastructure it's important to be as efficient as possible so that we can get shovels in the ground and focus our budget on building top-class, quality infrastructure for the future. That's how we will provide the best value to Albertans.

As I said before – you know, Member Dang was asking me about the FTE reduction and all that – those are all part of how Alberta Infrastructure's contribution meets the government's fiscal objectives. We're trying to do more with less, and we are trying to use alternate financing and delivery methods like P3s because P3 partners can build public infrastructure faster, cheaper in some cases, and also, I mean, they can bring in upfront innovation and creativity in the design phase.

We are looking at all those options. We are using federal funding, we're using CIB, but your concerns are valid. I assure you that Infrastructure is doing their part to help the government meet its fiscal objectives.

Thank you.

Ms Rosin: Thank you, Minister.

On the topic of P3s – it's a perfect segue to my next question – in your business plan on page 65, section 2(a), the performance metrics show that the cost per occupant per year in government-owned office space is roughly \$8,500. I'm wondering if you can tell me how much this number compares to per-occupant cost of office space in P3 projects and how that also compares to the per-occupant cost of an average private-sector corporate office.

Mr. Panda: The infrastructure cost for an occupant in an office space cannot be compared to the private sector because a business bottom line is influenced by a number of other factors that may be different from the government of Alberta such as size of the building, type of business, location, number of workers, type of workers, definitions of the occupant, and other operational costs they may have. Simply put, there are many external and internal variables involved in the calculation for different companies. We would not be comparing apples to apples even if the data was available.

In addition, Infrastructure engaged Deloitte, the leading management consultant, in 2016, during the previous government, to review its property operations approach. The Deloitte study concluded that the government of Alberta is currently operating at a significantly higher level of efficiency, and the report noted that the GOA had the lowest cost per square metre at \$95.05 per square metre. The report also noted that the GOA results reflected a more efficient portfolio and management structure.

The comparisons – I mean, when you do a jurisdictional scan on a cost per square metre basis, we found that the Alberta Infrastructure cost is \$95.05 whereas Ontario's cost is \$147.71 and the city of Toronto's is \$154.38, and in British Columbia it is \$182.56, and public works and government services is \$188.66. Those are comparables.

With the private sector, it's not apples to apples, but I take your point. Should we be complacent, or can we do better? We can always do better, and my colleagues at Alberta Infrastructure are striving hard to bring those costs even lower. In the coming years I'm sure, I'm confident that we can reduce those costs and even compare better with other jurisdictions in the coming years.

Ms Rosin: Okay. Thank you.

One more question, then. Similarly, line item 3.3 of your estimates document, page 134 in the budget, is for government-owned facilities and preservation. Last year the amount our government spent on preserving government offices and infrastructure increased by 41 per cent, and this year we're projecting it to increase by another 62 per cent over last year, or 239 per cent over the past two years, which is a dangerously increasing trajectory. I'm just wondering if you can explain: what's causing that increase?

Mr. Panda: As you know, our government increased capital maintenance and renewal funding in 2020 and '21 with the vision to stimulate job growth and support Alberta's economy. And you all asked us to accelerate the capital maintenance funding, mainly because, for example, when the schools are empty, that's the time to fix leaking windows or leaking taps or roofs. When the roads are empty, that's the time you want us to fill the potholes. That's why we increased the funding in 2020.

Preservation has traditionally been funded well below the required levels, as noted by the MacKinnon panel, so that's why we are trying to maintain the infrastructure portfolio of buildings, and we are trying to, you know, address all the deferred maintenance. These increases you are seeing now will bring funding more in line with the private industry benchmarks of the required 1.5 to 2 per cent of building replacement value to properly maintain facilities.

That's one of the benchmarks we follow in private industry: 1 and a half to 2 per cent of the building replacement value they budget for maintaining those properties. We'll slowly get there, but we realize the urgency to preserve the taxpayer-owned assets in Alberta, because we can't afford to replace those assets.

8:20

Ms Rosin: Thank you.

One final follow-up to that: do you have any information on how those numbers for the facility preservation compare to facilities operating under a P3 model, or are you unable to speak to that, similar to the previous question?

Mr. Panda: The previous builds of P3 in Alberta are mostly schools. I think we built 40 schools, and when we built those 40 schools, I think they have almost a 30-year contract, so the maintenance is in their scope. But what we are spending right now: they are in line with the P3 models, which include a private-industry benchmark in funding for facility preservation. Private-industry benchmarks for facility preservation, as I noted before, is 1.5 to 2 per cent of building replacement values, and the province has traditionally funded facility preservation below that level. That's why MacKinnon advised us to focus on all the different maintenance.

Ms Rosin: Okay. Thank you.

I'll cede the rest of the time to, I believe, my colleague Ms Armstrong-Homeniuk.

Mr. Rowswell: Actually, it's Garth Rowswell here. Am I okay to go?

The Chair: Yes, you are. Please proceed.

Mr. Rowswell: Okay. The Swan Hills Treatment Centre has a yearly operating expense of about \$30 million. Would you be able to give some details on what exactly Swan Hills is, and what is Infrastructure doing to reduce those expenses?

Mr. Panda: That's a very good question, because this is one unique facility. Swan Hills Treatment Centre is the only facility of its kind in Canada that has the ability to destroy high-concentration PCBs, polychlorinated biphenyls. This chemical, which was once used as

an insulator in electrical transformers, has been demonstrated to cause a variety of adverse health affects, including increased rates of various types of cancer.

As a result of the federal regulations that require the end-of-use or destruction of all PCBs by December 31, 2025, that facility has to be phased out over the next four years, but Alberta taxpayers have been spending, you know, a lot over that period of time. In fact, we spent \$1.58 billion to process that toxic waste I mentioned, that comes from all corners of Canada. That will be processed at very high temperatures at this remote facility. We are coming to an end to close that facility in the coming years. We have to phase it out. That's why I wrote to federal Minister McKenna. There were jobs involved and there was investment, because Alberta is treating everybody else's waste coming from across Canada.

I have written to Minister McKenna, the federal minister, and ministers Wilkinson and O'Regan and Freeland. Since we spent \$1.58 billion over a period of years, I asked them to compensate us \$84.6 million per year for the next four years. I only asked \$338.4 million from them to cover and reimburse Alberta for all the capital and operating costs we incurred over a period of time and also to retire that facility, but there was radio silence from our federal colleagues. I haven't heard. I sent reminders. We haven't had any FPT – that is, federal-provincial-territorial – ministers' meeting in the last almost 15, 16 months since Minister McKenna became minister of infrastructure. Once we are in that meeting, I want to remind her again that it's not acceptable. Alberta did its part, and we need the federal government to help us.

Mr. Rowswell: Well, good luck with that, and keep on trying.

I'll pass it on to MLA Armstrong-Homeniuk now. Thank you.

Ms Armstrong-Homeniuk: Thank you. Chair, through you to the minister, I would like to ask the following question. Last fall, Minister, you released the unsolicited proposals framework and guidelines. Can you please explain what unsolicited proposals, USPs, are and what the government is hoping to achieve from this framework, if an unsolicited proposal has been submitted, and if so, what do they propose? Is the government moving forward with it, and why?

Mr. Panda: That's a very good and timely question because all the previous P3s were approved through the capital planning process, going through Treasury Board and Finance, so usually those projects are initiated by stakeholders like our municipal partners or others, mostly in the public sector. But, you know, in that process all those innovative, creative projects that might help the local communities, like yours, for example, like Vegreville and other communities, are missing out. As the Member for Banff-Kananaskis mentioned, the government is already running a deficit, and we don't have enough tax revenue, so we had to involve private-sector money. If they come forward through this unsolicited P3, I want to entertain those good ideas and project proposals, but there was no framework in the past for that.

That's why I brought it up with our cabinet, and we got it approved, and we released that framework. Now we can entertain those proposals. It doesn't mean that every proposal will go through and result in a project, but at least now we have a system through this framework to assist those stakeholders to bring in their proposals in private partnership. Then our department, in consultation with our partner ministries, will evaluate those offers on their merit. If we find them in line with our objectives of Alberta's economic growth and building economic and social infrastructure, we move it forward, and we'll facilitate them.

The Chair: Thank you, Minister.

The government members' first block of questioning has now ended. We now move to the final round of blocks of 10 minutes, where no one member can speak for more than five minutes total, including the minister. As mentioned, members are asked to advise the chair at the beginning of the rotation if they wish to combine their time with the minister's time. We will time each person individually, and please remember that discussion should flow through the chair at all times regardless of whether or not speaking time is combined.

Should I assume, Mr. Dang or Ms Renaud, that you'd like to combine time with the minister?

Ms Renaud: Sure. Thank you.

The Chair: Minister, the time will be combined.

Ms Renaud, you may begin your 10-minute block.

Ms Renaud: Thank you. I'm going to refer you to the fiscal plan, the capital plan more specifically, page 135, and the second paragraph, which notes, "Funding will be made available to plan and implement an integrated housing, health and social supports residence for Persons with Developmental Disabilities", which is a program, also a diagnosis for people with complex needs. I'm wondering if you could tell me a little bit about that. There is nothing in the corresponding estimates for Community and Social Services, nor is there anything in their business plan, so I'm wondering if you could let me know what this new residence is for people with disabilities.

Mr. Panda: Yeah. That's a very good question. I may have to ask one of my colleagues here to address that if you don't mind. Just give us a quick second here.

8:30

Ms McCann: Hello. It's Faye McCann. I'm the senior financial officer with Infrastructure. The complex needs residential build project was submitted by Community and Social Services for funding, and the funding did come to Infrastructure to construct that. It's a request for funding to build a new housing complex in Calgary. It will have integrated health and social supports, and it's targeted to clients of the persons with developmental disabilities, or PDD, program, so they could have highly complex mental health, addictions, psychiatric, behavioural, medical needs. The build will mean that the government can offer the appropriate housing, and then it can also offer the appropriate services that those clients will need.

Ms Renaud: What was the total cost of that funding that was transferred to Infrastructure? What was the total?

Ms McCann: The total in the three-year capital plan and the total funding is \$28.7 million.

Ms Renaud: Thank you.

Was this a sole-source contract?

Ms McCann: The contract hasn't been awarded. The funding was new in this budget. The project is new, so Infrastructure will have to work with Community and Social Services to do the appropriate planning to find, specifically, what the needs are and design the facility. The construction procurement wouldn't happen till all that planning and design has taken place.

Ms Renaud: Okay. Will that be put out to tender so that organizations may offer to participate or submit their ideas?

Ms McCann: The projects will be, yes.

Ms Renaud: Excellent.

Sorry. We're getting some feedback here.

Okay. I wanted to build on something that my colleague was asking about a little bit earlier. It's our understanding that there is some preliminary work, I guess, going on to look at different delivery models for some of the buildings that the provincial government currently owns and manages. Those are the Edmonton Federal Building; the Law Courts; Spy Hill, which we talked about; and Michener. I don't know what the plan is yet, but changing of delivery model could mean full outsourcing or a combination. I'm not entirely sure, but it looks like, you know, there are probably about 81 or 80 jobs involved if this proceeds. My question. Now, I understand that there are a number of assessments that take place when looking at infrastructure projects, but I'm wondering: is there any kind of risk assessment that looks a little further beyond the bricks and mortar, that looks at the potential dangers of changing a service delivery model?

For example, the Michener Centre. I understand that there are only about 120 people left that live there, but the last Conservative government did promise that those people could live out their lives there. What we've seen over the last couple of years is some stripping away of services, right? There was a Camp L.G. Barnes, I think it was called, that was lost, dental services were lost, and then there was a day support program that was lost, certainly not in your ministry. But what I'm getting at is that even removing janitorial staff or maintenance staff would make a difference in people's lives. It doesn't seem like it, but it would.

My question is: will there be a risk assessment beyond the bricks and mortar of Michener if indeed you are looking at a different service delivery model? The staff that have been there, regardless of the jobs that they do, actually become integral parts of people's lives. My question is: what steps would your ministry take to ensure that if the cost saving is minimal, you know, you'd maybe decide that this is not the right way to go when you are considering the lives of people?

Mr. Panda: Yes. We don't compromise people's lives. That's more precious and important than cost savings. You're right. We will evaluate those risks carefully, and if there is an opportunity, without risking people's lives or security – for example, in the Legislature Building, where we all work, security is important, too, so that's why we haven't outsourced those services. Like that example, in every other facility we own, we'll make sure that the total property manager has the ability to manage all those risks. Only when we are convinced that they are able and they can do it without compromising their safety and security, then we'll transition back after a thorough risk evaluation and with risk mitigation where there is no security threat.

Ms Renaud: Through you, Mr. Chair, to the minister, if I could just follow that up quickly. Am I understanding correctly that, beyond the assessment of total property management and all of that, there would be a commitment to speak to either the people that reside there or their guardians or families to ensure that there is no risk to changing the service delivery model of, say, a place like Michener Centre, even if it comes to facility maintenance?

Mr. Panda: There will be proper consultation with the stakeholders. I can assure you on that. They'll go through a proper consultation process. Whether we can get buy-in from everybody, it's not plausible on anything, but we have to do our job thoroughly to identify any potential risk and how to mitigate it. We won't compromise people's safety and security.

Ms Renaud: Okay. So you will consult with the people that live there and their families and guardians. Is that yes or no?

Mr. Panda: We will consult with the stakeholders involved in this. Yes, we will consult, but whether we can get their buy-in or not, I don't know until I consult with them. But before that, we will do internal assessment on the risks.

Ms Renaud: Mr. Chair, I don't think consultation means getting them to buy in. I mean, it sort of means consultation, like, asking what works best for them and listening to them. Again, my question is about, you know, giving the people that live there, the men and women that have lived there most of their lives and their families and guardians – speaking to them directly and hearing what those risks are. I guess I'm just looking for some reassurance that that will happen. It hasn't happened in the past. You recall Rosecrest, perhaps? It hasn't happened before, so I'm just looking for that reassurance.

Thank you.

Mr. Panda: We will be compassionate in our approach.

The Chair: You have one minute and 30 seconds.

Mr. Dang: Okay. Thank you, Mr. Chair. I think we only have a couple of minutes left here, Minister. I want to ask perhaps a question that you could return to me in writing. That will cover a lot of my questions.

I noted that on page 136 of your fiscal plan the second paragraph states, "Funds have been re-profiled on various projects to align cash flows with expected timelines on construction progress." It notes further that it's primarily for health and school projects. Would your department be able to provide a list of all the projects that have had funds reprofiled from this year into the later years, the out-years, and would you be able to provide the breakdowns and perhaps, like, a little bit of a rationale on why that reprofiling was necessary for that project? For example, we've already talked about the Edmonton hospital. You said that for Edmonton-South hospital it was due to the clinical assessment not being able to be finished. Would you be able to provide that amount of detail plus the project list in writing?

Mr. Panda: Yeah. If you look at page 136 of the capital plan that's part of Fiscal Plan 2021-24, you'll see details there about how funds have been reprofiled on various projects to align the cash flows with the expected timelines on construction progress. We definitely have reprofiled certain projects.

Mr. Dang: If you could provide that in a list . . .

The Chair: Unfortunately, that completes our time. We'll get back to you in 10 minutes.

We now go to the government side for their 10-minute block. Mr. Jones, I believe.

Mr. Jones: Thank you, Chair, and thank you for your answers. Through the chair to the minister, I'm interested in you expanding on the ICIP program. For the people who are not familiar with the investing in Canada infrastructure program, can you elaborate on what its purposes are and how it works and what the federal government provides?

Thank you.

Mr. Panda: Excellent. That's a very good question. ICIP is a cost-shared program between three different partners: federal, provincial, and within the province there could be municipalities or

it could be not-for-profits or indigenous communities that want to partner in that project. It has four different streams. It used to be four different streams, like public transit, green infrastructure, and northern and rural communities, like that.

8:40

This year they have added a new stream called the COVID-19 stream, but they haven't allocated any new money. Within the previously allocated money, in the case of Alberta we had an allocation of approximately \$3.65 billion, which was mainly tied up in two transit projects, in Calgary and Edmonton, but there were a lot of other projects. About 78 projects we have approved to do various types of projects in rural communities. In 30 constituencies we did that: flood mitigation, water treatment, whether it is waste water, or in some cases we approved drinking water projects, which will improve the quality of life of people in those communities.

We approved those projects, but then I found that with this COVID-19 stream, although it's not new money, we thought we should maximize federal funding. That's why whatever money is left – because there are stringent conditions for that COVID-19 stream. The funding is limited to up to 10 per cent of the balance of that previously allocated ICIP money. In our case, unlike other provinces, Alberta has already used up the majority of it. We had about \$85 million left. We asked them to move those funds to the COVID stream so we can maximize federal funding. Under the COVID stream the federal government will contribute 80 per cent, and the province will share 20 per cent whereas in other streams it varies from 40 per cent to 75 per cent federal contribution. Only indigenous communities will get 75 per cent funding. Others will get 40 to 50 per cent maximum whereas under COVID you can get up to 80 per cent. So we tried to maximize that.

We also had some previously allocated public transit money to various municipalities. We worked with them, with the help of Treasury Board and Finance members. Then we committed that remaining money in public transit. We told those communities that they'll get that money, but instead of public transit, if they choose to get more money from the federal government under the COVID-19 stream – the majority of them wanted it, so we are working with them to submit that list of projects. There will be dozens of projects. You will hear of them in the future. But there is also a timeline. We had to finish those projects by the end of 2021, so they had to be shovel worthy and shovel ready. We are trying to expedite those projects.

Just last week I spoke to Mr. Carr, from the federal government, who is in charge of the prairie provinces. I asked him to work with the Infrastructure minister to extend that timeline from December 31, 2021, to later years, so we'll see how that works.

It's a very good stream, COVID-19, but no new money. In the case of Alberta we don't have much money left, but we are trying to use that to complete some of the capital maintenance and renewal projects of any types of assets and other projects in consultation with mainly Seniors and Housing. They wanted us to use some of that money and also Health. Apart from the government buildings that the government of Alberta owns, Health and Seniors and Housing want to use some of that funding.

We are working on that, and I'm very comfortable to say that it's a good scheme. But we run the risk of completing them before the 31st of December this year.

The Chair: I'm sorry, Minister. You've used your five minutes' allotted time in this 10-minute block. Four minutes are left for MLA Jones to ask questions.

Thank you.

Mr. Jones: To be clear, Chair, is the minister able to answer my questions?

The Chair: Sorry. Not in this – okay; I was incorrect. Yes, he may answer your question.

Mr. Jones: Well, that will make this more productive. Thank you.

Through the chair, would the minister be able to comment on the job creation linked to the ICIP program, perhaps direct, indirect, induced? Obviously, that's very important these days. My understanding is that these are low-interest loans. Can you quantify the interest rate, and then can you give us some examples of ICIP projects that my constituents or Calgarians or Albertans might be aware of around the province?

Thank you.

Mr. Panda: You're right. These are creating much-needed jobs in rural communities while helping us to recover our economy. It's a good stimulus in smaller and rural communities, in the city of Calgary also. For example, in Member Ceci's riding, Calgary-Buffalo, we are doing a few projects, flood mitigation projects, for example, in downtown Calgary.

I'm not sure what you're referring to about low interest. You may be thinking about Canada Infrastructure Bank projects, but ICIP is cost shared, so there's no interest. The federal government shares costs ranging from 40 to 80 per cent depending on the type of projects. That 80 per cent is only for a small portion of cost-shared projects, but the majority of them range from 40 to 50 per cent and remaining, us and the other stakeholders like municipal governments or not-for-profits. They cost share that so there's no interest to repay. They had to provide their share of capital, otherwise if they can't do it – for example, in certain cases the partners, although we endorsed those projects, they then came back saying that they couldn't mobilize funds for their share of the project cost, and then, unfortunately, there were two, three cases where we had to rescind those previously announced projects. But the majority of them, actually the 78 projects that you mentioned we approved in 30 Alberta constituencies, they're all going ahead.

The only frustration I have is that the federal government, you know, decides the outcome, so we had to match federal outcomes to get those projects approved. Also, they're very, in some cases, silly. I gave that feedback to federal counterparts, that they say that there has to be consultation and let's consult on environmental and also First Nation consultations, but I asked them – it doesn't make sense – when First Nations themselves are the proponents, who do they consult with? Why are you insisting that they have to consult . . .

The Chair: Thank you, Minister. That concludes that 10-minute block.

Now back to the Official Opposition. Mr. Dang, is it going to you? Ten minutes.

Mr. Dang: Thank you. I'd like to share my time if that works.

The Chair: Yes, it does.

Mr. Dang: Thank you.

Mr. Chair, through you, of course, I just want to get back to that last question I was on, the reprofiling of funds. I don't want to belabour this. I'm just trying to say: Minister, could you provide a list of projects that had funds reprofiled this year?

Mr. Panda: Sorry. I couldn't complete that answer – I ran out of time – but I'll provide you the list of those projects. Like, I pointed

you to the different ministries where that money is reprofiled, but under those specific ministries I'll provide you the list of projects.

8:50

Mr. Dang: Thank you very much. That's very helpful.

I want to move on to another project here on page 141 of the fiscal plan under the aboriginal business investment fund capital. I noticed that starting next year and in '23-24 as well, the project has been zeroed out again. Could you just explain why that project has gone to zero?

Mr. Panda: Sorry. I couldn't hear that. Which project? Can you repeat it if you don't mind?

Mr. Dang: Yeah. On page 141, the aboriginal business investment fund capital, under family, social supports, and housing.

Mr. Panda: Yeah. I think we had the Indigenous Relations department on that. Based on their recommendation, that was the action.

Mr. Dang: Thank you. We will take that back to Indigenous Relations for that in the future.

I want to go back to playgrounds again, and I know that we talked about it a little bit earlier. That's on page 139 near on the bottom.

Sorry. Before I ask the questions, can I just ask the chair: when I have about two minutes remaining, would you just give me a time warning? I have some questions I could read into the record.

The Chair: Yeah. I will do that.

Mr. Dang: Thank you.

I'm getting back into playgrounds. I want to be very clear because you said that the playground grants that were formally announced and provided separately to the schools, I guess, those playground grants, you're saying that they're now part of the build package. Is that right? So no matter what the delivery model, whether it's a design-build or it's a P3, there's going to be a separate playground grant that still exists but no longer shows up as a line item in the budget. Is that right?

Mr. Panda: I'll assure you that when the schools are built, they'll have playgrounds, they'll have bathrooms, they'll have roofs, everything, but I'll ask my colleague to give you that assurance, too.

Ms Allen: Hello, Minister Panda. Yes. To your question, what has happened is that the funding for the playgrounds are now costed out when we pull together the overall project budget for the school in question. Once that project is approved, then what happens is that Infrastructure will issue a grant.

The Chair: Sorry to interrupt. Do you mind providing your name and then just carrying on with your conversation? Thank you very much.

Ms Allen: I'm Tracy Allen, assistant deputy minister with Infrastructure.

So once the project is approved, then we work with Education to provide a grant for \$250,000 to the school board, who then takes over in terms of completing the construction of the playground itself. So the funding is within the overall project that's funded out, similar to the F and E, furnishings and equipment.

Mr. Dang: Okay. And then just to follow up, I guess – thank you – the amount of the grant has not changed, then? It's still going to be the same?

Ms Allen: That is correct.

Mr. Dang: Sure. Thank you.

My colleague from Calgary-Buffalo.

Member Ceci: Joe Ceci here again. Minister Panda, just a quick question with regard to the capital plan. I'm looking at page 128 of the fiscal plan that says: spend on average \$7 billion per year on infrastructure projects. Is there a rule of thumb that you have that you anticipate a certain portion, a percentage, of those \$7 billion to come from the federal government, and what would that be, that percentage, that you suspect will come on an annual basis?

Mr. Panda: Other than ICIP, which we already talked about previously, which was approved at \$3.65 billion, the majority of it was – as you know very well, almost \$3 billion is allocated for those transit projects as we want to take full advantage of federal programs, but as far as I know, right now there is nothing more than those ICIP funds that they have already allocated to us.

Member Ceci: Okay.

Mr. Panda: But I can . . .

Member Ceci: Go ahead.

Mr. Panda: If I can find out more details, if I know more than that, if there is any other department that has other federal funding within that \$7 billion, I can forward that information to you in due course, but right now it's only ICIP as far as I know.

Member Ceci: Thanks.

Go ahead, Thomas.

Mr. Dang: Thank you, Minister.

I guess my next question is going to be on page 137 of the capital plan, under the municipal infrastructure support section. I just noticed that, basically, MSI, while still significant this year, sees more than a cut of 50 per cent next year. Could you just explain where those cuts are going to be, if you have a distribution idea of which municipalities are going to see the bulk of these cuts or if it's going to be even across the board? How do you break down this massive cut in MSI?

Mr. Panda: Last year, for example, we accelerated the funding for those municipalities because, given the pandemic, we wanted to provide that stimulus, and we wanted them to build it when it is cheap to build. They're getting more productivity during that time at a lower cost, so that's why we fast-forwarded some of that money. I don't have the details of the individual municipalities. You'll have to take it up with Municipal Affairs if you don't mind.

Mr. Dang: Sure. Thank you.

I think the chair is about to note to me that I don't have much time left, so I'm going . . .

The Chair: Three and a half minutes.

Mr. Dang: Three and a half minutes.

Minister, I really want to thank you for your time. In the interest of time, what I'm going to do is that I'm going to read a number of questions into the record, and hopefully your ministry could get back to me in writing. I'm optimistic that many of these questions can be

covered in that list of reprofiled money with rationale there as well, so hopefully it won't be too much work for your department.

I note on page 137 of the fiscal plan that the First Nations water tie-in program is down significantly this year from last year; it's down from \$12 million to \$7 million. Would you be able to explain that?

Still on page 137 the water for life program is cut from \$50 million to \$42 million. Would your department be able to explain that as well?

On page 137 CMR, capital maintenance and renewal, for school facilities is cut from \$122 million to \$119 million. Would you be able to provide the rationale for that cut?

On page 141, under the irrigation rehabilitation program, I know we spoke briefly about that and that it largely falls under the purview of Agriculture. But I have spoken with the Alberta Irrigation Districts Association, and they anticipate that in the next five years or so that maintenance will need to increase from the currently budgeted 12 or so million dollars to the \$20 million or \$30 million range. I'm wondering: have you done any work with Agriculture or a consultation on when you anticipate increasing maintenance funding so that the infrastructure can be managed at that point?

On page 142 I've noted that CFEP, or the community facility enhancement program, I believe it's called, will receive a cut moving forward as well, so I guess I'm wondering, if it's at historic lows, why that is. I know you might have to simply reply that I should ask culture and tourism. That's okay.

I think, moving on, also I've noted that on page 174 operational funding for your ministry is being cut from \$626 million to \$592 million, which is a \$34 million cut, so I'm wondering if in writing we can get back just a breakdown of the savings you've been able to find. I think it's quite significant, so I think Albertans would like to know.

On page 138 the equipment for the cancer corridor projects is listed at \$300 million this year even though last year there was a forecast for no money being spent this year, so I'm just wondering why we have to spend money this year that should have been spent last year and what happened in terms of getting that money out the door.

A very similar thing on page 138 with the Foothills medical centre urgent power plant capacity: it was only supposed to be forecasted, I believe, at \$19 million, but instead it's budgeted at \$27 million this year. I'm just wondering: why the discrepancy? We're spending more money than expected. What happened to getting that money out the door?

The same thing on page 138 with the Fort Mac residential facility-based care centre, Willow Square. We see that it's budgeted for money that wasn't forecasted last year. What happened there? The same thing with the Grande Prairie hospital on page 138.

I guess that's my time.

The Chair: Thank you, Member. I think you managed to get more in there than any of the rest of us could have done. Well done.

I apologize for the interruption, but I must advise the committee that the time allotted for the consideration of the ministry's estimates has concluded. I would like to remind committee members that we are scheduled to meet next on March 9, 2021, at 7 p.m. to consider the estimates of the Ministry of Jobs, Economy and Innovation.

Thank you, everyone. This meeting is adjourned.

[The committee adjourned at 9 p.m.]

