

Title: Monday, March 6, 1995 Designated Subcommittee

Date: 1995/03/06

[Chairman: Mr. McFarland]

Time: 8:05 a.m.

THE CHAIRMAN: Good morning, everyone.

HON. MEMBERS: Good morning.

THE CHAIRMAN: We've got, as you know, four hours with this subcommittee, and the minister probably has some comments that will take 15 or 20 minutes before we start. Please feel free to get up and help yourself to coffee and muffins. We'll try to make this informal, and if Cheryl at the back has any trouble hearing, I think she'll wave at us and have you move the mikes closer to yourselves.

This is the first of the designated supply subcommittees for this spring session. I think without any further ado, Mr. Minister, we'll have you make your opening comments. We've got, at the end of the meeting, one motion that will have to be voted upon. [interjection] Okay. Corinne has advised me we can make it right now to save time at the end. This is a result of the memorandum of agreement between the House leader of the government of Alberta and the House leader of Her Majesty's Loyal Opposition. The motion reads as follows:

Be it resolved that the Designated Supply Subcommittee on Public Works, Supply and Services allocate the 4 hours allotted to it pursuant to Standing Order 56(7)(b) as follows:

- (a) the Minister responsible first addresses the Subcommittee for a maximum of 20 minutes,
- (b) Opposition Subcommittee members and Independent Subcommittee members then have 1 hour for questions and answers,
- (c) Government Subcommittee members then have 1 hour for questions and answers,
- (d) Opposition Subcommittee members and Independent Subcommittee members then have 1 more hour for questions and answers,
- (e) Government Subcommittee members have the remainder of the 4 hours.

Signed in Edmonton, Alberta, by Stockwell Day and Frank Bruseker. Is there a mover of the motion?

MR. DICKSON: I so move.

THE CHAIRMAN: Okay. Gary. All in favour? Opposed? Carried. Thank you.

Mr. Minister, could we have you introduce your staff members to the committee so everyone is aware of who they are?

MR. FISCHER: Okay. Thank you very much. To my right is our deputy minister, Ed McLellan, and to my left are Ray Reshke and Peter Kruselnicki and Brian Black and Bob Smith and Dan Bader.

THE CHAIRMAN: Thank you.

Folks over here, care to you introduce yourselves?

MR. ELLIOTT: Bob Elliott, public works.

MR. MULDER: Philip Mulder, public works.

THE CHAIRMAN: Hi, Phil.

MR. HENKE: I'm Keray Henke from the same office.

THE CHAIRMAN: Hi, Keray.

MR. HADDRELL: Bard Haddrell with Butch Fischer's office.

THE CHAIRMAN: Okay, Mr. Minister, if you'd care to kick it off, we'd be happy to hear your comments.

MR. FISCHER: Well, thank you very much and good morning to everyone. You mentioned something about 20 minutes to begin with. I'm going to be quite a bit shorter than that, and I hope that follows through with the rest of you.

Mr. Chairman, Public Works, Supply and Services' mission is "to minimize the costs of common services needed to support government program delivery." Our mandate is to provide common services on behalf of other government departments. This includes the construction of special purpose facilities; provision of office space in leased and owned buildings; furniture; operation and maintenance of all government buildings; provision of telecommunication and information technology support services; managing the procurement process for government departments; providing air transportation; project managing and construction of major dams and water reservoirs; co-ordinating and managing the design, construction, and upgrading of hospitals, nursing homes, health units, and senior citizens' lodges; and acquisition of land for all government departments except the Department of Transportation and Utilities.

I would like to draw to the attention of the committee members the significant change in the presentation of PWSS's estimates this year. For the first time the government's financial statements will include the value of all assets which government departments own. As the landlord for government land and buildings this accounting policy change has had a major impact on my department. Public works' capital assets total more than \$2.3 billion, which includes \$1.9 billion in buildings, \$300 million in land, \$50 million in computer hardware and systems, and \$50 million in aircraft, equipment, and other assets. While amortization rates vary among assets, the overall average amortization rate for all assets is about 3 percent. Members will note that an amount of amortization is included in each program.

PWSS has exceeded its business plan targets in virtually every core business. We have achieved an expenditure reduction of nearly \$100 million and staff reductions of 1,057 FTE positions since 1992-93, the start of our business plan. Staff reductions account for nearly one-third of the operating savings over the last four years. Our original business plan target for a staff reduction of 650 FTEs has been exceeded by 407, primarily as a result of a reduction in new capital construction and the outsourcing and privatization of departmental activities which can be provided more cost effectively by the private sector.

With respect to privatization, I would like to briefly outline the privatization or outsourcing of functions which Public Works, Supply and Services began in the early '70s. Virtually all architectural and engineering design services are outsourced. All building construction is contracted to the private sector. Nearly 50 percent of the property management of government buildings is outsourced. Land appraisals are contracted to the private sector. Surplus land and buildings are sold through the Alberta Real Estate Association. Surplus furniture, equipment, and vehicles are disposed of through private-sector auctioneers. Repair of office equipment was privatized in the mid-1980s. Printing services were privatized March 31, 1994. We disposed of our helicopter fleet in 1994. Departments now acquire these services directly from the private sector. All computer systems developed are outsourced. All our development is outsourced. Warehousing

of building and office products has been eliminated, with departments acquiring these products directly from the private sector. We've outsourced our courier services.

Mr. Chairman, I have a handout which provides more detail of our privatization pursuits, which I'd like to give all members. I don't know if we got that around or not. Did we?

THE CHAIRMAN: Thank you.

MR. FISCHER: Our business plan goals indicate that PWSS will be a smaller, more efficient organization which fosters new partnerships in the delivery of services in a cost-effective, efficient manner. As indicated above, our spending and manpower reductions and privatization and outsourcing initiatives have gone a long way to meeting these goals.

Highlights of our business plan achievements are as indicated previously. Printing services and warehousing and distribution have been eliminated. Since 1993 our computer processing rates charged to departments have decreased by 37 percent. Approximately 25 percent of our computer processing will have been outsourced by March 31 of '95. We reduced leased and owned space inventory by nearly 200,000 square metres, resulting in expenditure savings of nearly \$30 million since the start of the business plan. We have disposed of nearly \$60 million of surplus property. The direct purchase order regulation was amended to permit departments to acquire goods valued at up to \$2,500 per transaction directly from the private sector, an increase from the previous limit of \$250.

We plan to continue our efforts to downsize our space inventory, reduce costs, and outsource or privatize as many services as economically feasible in the '95-96 fiscal year. However, everything PWSS does, from providing space to accommodate departments to operational services such as telecommunications, is dependent upon the demand from other government departments and the extent to which these departments achieve their business plan goals.

8:15

I'd like to now provide you with some highlights of our '95 estimates. During the '95-96 fiscal year the provision of telecommunications services will be outsourced. Our budget of \$35 million in program 2 will be transferred to departments to acquire these services directly from the private sector.

These estimates provide \$74.1 million, \$71.9 million in operating and \$2.2 million in capital, for new health care service construction. Funding will be provided to the regional health authorities to address adjustments to the health care infrastructure.

Approximately \$24.4 million in capital has been provided for the construction of the Little Bow and Pine Coulee water development projects. I'm pleased to advise that the joint panel of the Natural Resources Conservation Board and the Federal Environmental Assessment Review Office, that held public hearings on the Pine Coulee project last fall, released their report on February 28 of this year. The joint panel approved the project with certain environmental and operational conditions attached and has concluded that the project is in the public interest, having regard for social and economic effects of the project and its effects on the environment. While the panel's decision is still subject to authorization by cabinet and approval by the federal government, its approval marks a major milestone for this project. The draft environmental impact assessment for the Little Bow project will be completed and released for public review within the next three months, after which a joint panel review of this project can be scheduled.

As members are aware, the Freedom of Information and Protection of Privacy Act comes into force in October of this year.

As my department has been assigned the responsibility of implementing the Act, we are presently co-ordinating the preparation of the administrative and procedural requirements to implement the Act. Program 2 includes \$950,000 for this purpose.

Mr. Chairman, I'm sure there are many other items which members would like to ask questions about, so with these comments I invite your questions.

Thank you.

THE CHAIRMAN: Thank you, Mr. Minister.

I guess we forgot to introduce ourselves. I don't know if that's a necessity today, but maybe there are a few of the staff people that don't know everyone. My apologies. Gary, could we start with you?

MR. DICKSON: Sure. Gary Dickson, Calgary-Buffalo.

MR. DUNFORD: Clint Dunford, Lethbridge-West.

MR. SEVERTSON: Gary Severtson, Innisfail-Sylvan Lake.

MRS. ABDURAHMAN: Muriel Abdurahman, Clover Bar-Fort Saskatchewan.

MR. SAPERS: My name is Howard Sapers. I'm Edmonton-Glenora.

MR. TANNAS: Don Tannas, Highwood.

THE CHAIRMAN: Barry McFarland, Little Bow.

Thank you.

I guess we can start right off, and I see Muriel flashing her eyes at me. You have a question?

MR. DUNFORD: Can you just review the rules for us again?

THE CHAIRMAN: Oh, I'm sorry. The purpose of this one is not to discuss policy or past budgets. We're looking at the estimates and trying to stick within the parameters of those particular figures that the minister has expounded on.

MR. DICKSON: If we could discuss the three-year plan, I take that as being what drives the numbers to a large extent. So I want to make sure.

THE CHAIRMAN: Well, we didn't do that in the past, Gary. We're talking about this year's estimates. That's why we have the designated supply subcommittees each year.

MRS. ABDURAHMAN: I would have some difficulty based on the fact that the opening comments of the minister certainly focused directly on the business plan and then followed through into the numbers. Mr. Chairman, the numbers mean absolutely nothing unless they're tied into what drives the numbers. I had understood that it was the government of Alberta's position that the business plans were the key to your budgetary process, and without that as a criteria . . .

THE CHAIRMAN: Okay. We can work on the numbers so long as you stick to the numbers and not get off on perceptions: what the policy might be or some such thing. If you're talking about the pure numbers that you see in the three-year business plan, we'll work around that, but I don't think anyone should be second-guessing policy, past or present.

MRS. ABDURAHMAN: Well, Mr. Chairman, with those comments I'll certainly attempt to live within the chairman's ruling.

The first thing I'd like to do is congratulate the Hon. Robert Fischer, Butch, for your recent appointment. I wish you well with the portfolio and look forward to working with you as the critic of Public Works, Supply and Services.

I'd also like at this time to point out that we have the swearing in of Mr. Peter Valentine at 10:30, and I would beg your allowing me to just excuse myself for a short period of time to be in attendance as chairman of Public Accounts. Thank you.

Moving into the estimates, the premise that my questions and comments are going to be focused on is the fact that we are the trustees, the government of Alberta and the Official Opposition, of the assets of Albertans. Looking at the estimates and the numbers within this budgetary year, the question that I have to ask is: is there short- and long-term planning in place, Mr. Minister, with regards to the maintenance of the capital assets within the province of Alberta? Where would I find within the estimates an allowance for an ongoing short-term and long-term plan of maintenance of those capital assets? I'm talking about provincial buildings, hospitals, wherever we have to expend capital dollars. I'm having great difficulty going through the estimates and finding those numbers.

MR. FISCHER: Well, I think we have a general plan that we look after those assets, and they would be in the operating of each one of our programs here. If you go to the operating of each of our programs, that is included in there. The construction and upgrading and renovating are included in the program.

MRS. ABDURAHMAN: So if I came to the department as an Albertan and said, "What is going to be maintained in the year 1997?" you could show me around the province where you're needing capital assets and operating assets to maintain that facility.

MR. McLELLAN: If you turn to page 267, 3.0.1, titled property management business support.

MRS. ABDURAHMAN: Which document?

MR. McLELLAN: Management of properties.

MRS. ABDURAHMAN: That would be maintenance that's included in there?

MR. McLELLAN: Yes. That's the day-to-day maintenance. Have you found it?

MRS. ABDURAHMAN: Yes. Now, on 3.0.1 there's \$28,560,000 and then on 3.0.1, \$260,000. So which number?

MR. McLELLAN: The difference between the two is that 3.0.1 is the in-house operation which encompasses 500 or 600 people, the tradespeople; 3.0.2 is the buildings that have been outsourced, and we're using private-sector companies to look after the buildings.

MRS. ABDURAHMAN: Now, if we're going to project over a decade, would you have within a forecasting some numbers that would allow us to look at where we're going in the province of Alberta?

MR. McLELLAN: Again, those are the day-to-day operations. If you turn to page 269 under program 4, you'll see a complete listing under each department. Some of these projects are maintenance projects therefore extending the life of the building.

MRS. ABDURAHMAN: I appreciate that, but what I'm still asking is: do we in the province of Alberta through public works have a complete short and long term for every facility that we own as Albertans? I know I certainly appreciate over the past number of years that you can go into our estimates and clearly show what's been budgeted for for that year. In health care you can look at the longer term, whether it's the capital project or the actual implementation.

MR. McLELLAN: Our plans include what we consider to be facility evaluations, and we evaluate our buildings on an ongoing basis to determine what's required to keep the buildings to their useful life, which can be anywhere from 25 to 40 years. As a result of the facility evaluations, certain things are determined to be done in those buildings, and they turn out to be the projects that are listed in program 4.

8:25

MRS. ABDURAHMAN: I'll probably, Mr. Chairman, get into a little bit more detail when we get to Michener Centre and a few other facilities so that I can better understand how you do that planning.

Before I turn it over to one of my colleagues, Mr. Chairman, we look at the total estimates for this budget, and there's certainly a reduction of 6 percent. I'll run the numbers off. We're looking at \$566 million to \$532 million, but the department's forecasting that the actual '94-95 expenditures will be at least 17 percent lower than that. We're looking at \$566 million to \$471 million. So my question is: why is there such a difference between what the department is forecasting in '94-95 and what was estimated for that year? Basically, what I'm asking is: where is the savings? Where have you managed to achieve the savings?

MR. FISCHER: With that one last year, because of our change in our health authorities in Health, we built almost zero health care facilities. That's where the big difference is. We have to budget them in for this coming year.

MRS. ABDURAHMAN: It's all coming from health care savings, the difference?

MR. FISCHER: The biggest portion of it is, yes.

MRS. ABDURAHMAN: And where else would we find some savings?

MR. McLELLAN: Under capital investment you will have the deferral of the dam project at Pine Coulee and Little Bow.

MRS. ABDURAHMAN: Now, looking at the '94-95 number of \$471 million and then '95-96 of \$532 million, why can we not pass the savings that was accrued from the last budget year onto this year? Why have the numbers gone up there?

MR. FISCHER: I'm sorry. Where were you at there?

MRS. ABDURAHMAN: We're looking at the total budget.

MR. McLELLAN: On which page?

THE CHAIRMAN: Minister and deputy minister, while we're checking this out, I may not have made things fairly clear here. When we started these designated subcommittees last year, the intent was to have one question and two supplementaries, and I'm down to six questions. Now, I was just trying to feel our way around. I know you've got other members, unless you're asking all the questions for your other members as well.

MRS. ABDURAHMAN: No, that was certainly not my intent, Mr. Chairman. My intent as critic of public works was more making an observation in my opening comments and moving into the question, but I can certainly move on to Mr. Sapers.

THE CHAIRMAN: No problem, just so that we have one main and two supplementaries. Then we can move them around fairly quickly.

MR. SAPERS: Barry, can I just ask about the process?

THE CHAIRMAN: Sure.

MR. SAPERS: From our discussions I thought we were going to be a little more free flowing this time, that within the two hours that would be the time allotted to the opposition questions, we would be able just to be more free flowing, that we weren't going to be restricted to the main question and sups.

THE CHAIRMAN: I don't have a problem if you're content with Muriel asking questions for 20 minutes.

MR. SAPERS: Try to stop her, Barry.

THE CHAIRMAN: No. I thought maybe some of you were intimidated by Muriel.

MR. DUNFORD: I am.

MRS. ABDURAHMAN: That'll be the day.

What I would refer to you is the operating expenditures, and we're looking at estimates forecast and actual.

MR. McLELLAN: On what page?

MRS. ABDURAHMAN: Page 261.

MR. FISCHER: For some reason or other those numbers didn't seem to coincide with the numbers that I had here.

MRS. ABDURAHMAN: Well, I'm rounding numbers off. So we're looking at operating expenditure, \$476 million, and the net estimates of \$474 million, and then you look at the gross comparable of \$510 million, and then the gross comparable actuals were \$525 million.

MR. FISCHER: The \$525 million was '93-94. The comparable estimates of \$510 million were what we estimated in '94-95. The forecast – it was going to be very close – is the \$437 million. So we budgeted quite a bit lower for this year, which is \$476,000. It would be \$34 million less.

If I could, as I said in my opening statements, much of this operating now has gone into capital, because we define operating as anything that we don't own when we're finished, and a hospital goes into the operating portion of it. That's why it's so large now. It used to be the other way around.

MRS. ABDURAHMAN: Thank you, Mr. Minister.

Mr. Chairman, I'll turn it over to my colleague Howard Sapers.

MR. SAPERS: Mr. Minister, a comment first and then a specific question. I was struck with all the outsourcing that you've done in the department. I appreciate this summary, and I'll give it a closer read and get back to you if I have a specific question out of this document. When you were talking about outsourcing, I'm assuming that it's to achieve a couple of purposes. One is that it fits in with the overall direction that the government and your department are going but also to achieve some cost savings. It's that second point I was a little curious about, because I notice that in spite of all the outsourcing and privatization, the budget for the minister's office is up, the budget for departmental support is up, the budget for planning costs is up. That just struck me as odd, and maybe at some point you could comment on that.

In answering an earlier question, Mr. McLellan had said that in program 4, if you look at the detail from 4.2 on, some of those expenditures are for ongoing maintenance costs. That means that some aren't. Perhaps you could tell us: is there a formula? Is there a proportion? Are there some of these specific projects which are maintenance and some of them which are new construction? How are we to know which of these costs are for maintenance and which aren't?

In answering that question, I'd like you to comment specifically on Agriculture, Food and Rural Development, because I notice, for example, this total subprogram cost is up nearly four times over last year. I'm also curious as to the increase for the Alberta Research Council in vote 4.5.16, which has gone up from \$20,000 to \$1.5 million. So perhaps you could give me some better understanding of those two areas. Also, how are we to know which is for ongoing maintenance and which is for new costs in construction?

MR. FISCHER: First of all, with the minister's office we should go back to the estimates of 1994-95, which were \$270,000, as well as what they are for this year. The estimates haven't changed any. The actual cost last year was \$240,000. We could very well meet \$240,000 again, but one of the reasons they kept it up there is that the Freedom of Information and Protection of Privacy Act is coming in, and it's needing a little bit more help. I assume that we won't be far off the \$240,000.

Now, I wanted to go to your capital over here. What was that number, again, that you mentioned?

MR. SAPERS: Well, the first one I was referring to was in Ag, Food and Rural Development, where you see the estimates for '94-95 were \$35,000, I take it, and now it's \$120,000. Then my more general question about the votes was just trying to get some more clarity from Mr. McLellan's answer on what's ongoing maintenance and what's new construction, what's new project costs.

MR. McLELLAN: Maybe I could jump in here and try to clarify for you which are maintenance projects and what are other types of projects. There are definitely a significant number of maintenance projects, and the other projects would include moving departments from one particular building to another so that they would be functional changes in a particular facility. Dan, could you give us a little better feel for how much is maintenance?

MR. BADER: If you go to 4.14.60, in both operating and capital there are sums identified for maintenance of buildings that the department owns, \$3.715 million for maintenance projects. That relates to work that we do on our own buildings and would include

basically everything from replacing boilers to replacing rooms and everything in between.

MR. SAPERS: Well, is that \$3.7 million, then, the sum total of the ongoing maintenance costs?

MR. BADER: No. There's also some additional money because of the budget split shown under the capital components. I'll just find the page for you. There's another \$1.395 million shown on page 277. The reason it shows up in two places is that it depends on whether it significantly increases the useful life of the building or whether the write-off period on the investment is shorter. We're just playing with the new rules in terms of how that amortization process works.

8:35

MR. SAPERS: Okay. I understand that distinction, I think, but I just want to be clear. If I look at vote 4.3.30, agriculture facilities and laboratories, that \$10,000 would not be maintenance cost.

MR. BADER: No. The components that are listed under departments are generally related to what we have to do within the buildings to support their programs. Some of it may be maintenance related in terms of working on the infrastructure that they use inside the building. If we're talking about the building shell and the fabric of the building, the mechanical systems, then it's under the work that's budgeted under public works multipurpose.

MR. SAPERS: Okay. So for the most part that \$3.7 million and I believe the \$1.9 million under the capital side is the maintenance for government of Alberta buildings. The rest of these costs are really construction of new capital projects.

MR. BADER: In the old definition, yes.

MR. SAPERS: Okay.

Could you give me a little bit of detail about what's going on at ARC?

MR. BADER: What we have included in there are basically three things. We're terminating a couple of leases in the city over the next six months or so and moving the operations out of leased space into ARC at Mill Woods. We're also doing some consolidations at ARC in Devon. The majority of the money is related to transferring programs from the facility at Clover Bar to ARC Mill Woods, contingent on us being able to find a buyer for the Clover Bar site.

MR. SAPERS: Okay. With everybody's indulgence, I wanted to ask a couple of specific questions under program 4 in subprogram 4.11, Health. I notice that there is a large increase. In capital upgrading the increase is about \$9 million, and I'd like to know: what are the priorities for that \$9 million increase? Or if you can't answer that specifically for the \$9 million, maybe just give me a sense of the priorities for the nearly \$25 million in that line item. Then, after knowing which are the priority projects, I'd like to know on what basis those priorities were identified, because clearly there are requests coming to the government far exceeding \$25 million for capital upgrading in Health.

MR. FISCHER: Well, originally there was some priority put on the Calgary Foothills hospital, and some of that got spent last year. There were some other priorities, and I think of the Fort

McMurray long-term care wing. That one has already been approved and is in construction. Now, for some of the other ones, there has been no approval given as of yet on many of the requests that are in. It's subject to all of our health authorities getting their priorities into place before we start construction again.

MR. SAPERS: Butch, as I read this budget – and maybe I'm reading it incorrectly.

MR. FISCHER: What page are you on?

MR. SAPERS: I'm on page 271. The \$24.6 million under 4.11.1, capital upgrading, does not include the \$4.5 million already allocated to the Foothills or the \$2 million already going to the Fort McMurray regional hospital, which are two of the examples that you gave. So there's another \$25 million that's being allocated for miscellaneous upgrading, and I'd like to know what the priorities are for that and how those priorities were determined.

MR. FISCHER: You go ahead, Dan.

MR. BADER: The basic criterion for capital upgrading is projects with a value of a million dollars or less. They break down into two components. One is maintenance-related components similar to what we were talking about with public works buildings, except that they're hospitals. The second component is functional upgrades within existing facilities. If there is a major functional upgrade or change in use of the building over a million dollars, then it would appear as a separate project in a normal situation. In this case there's a sum allocated for new major projects that haven't been sorted out yet. A substantial number of the RHAs are still trying to sort out which buildings they want to use for what. So I think probably the fair answer to this is that we have a list of priorities for the maintenance projects, and that's based on getting requests from all of the regional health authorities and the boards across the province. Then we go through and try and identify on the basis of urgency implications in terms of: if we don't do it, what happens?

Again, that goes back to the same types of things on the maintenance side, from roof replacements to boiler replacements to envelope repairs, that kind of thing. Most of the functional upgrade issues are tied to the major capital review process that's going on. The regional health authorities are submitting their capital plans to the Minister of Health, and they're prioritizing both the capital upgrading requirements as well as the major capital upgrading requirements against a set of capital planning guidelines. That process is still ongoing.

THE CHAIRMAN: For the chair's clarification, Mr. Bader, I think you've pretty well explained, if I've heard you correctly, the answer to Mrs. Abdurahman's first question on short-term, medium-term, and long-term in the description of the functional expenses. Have you not?

MR. BADER: There's probably a little bit more.

THE CHAIRMAN: I gather from the way you've broken it down that you've identified in your expenditures the short-term, medium-term, and long-term expenditures that are required for maintenance, based on their various functions.

MR. BADER: Yeah. If I understand the question, it was probably more related to: how do we figure out what we do when, as opposed to what we're going to do this year?

THE CHAIRMAN: Howard, just to keep the fellows clear, if you're switching from one page to another, could you just mention the page that you're on so they don't have as much trouble finding the numbers that you're referring to?

MR. SAPERS: Sure, Mr. Chairman.

THE CHAIRMAN: Thanks.

MRS. ABDURAHMAN: Can we move over to Gary now, and then come back?

MR. SAPERS: Can I ask one more?

MRS. ABDURAHMAN: One more then.

MR. SAPERS: Sorry, Gary.

I appreciate your answer, and I understand the difficulty of planning miscellaneous capital upgrades, particularly functional upgrades, in the context of what's going on in health care. That's why I was so surprised to see over \$9 million more this year than last year, the \$24.6 million on capital upgrades at this point, particularly as I understand that most of the requests are for functional upgrades, not maintenance. I'd like to know exactly how it is that it can be determined what dollars could be planned for now, or when you had to put this budget together, considering the upheaval in health care. I've been in touch with all of the regional authorities. Most of them haven't even determined their own functional upgrading plans. On what basis did you make your budget plans, considering that the regions haven't got their finalized yet?

8:45

MR. BADER: To a fair degree it's based on historical expenditures, a list of requests that we're aware of. Some of them will happen and others won't, so we've basically taken a best estimate with Alberta Health based on the projects that have been potentially identified and established the number on that basis.

In terms of the \$15 million last year versus the \$24 million this year, a lot of the functional upgrades last year were deferred for the same reason. So the assumption is that a number of those should happen. What they're actually going to look like in terms of the final scope, we're speculating on. So to a degree it's a best estimate on what we expect to be requested and shaken out during the year. That's the best we can do.

MR. SAPERS: Thanks. Fair enough.

MR. FISCHER: Some of it, I guess, is a safety upgrade, too, and that type of thing, isn't it? If you're going to have a building, you've got to meet those requirements.

THE CHAIRMAN: Gary Dickson, please.

MR. DICKSON: Thanks, Mr. Chairman. Good morning, Mr. Minister, and I'll add my congratulations to you on your appointment.

I want to make sure that Mr. Black didn't feel he was left out this morning. I've got some questions I want to ask that relate to freedom of information and implementation. I want to start off by asking for some clarification. The Legislative Offices Committee has passed a budget to allot something in the order of \$400,000-plus to the new office of Information and Protection of Privacy Commissioner. I have to understand sort of the interface between

the implementation start-up costs incurred by this department and that budget set up for this year. I guess I'm asking: is there some plan to recapture from that budget start-up costs that are currently being borne solely by your department?

MR. FISCHER: Well, our department doesn't have anything to do with the Legislative Assembly Office as far as the commissioner goes. That's not in our department. We are just for the records, to get the records, and the start-up costs we budgeted in this department. Now, when you say "recapture," would you define that further?

MR. DICKSON: Well, I'm curious. We've got a budget of over \$400,000 for the office, and I'm trying to understand if that is going to be net of all the costs involved in preparing the directories department by department, if that's net of all of the costs involved in whatever sort of software is being developed and tuned up for implementation of FOI. That's where I'm going, Mr. Minister.

MR. FISCHER: Brian, maybe you'd better work with that.

MR. BLACK: Okay. First of all, what I believe you're talking about is on page 265 under section 2.1.2, information management. The gross expenditure there is \$1.3 million. Of that \$1.3 million, we have \$950,000 set aside, as the minister mentioned in his opening remarks, for the implementation of freedom of information and protection of privacy. Now, in that \$950,000 for public works, the moneys are there for developing regulations and policy, for developing the directory, for setting up training programs for departmental staff, for staffs of boards and agencies as well. We also have a computer system being developed to track requests, and we're also developing forms for the public to access information from departments. What's not included in that budget is the commissioner's office budget. That I believe is being dealt with by a special committee. That will be budgeted for under the Legislative Assembly Office. Also what's not budgeted here are departmental expenditures: staff that they have to appoint to administer the Act as well as any other administration that they have. Public works is not responsible for their administration.

MR. DICKSON: Is there some arrangement whereby the cost of preparing a directory that focuses on health care is charged back to the Department of Health, or is the directory an exclusive cost of this department?

MR. BLACK: This department will put the overall government directory together, but we work in conjunction with the other departments who are developing their portions of their directory. The expenditures that they make in developing their portions are budgeted under the departmental budgets and not here.

MR. DICKSON: Just for clarification. I understood the minister to refer to FOI costs in another area. Are there costs with respect to freedom of information implementation outside of program 2? Are there some costs in the minister's office or the deputy minister's office?

MR. BLACK: There are three areas; right. The minister mentioned that in his own office there was a portion set aside for implementation of the Act. There's the portion that I talked about for the commissioner's office that'll be budgeted outside and the departments as well. So there are three pools.

MR. DICKSON: Okay.

Help me understand what the pool of funds is in program 1, I guess, that would be dedicated to freedom of information.

MR. FISCHER: That's the \$950,000 you're talking about?

MR. DICKSON: No. I understood the \$950,000 is in program 2. We identified three sort of pools of funds. One the Legislative Offices Committee has control over, and that's separate from what we're dealing with here. The second is the \$950,000 within your department within program 2, and then the third source of funds, as I understand it, Mr. Minister, is in program 1. I'm wondering what the sum is in program 1 for purposes of FOI implementation.

MR. FISCHER: I guess sometimes it wouldn't matter too much whether that person was in the department or whether they're in our office to help us with that, but certainly there's an awful lot of work to do with that particular Act and getting things started. So we felt that we should have some special help, if you like, right within our office to work on that. Now, whether that carries on later on – certainly if we come down and meet our budget, that's what we're most interested in.

MR. McLELLAN: And with respect to the department, there are also dollars in 1.0.3, departmental support. We will have our designated freedom of information person for the department, which is separate from Brian's area, to look after ourselves.

MR. DICKSON: Can you help me, gentlemen, quantify what that subbudget is within program 1?

MR. RESHKE: Mr. Dickson, it's basically one staff member, and there's an amount in the minister's office, I think, of about \$30,000. So in total in vote 1 it's about \$100,000.

MR. DICKSON: Fine. Thanks very much.

I wonder if you can help me as well. The budget for the Public Records Committee, would that appear in program 2?

MR. FISCHER: I would assume so.

MR. BLACK: The Public Records Committee per se has no budget. Those are staff members from various departments, and their salaries are budgeted in their departmental allocations. The two members from public works are in fact the director of the branch and the executive director of the branch, who are paid in their program areas.

MR. DICKSON: Can you just briefly take me through program 2 and identify the areas where freedom of information is reflected? I assume that some of those have no relationship to FOI implementation.

MR. BLACK: Well, the only one that has any FOI implementation implications is 2.1.2, information management, with the exception of my own partial salary and the executive director's partial salary, which are in 2.1.1, planning.

8:55

MR. DICKSON: Okay. Thank you.

Mr. Minister, if you'd help me with this. Can you tell me the number of staff or private contractors that are engaged by the department for purposes of FOI implementation? I'm curious

about what sort of staff component is involved in terms of what we've been talking about.

MR. FISCHER: I don't know the actual number, but that's where the \$950,000 comes in again. Brian, maybe you could help us there.

MR. BLACK: The minister is exactly right. It's the \$950,000 we had outside of the records centre operation, which is an ongoing program. There are about six or seven staff, I believe, involved in the implementation of that program. The number of contracts – and I'm only going to be guessing at this time – is in the range of six to 10 contracts, and those vary depending on the projects.

MR. DICKSON: Mr. Minister, is there some vehicle whereby I can get particulars in terms of this subbudget of \$950,000, either verbally now or in some other form? I'm trying to find – Albertans have a keen interest in what the cost of this new system is going to be to them.

MR. FISCHER: Certainly. I think we can provide that for you, can't we?

MR. McLELLAN: Sure.

MR. DICKSON: Good. Thanks very much. It must be somebody else's turn. I've got some other questions. I'll come back later.

MRS. ABDURAHMAN: Mr. Chairman, I'd like to go back to vote 4.

THE CHAIRMAN: Vote 4?

MRS. ABDURAHMAN: Yes. Contrary to your comments I'm still not quite clear how the government of Alberta is actually planning for future maintenance and setting aside capital within these votes. I'll use a couple of examples to try and get a handle on what indeed you have in place. I'm hoping that the government of Alberta in their business plans will eventually include short-term and long-term maintenance plans. I think it would be a good utilization of public moneys to have that kind of planning in place. Say, Alberta Hospital Edmonton, the Helen Hunley building: could you tell me, for example, Mr. Minister, when the whole carpeting in that facility would need to be replaced? Or could you go up to Grande Prairie to the Provincial Building and look at something like carpeting or furnishings? When would you project in the future that there would have to be replacement or some form of maintenance to the Provincial Building in Grande Prairie? How would you equate it in '95-96 dollars?

MR. FISCHER: Well, we evaluate those first. Certainly the carpet in one building may wear out faster than the other, depending on the traffic. We don't just say that 10 years from now we're going to put a new carpet in.

MRS. ABDURAHMAN: What I'm trying to get at: is there that level of planning in the department?

MR. BADER: Can I?

MR. FISCHER: Sure.

MR. BADER: The way the process works in Alberta Hospital Edmonton is a little bit different in terms of the relationship with

the health boards, but for our own buildings generally we have a facilities manager either in or monitoring, supervising, what goes on in the building. That's sort of, if you like, the first line of defence in terms of day-to-day identification and picking up things like the carpet is wearing and it looks like it needs to be replaced in one, two, three, five years. So there's that in terms of, if you like, more of an ad hoc approach to life.

We also have in Bob's shop a long-term maintenance planning group, which is relatively small, an architect and two or three technicians. They react to the field requests in terms of saying, "We're having problems with this piece of our building," the mechanical system or whatever, and then they identify where those activities should fit into the longer range budgeting structure.

In addition to that, we tag – and Ed referred to it earlier – facility evaluations, where we hire consultants who go out and do physical assessments of the condition of the building structure: the roof, the mechanical systems, and those types of things. That in turn flows into a long-range projected maintenance plan for each of the major buildings. Those three together drive what we look at, and then we have to temper through visual observations, based on how fast the building is wearing relative to the theoretical projections, like in terms of carpet life. Some carpets you have to replace in five to seven years. Others you can get 10 to 15 years out of without a whole lot of trouble, depending on the traffic.

MRS. ABDURAHMAN: Following up on that – and I'll use an example that's in vote 4.10.35, where we're seeing very significant dollars . . .

THE CHAIRMAN: What page?

MRS. ABDURAHMAN: Page 271. It's Michener Centre, where we're seeing significant dollars, \$335,000, for planning and implementation of construction projects there. Now, looking at Family and Social Services, if you take Michener Centre and then take, say – and I'm using examples to try and bring them alive here – Alberta Hospital, 5 building and 9 building, what criteria and what government policy are you using to put in these dollars for Michener Centre? My understanding is that there's a question about the continuation of Michener Centre. I'm picking up on the minister's comments about public health and safe and acceptable buildings. We know that 5 building and 9 building, which house health care people, are anything but safe or meet public health standards by any stretch of the imagination. So what I'm trying to get at in public works: who drives 4.10.35?

THE CHAIRMAN: Whoa, whoa, whoa. Just one question here. We've got questions bordering on policy. I believe Mr. Bader has done a good job of explaining how the process works, but now we're starting to ask from one building to another, and I think that's bordering on a policy question. We're here to discuss the estimates. I just caution that by using specific examples we're getting too close into policies and almost like a lobbying kind of question: why are you using this in one building and not in another. I think the explanations that have been given by the members from public works are satisfactory. I caution you that I'm not going to take any questions that are bordering on policy.

MRS. ABDURAHMAN: Well, Mr. Chairman, I won't use examples, if that's what you're asking for, but I clearly want to know what the criterion was that has driven 4.10.35 over other facilities in the province of Alberta.

THE CHAIRMAN: Okay. That in itself is a good question.

MR. FISCHER: If I could, it would help clarify. This funding addresses safety upgrades to resident bathrooms and renovation for revised program use to provide accessible toilet and bathing facilities for handicapped clients.

MRS. ABDURAHMAN: Well, further to the chair, I don't believe that this is policy. I don't want to get into a debate with the chair, but I want to ask once again to the minister: how does the department, whether it be public works or Health or social services, set priorities when it comes to safety and meeting of public health requirements when you come to a vote like 4? I could go through any part of 4.

MR. BADER: Generally, the first priority in terms of projects relates to health/life/safety issues. Those are the first things that we look after. The second would relate to and is on par, I think, between asset maintenance and ensuring that the program can function in there, and one of the reasons that public works exists is to make sure that the assets are looked after. Quite often in other jurisdictions the situation arises where if the program departments have the opportunity to divert maintenance money into a program, it happens. You don't have to go very far outside the province to see some aspects of that where, in the preventative maintenance aspect of doing business, the building is the last place to get the money, so the asset is compromised. That mechanism in itself I think helps address some of the things you're talking about.

In terms of Michener Centre, the reason Michener Centre is shown is that there is a need established between Family and Social Services and ourselves for upgrading the facilities that the residents need to live comfortably. If I can stray into Alberta Hospital Edmonton, that would be funded out of the health facility money potentially, and that comes back through the Mental Health Board. It doesn't come through the program departments. It would come back through the regional health authorities or, in that case, Alberta Hospital Edmonton through the Mental Health Board. That's part of the bigger capital plan.

So we have, if you like, one approach to budgets where we own the buildings and there's a program department in it. In the normal situation the regional health authorities or the health boards – the Mental Health Board, the Cancer Board, and so on – would identify their priorities, and they would show up in the normal budget process. Because of the situation that the health facility reviews are in right now, those don't show up as specific projects.

9:05

MRS. ABDURAHMAN: To the minister. It's my understanding, then, that in vote 4, because of the circumstances of the regional health authorities, past planning and consideration has not moved through because of where they are at the planning of business plans. So historically, Mr. Minister, what was being requested beforehand, if it has not moved through that regional planning, is not going to be included in this vote specifically. That's what I'm hearing you say.

MR. BADER: Not as a specifically identified project, but when all of the priorities are established on a global basis for health care facilities, that will be assessed against the capital planning guidelines by Alberta Health and identified as to which way it should go as far as the facilities are concerned.

MR. McLELLAN: At the moment we are dealing with health and safety issues. They're not waiting for the RHAs. If individual hospitals or buildings that we look after have health and safety

issues, that's a number one priority, and we are dealing with those.

MRS. ABDURAHMAN: Thank you, Mr. Minister, Mr. Chairman.

THE CHAIRMAN: Thank you.

Before you start, Howard – Gary, you had your hand up. I'm sorry.

MR. DICKSON: That's fine. It's been dealt with. Thanks.

THE CHAIRMAN: Okay. I don't know if it's the fans, but could you just try to speak up a tiny little bit so that everyone can hear.

Howard.

MR. SAPERS: Thank you, Mr. Chairman. It seems to me that a budget is the primary policy statement of a government, so I'm a little bemused and confused by the distinctions being drawn between what's policy and what's budgetary.

THE CHAIRMAN: I was merely trying to just caution so that we didn't get into the why rather than the how.

MR. SAPERS: Okay. Well, I guess I'll try to understand that, and I'm sure you will correct me if I stray.

It's important in terms of looking at the allocations, particularly in program 4, that all Albertans are convinced that there has been an objective assessment of need versus somebody's pet project being funded. We've all heard that criticism, and I think we have a responsibility to put that criticism aside to make sure that it's adequately dealt with.

I want to ask some questions about the allocations in Health. We dealt with the \$24.6 million regarding some capital upgrading, and I'm reflecting on the last answer about meeting some health and safety needs and that would be the first priority. The long-term care facility in Eckville, Alberta, has an extension, an addition, that was put on at a cost of about \$30,000. With the future of that facility uncertain at this point, it is left unfinished. The last time I was in the facility, there were wires and junction boxes in the wall and just the subfloor down without any finish on it and things like that. Now, you've got a long-term care facility; you've got some obvious safety concerns there. Do I take it from your answer that you would go ahead and allocate finishing dollars to that project now because it's still being used as a long-term care facility and it has a safety need? Or would you not, because the RHA is planning on mothballing that long-term care facility?

MR. McLELLAN: Well, I don't believe we'd go to the extent to complete the facility. We would address any health and safety issues of the unfinished product.

MR. SAPERS: Okay. Let me focus on the nearly \$70 million that's in the budget this year for capital projects in Health, health facility projects of \$69.9 million. We have the leftover list that was put on the back burner last year. I'm aware, for example, that in the Calgary health region they have requests totaling nearly \$70 million themselves. I understand that in the Edmonton area that health region has requests that would exceed the \$69.9 million. I know you're waiting for all those requests from the regions, but how are you going to determine whose request gets what priority and in what order, specifically in light of the fact that not all the regions are going to have their planning at the same point of maturity when you're going to be faced with those decisions? Some of the regions aren't going to be able to give you

their requests and their own priorities at the same time other regions will.

MR. FISCHER: In that case, we have and our Department of Health has some fairly I guess strict guidelines to evaluate the need for those facilities, and they have to meet quite a few of the guidelines. I think right now right across the province we are getting almost the old list, if you like, and some of those guidelines are going to cut down that list. There are going to be some that aren't necessary as well when they do get their final facilities plan in place.

MR. SAPERS: Most priority systems that I'm familiar with in capital have some sort of ranking: you know, A, B, C, one, two, three, whatever; health and safety first; functionality versus maintenance; asset protection. I mean, there's some ranking that goes into it. I'm told that if you took a look at all of the number ones or all the As or whatever your particular internal ranking system is – right now you've got a list that far exceeds the \$69.9 million. Given that, how are you going to allocate the \$69.9 million?

MR. SEVERTSON: Mr. Chairman, I think you're getting into a different department. Does not the Department of Health make that list and supply it to public works?

MR. McLELLAN: If I could just jump in here, there are two aspects to the request. One will be functional, and that's the operations within the hospital. Any of those requests coming from the RHA will be decided upon and prioritized by the Alberta Health department. If there are requests with respect to the upkeep of the building, then they are reviewed by both public works and Health and are prioritized.

MR. SAPERS: Okay. Let me ask the question a different way. How did you determine that \$69.9 million was enough, not enough, or too much this year for these projects?

MR. McLELLAN: That number basically was our best guess. It's not a hard and fast number.

MR. SAPERS: Okay.

MR. BADER: If I can as well, just in terms of the \$69 million or \$70 million in Calgary and Edmonton eating up the entire budget and the way the projects generally run. What the preliminary lists appear to be looking like is that all that money can't be spent in one year. You're talking about expenditures over a number of years in order to make those things happen. So it isn't the capital request list from Edmonton. I haven't seen it, but the capital request list from Edmonton won't all be spent in one year because it's physically impossible to do that. You're looking at a multiyear program.

MR. SAPERS: Okay. One more question on this, and then I'll pass it over to Gary. Mr. Minister, would you undertake to perhaps table either with this committee or with the Legislature itself a copy of the projects which are anticipated to be funded under vote 4.11.1 and vote 4.11.3 – this would be very similar to what the Minister of Transportation and Utilities did regarding road projects – so that we could see a list of those projects that are going to be funded this year in both of those votes?

MR. FISCHER: We don't have that yet, and we'll have to wait until the regional authorities get their priority lists in.

MR. SAPERS: Do you foresee a time in the near future when you'd have that list, when you'd have those priorities?

MR. FISCHER: Oh, yes. Certainly. Maybe June or whenever they get finished. It might be earlier.

MR. SAPERS: Would you share it with us at that point?

MR. FISCHER: Sure we can.

MR. SAPERS: Thanks.

THE CHAIRMAN: Gary, and I think we're crowding on the time. It may be one question or maybe two.

9:15

MR. DICKSON: Okay. I'll be quick. Just back to FOI, if I can. We really have approximately six months now before this Act is proclaimed, and I'm wondering, Mr. Minister, if you can just outline for me the critical path that's been developed by your department that will take us through to proclamation and the actualized system.

MR. FISCHER: The management of records and the training programs and those types of things are what we are working on now, and there is quite a little bit in this regard to be ready for the October deadline. So when you say "critical path," that kind of preparation I guess is mostly what we're working with. Do you want to amplify that, Brian, please?

MR. BLACK: Well, as I mentioned earlier, the three critical things that we're working on are, number one, developing the directory; number two, working on developing regulations and guidelines and forms that the public could use; and number three, making sure that departments receive the training they require to administer the program. Those are all going simultaneously in conjunction with each other.

MR. DICKSON: Okay. I guess I was looking for when you expect the comprehensive directory is going to be completed.

MR. BLACK: The first draft is going to be completed in about a month's time. There are several departments that are behind schedule. We're working with them to get them up to speed so we can get the directory finalized by June or July, I believe our target is.

MR. DICKSON: In terms of the regulations, what's your expectation in terms of when they'll be completed?

MR. BLACK: There are two sets of regulations, one under our records management policy under the Government Organization Act. That regulation should be completed within the next month. The one under the Act we're targeting to have completed by July.

MR. DICKSON: Okay. Thank you.

In terms of department training, what sort of approach are you taking to that? I assume that's training of key staff in all departments.

MR. BLACK: That's right. There are two primary training programs. One is the general records management policy under the Government Organization Act, and that program's ongoing right now. We've got consultants delivering that training program.

We've also got the co-ordinators for the departments appointed, the freedom of information co-ordinators, and training programs are ongoing right now for them in terms of dealing with access requests. We still have a fair amount of training to do within the Act in terms of handling requests dealing with the privacy issue. Those are still being developed, and there's a problem with that. In fact, they're working with that right now.

MR. DICKSON: I've seen newspaper advertisements, at least from one department – I'm thinking of the Health department – where they were specifically soliciting I think it was a freedom of information officer, whatever. Are those people hired by the department? What role does your department play, Mr. Minister, in the hiring of what appears to be styled as freedom of information officers in the various departments?

THE CHAIRMAN: A brief answer, please. We're at the hour.

MR. FISCHER: I guess that if we can't find them within our department, we hire them.

MR. BLACK: That's exactly right. Every department looks at their own staff. If they have somebody they feel is qualified, they'll designate that person. I believe in the one you're referring to, they felt that they needed someone with that particular expertise and have gone outside to look for them.

MR. DICKSON: Thanks very much.

THE CHAIRMAN: Thank you, folks.

According to the motion, now we swing questions to a couple of the other members. I just wanted to ask: is the minister comfortable in his chair, or does he need to exercise his old hockey injury?

MR. FISCHER: We're happy here.

THE CHAIRMAN: You're happy?

MR. FISCHER: We're comfortable here. Happy may not be the right word.

THE CHAIRMAN: Is *Hansard* having any problem picking up any of the members? Okay.

Don Tannas had a question. If anyone has to take a stretch, just get up and leave, please, and come back. Don Tannas, please.

MR. TANNAS: Yes. If we're just allowed to ask a question or so, I'll ask that and then hopefully be able to jump back in. I want to refer to page 277 for the Department of Justice and 4.12.42.

MR. FISCHER: Which vote was that again?

MR. TANNAS: Vote 4.12.42. One of my concerns is we have on that one in '94-95 an estimate of \$100,000. We actually spent \$140,000. Now we're moving to \$745,000. One of the exercises that we have just gone through is to downsize the number of courthouses across the land. I just find it interesting that we have a 40 percent estimated overexpenditure on the one, which is not a big deal. We're talking about \$100,000 to \$140,000. A roof could have leaked or something. But we're now jumping to \$745,000. Is that rather major increase as a result of consolidating courthouses, and therefore you need – I don't know – bigger

retaining cells? What's the reason for that when we're going through an exercise that's trying to take us in the other direction?

MR. FISCHER: Yes. I think you've probably hit it fairly closely. We have improvements to prisoner holding facilities. It's one of the major changes there.

MR. TANNAS: Okay. And that's over and above what we see listed just above it in all of the others: the Court of Queen's Bench and Court of Appeal and youth court and so on. They've all had expenditures. This is over and above that?

MR. FISCHER: Yes, it is.

MR. TANNAS: But it's not broken down as to what courthouses. That would be interesting.

MR. FISCHER: I think we've got it here someplace, but I haven't got it at the tip of my fingers or tongue.

MR. TANNAS: I've got more questions, but should I give other people a chance and then come back?

THE CHAIRMAN: Well, that's very considerate of you. If you want to ask your colleagues, go ahead. Otherwise just keep going, and I'll watch for their hands.

MR. TANNAS: Sure. Okay.

MR. DUNFORD: You're not going to take the hour; are you?

MR. TANNAS: No.

MR. FISCHER: Don, we have a list here, if you'd like to hear it.

MR. TANNAS: Sure. Yes, please.

MR. FISCHER: Well, we can start. Athabasca is upgrading their prisoner holding facilities. The Calgary Court of Appeal: provision for an assisted listening system for two courtrooms. Calgary again: provision for a security card access system. Provision for barrier-free access in Fort McMurray. In Killam, Alberta, we have location of trailers from Sundre. We have a couple more. We have barrier-free access. That's mostly the handicap upgrade: ramps and that kind of thing.

MR. TANNAS: Sure. Just added on in there, my understanding is that there's going to be much more use of video from the detachment cell to the place of the preliminary hearing, which may be at some distance, and you can use video. Are those costs being reflected in here, or is that strictly on Justice's back?

MR. FISCHER: It's not in here anyway.

MR. BADER: That part relates to the Calgary Remand Centre and the Calgary courts as part of the remand centre project under Calgary.

MR. TANNAS: Sure. Okay. If I'm allowed to continue, I want to jump to a favourite topic of the chairman and myself: Little Bow River and maybe Pine Coulee. First of all, page 276, under planning and implementation of construction projects, Pine Coulee at 4.8.42, we had last year an estimate of \$12,500,000 and spent \$3 million. This year we're now estimating \$15,500,000. I guess

the question that arises in my mind – and maybe it's easily answered – is: is this an increase in the total cost of this project? Or is it that you were allowing a certain amount and then weren't able to expend that for various reasons, and you already had it phased out over four or five years, and this is just the discrepancy between those?

MR. McLELLAN: The latter.

9:25

MR. TANNAS: Okay. All right.

Then we go to the Little Bow River project, 4.8.9, on the same page. You estimated \$9 million, and now you're forecasting \$1.5 million in '94-95 and then \$8.9 million for the forthcoming fiscal year. Is that \$1.5 million for planning or for land acquisition or land options?

MR. BADER: The majority of it relates to planning studies and engineering studies to support the EIA. The rationale for the increase is that based on what we anticipate the schedule to be regarding the EIA review, we will have, assuming all goes well, approval and the ability to start purchasing land as well as the potential to purchase.

MR. TANNAS: Okay. I was just a little worried there because one of the things in my area that made it possible to accept was a great increase on a backflow project. I was just noticing that on Pine Coulee, even though you've spent \$3 million, you're way up over last year, and then with this one you're actually down over last year, having only spent \$1.5 million. Anyway, I was just worried that there was some kind of downsizing of that project. That's not so? All right.

MR. McLELLAN: Basically it's a deferral, Don.

MR. TANNAS: Okay.

Then I want to move to page 277 again. It's a small matter, but I'm just a little bit mystified. There is a building on 82nd Avenue, Whyte Avenue, at about 107th Street, in that area, called St. Joseph's hospital; right? Okay. It appears in here in various forms. Now, to my understanding it's been closed for a wee while. Anyway, we have on page 277, 4.11.45, an estimated zero dollars in '94-95, but we'll actually forecast an expenditure of \$870,000. We're again estimating that we're going to spend zero dollars. So that's an interesting thing. Then we jump over to page 271 on the same hospital. At 4.11.45 we've got planning and implementation again estimated at zero dollars, yet we actually are forecasting a gross expenditure of \$1,030,000. I thought that building was up for sale and is now sold.

MR. BADER: These dollars relate to the new facility, the replacement facility, not the old one.

MR. TANNAS: Okay. So there is a new place?

MR. BADER: Yeah.

MR. TANNAS: Okay. Well, that's why I gave you the line description.

MR. BADER: It's built and open.

MR. TANNAS: Okay. Great. All right.

THE CHAIRMAN: Is that it, Don?

MR. TANNAS: Yeah.

THE CHAIRMAN: Gary Severtson has a question or two.

MR. SEVERTSON: Yeah. Thank you, Mr. Chairman. To the minister: I'd like to go back to Justice a little bit, 4.12. You look on page 272 and also 277 at the capital projects through Justice, and you look at the court facilities. We've got an estimate of \$150,000 – that's the operational – compared to \$185,000 the year before. As we all know, the number of courthouses has gone down.

MR. FISCHER: Gary, where are you at?

MR. SEVERTSON: Page 272, 4.12.42, court facilities. I'm sorry.

MR. BADER: Maybe just for clarification – and I'm sorry I wasn't up to speed when you were into this the last time – a significant chunk of that cash is going into upgrading the holding facilities at Wetaskiwin, in the order of half a million dollars.

MR. SEVERTSON: Under that line number? Is that under capital or operating?

MR. BADER: It should be under – the reason I'm hesitating is I'm not sure whether it adds to the long-term life of the building or not. My assumption is that it would be capital.

MR. SEVERTSON: So that would be on page 277, then, where we have a big jump. That's at 4.12.42 on page 277. That's the capital part of court facilities, and on page 272 the operating of court facilities is at 4.12.42.

THE CHAIRMAN: What's the question, Gary?

MR. SEVERTSON: Well, I guess the question is: when we've got fewer courthouses throughout the province, if you add the capital plus the operating, this year it goes up about three times the year previous. The operating is down by \$45,000, but the capital is up by – I haven't subtracted it, but it would be about \$500,000.

MR. FISCHER: Well, you have to feel that when you consolidate, certainly there have got to be some changes made, and I suppose this is probably a bit of a onetime, immediate thing. I shouldn't say onetime, but immediately there is going to have to be some changes in holding facilities and facilities themselves. We certainly have cut out a number. I think it was 30-some courthouses that we cut down on, so we have to have that access to court facilities somewhere.

MR. McLELLAN: I think the biggest part of the increase, Gary, is as Dan mentioned a couple of minutes ago. It's the holding facilities in Wetaskiwin. Dan, what were the total dollars?

MR. BADER: Five hundred and fifty thousand.

MR. McLELLAN: That's a onetime item. So that would be \$550,000 more than the previous year.

MR. SEVERTSON: Okay. It's up \$605,000. I did my math since I asked the question on just the capital part.

MR. BADER: If I can, the capital component relates, as the minister advised, to upgrading prisoner holding facilities in Athabasca – that's a relatively minor project – upgrading prisoner holding facilities in Ponoka, and again that's a relatively minor project, \$20,000. An allowance of \$165,000 was for minor upgrades across the province in whichever courts needed minor work done, and the majority of the \$550,000 is for the courthouse in Wetaskiwin. That's essentially based on a payback situation instead of transporting prisoners or increasing holding capacities in Red Deer, and it was worked out on a cost-benefit basis with Justice.

MR. SEVERTSON: Another question in the same area. Is public works responsible for the maintenance and operation of the vacant courthouses, the ones that were shut down?

THE CHAIRMAN: The nod means yes? For *Hansard*.

MR. FISCHER: Yes.

MR. SEVERTSON: *Hansard* doesn't pick up nods very well.

So the main saving in that, then, will come under the Department of Justice, not so much under public works, I would presume.

MR. McLELLAN: Well, eventually there will be a saving in public works if a courthouse is declared surplus, and then when we dispose of it, there will no longer be any operating costs. In addition to that, we'll get the revenue from the sale.

MR. SEVERTSON: Okay. Thank you. I'll come back on a different issue. I'll let somebody else in.

THE CHAIRMAN: Okay. Thank you.

MR. DUNFORD: Well, being a rookie at these matters, Mr. Chairman, I might stray a little, so I trust that between you and the opposition, you'll get me back on track if I do.

THE CHAIRMAN: We're just one big happy committee.

MR. DUNFORD: Also, you know, while I'm quite capable of being a left-brain thinker and looking at all these numbers and lines and stuff, I do pride myself on some right-brain thinking. So I would like to utilize some of that in my questions.

I think I'm on program 3, and that's management of properties. One thing I find interesting in this whole process up here is that, you know, we negotiate between the parties as to how many days we're going to spend on estimates, yet I suppose other than a brief debate in the House on the budget, we spend very little time on revenue. It's the expenditures we can control, and it's the revenue that, of course, is really guesstimates, and I just find this whole process rather interesting.

9:35

I'm aware that the department has a program for nonprofits moving into empty space, and the reason I'm aware is because I've been probably making more requests of this than anybody else. What I'm curious about is, first of all, if there's any revenue generated from these folks moving in, where would that appear? Then a related question to that is: if a nonprofit does move into a space that has been vacant for some period of time, so that the department might feel this might be a good community effort to move these folks in, is there any expense, then, on the part of

public works in allowing those people to go in? It's sort of a two-part question.

MR. FISCHER: Well, certainly there's an expense to the department, but we have to look after that facility. We've kind of gone to a policy – and we're trying to get that put across right across the province – of letting the nonprofit organization pay for the direct costs of the taxes and the heating and the gas utilities, that kind of thing.

MR. DUNFORD: So just following up on that then, if they're in there with, you know, a dollar a year lease or whatever but they have the responsibility of the direct costs, is it just then a maintenance charge for the whole building based on their square footage that you have to pick up? Is that the basic thing we're talking about?

MR. FISCHER: Yes. One of the reasons, of course, is that when we get into that business, we're competing against the private sector. It's not quite fair to them if we just give everything for a dollar on that, even though our costs are there whether it's used or not.

MR. DUNFORD: Yes, I agree with you, Mr. Minister. I do hear from some of my commercial real estate friends on my activity.

Just looking, I guess, at program 3, and maybe it ties over into program 4. Constituents ask me from time to time why the departments themselves aren't responsible for their operating costs in a building. Why is a department not responsible for, really, the cost to build a building and then have to pay the consequences in their own performance measurements? Do you care to comment on what I might say to that constituent?

MR. FISCHER: You're meaning why public works does all of the construction and management and that. Maybe we can get a supplement here, but mostly it's far more efficient for one department to do all of that, because you can imagine getting into the construction part of it. In a lot of the different management areas, if each department was going to do that and hire people to do that, there are a lot of efficiencies that are lost. We are going back just a tiny bit, what I see, as we privatize and outsource. We are going back so that then the individual departments are going to have their funding to take their dollars and go and get that service, and that will make them a little bit more responsible. We're seeing some of that, but it's not in a major way as far as the total department goes. In fact, maybe Ed would like to expand on that.

MR. McLELLAN: If I could just expand on that for you, Clint, we are looking at the possibility of departments having the dollars that you talk about, but it's a great debate. As a matter of fact, it was recommended by the Auditor General, and we are reviewing it at this point in time to make a recommendation on how we feel it should go, because again, as the minister pointed out, you can go from one extreme to the other. You could end up with 17 construction groups. Now, is that economical? I guess those questions need to be answered.

MR. DUNFORD: I don't think it would be, but given that the way we continue to operate prevents that, instead of an operating expenditure of – I'm on page 261, just the amounts to be voted. I think a minister should be allowed to speculate. If we have an operating expenditure estimate of \$476,390,000, would the minister care to speculate, if all of these construction and maintenance

concerns were decentralized to departments, what the operating expenditure might be?

MR. FISCHER: Well, there again as we've switched entirely around and so much of that \$476 million is capital dollars now, I think if you go back to the old terms in the old way of doing it, probably the \$54 million instead of being capital this year would have been the operating cost. So I don't know, when you ask me to speculate, whether or not that would be – it would depend almost entirely on the capital projects that nongovernment owners were doing.

MR. DUNFORD: Are the departments that you provide services to paying their fair share in terms of what they might have to if they were considered responsible for it themselves?

MR. FISCHER: Well, we like to think that. I'm not sure. Maybe we could get a comment here from Dan.

MR. BADER: I guess it really boils down to one or two things like this philosophy, which is largely a part of where the arguments run, related to what is the real cost effectiveness. We've been looking at other jurisdictions who are in a charge-back mode or places where they have the budgets. We've talked to the people at BCBC. There's one department where we deal with one or two contacts, and they have 12 contacts within the program department to deal with. So simply transferring the people from public works to the program departments doesn't necessarily make a lot of sense when you flesh all the stuff out in terms of the bottom line.

My personal opinion, I guess more than anything else, is that where there are economies of scale and a pool of expertise where you can transfer that knowledge from project to project, it should be centralized. Where there is no benefit or where the activities are sort of straightforward routine, those could be moved out to the program departments, but the majority of the things that we remain in are the types of things where there is an economy of scale or an expertise pool. We're downsizing significantly and changing how we do business to a fair degree, so I think we're trying to address those as we go. My perception, based on talking to other jurisdictions as well as a lot of internal discussion, is that with that expertise pool and basically a corporate knowledge of what's good for the government in terms of asset maintenance, asset protection, hopefully not making the same mistake twice in terms of building buildings and that type of thing, it's better to be centralized.

MR. DUNFORD: I don't disagree with that. Again I'm exploring answers for, you know, the constituency. But I guess I want to be sure that some sort of cost-effectiveness system has been done to rationalize the – and I believe this can be done. Once the cost effectiveness has been put together, I want to make sure that economic development or Labour or any of these other folks are paying their way, because we're moving into performance measures, and we want to be able to measure performance and not, you know, have some sort of cushion there because they're getting some sort of deal on their numbers by the fact that they're getting the property for nothing. Taxpayers are paying for that stuff, and I think they need to know that it's being handled efficiently.

9:45

MR. McLELLAN: We're tackling this thing in two steps, Clint. First of all, we are establishing the various costs for the buildings, and we're going to prorate them to each one of the departments. We expect to have that information when, Ray?

MR. RESHKE: By summer.

MR. McLELLAN: Next summer. So whether it's going to be in their budget or our budget, that's still to be decided. However, the amounts of money that we're spending in each one of the departments will be determined, so you'll know the total costs associated with those departments.

MR. DUNFORD: All right. That cheers me considerably.
Under program 4 I was looking for . . .

THE CHAIRMAN: Page, please.

MR. DUNFORD: Well, I can't find it.

MRS. ABDURAHMAN: It's 269.

MR. DUNFORD: I found program 4, but I couldn't find what I was looking for. Program 4 is page 269. I'm looking for the irrigation projects that have been orphaned by what we're currently doing with the Alberta heritage savings trust fund. It would be my understanding that the St. Mary spillway – I'm hearing the chairman saying “environment”?

THE CHAIRMAN: That's where you'd find it. It's 4.8 on page 270.

MR. FISCHER: But that wouldn't be in our – that would be in the environment department.

MR. McLELLAN: The only environmental projects that we look after in the water resources area are the major dams. We looked after the Oldman River dam when it was transferred. We've got the Little Bow, and we've got the Pine Coulee at this point in time.

MR. DUNFORD: All right. So after you build the dam and then the dam gets turned over to whomever – I guess it would be Environmental Protection – if there are any major restoration projects, then it would show up in Environmental Protection. Okay. All right. Thank you for that.

Where do we find in this document, with all these pages of numbers and dollars, where the performance measurements are going to be highlighted within your area? Is it just simply the bottom line on the total vote, or are your performance measurements more decentralized than that?

MR. McLELLAN: Those were included in our business plan.

MR. DUNFORD: Well, I can't get into that apparently, so I'm looking for . . .

MR. FISCHER: I don't think they show up in these numbers here.

MR. DUNFORD: All right.

My last question deals with some comments you made at the start of your presentation. That was about how under the new accounting systems I think it was \$2.3 billion worth of assets were now I guess listed within your department. I don't know. Does each department have a balance sheet?

MR. FISCHER: Well, I think we were in the process of putting that together this past year, and yes, we do.

MR. McLELLAN: I think all departments have to have that in place by – is it the next fiscal year, Ray?

MR. RESHKE: It is something that the Treasury department is reviewing. It was a recommendation of the Financial Review Commission I believe.

MR. DUNFORD: Where was the \$2.3 billion before?

MR. RESHKE: It was recorded. We did have a list of assets, but according to the current practice and the previous practice when a building was built, it was written down to a dollar and wasn't carried on the financial statement. I think if you take a look at the consolidated financial statements for the government, you will see all of our assets valued at \$1. That's the decision they're at right now, as to how to treat that, whether it's going to be at book value or continue to be carried at a dollar.

MR. DUNFORD: Okay. Now, I should be like my lawyer friends: you're never supposed to ask a question unless you think you know what the answer is. Hopefully, I'm not dropping a bomb right in the middle of this thing, but I do have some concerns as chairman of the review of the Alberta heritage savings trust fund. The fact that you're now bringing \$2.3 billion onto your books, has that changed the net debt position of the government of Alberta in any way?

MR. FISCHER: No, I don't think it would change the net debt.

MR. RESHKE: No. In fact, I believe it improves it because the debt is netted against assets, both physical and current.

MR. DUNFORD: Thank you.

THE CHAIRMAN: Thank you.
Don Tannas, and then Gary Severtson.

MR. TANNAS: Thank you, Mr. Chairman. Back to page 277 on 4.14.54 under multi-use facilities, PWSS – and I don't know whether Howard asked this question – we have \$3.21 million for accommodation projects. When we go through them, we have breakdowns as low as \$10,000 and \$20,000. What are those?

MR. BADER: Generally they relate to moves where we're terminating leases and consolidating departments where it's to the bottom-line advantage of the government to terminate one lease and move into existing lease space that's on a longer term lease. Consolidations.

MR. TANNAS: So there might be an up-front cost of so much, but long term it's a saving?

MR. BADER: Yeah. Generally the paybacks are one to two years maximum.

MR. TANNAS: Okay. Then on pages 272 and 273 – and I'll have to skate carefully here because the chairman has a mean look – I want to talk a little bit about social housing. On page 272 we've got 4.15.3, lodge upgrades, and here again we have a great big number like \$5,060,000. Again, we have breakdowns on others as low as \$10,000, yet we have this great big lump number in here. I'm kind of reminded of the situation in the South Pacific in the Second World War where they lost a large boat. How do you explain that? They had a list of lost items: so many knives,

so many forks, so many gravy boats, one tugboat, and so on. It got lost in there. Is this a tugboat running through?

MR. FISCHER: No. I think most of it is upgrades, but keep in mind that there again you have capital involved in that number.

MR. McLELLAN: Those would be the lodge upgrades. We're going through what they call a conditional analysis at this point in time reviewing all the lodges, and then we're prioritizing what has to be done. The individual dollars that you see there, generally speaking, are for the conditional analyses, Dan?

MR. BADER: I don't know.

MR. McLELLAN: Some of them anyway. But eventually, once you decide that you've got to go ahead with the upgrading, the majority of dollars are in that \$5,060,000, but they haven't been allocated to a lodge yet until they're prioritized.

MR. TANNAS: Okay. So this is almost like a contingency fund then?

MR. McLELLAN: Not unlike the health ones.

MR. TANNAS: As a practising politician, it's sometimes hard to describe to a lodge or foundation why they aren't at a higher priority when they point out that theirs was built before the Hudson's Bay Company landed here. Have you had thorough discussions with all of those lodge boards so that they know that it is on some rational basis that you prioritize and not on some political squeaking?

MR. BADER: We have, and we're intending to follow up with them. When we set the priorities based on the needs and the assessments, then we may get into a little acid test.

MR. TANNAS: Yeah, because each one of them says that they've got the needs.

9:55

MR. BADER: We're talking again about a multiyear program that continues down the road.

MR. TANNAS: All right.

THE CHAIRMAN: Thank you, Don.
Gary Severtson, please.

MR. SEVERTSON: Thank you, Mr. Chairman. To the minister. In your handout under air transportation you mention outsourcing helicopters. So then I go to page 267, vote 3.0.3, air transportation, and the operating expenditure is up just slightly. I can't find any area in reference to the helicopters and the selling of the helicopters, if there was any net benefit by selling the helicopters under operation.

MR. FISCHER: Well, that one would be everything together.

MR. SEVERTSON: Is there any breakdown or analysis in this document that shows any benefit from selling the helicopters? Was it actually a good move or a costly move?

MR. McCLELLAN: No, there's no breakdown in here. The benefit of that was from the year before, as I understand. Is that correct, Peter?

MR. KRUSELNICKI: Yeah. There's no breakdown shown here, and we're comparing comparables. To answer your question, no, there are no breakdowns indicated.

MR. SEVERTSON: Was there any analysis done in the department as to whether it was a savings or not, or would that be done in the department of environment or somewhere where they use the helicopters where they could tell?

MR. KRUSELNICKI: That's where the benefit would have occurred, Gary, if there was one, based on use.

MR. SEVERTSON: Okay.

Then I'd like to beat this program 4 to death, I guess. Vote 4.11.

THE CHAIRMAN: What page?

MR. SEVERTSON: Page 277, I guess. No, no. I've got the wrong one.

MRS. ABDURAHMAN: Page 271 then.

MR. SEVERTSON: I didn't write the page down. Yeah, 271.

You mention all the net operating expenses. The first two capital upgrades are for safety and health reasons. That's 4.11.1. Vote 4.11.3 is the new projects. Then you go down to all the other ones listed in that area like the Foothills hospital, Calgary, Tom Baker cancer centre, and on down. Are those expenditures for upgrading?

MR. FISCHER: Those are carryovers from previous constructions.

MR. SEVERTSON: All those are carryovers, Gary?

MR. FISCHER: You don't do it all in one year.

MR. SEVERTSON: So to complete the project that was approved in previous years.

MR. McLELLAN: You'll notice also that there are a number of projects that there's no money in for '95-96, but just to carry the project, you'll notice it was completed in the year before.

MR. SEVERTSON: Yeah. I took that as a comparison to what you did the year before. Okay.

Can I go to another?

THE CHAIRMAN: Yes, you can.

MR. SEVERTSON: Economic development on page 270 and 4.5.16, the Alberta Research Council in Mill Woods. Is that a major renovation? It went up, you know, to \$1.5 million from \$20,000 the year before.

MR. McLELLAN: Gary, that was explained earlier by Dan. Basically, we are trying to get out of the Clover Bar facility so that we can free that facility up and sell it.

MR. SEVERTSON: Oh, okay. That's the expansion of that so you can get out of Clover Bar.

MR. McLELLAN: Yeah, and there's a payback there.

MR. SEVERTSON: Okay. Sorry for missing that earlier.

MR. McLELLAN: That was quite a while ago.

MR. SEVERTSON: Thank you, Mr. Chairman.

THE CHAIRMAN: Clint, and then back to Don, please.

MR. DUNFORD: Yes, Mr. Chairman. I want to make sure that I understand the operating expenditures under air transportation correctly. When we put together our all-party review committee for the Alberta heritage savings trust fund, we tried to find as inexpensive a way to travel throughout Alberta as we possibly could. I subjected my members to second-class hotel rooms. Actually, no, they weren't; they were good hotels but certainly not the fanciest in town. But the one thing that concerned me was the use of the government plane. We determined from our cost estimates that it was the most inexpensive way for us to get around, but that seemed to be flying time. Under these expenditures, are you charged when that plane is sitting there waiting for us to complete our meetings?

MR. FISCHER: I would assume that's in the \$4.7 million.

MR. KRUSELNICKI: There are two aspects to air transportation services. You're right; there's standby time, and there's flying time. Most charters work on the basis of flying hours, so much per hour, and then if you're sitting for so long a period of time, then there are some standby charges. I guess to answer your question, it just depends on what you're comparing. We do compare our costs to the private sector, and we feel we are comparable to their charges. I'm not sure I understand your specific example that you're referring to.

MR. DUNFORD: Well, I just want to make sure. I was telling the media all over the province that the reason we were using the government plane was because for what we had to do when we had to do it, it was the least expensive alternative. I wasn't part of the calculations. Numbers were handed to me, and I just want to be sure that I was telling the media the truth. I mean, it was the truth as I understood it. So when we were in the air, there was a charge, and when based on that calculation, we did the right thing. But if we're involved in eight hours of meetings, and there's something like, you know, a \$100 or \$200 an hour standby charge, then I don't think I did tell the truth.

MR. KRUSELNICKI: I'd have to look at your specific example to determine that. A lot of it's based on utilization. A lot of it's based on availability. I'd have to look at your specific example to determine that.

MR. DUNFORD: Well, I hope we could do that. I just assumed, you know, that the plane would cost as much or as little whether it was sitting on the ground in Lethbridge or Grande Prairie or Fort McMurray as it would be sitting at the hangar in Edmonton, but perhaps I'm wrong on that. So I'll certainly get with you on that point.

MR. KRUSELNICKI: Sure.

MR. DUNFORD: Thank you.

THE CHAIRMAN: You forgot to mention the cost of unscheduled flights, commercial availability and access.

MR. DUNFORD: Oh, yeah. That's right. I mean, that was a cost that we could have thrown into it. Surprisingly enough, the airlines didn't sort of fly when I wanted them to.

THE CHAIRMAN: Don Tannas, please.

MR. TANNAS: Right. First of all, I'd like to say, in flipping back and forth between the previous year's estimates and this year's estimates, how much better the breakdown is. I look at last year and try to make some comparisons and that kind of thing, and there's not really one page of detail, and here we have eight or nine pages. So that's very much appreciated in looking at them.

I just wanted to ask a question, if I'm allowed. On page 275, 4.3.32, we have provincial grazing reserves last year with an estimate of \$50,000 and spent \$50,000, according to the forecast, and we're going to do it again. Is this offset by income, or is this a straight construction?

MR. McLELLAN: To answer your question, Don, technically it is. We don't get the revenue.

MR. TANNAS: Agriculture does and then GR.

MR. McLELLAN: I think it probably goes right into general revenue, but if you did bring them both together, then there is some offset when you look at total government.

MR. TANNAS: What is it you're doing with \$50,000 when there are grazing reserves from the south to the far north?

10:05

MR. FISCHER: The funding is for the purchase of tax recovery lands.

MR. B. SMITH: I believe this is just a slight expansion of existing grazing reserves. From time to time it may be opportune to acquire the adjacent quarter section to expand a grazing reserve. There isn't a significant change in the grazing reserve program.

MR. TANNAS: Okay. I was wondering if you were building fences for that or what we were doing.

MR. B. SMITH: No. This would only be land acquisition. All the maintenance would be in the program department's budget.

MR. TANNAS: Okay. Thank you.

THE CHAIRMAN: Is that it, sir?

MR. TANNAS: Yes, for now.

THE CHAIRMAN: Clint?

MR. DUNFORD: I'm done.

THE CHAIRMAN: Gary?

MR. SEVERTSON: No.

THE CHAIRMAN: Okay. Folks, we've reached 10:10 roughly. If the opposition members would like to carry on, I understand that at the end of your hour, if the government members don't want to utilize the rest of their hour, we can, with unanimous agreement, then adjourn. Is that correct?

MRS. ABDURAHMAN: That's my understanding, yes.

THE CHAIRMAN: Okay. No problem with that?

[Mr. Tannas in the Chair]

MRS. ABDURAHMAN: Mr. Chairman, just pursuing a little bit further – some of my colleagues from the other side of the House raised it, and we looked at the value of the properties at \$2 billion to \$3 billion, if my memory serves me correctly. With regards to the value of those properties and looking at the sale of assets, is that present value, market value today, that you've assessed those assets at? Is there a comparison, say, for some assets that were acquired over the past decade or two to what the purchase price was?

MR. McLELLAN: My understanding – and, Ray, correct me if I'm wrong – is that \$2.3 billion is today's value. Or is that the book value?

MR. RESHKE: It's the book value. We've used what's called generally accepted accounting principles, where you value assets on the books at the price at which you acquired them. So it doesn't reflect market value by any means.

MRS. ABDURAHMAN: Thank you. My assumption, would it be correct or wrong that that wouldn't reflect any assets, say, within the health care system?

MR. RESHKE: No, it doesn't. Those are owned by the boards.

UNIDENTIFIED SPEAKER: There are a dozen or so that we own.

MRS. ABDURAHMAN: There are a dozen health care facilities that have a book value?

MR. B. SMITH: That are owned by public works and would be carried on our books; that's correct.

MRS. ABDURAHMAN: Okay. To the minister: is the government of Alberta looking at actually having a book value for all publicly held assets? I'll use, for example, every hospital, everything that in essence has had public funding a hundred percent or a significant portion of it.

MR. RESHKE: Yes, they are. That is being considered as part of that review, including all assets in the consolidated financial statements.

MRS. ABDURAHMAN: Well, following on Clint's question, then: how are we going to manage from a ledger perspective, ensuring that the net debt truly is shown?

MR. SEVERTSON: Mr. Chairman, excuse me. I'm having a hard time following this line reference to the estimates. I don't know what page we're referring to. I think we're getting into – and my colleague from Lethbridge-West started on that line.

THE ACTING CHAIRMAN: The point of clarification is: what page are you on? Is that right?

MR. SEVERTSON: Yeah, and it has nothing to do with the estimates.

MRS. ABDURAHMAN: I'm on the business plan and the opening comments of the minister and pursuing the line of question that my hon. colleague Clint asked in assessing a net debt.

MR. FISCHER: If I could help you a little bit. Probably the Treasury Department and the Treasurer would explain that. They're the people that are working with . . .

MR. SEVERTSON: Mr. Minister, that's my point. I don't think the line of questioning we're going on has anything to do with public works estimates that were tabled and that we've got before us today in our subcommittee. We're talking philosophy, what our net debt is for the whole province, not what we're talking about on these estimates.

THE ACTING CHAIRMAN: I'll let the minister defend himself while I act in this capacity as chair. I think if you're prepared to answer the question or undertake to answer it at a later date, that would be fine. If you're not prepared, under the Severtson duck then you can do that. Whichever.

[Mr. McFarland in the Chair]

MR. FISCHER: Well, what we think is maybe not exactly what the Treasurer and their accounting system – they're working towards putting a book value on all of our assets. But I don't want to speak for them.

MRS. ABDURAHMAN: Well, it was actually leading into my question, Mr. Minister, and that is related to 2.1, information technology.

MR. FISCHER: What page?

MRS. ABDURAHMAN: Unfortunately, when we did this, we didn't put the page numbers. Vote 2.1 is on page 265. What I'm asking, therefore, is: do we have a list of the capital assets under 2.1, information technology? How could we acquire what those capital assets are?

MR. McLELLAN: Certainly we have a list, but it's not included in these documents.
Brian.

MR. BLACK: Well, those are generally computing systems or microcomputers that we use in our operations area of information technology.

MRS. ABDURAHMAN: The reason for my question – and I went quite broad to start it off – is that I would submit to you, Mr. Minister, that while we keep seeing an improvement in our estimates, we need more information. So in essence what is that asset and capital expenditures worth in information technology? I'm assuming, based on what Brian's saying, that you could access that information.

MR. FISCHER: Well, I think so. Quite a bit of this is related to the freedom of information portion of it that we're still putting

together. So it's kind of hard to put projects out on the line until we get them or identify them.

MRS. ABDURAHMAN: With regards to, you know, doing a comparison in the whole area of information systems, looking at 4.14.4, which is the China/Alberta petroleum training centre in Beijing, why, Mr. Minister . . .

MR. McLELLAN: Could you give us the page, please?

MRS. ABDURAHMAN: Vote 4.14.4, which is on . . .

MR. FISCHER: Page 277.

MRS. ABDURAHMAN: Yes, 277. I believe it was on another page as well. Why are we spending such significant dollars in that area?

MR. FISCHER: In Beijing?

MRS. ABDURAHMAN: Yes.

MR. FISCHER: Well, that's a petroleum training centre that a number of years back we made a promise we were going to do. Most of it is to enhance our economic ability to trade and to do all the things with China with our oil industry.

MRS. ABDURAHMAN: To arrive at that number in your budget, what criteria do you use, then, to determine whether that is an economic return for that investment?

MR. FISCHER: For a performance measure?

MRS. ABDURAHMAN: Yes. How did we arrive at deciding that that was an appropriate expenditure? How are you going to measure it?

MR. FISCHER: Well, we're going to measure it by the amount of trading and so on that we do in the energy sector. We haven't got it built yet, so it's hard to measure.

MR. McLELLAN: Again, the client department on this is economic development. They decide on the program, and we build it.

MRS. ABDURAHMAN: With regards to the exclusion of transportation – and it was in your opening comments – what was the reasoning behind it not being included within public works? Are you looking at bringing it under the umbrella?

MR. McLELLAN: Is that the land purchases you're talking about?

MRS. ABDURAHMAN: Yes.

MR. McLELLAN: Historically it's been with transportation. We have not made any moves with transportation to bring it over. Basically, their whole land operation is significantly different than public works. They basically purchase the right-of-way for highways and roadways.

10:15

MRS. ABDURAHMAN: Well, to the minister, and it comes out of a question that was asked, I believe, by Don regarding the public grazing lands, which I see, you know, have capital dollars

included for that expansion. Why, then, would you include grazing lands within public works, following the principle that you've just mentioned on transportation?

MR. FISCHER: Maybe Bob would . . .

MR. B. SMITH: If I could maybe interject, then. Basically, it's an interdepartmental support service for other departments, and that's why we're buying grazing reserves. Whether we buy lands for Environmental Protection throughout the province for wildlife habitat or whatever, you could probably carry that same argument through with respect to transportation, but my understanding of the reason why we haven't been involved in it in the past is simply that it's a much bigger program. It's designed to support their construction activity with respect to highways. That's the basic reason. It's a very specific type of land acquisition.

MRS. ABDURAHMAN: My final question, before I hand over to my colleague, also comes as a further question to Clint's with regards to government aircraft and to evaluate whether the money within the estimates for that form of transportation is indeed an efficient use of taxpayers' money. Why does the department not table the manifest to show the utilization of that mode of travel so that indeed we could do what Clint is saying: whether this is an appropriate expenditure?

MR. FISCHER: Well, I would suppose that's all public knowledge. We don't file . . .

MR. McLELLAN: I believe there were questions raised in the House, and the previous minister had set up an arrangement. At least what I understand is that we're talking about a bundle of papers, and he was quite prepared to have them in his office and anybody could come in and have a look at them.

MRS. ABDURAHMAN: So what I'm hearing, then, is that the logs and the manifests are fully public and can be analyzed?

Thank you.

THE CHAIRMAN: Could I just interject? Muriel, on that one, are you asking for manifests for purposes of knowing who and how many flew or for the cost of operation? I don't see the correlation between whether two pilots and two passengers or two pilots and five passengers fly. The cost of operating the aircraft: is that what you're after?

MRS. ABDURAHMAN: To my mind, to make the estimates meaningful you have to be able to know whether that's a good utilization of public funds, and without knowing the full cost and the utilization and do a comparison, you won't know whether that number should continue to exist in the estimates. So you would need staffing, the logs, the passenger manifests before you can really do the kind of evaluation that Clint's talking about.

THE CHAIRMAN: I see. I thought perhaps you were trying to compare province to province. You know, some of the other provinces and some states have huge amounts of aircraft compared to what we have, and I wondered how you'd compare it. That was all.

MRS. ABDURAHMAN: No. I believe in an Alberta-made solution, Mr. Chairman.

MR. DUNFORD: Which is: don't let Dunford ask questions.

MRS. ABDURAHMAN: I thought it was excellent, Clint.

THE CHAIRMAN: Howard, your next question.

MR. SAPERS: Thank you, yes. I hadn't even thought about asking questions about transportation, and now you've got me thinking.

Mr. Minister, I want to ask a general question, but I've got two specific examples of the question. I'm trying to get a better handle on the new way of accounting in this budget between capital and operating. I thought I had it all figured out, but the last round of answers convinced me that I was wrong. So could you please give me some specific examples of what the money will be expended on? I'll give you two different sets of examples, both on pages 270 and 276. Firstly, under 4.8.35. If you look at 4.8.35, you find on page 270 a \$215,000 expenditure for the Oldman River dam project. Then if you go to page 276, under 4.8.35, which is I guess the other side of the coin, there's a \$40,000 expenditure. So could you give me an example of what the \$215,000 would be spent for in the first instance, and then what kinds of things the \$40,000 would be spent on in the second instance?

MR. FISCHER: Yeah, you go ahead.

MR. BADER: It gets a little bit fuzzy. Generally, the differential relates to things like the Oldman River dam, which is essentially fisheries mitigation activities. The operating side would be studies and monitoring that related to how well a program is doing, monitoring how well the fish that we're putting in, the restocking, is working, where the capital side would be modifications to the riverbed or habitat, actual physical habitat enhancement.

MR. SAPERS: Okay. Thanks.

MR. BADER: I'm not sure if that helps.

MR. SAPERS: It does, because if you're doing monitoring or evaluation on the one side and then actual hard projects on the other, I understand that. But now if you look at 4.8.42, which is the Pine Coulee project, you've got a half million dollars on page 270 and then 15 and a half million dollars on page 276.

MR. BADER: The 15 and a half million dollars would go directly to costs that are directly associated with the actual physical construction of the project, like the hard engineering costs, environmental issues that relate directly to a tangible end result. The \$500,000 under the operating side would be related to studies that don't necessarily result in something happening, more monitoring in terms of scientific research.

MR. SAPERS: That's a pretty interesting line that you've just drawn.

MR. BADER: Well, I didn't draw it.

MR. SAPERS: No. Well, that has been drawn.

MR. BADER: We're just trying to follow it, but essentially it's where the funding goes directly to creating a capital asset or maintaining a capital asset that we would own. That's where the capital investment would go.

MR. DICKSON: Mr. Chairman, while we're pursuing this, consistent with it, I'm asking for some clarification. You've got accommodation projects both in the operating budget and in the capital budget. I've totaled them up here. You've got 13 items in terms of operating costs, a total of about \$2.4 million. On the capital side you've got approximately \$4.5 million, 11 items on accommodation projects. I'd like you to help me understand. There was an explanation at one point. I would have assumed that you'd have lease surrender costs. If you walked away from a building that you had a leasehold interest and there's a surrender cost, that would be part of it. But I need some help understanding. Just further to Howard's comment, help me understand how an accommodation cost as an operating expense is different than an accommodation cost or project as a capital expense, because the dollars are very large.

MR. BADER: The essential difference is that if it's in leased space, the asset that we're building and have ownership of relates to the tenant improvements in that space. That essentially is the asset that we're purchasing. In owned space the same type of work would be considered an operational expense because it doesn't extend the useful life of the entire facility. Those are the rules. I don't know, Ray, if you want to try and . . .

MR. RESHKE: These are the generally accepted kinds of rules that government has adopted.

MR. DICKSON: Can you tell me then – I'm interested specifically in lease surrender costs – what portion of that approximate \$7 million would represent a cost to the government of Alberta for lease surrender because of some reorganization or privatization?

MR. RESHKE: Are you talking in terms of lease buyouts?

MR. DICKSON: The legal term is surrender, but what I'm talking about is a situation where the government wants to walk away from a lease that has not yet matured.

MR. B. SMITH: Maybe if I can just comment on that. Our practice over the last couple of years – and certainly it's our intent in the future – is to as much as possible deal with surrenders of leases at expiry dates. So in fact we are not incurring large costs to buy out of leases, to walk away from leases. We do have those from time to time. They're relatively minor dollars. We're certainly not talking in the millions of dollars or anything of that nature, and they're looked at on an individual case situation in terms of what our alternatives would be in either subleasing or being able to surrender on a negotiated basis back to the landlord. So in terms of the roughly \$6.9 million you're talking about, there's no direct cost built in there unless we're aware of one, and I'm not aware of any that are being negotiated at this point in time in terms of surrender dollars. These are dollars for tenant improvements basically.

10:25

MR. DICKSON: Okay. Thanks. Sorry to jump in there.

MR. SAPERS: That's fine. I still want to just pursue that for another minute or two. The Pine Coulee project: the half million dollars that's on page 270 and the kinds of – I'm not sure whether I used the term or you used the term – soft engineering costs, the other costs . . .

MR. BADER: I used the term "hard engineering costs."

MR. SAPERS: For the \$15.5 million.

MR. BADER: Yes.

MR. SAPERS: Right. Okay. With the outsourcing that you do, could you give me a sense of how much of that \$500,000 is going to be spent on consultants or contracts?

MR. BADER: All of it.

MR. SAPERS: All of it. And could you give me a sense of how much of the \$15.5 million on page 276 would be spent?

MR. BADER: All of it.

MR. SAPERS: All of it. Would you be in a situation where the same engineering firm would be receiving payment out of both of those line items for the same project, the same contract?

MR. BADER: It's conceivable but I think unlikely. The \$500,000 would probably relate more to biology-related issues and that type of thing.

MR. SAPERS: Okay. Well, I'll leave that one for a minute anyway.

I want to get back to some questions that Clint Dunford was asking about, charities in surplus space or in government-owned space. I must admit that I was a little bit disturbed with some of the discussion in terms of the government being seen as competing with the private sector when through some graciousness it allowed charities to use government surplus space. It seems to me that those are two very disparate ideas: competition within the private sector and publicly supported charities. So I was a little bit taken aback by that.

MR. FISCHER: Part of that would be how you defined a charity then.

MR. SAPERS: Okay. I'm glad you mentioned that, Mr. Minister. I want to focus specifically on the McLeod Building, which, as you know, is a property in downtown Edmonton. The McLeod Building for some years has housed almost all charities. I believe there were only a couple of rent-paying tenants that were still there on the main floor. I think there was a sandwich shop and a barbershop. I think just about everybody else is in a dollar-a-year lease situation. That building is currently up for sale. My first question about that is: has anybody looked at the displacement cost to those charities, many of which receive provincial government funding of one sort or another anyway, if they are moved, particularly if they move into nongovernment surplus space?

MR. FISCHER: That's hardly our area, to look at their displacement costs.

MR. SAPERS: Well, as I understand it, the leases right now for all those charities are with public works and not with the individual departments. So it's your area of responsibility.

THE CHAIRMAN: Mr. Minister, I'm going to ask that you not respond to that one. We are talking about the estimates here, and we're not getting into government policy about what happens to a group that has to move office locations. I'm sorry.

MR. SAPERS: Well, Mr. Chairman, we're just talking about leases and we're talking about leased space and surplus space. It's reflected here in many places throughout the budget. This is one particular property.

THE CHAIRMAN: You're talking about displacement though, Howard, and that's an objective look at something. I don't know that that minister or that department can ascertain costs of some group, the Tuktoyaktuk canoe club, moving from the McLeod centre to some other part of Alberta. I'm sorry.

MR. SAPERS: All right. I'll ask the questions from a different angle. When the decision was made by public works to sell the McLeod Building, which was a budget-driven decision, was there ever an analysis done of the amount of money that it would cost other departments in the government, since you are in fact a client-serving department, because those tenants would now be required to pay closer to market value rent? My question specifically is: is this a case of the government taking money out of one pocket and putting it into another?

MR. FISCHER: I think you're getting a little bit confused with what business government is in. A nonprofit organization could be many things and not related at all to government.

MR. SAPERS: Okay, but that's not helpful in answering the question. Right now there are many agencies which receive government funding from various government departments, whether it be Community Development, social services, Justice, what have you. Many of those agencies have service contracts with the provincial government to provide services pursuant to those departments' core businesses. Many of those agencies are housed in public works supported buildings. One of those buildings is the McLeod Building. If you force one of those agencies to seek market value rent, they will have to go back to another government department, presumably, which funds them so they can provide a service to government and require more funding.

MR. FISCHER: And you were just saying or someone was saying a little bit earlier that we should make departments responsible for those types of costs so that it is charged back to them so the actual value is out. If that's the case, then they should be responsible for that.

MR. SAPERS: So the decision to sell the McLeod Building, sticking with that example, was made entirely absent from any analysis on the cost to other government departments?

MR. FISCHER: I would probably guess that it was.

MR. McLELLAN: If I can say just a couple of things here. My understanding is that if there are any agencies in that particular building that have a contracted service with the department, we are looking after them elsewhere. The others, we're not.

MR. SAPERS: So that criteria, so I understand that: if an agency which is housed in the McLeod Building is providing a service to a government department . . .

MR. McLELLAN: A contracted service.

MR. SAPERS: . . . a contracted service to a government department, then public works will house that agency someplace else?

MR. KRUSELNICKI: If we have surplus space available and they're supported by that particular program department. We are working with Community Development in that regard right now.

MR. SAPERS: Okay. So there are two criteria. The first is if they are currently providing a contracted service to a government department and then if you have surplus space, as opposed to leaving them in the McLeod Building.

Okay. What are the current operating costs on the McLeod Building, and how much do you hope to recover from rent? The chances of selling that are pretty slim.

MR. FISCHER: I believe they're around \$300,000; aren't they?

MR. B. SMITH: They're a little bit higher than that. I don't have the exact dollar figure, but it's in excess of \$400,000.

MR. SAPERS: In excess of \$400,000. How many agencies are in there now?

MR. McLELLAN: Sixty-nine.

MR. SAPERS: How many of them are providing service under contract to a provincial government department?

MR. McLELLAN: I haven't got that number.

MR. KRUSELNICKI: I think we're dealing with about seven groups with Community Development.

MR. SAPERS: With Community Development, but there are other contracted agencies in there that don't have a relationship with Community Development. I can think of three that have a relationship with Justice.

UNIDENTIFIED SPEAKER: I think there are two with Justice.

MR. SAPERS: Okay.

MR. McLELLAN: Just to respond to your comment whether that building is salable or not, I don't have the same view as yourself.

MR. SAPERS: Well, I understand the property is marketable. I'm not sure whether it's with the existing building.

MR. SEVERTSON: Excuse me. Mr. Chairman, I still think we're getting off the estimates and debating the book value of the property and whether it's salable or not salable. I don't think it has anything to do with what this subcommittee is to do, to talk about the estimates that are proposed for '95-96.

10:35

MR. SAPERS: Do Gary's interventions come out of my time?

THE CHAIRMAN: Only if you want to argue about it.

MR. SAPERS: Quite frankly, you know, Mr. Chairman, I'd appreciate your ruling.

MR. SEVERTSON: A point of order is what I was asking.

THE CHAIRMAN: Well, it's my mistake, Howard. We get going down a certain path on the questions, and I guess I allow a little more leeway all the time. I'll take a minute off your time

here, but I think Gary has a valid point. So let's try to keep on the actual estimates that we have before us, please.

MR. SAPERS: All right. Well, I hope we'll have a chance, Mr. Minister, perhaps away from somebody else's sense of what's an appropriate discussion, to pursue this. It's a very important topic in this city and across the province in terms of this government's support for charities, the stated support in terms of the Premier talking about volunteerism, and what's happening through public works. I do believe it's a budget issue, but perhaps we can talk about it.

MR. FISCHER: Let me ask you this: would you suggest that we should give all of those 69 organizations, then, free rent? I mean, it's going to show up in your bottom line here. Is that what you are saying that you'd like to see happen?

MR. SAPERS: How did Nick Taylor put it? Being in the opposition means we won the right to ask the questions. So what I'll do is I'll move along for a minute.

MR. FISCHER: Clint also mentioned that you shouldn't ask the question until you have the answer.

MR. SAPERS: Well, again, when we're not on the clock, I'd be happy to pursue it with you.

I want to look at the budget implications still of some of the decisions made in Health. The \$2.2 million that's on page 277 in vote 4.11.3: is that money all committed at this point? I take it it's different than the \$69.9 million on 4.11.3. Now, we've talked a lot about the \$69.9 million. We haven't talked at all really about the \$2.2 million. Would it be fair to say that that money is all committed at this point?

MR. BADER: It's essentially the same as the \$69.9 million, except that it's attached to buildings that we own, again going back to the operating capital definitions.

MR. SAPERS: Okay. So it's not committed?

MR. BADER: No. It's in the same category as the \$69.9 million. The two would be cumulative.

MR. SAPERS: Okay. So what the Department of Health has available to it to satisfy requests of the regional health authorities is \$69.9 million plus \$2.2 million.

MR. BADER: Correct.

MR. SAPERS: All right. Thanks.

MR. DICKSON: Mr. Chairman, Mr. Minister, a couple of specific questions with respect to some of the Calgary items. If you look on page 269 at elements 4.4.5, 4.4.8, can you give me an explanation in terms of the planning implementation work that's contemplated with both of those two items?

MR. FISCHER: We have to slow you down.

MR. DICKSON: Page 269, elements 4.4.5, 4.4.8.

MRS. ABDURAHMAN: It's under community development, to the minister.

MR. FISCHER: You're talking about the museum?

MR. DICKSON: Well, the two institutions in Calgary, the two facilities: the Glenbow and the Jubilee.

MR. BADER: The money at the Glenbow relates to the removal of a fumigation unit that was installed down there a number of years ago, and we're taking it out of play because the program requirements don't need it anymore. It's a combination of being tied between the Glenbow – and we're looking at putting it in the Provincial Museum in Edmonton.

MR. DICKSON: So something's coming out of the Glenbow. Is it being replaced?

MR. BADER: No. It relates to a certain gas treatment, that they used on artifacts, that they decided they don't need at the Glenbow anymore.

MR. DICKSON: Good. Thank you.

At 4.4.8, what's the nature of the construction project involved there?

MR. BADER: That relates to upgrading of the backstage support: the rigging, stage lighting, public address system in the auditorium.

MR. DICKSON: Okay. Thank you.

Next, if you look at page 272, a couple of specific items. The Calgary Provincial Court, 4.12.10. What does that sum represent? What kind of work was being forecast for this year?

MR. BADER: We're adding four additional provincial courts on the ground floor of the old Calgary Remand Centre, and this is to complete that project. It's been going on for a little more than a year.

MR. DICKSON: Okay. And 4.12.22, the Edmonton Remand Centre.

MR. FISCHER: This one is to study alternatives for accommodating the growing demand of population and to study the implementation of a video arraignment system in Edmonton.

MR. DICKSON: Okay. What would the purpose of the video hookup be in Edmonton? We understand it in Calgary where the remand centre isn't proximate to the courts. I understand the need for it there. What would be the video hookup rationale in Edmonton, where the two buildings are joined?

MR. McLELLAN: It's only a study at this point in time. It may not be beneficial.

MR. BADER: I think there are some possibilities that it's not only between the remand centre and the courts, but it may also be between the provincial jail and the courts. Some of the people that are already in come back, for lack of a better expression.

MR. DICKSON: Okay. Thank you.

And 4.12.42, court facilities. I take it this is all outside of Edmonton and Calgary; is it?

MR. FISCHER: I think it would be, yes. That's for the prisoner-holding facilities and the barrier-free access to courtrooms, assistive listening systems.

MR. DICKSON: You mentioned that before. You mentioned that that was in the Alberta Court of Appeal building in Calgary. So does that in fact come from 4.12.42? Or does that come from what I thought would be 4.12.6, as a capital investment, on page 277?

MR. BADER: It would be considered an operating expense because it doesn't add to the long-term life of the building.

MR. DICKSON: Okay. So that would then be in 4.12.42 on page 272?

MR. BADER: Correct.

MR. DICKSON: Okay.

MR. McLELLAN: Those were the projects that the minister listed off a while ago.

MR. DICKSON: Right. Okay. So then if we move, please, Mr. Minister, to page 277 and look again at the Justice side, starting at element 4.12.6. Can you give me particulars in terms of the work represented by that sum for the Court of Appeal building?

MR. FISCHER: Yes. If you can just give me a second here. An additional judges' chamber is in construction, and they're to complete that project in 1995-96.

MR. DICKSON: Okay. Then just moving down to 4.12.7, a much larger expenditure in terms of the Court of Queen's Bench in Calgary. What's contemplated there in this budget year?

MR. FISCHER: It involved remodeling existing space in the courthouse to provide for additional judges' chambers to meet urgent space needs for new judges. Security renovations will also be addressed.

THE CHAIRMAN: That's to put their extra money in.

MR. DICKSON: Wrong level, Mr. Chairman, wrong level. This is federally appointed judges, not provincial judges.

What's the nature of the renovations, the changes to the security system? What's contemplated there?

10:45

MR. BADER: I think it probably relates just to the internal circulation as opposed to anything else, but I don't have the details. We could get them for you if you want them.

MR. DICKSON: I'd be pleased to see that. In fact, the business of – if I understand what you're suggesting – ensuring that judges don't have to walk through the people they've just sentenced is a problem at the Calgary family and youth court. Is that going to be addressed by the expenditure contemplated in element 4.12.8?

MR. BADER: That's exactly what that's related to.

MR. DICKSON: Okay. That's work that's going to be concluded in '95-96?

MR. BADER: No. These are to review the options and identify the best long-term solution. It isn't something that we're going to be able to address for that kind of money.

MR. DICKSON: So this would be in the category of a study rather than actual work?

MR. BADER: Right.

MR. DICKSON: Okay. And 4.12.7, the one we talked about, the Court of Queen's Bench: is that just a study, or is that actual renovation work?

MR. BADER: No, that's an active project under way.

MR. DICKSON: So that's actually the work being done, not simply a study being done?

MR. BADER: Correct.

MR. DICKSON: Okay. Thank you. And 4.12.10, the Calgary Provincial Court: what work or plan is contemplated there?

MR. FISCHER: To provide for four new courtrooms for the Provincial Court on the ground floor of the former downtown remand centre. This will increase the number of courts from 10 to 14 and minimize the current pressure on the facility. Construction work is scheduled for completion in March of '95. Funds are required in '95-96 to complete the project.

MR. DICKSON: Okay. Thank you. The new Calgary Remand Centre, 4.12.11. What sort of work is being done there in this budget year?

MR. FISCHER: To complete the installation of a video arraignment link to reduce the transportation requirements between the remand centre and the courthouse for court appearances. This will result in manpower savings and better security. The link will permit first appearances without the need to transport offenders to the courthouse.

MR. DICKSON: Okay. Mr. Minister, help me understand this. The system is already up, is already operating. I think they're having the grand opening within days, if they haven't just had it. Why wouldn't that be captured in the '94-95 budget year? What further costs would be involved with that video link between the remand centre and the Provincial Court in Calgary?

MR. FISCHER: I would guess that they haven't got it done yet.

MR. BADER: Are you talking about the video link being in place?

MR. DICKSON: Well, my understanding is that right now if we were to take a bus and go down to the remand centre, the thing is hooked up and working, and in fact within days it's, you know, formally open. So I'm wondering what costs there would be in the '95-96 budget year.

MR. BADER: It very well might be that we haven't paid for the system yet, that we want to make sure it works. That's speculation. But it's to complete the project.

MR. DICKSON: Okay. Then at 4.12.15, the young offenders centre. What's contemplated by that item, Mr. Minister?

MR. FISCHER: To provide security fencing around the portable classrooms at the centre.

MR. DICKSON: Okay. Then, finally, if you look at page 275, 4.2.1, AVC in Calgary, can you tell me what work or planning is contemplated in that particular line element?

MR. FISCHER: The '95-96 budget of \$210,000 is required to address renovations to comply with fire protection regulations and improve air quality in the building. The project was delayed, and funding is required in '95-96 to complete the work.

MR. DICKSON: Okay. Thanks very much. Those are the questions that I've got right now.

MRS. ABDURAHMAN: Vote 4.1 on page 269, property development. We're looking at \$17.6 million as an estimate for the '95-96 fiscal year, and for '94-95 we had \$19.3 million. My question has to be: why are we still looking at such a significant number of \$17.6 million when the whole focus, it's my understanding, of the department is more maintenance of infrastructure and not specifically new infrastructure? Why indeed are we needing that \$17.6 million?

MR. FISCHER: I would guess that goes back into the capital again.

MR. BADER: A significant portion of that is related to supporting the capital programs: the health program, in terms of when it unfolds; the work that we're doing; the reservoir projects.

MRS. ABDURAHMAN: You know, it would have been beneficial if somehow one could've got a handle on the breakdown of that \$17.6 million. I would agree with my colleagues from the other side of the House that it's an improvement, but we're still not there. Seventeen million dollars in today's financial circumstances is a lot of money. You're looking at your health care and educational programs and social services being cut back, yet we're seeing these huge dollars being spent in sort of capital areas.

With regards to your \$17.6 million and your opening comments, Mr. Minister, about reducing the size of the department and allowing the private sector to pick up more of the capital projects, how are we achieving that? How many people that are comparable to the private sector, like architects, project management, commissioning, are still going to be within the department? What vote would equate their salaries and benefits?

MR. FISCHER: We did reduce the number of employees by 52 in this area, and the 5 percent wage reduction is also in this.

MRS. ABDURAHMAN: Well, for example, how many architects, how many project managers, how many people who have the ability to commission a project are still part of the civil service?

MR. BADER: In terms of the commissioning aspect, I think we're down to about three people or will be after the current round of layoffs takes place. We've downsized, as the minister indicated, by over 50 in that group this year and, I believe, over 60 last year. So there have been some significant reductions, like in the order of a third in that group in the last two years.

MRS. ABDURAHMAN: In tying it to cost benefit, what standards do you have when you commission buildings in the province of Alberta? How do you evaluate the ongoing operating cost of that facility back to commissioning?

MR. BADER: Can you try that again? There are about 12 questions there.

MRS. ABDURAHMAN: My understanding is that most jurisdictions have a specific standard that you commission to because there's a close correlation to the standard that you commission to and the ongoing operating costs, which has a significant impact on the end number in maintaining and operating your buildings.

MR. BADER: The standards that you design to, I can understand. But the standards you commission to – commissioning is simply to make sure that what you designed and built works as it was intended.

MRS. ABDURAHMAN: So my understanding is that there isn't a specific standard that you follow.

MR. BADER: It's more of a procedural checklist that you go through to ensure that the systems meet the design and the operating intent.

MRS. ABDURAHMAN: Thank you. Moving from the fact we've downsized and the 5 percent rollback, which significantly impacts the end number, and going to the business plan on page 4, my question, through the chair to the minister, is: if you're looking at recognizing employee contributions based on performance and learning attitudes, where in the estimates would I find a dollar value that would allow you to recognize performance? So you're saying in other words, Mr. Minister, that across the board we're seeing a reduction of 5 percent related to salaries, but now we're suggesting that we go to performance. What dollars, what percentage are you allowing for that in the business plan?

10:55

MR. FISCHER: The business plan – we don't allow for that in our estimates. It's in all of the performance measures. They're not listed in our estimates.

MRS. ABDURAHMAN: But, Mr. Minister, if I were going to reward one of my family members, I would need to know in my budget what dollar flexibility I had to give that reward.

MR. FISCHER: Does someone else want to answer that question?

THE CHAIRMAN: Muriel, are you on page 4 of the business plan for public works?

MRS. ABDURAHMAN: Well, with regards to recognizing employee contributions, what I'm trying to determine is where in the estimates could I indeed get to the vote. It's page 4 of the business plan that directs that philosophy. In other words, what I'm trying to find out: is the minus 5 percent to our civil servants real or not, if you're now going into performance measurement and rewarding? I don't want to leave the impression that I'm against rewarding performance, but I want to know what the cost is in this budget.

MR. BADER: The issue in terms of funds for that type of thing, as in property development in vote 4, would essentially come out of the operations and technical support component. There isn't anything specifically allocated, and it's more related to how much you save drives how much there is. If you don't save anything, I think the attitude would be: don't even think about it. I'm straying to the policy.

MR. DUNFORD: It's self-funding, Muriel. You have to save before there's anything given.

MRS. ABDURAHMAN: Well, that's another issue, and I'll get into that in debate in the House. I know that would be getting into policy there. I'll take Clint at his word.

MR. SAPERS: So if you lay off your people in your department, you get a bonus.

MRS. ABDURAHMAN: Following in that same line of questioning and trying to determine where the allocations are within the budget, if you look at page 6 of the business plan, I was fascinated to see that the government, or you specifically, Mr. Minister, would be looking for an appropriate authority, other than public works I'm assuming, that would administer restricted development areas. Is this a cost-saving measure? What would it save public works' budget, and what's driving this? Is it dollars?

MR. McLELLAN: Well, maybe I can jump in here. There are three departments involved in the restricted development areas. There is Environmental Protection, who apply the caveats on the properties. There is Alberta Transportation and Utilities, who get involved in the primary uses of the facilities of the RDA. Public works' role is strictly to purchase the properties. We see that by combining it all under one department, there may be some significant cost savings. However, we're reviewing that at this point in time. In fact, we have an ADM committee, and you're getting close to coming up with your recommendations; are you not, Bob?

MR. B. SMITH: That's correct. The reason why it's in the business plan, simply put, is that land acquisition is running close to 90 percent complete, generally, throughout the two RDAs. Public works was initially brought in to deal with the land acquisition program and the leases that go along with our having various tenants on the properties during the year. Basically, we were brought in to deal with that land acquisition program. Given the status of acquisition, we just thought it was a timely point to sit back, take another look at the program, and see if there's a better way of dealing with the operations of the program. That's the purpose of the RDA committee.

MRS. ABDURAHMAN: Thank you. Mr. Minister, with regards to looking at privatization and contracting out, can you assure us that through the public tender process we'll get the most effective utilization of our dollars within these estimates and business plan?

MR. FISCHER: Well, I think we could, and you did allude to that the other day in the House, about how we're selling our properties and whether we're getting the value out of them. Do you have a better way? I'm sure that you're not going to get book value out of everything you sell, but when we get properties appraised, sometimes by more than one appraiser, then we usually bump it up roughly another 10 percent or somewhere in there and then start working with it.

If I go back to the sale of all the liquor stores and so on, they did very well with those. They certainly were above the appraised value. I don't know; you have to be in the real market of today.

MRS. ABDURAHMAN: Before turning you over to my colleague Howard, the Scot comes out in me. I listened to my farmer father: you don't sell your assets off at the lowest market; you keep them until the market goes up. With that comment, I turn you over to Howard.

MR. SAPERS: Oh, sure. Now he's going to be mad at you when he answers me, or maybe I can get there all on my own. I don't know.

MR. DUNFORD: You've been able to in the past, Howie.

MR. SAPERS: Yeah. It's not your fault.

Mr. Minister, I notice you're wearing a lapel pin from the Canada Winter Games up in Grande Prairie, particularly the monolith outside the Bowes pavilion. Looking at that and just reflecting on your comments about what I see as a new attitude or a different attitude from what there's been in the past between your department and the support of nonprofit and charitable groups, do I take it that if Calgary is successful in its bid for the international exposition – which I believe, if they're successful, could come up within the life of this government – they will enjoy the same kind of benefits and co-operation that the Canada Winter Games enjoyed through public works in terms of vehicles, space, personnel, planning support? If the answer is no, has that been made clear to the organizing group in Calgary? If the answer is yes, where is it in your business plan, in your budget?

THE CHAIRMAN: Are you speculating on the possibility of a yes or a no answer?

MR. FISCHER: To begin with, I want you to know that this pin cost me quite a little bit of money, and it wasn't a nonprofit organization that brought this pin on the market. When you talk about enjoying the same as what Grande Prairie enjoyed, that would depend an awful lot on some of our other departments and how they're working with it. Certainly we've promoted many types of games in this province and helped, worked with those nonprofit organizations. Whether they'd get it for nothing or not would be something we'd have to look at.

MR. SAPERS: Okay. Just a question. I'm curious, and I'm sure it was just you trying to rely on some old language. On page 10 of your business plan you talk about hospitals and health units and how you're going to be providing support. I take it that that sentence really should have been rewritten just to say regional health authorities, period, because you're not going to be specifically dealing with hospitals or health units anymore because they don't exist. Or am I wrong? Is there something more to that comment in the business plan than it appears?

MR. FISCHER: I didn't see the writing, but I would assume it would be the authorities.

MR. BADER: In the future it'll be the authorities, definitely. A lot of the existing boards still do exist.

MR. SAPERS: Right, but they won't as of April 1, when this budget and this business plan kick in.

MR. BADER: Right.

MR. SAPERS: Okay. Are there negotiations going on right now between your department and the regional health authorities for bulk purchasing and access to the savings that may accrue that way?

MR. FISCHER: Not that I'm aware of, but maybe somebody else can speak.

MR. McLELLAN: No.

MR. SAPERS: That's okay.

I have a couple of other specific questions coming out of the business plan. So if I can move away from the hard numbers in the budget document for a minute, two quick questions. Page 5 of your business plan, General Actions and Strategies, at the bottom of the page, the first two. Same question, really, for both comments. One is to "continue to pursue approaches to enhance client department and supplier feedback." The other is to "explore further options for improving program department accountability," et cetera, et cetera. You can read them both in their entirety. My question is: can you tell me what they mean? What exactly are you pursuing, what approaches, for that feedback, particularly on the supplier side? What are the further options for improving program development accountability? We've been talking a lot about the change in accounting, and I'm particularly curious about that one.

11:05

MR. McLELLAN: I'll go to the second bullet first. We touched on that a little bit earlier. First of all, we are going to identify all the costs that public works bears at this point in time for the departments, and we're going to identify those so the departments will at least know what the costs are that public works is providing towards their program.

The second thing that we're addressing, which would be step 2, is whether or not those dollars should remain in the public works budget or whether they should be put in the departmental budget, because there are people that have the theory that if the money is in the departments, they will do a better job than public works.

MR. SAPERS: That's not so. Clearly, lies.

MR. McLELLAN: I won't say one way or the other, you know. I said some people. So does that help you out on that one?

MR. SAPERS: On the second bullet?

MR. McLELLAN: Yeah.

MR. SAPERS: In terms of the accountability measures? Well, I guess I'd feel more comfortable – we're running out of time, and Gary Dickson, I know, has some other questions. If there are details about what those accountability steps are – you must have some kind of a flowchart or a checklist or a decision-making matrix or something about how you set up those costs and what you would apportion out to the client departments and what you wouldn't – perhaps you could supply us with that documentation. That would answer my question.

MR. McLELLAN: We'll supply it when we complete it.

MR. SAPERS: Okay. If you had just a second to answer the question about the approaches you're pursuing in terms of supply or feedback.

MR. McLELLAN: Brian, do you want to tackle that one?

MR. BLACK: I'm sorry; I've missed the . . .

MR. McLELLAN: The first bullet.

MR. BLACK: One of the things that we're doing in information technology and supply: we've formed an assistant deputy minister's council, who identify the directions that we're going both in the telecommunications area and in the information technology area. We meet on a regular basis to make sure that we know from a central agency perspective where departments are going so that we're able to contract for those services to meet every department's needs rather than everyone going off individually. That's primarily what we meant there: that we have a committee now talking to each other.

THE CHAIRMAN: Thank you.

That brings us to 11:13, or 11:14 with the extra minute added on, and at this time I would turn the questions over. I know Don Tannas had his hand up before.

MR. TANNAS: Right. I just wanted to pick up on what Howard said. On page 270, vote 4.8.42 – what intrigues me is that in '94-95 you'd estimated \$570,000, and now you're going to do the job for \$500,000. Is this increased efficiency, or have you dropped something in the consideration to be held?

MR. McLELLAN: I think it just depends on the category of work that you're dealing with at that point in time.

MR. TANNAS: Well, no, I mean, I would gather that that wasn't expended at all. It was something to do with planning. Now it looks like it's going to go ahead, so I was just wondering: why the drop?

MR. BADER: The budget mechanism: in terms of changes, these would have all been capital expenditures in the previous budget. So these are, if you like, the retroactive estimates, going back and trying to sort out what would have been in that category. It's not a good answer, but that's the truth.

MR. TANNAS: Okay. Yeah. It makes some sense.

THE CHAIRMAN: Clint.

MR. DUNFORD: I'd just make a motion to adjourn.

THE CHAIRMAN: You have one more question, Gary?

MR. DICKSON: Mr. Chairman, I wonder if I might be permitted just two quick questions.

THE CHAIRMAN: How quick is quick?

MR. DICKSON: Well, as brief as, I think, any of the other questions I've asked. They're very pointed.

THE CHAIRMAN: Oh, you're digging yourself in a hole now.

MR. DUNFORD: Well, maybe we can negotiate a deal here. I mean, they've run out of their time. The first time it's used, they want to extend it. I think we could look at a possible compensation for something like that; couldn't we, Mr. Chairman?

THE CHAIRMAN: I'm sure.

MR. SEVERTSON: An hour off the next meeting.

THE CHAIRMAN: Maybe the compensation is that we'll have unanimous approval to adjourn early, if Gary wants to finish his two questions.

MRS. ABDURAHMAN: Could you read the Standing Order, please, that was agreed to after the second hour?

THE CHAIRMAN: Oh sure. Yeah, I will.

MRS. ABDURAHMAN: I'd appreciate that before we decide to stand adjourned or just allow Gary to have two questions, please.

THE CHAIRMAN: Certainly we could do that. Standing Order 56(7)(a).

MRS. DACYSHYN: This is just the House leaders' agreement. This is what she wants.

THE CHAIRMAN: You wanted the House leaders' agreement?

MRS. ABDURAHMAN: Yes.

THE CHAIRMAN: Okay.

MRS. ABDURAHMAN: Sorry; my terminology was wrong, the agreement between the two House leaders.

THE CHAIRMAN: Okay. They agreed that the Designated Supply Subcommittee [in this case public works] allocate the 4 hours allotted to it pursuant to Standing Order 56(7)(b) as follows:

- (a) the Minister responsible first addresses the Subcommittee for a maximum of 20 minutes,
- (b) Opposition Subcommittee members and Independent Subcommittee members then have 1 hour for questions and answers,
- (c) Government Subcommittee members then have 1 hour for questions and answers,
- (d) Opposition Subcommittee members and Independent Subcommittee members then have 1 more hour for questions and answers,
- (e) Government Subcommittee members have the remainder of the 4 hours.

MRS. ABDURAHMAN: Okay. That was the part I wanted. So there's agreement that Gary can ask two questions at this point.

MR. DUNFORD: Just sort of slide that one in, eh?

MR. FISCHER: Well, Mr. Chairman, if I may, given that we're all here and everything, I think we should let Barry ask his questions quickly.

THE CHAIRMAN: Barry doesn't get to do that. As much as I'd like to do what Barry wants to . . .

MR. FISCHER: Gary; I'm sorry.

THE CHAIRMAN: Gary.

MR. DICKSON: Thanks, Mr. Chairman, members, and Mr. Minister. The first question. You have a number of people now tasked with getting ready for the implementation of freedom of information. Is it the intention to maintain people in your department after the new commissioner has been appointed and the

Act has been proclaimed? Is there going to be a continuing unit within your department to deal with freedom of information beyond what any other department would have on an ongoing basis?

MR. FISCHER: We are in charge of all of the records management, and this is going to increase their workload quite a lot. So, yes.

MR. DICKSON: Okay. The second question then. On page 5 of the business plan, there's talk of one of the goals:

Effective and efficient administration of assigned government initiatives fostering open, accountable and accessible government.

One of the things that I often hear about is a concern about Albertans being able to access government regulations, OCs, statutes, and ministerial orders as readily impossible. In some provinces there's some talk of looking at charging significant fees to people or to middle operators that would get this information electronically or otherwise and then try and disseminate it more widely. I'm interested in the position of your department and you, Mr. Minister, in that area in terms of what your plans are over the next three years in terms of Albertans having ready access to statutory instruments, laws, and that sort of thing electronically.

MR. FISCHER: When you're saying ready access, so much of that is available through public accounts. Is that ready access now? Do you find that is ready access?

MR. DICKSON: What I hear a lot is that people have difficulty sometimes accessing Alberta statutes, regulations, and then certain ministerial orders, and things like that. I'm wondering if you have a plan within your department consistent with the commitment of the government to more openness to make it even more accessible.

MR. FISCHER: Anything that's available through the public accounts would not be part of freedom of information. I mean, that's available now.

11:15

MR. DICKSON: I'm not thinking so much of financial information, Mr. Minister, as simply information in terms of statutory instruments. I'm assuming that would be within the purview and responsibility of your department.

THE CHAIRMAN: Mr. Minister and Gary, I don't know if you're on the same wavelength. If I take it correctly, Gary, you're speaking of the procedure, and I think the minister is speaking in terms of numbers. I'm just wondering if all of it isn't a little bit premature because of the Act not even being proclaimed yet or discussed in the Assembly. I may be wrong, and you guys step on me if I am, but I think the department is looking at facilitating and basing that on the assumption that the Bill will proceed and pass. Correct?

MR. DICKSON: Well, the Bill's already passed. We're just waiting for proclamation, Mr. Chairman.

THE CHAIRMAN: Right, but I think they've had to build in something based on a certain amount of assumption, and maybe until proclamation and the records-keeping regulations are put in place, it may be premature, you know, for any department to respond to what I think you're trying to get at here.

MR. DICKSON: Mike came at it in a much simpler way. Is this department responsible for what's been known as the Queen's Printer?

MR. FISCHER: No.

MR. DICKSON: Okay. Well, that in effect is the short answer. Fine. Thanks very much.

Thank you, Mr. Chairman.

MRS. ABDURAHMAN: I was wanting to do a thank you. Before I do this, I don't know, Howard, if you had your hand up.

MR. SAPERS: Yeah. Before everybody disappeared, I just wanted to say to you, Mr. Chairman, that this is my third subcommittee, first one under the new House leaders' agreement, and in my opinion this was a much more useful process, still not quite perfect but a much more useful process. I wanted to thank you for your indulgence and of course thank the minister and his cast of thousands for their co-operation as well.

MR. DICKSON: Hear, hear.

MRS. ABDURAHMAN: Now that he has stolen what I was going to say, I'd like on behalf of the Official Opposition and as critic for public works to express my sincere appreciation to the minister and to his staff. His staff have done a commendable job in answering the questions. We may not have got them as fully as we wanted but still commendable.

To the Chair, it's enjoyable sitting at the other end with you, Barry.

THE CHAIRMAN: Well, thank you. I hope everyone isn't too discomforted with the lack of recesses.

We have two formal motions that are required in terms of housekeeping. I would like a mover for this first motion, that under Standing Order 56(7)(a) the designated supply subcommittee now conclude its consideration of the 1995-96 estimates of the Department of Public Works, Supply and Services prior to the conclusion of the four-hour period specified.

MR. DUNFORD: So moved.

THE CHAIRMAN: Moved by Mr. Dunford. All in favour? Opposed? Unanimous.

The second one is basically the same thing: moved by one of our colleagues here that the debate is now concluded on the consideration of the '95-96 budget estimates of the department of public works.

MRS. ABDURAHMAN: I would so move.

THE CHAIRMAN: Thank you, Mrs. Abdurahman. All in favour? Thank you.

My special thanks to the department and to our colleagues in the House for bearing with us. I hope I didn't come across too strong, but I was trying to follow the same format as last year with Municipal Affairs. We stand adjourned.

[The committee adjourned at 11:19 a.m.]

