

## Standing Committee on the Alberta Heritage Savings Trust Fund Act

10:03 a.m.

[Chairman: Mr. Dunford]

THE CHAIRMAN: Okay. I'd like to call the meeting to order at 10:03. For the information of all members and guests we will proceed for two hours or until the questions cease, whichever first occurs.

Welcome to all members. We need to recognize this morning Mark Hlady, who is a new member to our committee. For the sake of *Hansard*, I'm overhearing a comment that the trick is to get off this committee rather than to get on it. I would just want to make note that we are probably the only standing committee in the history of the Alberta Legislature that is in fact attempting to do that. We are trying to have the government see the wisdom of the recommendations of this committee and its wish to remove this committee from its annals in order to save the taxpayers of Alberta some more money. [interjections] Applause was noted.

Now, in order to proceed, the first question I have: is there any member wishing to read recommendations into the record at this time? I don't see any.

Okay. I would like to then welcome the Hon. Ty Lund, the Minister of Environmental Protection. Mr. Minister, the way we'll proceed is to have an opening statement from you, and we would hope you would confine it to 15 minutes. You can take less if you wish, but we'd also of course ask you for the record to introduce the guests that you have with you. When the questions start, we will start with an opposition member and then we'll go to a government member. We'll go back and forth as long as there are questions from both sides. We are more lenient than we are in question period. We allow each member to really ask three questions when it's their turn. We aren't strict about a main question and two supplementaries. They may be three different questions.

The only thing we do try to adhere to, though, is the fact that the mandate of this committee is to be reviewing the '94-95 report, and the members have been very co-operative thus far. If they continue to be, of course I have nothing to do. If, however, they wish to venture off onto other trails, then they of course get to speak with me perhaps more than they wish.

So if you would begin then, Mr. Minister, and good luck.

MR. LUND: Well, thank you, Mr. Chairman, and good morning, ladies and gentlemen. I'm a little bit disappointed to hear that this committee is going to be wound up. I've never had the privilege of sitting on the heritage savings trust fund committee in all my years in the Legislature, so it's with a little bit of remorse, I guess, that I would this morning present the last report of the Environmental Protection department to this committee.

This morning I have with me on my right Peter Melnychuk, the Deputy Minister of Environmental Protection, and on my left John Campbell, who is the director of operations for the water resources part of Environmental Protection.

I am pleased to have this opportunity to provide members of the standing committee with the last annual report of the remaining Environmental Protection project funding by the Alberta heritage savings trust fund for '94-95. The water management systems improvement project was initiated back in 1975, and in 1980 Environmental Protection was given the responsibility of managing and administering the program. Also in 1980 the program's scope was significantly expanded following the government's decision to proceed with an integrated water management plan for southern

Alberta. The water management systems improvement project is the only project for which this department has responsibility, being funded from the heritage savings trust fund, in 1994-95. The water management systems improvement project was revised in 1984 with a total budget allocation of \$521.5 million and a provision for annual adjustments for inflation. The program's primary objective was to upgrade and modernize the existing water delivery systems and ensure the continuation of a vital water supply service to all 13 irrigation districts in southern Alberta and the Berry Creek region and in special areas.

As a result of this program there has been a 45 percent increase in irrigation acreage, from about 875,000 acres in 1975 to 1.3 million acres today. All projects approved under the program have been completed ahead of schedule or on schedule. In fact two projects, the Lethbridge Northern headworks rehabilitation and the Western headworks rehabilitation, were completed one year ahead of the originally planned completion schedule.

The program was intended to, number one, improve and upgrade existing provincial headworks systems; two, rehabilitate and upgrade existing main canals of some irrigation districts; three, incorporate additional water storage facilities within districts; and four, develop new water supply systems in special areas. A total of 500 kilometres of main line has been rehabilitated. The capacity of these canals has been upgraded from between 10 percent to 50 percent. Four internal storage reservoirs have been completed, resulting in a total capacity of approximately 232,000 acre-feet of water.

Expenditures in the '94-95 fiscal year were \$16,386,000, just slightly over the estimate of \$16,300,000. The projects that were completed in the last year include: number one, final design preparation of tender documents for the St. Mary's spillway; two, completion of the canal construction work in reaches 1A and 1B of the Carseland-Bow River headworks; three, construction of the Taylor coulee chute in the Waterton-St. Mary's headworks; and four, completion of the diversion weir rehabilitation in the United headworks. The total expenditure under the program from 1976 to March 31, 1995, was approximately \$557.9 million. Funding under the heritage savings trust fund was terminated of course, as you know, last March 31.

I think we can take great pride in the fact that the heritage savings trust fund provided these dollars to ensure southern Albertans a reliable source of water for one of our most important industries: agriculture. In addition, I think it's important to note that the system also supplies water in a multi-use fashion for such things as municipal use. In fact, there are 48 communities that rely on it. We have 14 industry users on the system as well as 50 developed recreation facilities. So, as you can see, this program has in fact contributed a great deal toward the water management in southern Alberta, and I think it really does greatly enhance the Alberta advantage.

With those few brief comments – and I didn't go over your 15 minutes, Mr. Chairman – we'd be only too happy to answer questions on the '94-95 expenditures.

THE CHAIRMAN: Thank you, Mr. Minister.

Mike Percy.

DR. PERCY: Thank you, Mr. Chairman. Mr. Minister, my questions relate to the St. Mary's spillway. You mentioned in your introductory remarks that work had gone on in preparation of the tender documents. My questions is as follows. In many cases when you look at water projects – and I think of the Oldman dam, Buffalo Lake, its level being raised – they don't normally meet any conceivable benefit/cost criteria, but they're still undertaken. Could you tell me what criteria have been used to assess the St. Mary's

spillway project, or is it going to go ahead independent of any underlying economic analysis?

*10:13*

MR. LUND: I'll ask my deputy to give those kinds of details. I think the one thing we have to recognize with St. Mary's is that the major reason for the upgrading is the fact that the spillway has deteriorated to a point where actually – I think we were very fortunate last June that that major storm on the 6th and 7th wasn't 30 miles farther south, because the spillway has deteriorated to the point where our engineering assessment suggests that we'd best not go beyond 25 percent of the capacity that it was designed for.

Peter, do you want to expand on that?

MR. MELNYCHUK: Yes. First, I'd like to point out that the St. Mary's reservoir and spillway is part of a large existing network of water supply systems. It's not at either end; it's kind of like in the middle. It's an important link to an existing system that supplies a large part of southern Alberta with an assured water supply. It's really a weak link in a chain. So its rehabilitation is critical for the entire system to work. A specific benefit/cost analysis on that one structure has not been undertaken mainly for that reason: it's a critical structure. But there have been over the years and during the course of this program a number of studies undertaken as to the benefits to the Alberta economy of irrigated agriculture, and those benefits have been substantiated in terms of the overall contribution to the economy.

DR. PERCY: The next question just relates to issues of pricing. Clearly, when the surface rights legislation comes through, the issue of pricing of water resources is going to come to the fore. I take it that's never been an issue with regards to irrigation, given that the structures have been set up with the actual users of the water. Could you just explain to me, then, the pricing mechanisms used to allocate water out of these irrigation systems?

MR. LUND: Well, the dollars that are charged for the use of the water really are related to the infrastructure. They're not for the water per se. While the individual is charged based on the acre-feet that they have the right to use, the district are the folks that collect that money, and actually we're trying to move them more to a total cost recovery so that in fact the governments in the future would not have to spend massive sums of money to keep the canals in a good state of repair and keep them efficient. One of the reasons for having to upgrade a lot of these canals was capacity, but a second was to make them much more efficient. There's quite a lot of loss of water in some of the old systems. Seepage is a problem. As well as the loss of the water it can cause a problem with saline deposits a fair distance away from the canal.

DR. PERCY: Thank you. The final question. You mentioned, then, that the pricing rule really is cost recovery. What about the alternative of allocating on the basis of highest value use, sort of the implicit demand price, and allocate water among users according to willingness to pay as opposed to cost of supply?

MR. LUND: Well, that's an interesting observation. Of course one of the things that is being proposed in the new water Act is the ability to transfer and/or sell water rights. If in fact that's what comes out of the final discussion and is implemented, I think partly what you're talking about, the highest value, would in fact eventually find its way into the system.

THE CHAIRMAN: Okay. Thank you.  
Shiraz Shariff, please.

MR. SHARIFF: Thank you, Mr. Chairman. While I appreciate the need for water management improvement and taking into consideration the amount of investments we have already made and what we may be making given the other two projects, I'm just wondering if you can highlight, Mr. Minister, the economic benefits to this province for water management system improvement programs.

MR. LUND: Well, of course when you look at the increased production, the dollar values there are quite substantial. When you look at the benefits that municipalities have gained, those are very substantial. I think that when you look at the employment in the various regions that have irrigation, there have been estimates that 30 percent of the employment is directly attributable to the increased activity in agriculture from the irrigation.

As I mentioned in my opening comments, the acreage that has been covered is increased by this program up to about 1.3 million acres. Now, that is about 4 percent of the cultivated land base in Alberta. On that 4 percent we're producing about 16 percent of the agricultural production. As you relate and assess that to the irrigation, I think it's very substantial.

MR. SHARIFF: Thank you, Mr. Minister. I'm just wondering. Apart from the agricultural supports and needs that it meets, are there any other spin-off benefits in the Alberta economy?

MR. LUND: Well, one that I didn't mention that I think I should have is the ability to feed cattle, and this one again is related to the agricultural side. Certainly there have been a number of studies done about the feeding of cattle in southern Alberta because of its drier climate. In fact, there have been estimates that up to a million head in southern Alberta wouldn't be fed in Alberta if it hadn't been for these water projects. Now, as it relates to the spin-offs to communities, when you have 14 industries that wouldn't be there if they didn't have the water from the irrigation systems, you can appreciate the spin-off that accrues to those communities just from that.

I think we also have got to recognize the value of these 50 recreation areas that have been established, campgrounds, this type of thing, and how that adds to the quality of life. It's maybe a difficult one to put a dollar value on, but certainly it's there in a less tangible, measurable way.

Of course, if you look at the spin-off from the dollars spent with the construction of the headworks and the canals and consider that 90 to 95 percent of the work that was done on these was done by Alberta contractors, that's a tremendous spin-off as well in employment and opportunities for the folks: engineers, surveyors, construction companies, the whole gamut.

*10:23*

MR. MELNYCHUK: Could I add to that, Mr. Minister?

MR. LUND: Yeah. Go ahead, Peter, if you've got something.

MR. MELNYCHUK: Just to add to that response from the minister. One of the things that has developed over the 15 years that this program has been in place is that almost all of the work, as the minister said, was done by Alberta consulting engineers. The experience and the expertise that they have gained in doing that over this period is now being marketed in other parts of the world in a

very successful way: in Asia, in Europe, and other parts. So there is also that spin-off as well.

MR. SHARIFF: Finally, Mr. Minister, I don't know if you would have this answer, but would you be able to venture any guesses as to how many jobs have been created as a result of this service that you have provided to the people of Alberta?

MR. LUND: I don't have that. Do you have an estimate, Peter?

MR. MELNYCHUK: I may try that, Mr. Minister. It's estimated that there are approximately 3,000 to 4,000 jobs in southern Alberta that are directly related to irrigated agriculture – this is in the agricultural food-processing industry – and about another 600 jobs or so that are related to the production of irrigation equipment and the sale of same.

MR. LUND: I think we also must recognize that there are, for example, the two big packing plants that have established in southern Alberta. Now, why did they establish in southern Alberta? It's because that's where the bulk of the cattle are being fed. Why are they being fed there? Because of the irrigation. So you get that multiplying effect, depending on what it is you're trying to do with the numbers. We could really crank them up if you want to add all of those things that are really there because of the increase in the agricultural activity in that region.

THE CHAIRMAN: You could also say that the city of Lethbridge would be a ghost town, I'm sure, without agriculture and especially irrigated agriculture.

MR. SAPERS: Is that uncalled-for editorial comment, Mr. Chairman?

THE CHAIRMAN: I'm being reminded that, yes, that was uncalled-for editorial comment.  
Debby Carlson.

MS CARLSON: Thank you, Mr. Chairman. Good morning, everyone. Under the new criteria for the heritage savings trust fund there's no longer going to be funding for many of these programs that we previously had. What criteria are you going to use to take these areas into your program expenditures in environment?

MR. LUND: Well, we probably will not be anywhere near as heavily involved in the actual construction as we were in the past. As a matter of fact, we would see that moving to public works.

MS CARLSON: Okay. Then can you explain to us how under the water management systems improvement the costs are shared between the irrigation districts and your program and perhaps in the future public works?

MR. LUND: Well, under the headworks program, the government funded that. We're the owner; we fund it. Some of the main laterals – I guess those could be viewed as the transmission lines – we fund. When you get into the distribution, then it moves over, and there's a cost sharing with agriculture and the irrigation districts. We're not into that side of it.

Peter, did you want to add any more to it?

MR. MELNYCHUK: Yes. There is a separate program for the rehabilitation of the distribution systems within the irrigation districts. That is under agriculture and has been there and really isn't

part of this discussion in that it's not this program that does that. The headworks systems, as a matter of policy, have been totally funded by the provincial government.

MS CARLSON: Okay.

THE CHAIRMAN: If I might, just to assist the member. Walter Paszkowski will be in front of us. You will note that under his program you have the irrigation rehabilitation and expansion, and you'll be able to bring that forward at that time.

MS CARLSON: Okay. Great. So, then, does that mean that ongoing maintenance on this system will be transferred over to public works?

MR. MELNYCHUK: What would be transferred to public works is the development or the building of any new structures or major rehabilitation. The operation and maintenance of the systems, because it's integrated with the whole network of water supply systems, will continue to remain with the Department of Environmental Protection. This is tied in with the fact that we have interprovincial agreements on these rivers. So the operations will remain with Environmental Protection.

THE CHAIRMAN: Okay. Thank you.  
Moe Amery.

MR. AMERY: Thank you, Mr. Chairman. Mr. Minister, the government invested about \$558 million under the water management systems improvement program. Funding for that came from the heritage trust fund. I wonder if that program has achieved or met its objectives entirely.

MR. LUND: As I indicated in my opening remarks, the answer to that would be yes, we have met the objectives. Then, of course, in 1984 there was a change from the 1980 objectives and some projects added. They've all been met under the program.

MR. AMERY: All right. So my next question is: has the improvement work carried out under this program improved the delivery efficiency of our water management headworks system?

MR. LUND: Yes, it has, and that was one of the objectives.

MR. AMERY: Okay. What effect did this program have on the fish and wildlife?

MR. LUND: You know, we talked about side benefits and spin-off benefits earlier, and you've touched on another good one. The fact is that particularly birds and ungulates have benefited a great deal from the establishment of some of these reservoirs. In some cases some wetland has been developed. Those kinds of things have added a great deal to the habitat for birds and ungulates particularly.

THE CHAIRMAN: Okay. Thank you.  
Peter Sekulic.

MR. SEKULIC: Thank you, Mr. Chairman. Good morning, Mr. Minister, gentlemen. My first question. I just added up the amount of total expenditures in the area of Environmental Protection, and I think the time span is 1976 to 1995. There is a total amount of \$937 million that has been expended. I'm curious as to what criteria you have in place for determining how you prioritize one program or expenditure over another. When we take a look at something like

Fish Creek provincial park, there was \$17 million there over a certain time period, and we have \$558 million. Were there other projects that were perhaps looked at and considered? How do you screen projects in, and how do you screen projects out? Are there economic-based analyses? Are there social value components to those analyses? I'm just curious, because we're spending, you know, \$937 million.

MR. LUND: Well, Mr. Chairman, it's a good question, but I thought we were discussing the '94-95 expenditures.

THE CHAIRMAN: What they do with the report, Mr. Minister, is that under Environmental Protection, they do list everything that has come out of the heritage savings trust fund. We realize that ministers change over time and certainly of course do members not only in the House but also on this committee. So I think the question is in order from the context that the member is using it. However, you might not have the detail to answer it because it happened before your term as minister. So I just ask you, then, to use your discretion as to however you best wish to handle it, including that you simply don't have the information.

10:33

MR. LUND: Well, I simply don't have the information, and I really wasn't prepared for that broad overview, because as indicated, this goes back to 1976. So I don't think I can give you a thorough answer.

THE CHAIRMAN: From the chairman's point of view that is entirely legitimate. I'm looking quickly in my binder, and I'm unable to find it. Again, for the benefit of the members: when we advised the group of ministers that we wished to invite for this year's hearings, when we sent a letter providing them with the option of some dates, we also indicated what we were interested in. In Mr. Lund's case the only thing that I as chairman mentioned was the water management systems improvement.

MR. LUND: Since my deputy minister has been around for quite a while, he may want to add a comment or two.

MR. MELNYCHUK: On the entire list of projects that the report refers to relative to the old environment department and the current Environmental Protection department, if you review those projects, you'll see that they're all related to either enhancing our environment or protecting our vital natural resources. For example: the Kananaskis Country expenditures; land reclamation, clearly an environmental project; Lesser Slave Lake, one of the largest lakes in Alberta, that required some level control; maintaining our forests; and Pine Ridge nurseries are all kinds of projects that, as I say, are investments in our natural resources and our environment. It's on that kind of criteria that the government chose to invest in those projects.

MR. SEKULIC: My supplementary and just one more general question along these lines is: I note that there are eight projects totaling that \$937 million. Were there other projects? Did we have a number of, like, 20 and we looked at 20 and figured that these eight were the ones that had the most economic and social benefit to Albertans in the area of environmental protection?

MR. MELNYCHUK: I think it would be fair to say that in the resource management and in the environmental field there is any number of good projects that exist out there, and it's a matter of making judgments on the basis of information provided by the

department as to which ones were selected. So, yes, there were many other projects that were of a need, but these were selected for the problems that were associated with them.

MR. SEKULIC: My final supplemental, then, is to one of Mr. Amery's questions and specifically with regards to improvements in the areas of water supply for irrigation – domestic, municipal, industrial water needs – so that some of the objectives of this project were in fact met. It's important that we do have improvements, particularly if we're expending \$558 million. I guess my question would be a little more specific as to the quantification of improvement, beyond just the word, for dollars expended. I guess what I'm going after here and what we have so often discussed in the Assembly is the value for the dollar that we're expending. What is the return? Once again, it's more like the quantification.

MR. LUND: I don't have a dollar number with me, if that's what you're looking for. We can undertake to try to provide some of that information over the period of the whole program. I just don't have a dollar number with me.

THE CHAIRMAN: On that point, Mr. Minister, then, I think it would be appropriate, given that the question is in context, that some numbers be put together. Ordinarily then you would forward it to the chairman, and we'll take the responsibility for circulating it to the members.

MR. LUND: We'll undertake that.

THE CHAIRMAN: Okay.  
Is that fair enough, Peter?

MR. SEKULIC: Of course.

THE CHAIRMAN: Mark Hlady.

MR. HLADY: Thank you, Mr. Chairman. The first questions I have are in regard to the infrastructure of the irrigation system and the rebuilding of it, looking to the future. The system is getting a little older now, and having met with some of the irrigation people, I know there are some concerns about the rebuilding on this system. You had a fair bit of growth from early years to the current amount of acres that are being irrigated. I'm wondering: what are your projections for growth of irrigated acres in the future? Have you done a study in that area to know the costs of that?

THE CHAIRMAN: The question then comes out of the context of the information that the members are being given. It does, of course, go beyond again, you know, the exact parameters of a '94-95 report. Again, I would just ask you to simply use your discretion as to how you wish to proceed on it. If you feel you can answer it, then the members of the committee would be very appreciative.

MR. LUND: In the broader context, I would like to make a couple of comments. Of course, some of the increase in the acreage has been due to the new technology, new ways of doing the irrigating, cutting down on the loss of inefficient systems. Evaporation in many cases is a big loss, so ways of improving that. So looking into the future, I'm sure there are still a number of areas where there can be efficiencies achieved. That could translate into more acres without taking more water out of the rivers. There are, of course, a couple of other projects that have been mentioned that would increase those acreages. Perhaps Peter would care to comment on some of those.

MR. MELNYCHUK: Our philosophy in rebuilding these systems over the last 15 years was to as much as possible, given the economies of design, increase the capacities. In some cases those capacities of main canals have increased up to 50 percent, even more in many cases. So there is room for expansion of the irrigated acreage built into the design of those systems. It is our belief, however, that the constraint on irrigation expansion in the future will be the actual water supply as opposed to the infrastructure capable of delivering that supply.

MR. HLADY: The infrastructure at this time, then, is pretty well maximizing the use of our water unless we can find either more water or a way to less evaporation or something along that line?

MR. MELNYCHUK: That's correct. The program had, for example, constructed or enlarged four major reservoirs, which added almost a quarter million acre-feet of storage to the system. That entire network in that system is basically capable of handling and managing the water supply we now have in southern Alberta, so much more isn't required in terms of infrastructure.

MR. HLADY: Okay. So therefore we won't see any needs or major need for expansion money coming along; or is there a need?

10:43

MR. LUND: Well, I'm not sure that that is totally an accurate statement. There are some areas where there still is the ability to make better utilization of the water supply. I think that, as Dr. Percy mentioned earlier, the highest value of the use of the water is something that will come more into play in the future. So looking just at irrigation I don't think is getting the whole picture. I think we have to look at that value issue more closely, and how that relates to more infrastructure is something that will be visited in the future.

MR. HLADY: My other question is actually on the Fish Creek provincial park. There was \$17 million spent in the development of that from '84 to '87. There were some other pieces that were supposed to be part of that on the original plan which included a 100-acre sailing lake, and there wasn't enough money to make that happen. Being an MLA from Calgary, I'm wondering: are there any plans to finish that project inside the department, by privatizing, or some other way of making that 100-acre lake happen?

MR. LUND: Well, if the recommendations of this committee are followed and there are no more expenditures from the heritage savings trust fund for capital projects, then of course the money for that project would not be here. We do not have in our department any plans for funding things like the expansion of Fish Creek at this time.

MR. HLADY: Thank you.

THE CHAIRMAN: Just a point of clarification, not caution. Certainly as committee members we have a responsibility to question the ministers that are in front of us, and when we get into a situation as we're winding down of course the heritage trust fund, each year as this committee goes on there's really less to work with. I appreciate that you have a difficulty meeting your responsibility, then, of trying to question within a confined area, so as chairman I want to be as generous as I can, but I also want to be generous with time. There's nothing that needs to keep us here two hours. If people wish to, you know, plow over this ground, that's what we're here for, but I'm starting to feel a little uncomfortable that I'm really

letting this thing go on perhaps far beyond the bounds which the minister was led to expect in his preparation to be here.

So with that we'll move to Howard, and we'll try and proceed.

MR. SAPERS: That was a pre-emptory strike; was it, Mr. Chairman?

I actually have some questions for the minister and his associates which I hope you'll consider to be on topic this morning, Mr. Chairman. First, I'd like to pick up on a point that my colleague for Edmonton-Manning was addressing, and that is the nearly \$1 billion that has been spent over the last roughly 20 years. I'm fully aware that we're looking at this year's report and spending, Mr. Minister, that you've had some input on. What I'm curious about is: if we have found the need in this province to spend, to commit nearly a billion dollars since 1977 to environmental protection from the heritage savings trust fund, what is it that has changed so dramatically in this province that we won't be spending a penny at the end of this fiscal period?

MR. LUND: Well, the decision to wind down the heritage savings trust fund capital expenditures of course is one that was made in the broader context, and I don't think I'm the expert in commenting on that decision. Certainly there have been a lot of very worthwhile projects completed over this period of time. As there's less money available, of course, the requirement to, I guess, be more frugal with the money becomes very important. Not that these projects are throwing away money, but certainly there are some areas where perhaps, like I mentioned earlier, we're adding to the quality of life, as in the establishment of things like campgrounds. Perhaps as the Department of Environmental Protection we have to look at exactly why we're here. Is it to provide that sort of facility, or is it to protect the environment and enhance it? I believe it's the latter.

MR. SAPERS: I'd also like to go back to the line of questioning initiated by the Member for Calgary-McCall: \$558 million spent in the irrigation improvement program. Can you tell me the process through which tenders are let: the trucking and the hauling and the construction and the maintenance? Does that process parallel the general tendering process for public works, or was that \$558 million spent and allocated through a decision-making process that varies from that?

MR. LUND: John?

MR. CAMPBELL: Sure. Basically the process was based on the Public Works Act, so it's exactly the same process. The engineers come up with a design, and then there are calls for public tender. Private contractors bid on those. Those bids are brought in, evaluated. The lowest bid is accepted, as it says under the public tenders Act, unless there's some very outstanding reason why it shouldn't be, and then the project is built by private contractors. So it's exactly the same as the public works process.

MR. SAPERS: Okay. Thanks. It may appear that the next question I have has to do more with the Department of Energy, but it doesn't. The Department of Energy does fund through the heritage savings trust fund some pilot projects and renewable energy projects. Environmental Protection never has. I'm curious as to why, when we see such an obvious overlap between the two departments, some renewable energy projects such as solar have never been pursued by your department and have never been funded, Mr. Minister, whereas in Energy wind projects have been funded. Why has that decision been made?

THE CHAIRMAN: It's your choice. That is beyond the scope of why you're here, but you're free to answer if you wish.

MR. LUND: Well, thanks for that, Mr. Chairman, but of course this is very open government and a very open minister, so we will make a few comments.

The decision to house that in Energy, once again, is not one that I think I'm prepared to debate. It's probably the logical home for it in Energy. I think that while we maybe haven't spent any money specifically on alternate energy sources – the small power producers that have now come forward because of some of the things that have been done through this system – you know, we're not totally divorced from it. Electricity certainly falls under Energy. So I don't think it's really in our bailiwick to be funding energy projects.

10:53

THE CHAIRMAN: Okay. Thank you.

Any further questions? So now we're back to you on a second round, Howard.

MR. SAPERS: Just one last question. Thanks for that open and fully accountable answer, Mr. Minister, consistent with your government in every way.

The question that I do have, though, relates to the answer provided regarding the tendering process. I'm wondering if it would be possible to get a breakdown of the contracts, the \$558 million worth. In your answer you had indicated that to a large extent it parallels public works in that typically they would go to the lowest bidder but not always. So I guess what I'm particularly interested in are the variances from that, when the process did differ from the public works process, and when they didn't go to the lowest bidder.

MR. CAMPBELL: None that I'm aware of, but we can go back and check and see, if there is ever any reason to do that.

MR. SAPERS: I'd appreciate that.

THE CHAIRMAN: Okay. I think we have an understanding, then, on the question. So you are going to respond that either all projects were under the Public Works Act or, if there was something outside of that, you will then notify the chair.

MR. CAMPBELL: Yes.

THE CHAIRMAN: Okay. That is the end of our questioning.

Mr. Minister, thank you very much for coming, and we do appreciate your openness and your patience with me in the chair. I do appreciate that. I have a couple of housekeeping things to go over with the committee, so you're free to leave or free to remain until we adjourn, whichever is best.

MR. LUND: Well, thank you very much, Mr. Chairman, and thanks, committee members.

THE CHAIRMAN: I want to remind members that we had set it up that we would only accept recommendations until the last day that ministers appeared before us, but we've ended up with a backend-loaded schedule. Actually on January 24 we're going to have three ministers in front of us, so that's a big load. I'm wondering if we might have a consensus to allow recommendations to perhaps come in, then, by February 6 instead of on that last day. I'm seeing a nodding of heads. All right; so we will do it that way.

Any recommendations to be read in this morning? Okay. Well, we're adjourned. Thank you very much.

[The committee adjourned at 10:57 a.m.]