

8:30 a.m.

[Mr. White in the chair]

THE CHAIRMAN: Now that we have a quorum, might we have an approval of today's agenda. Is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Carried.

We have the minutes of March 10 and March 17 before you. Have you had time to peruse them? Any errors or omissions as noted? Yes, Mrs. O'Neill.

MRS. O'NEILL: Mr. Chairman, I don't mean to make an issue of this, so I want to put it in proper perspective. However, I do believe that as a result of the discussion we held last week, there are some statements still absent that I'd hoped would have been included. But not, as I said, to make an issue of it, I would make the observation and perhaps the suggestion that maybe we don't need minutes as recounting what the dialogue was because we do have it in *Hansard*. Maybe all we need to do is something similar to the order page; i.e., if any motions were passed, it would be recorded. Since this is a matter of public record, my concern is that we either be totally complete or be just very sparse.

THE CHAIRMAN: Mrs. O'Neill, could you write a motion to that effect? We can deal with it and maybe table it as a notice of motion at the end of the meeting.

MRS. O'NEILL: Okay.

THE CHAIRMAN: Then we can get on with it and the committee will have the benefit of reviewing the motion at the time for the next meeting.

But we do have still the matter of March 10. Have we a motion to accept the minutes as presented, or do we have an alternative motion?

MRS. O'NEILL: Well, that's what I'm saying. I don't want to accept them as they are because they are still in my mind incomplete. But not to make an issue of the fact, I want to address it in a different manner.

THE CHAIRMAN: Well, that being the case, in order to get on with the business of the day, if we change the agenda on your motion to move item 3, which is the approval of minutes, to after item 5 so as to deal with it at the end of the meeting so we can get on with it, is that agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Carried.

This morning we have the Hon. Clint Dunford, Minister of Advanced Education and Career Development. Mr. Dunford, we're relatively informal here. We do use last names though. With the introduction of your staff and a relatively brief introduction to the department and the department's fulfillment of policy in the subject year, we'll then have the Auditor General introduce his people and proceed to questions if that's all right.

MR. DUNFORD: Okay. Well, I'm glad to be here to report on the activities for the '97-98 fiscal year. With me and on my left I have Jim Dixon, who is the public service commissioner. Next to him is

Phil Gougeon, who is the assistant deputy minister, learning support and accountability division, and then Steve MacDonald, who is the executive director, learner assistance division. On my immediate right is Gerry Waisman, who is the executive director of the finance and administrative services division; Lynne Duncan, who is the deputy minister of advanced education; and behind me as always -- and I appreciate her fine support -- is Shelby MacLeod, who is the executive assistant.

I would propose, Mr. Chairman, that I review the matters relating to Advanced Education and Career Development first, and then I'll turn to the personnel administration office.

I'd like to begin by saying that from polls, from caucus, and from our constituents we know that Alberta's priorities are jobs, the economy, and people, and our department brings those three elements together. We know that skilled jobs, whether they be construction, engineering, computer technology, or research, are the cornerstone of our economic strength. We know that the best social program is a job for income, for security, for self-esteem, and for community strength. A quality adult learning system is necessary to provide workers with the skills and knowledge they need. A quality adult learning system means the difference between prosperity and growth or stagnation and lack of opportunity.

Members will be aware that the adult learning system in this province includes 22 public postsecondary institutions, four private university colleges, four community consortia, 83 community adult learning councils, and countless private learning providers. We serve about 30,000 apprentices, an equivalent of 123,000 full-load postsecondary learners. Nearly half of those postsecondary students receive financial assistance from the province.

The Department of Advanced Education and Career Development is a billion dollar player in the learning community. In 1997-98 about \$215 million supported learners through assistance for upgrading programs, work experience programs, and other employability-related measures. A further \$922 million supported learning with operating grants and targeted expenditures for postsecondary institutions. A further \$14 million supported the administrative infrastructure which made those programs happen.

We strive to meet the goals that Albertans have set for the adult learning system: accessible education, relevant learning in a responsive system, internationally competitive research, affordable learning, all of which are effectively delivered by government and its partnerships. Now, these goals guided our business plan for 1997-98. They set the tone for what we said we would do, and more importantly they determined what we actually did.

Our first goal is accessibility to lifelong learning. As we have in each of the past several years, we expanded the number of adult learning opportunities open to Albertans. The most significant program in this area was the access fund. Since 1994 the access fund has supported institutional proposals to increase the number of students across the system. To put the need for the access fund in context, we have long expected growth in enrollments. The baby boomers' kids, the echo boom, are coming of age. They will soon be at the doors of postsecondary institutions across the province. Now, these young people need learning. In addition, the demands of lifelong learners, established workers who need to go back to school to upgrade their skills and knowledge, are putting and have put additional pressure on the system. By the end of the 1997-98 fiscal year the access fund had created nearly 8,000 spaces toward its initial target of 10,000.

Our second goal is responsiveness: education and training that provide what learners need so they can work and thrive. On the career development side, responsiveness includes providing information and services so that Albertans can make the right decisions for their future. We recognize that Albertans are

increasingly turning to the Internet for information and assistance. In November 1997 we launched ALIS, the Alberta learning information service. In conjunction with postsecondary institutions and others, we offer on-line information about courses, careers, financial assistance, and more. The site has continued to grow and increase in popularity. In fact, the number of users, people who stay on the site for more than 10 minutes, more than doubled to 67,000 in this fiscal year we're currently discussing.

Beyond the web we also found new ways to reach young people. In November 1997 we began a pilot project called Youth Connections, designed to reach young people at risk of unemployment. By the end of the fiscal year we had served more than 2,000 young people in Edmonton and Calgary. We provided job search coaching, career planning guidance, recruited partners to offer mentoring and employment opportunities and more. Our colleague Denis Herard made presentations to industry associations to encourage their involvement. That 1997 pilot was successful.

Careers: the Next Generation and the registered apprenticeship program, referred to as RAP, were two additional programs which relied on partnerships to reach young people. They rely on private-sector expertise to help prepare young people for the world of work. RAP allows high school students to begin their apprenticeship training early, to gain credit for it, and to earn an income. The result is an all-around win. Young people can test their career interests, employers can recruit young talent, and young people are motivated to stay in school.

8:40

Our third goal is affordability. We aim at bringing quality programs to the greatest number of students at a reasonable cost to learners and taxpayers. I'm especially proud of the Alberta opportunities bursary, one of the many initiatives to assist students. Announced in January 1998, it sees the department matching funds which institutions raise on behalf of high-need learners. The program is a partnership with institutions, the private sector, and other contributors, and since its introduction the Alberta opportunities bursary has made \$12 million available to about 12,000 students.

Our fourth goal is research excellence for universities. In the year under review we introduced the intellectual infrastructure partnership program, which we affectionately refer to as I2P2. On average the program funds about 40 percent of the capital cost of upgrading university research labs, libraries, and equipment. That ratio is important because the program levers public and private investment. We are supporting partnerships with federal granting councils in the private sector to create and strengthen research excellence in our universities.

The I2P2 program made its first investments in projects which are strategically important to the provincial economy: health, science, engineering, and environmental research. The first investments ranged from new equipment and labs to large installations and modern instrumentation. The program is making a long-term difference to the research community, graduate students, the provincial economy, and our quality of life.

Rewarding excellence, research or otherwise, was an important part of our activities during the '97-98 fiscal year. We introduced performance-based funding, which allocates funding to postsecondary institutions based on measurable performance. This was the first Canadian effort to link the two, and we believe it's been successful. The performance envelope made its first allocations of \$15 million. The spirit of the performance envelope has moved beyond this department.

The fifth goal, effectiveness, applies to both the adult learning system and the department itself. The department's expenditures on

support services are less than 2 percent of total expenditures, meaning virtually all the department's budget flows to support learners and learning. For the fifth consecutive year the number of staff declined again. We are, as the saying goes, doing more with less. For six years running, the department has operated within budget. We have stayed within our fiscal limits and moved closer to the goals we have set. Let me review how our performance was assessed according to the department's core measures from that fiscal year.

Albertans continue to lead the country in their commitment to learning, as evidenced by the percentage of adults who have taken some form of education or training. Three-quarters of Albertans were satisfied that people taking education or training were getting the right skills and knowledge to prepare them for the workforce. Nearly 90 percent of employers were satisfied with the skills and knowledge that new, recently graduated workers brought to the job. Our universities continued to do well in national competitions for research funding. The adult learning system did well, and our achievements are reflected in the success of our partners. Looking back at '97-98, we did what we said we would do and accomplished it within budget. In short, we measured up.

That said, there remains a lot more to be done, and we remain committed to ensuring that more students have access to public secondary learning. Yet access without quality is meaningless. The pressures facing postsecondary institutions are considerable, and those pressures increased in the fiscal year under review today. Let me outline what some of those pressures were.

Education is the best investment that we as individuals and as a society can make. Yet there are limits on the resources available. In 1997-98 government support for adult learning rose to \$1.151 billion. By the end of the next fiscal year it will have risen to \$1.356 billion, and that's a 25 percent increase over three years. Tuition rose last year. There are limits on how much more they can rise. We have legislated a tuition cap of 30 percent. In 1996-97 we had reached 21.3 percent across the postsecondary system. We are getting closer to that 30 percent mark each year. In fact, some institutions have actually met it. Our institutions and our students have done spectacularly well at meeting the challenges of change, and we must continue to change to identify our strengths and build on them to bring better and more cost-effective ways of delivering learning and research and to build partnerships within adult learning and with the private sector.

We made solid progress toward our goals in '97-98. We did what we said on time and on budget, and our actions fit within our long-term plan. We introduced new measures to meet the challenges of the day, and we're continuing the work of meeting the challenges of tomorrow. We are continuing our journey towards excellence in giving Albertans the skills and knowledge they need for the future. Through the personnel administration office, we are also meeting many of the same challenges: people development and a skilled workforce. As the government's central human resource agency, the personnel administration office ensures that a capable, skilled, and versatile workforce is available to meet the needs of the people of Alberta.

Over the last few years we have created a more efficient and effective public service while achieving over \$350 million in annual payroll savings. Today the Alberta public service is recognized as one of the most dynamic public-sector organizations in North America. PAO highlights of the last year include negotiating a cabinet-endorsed collective agreement with the Alberta union of public employees, leading the development and implementation of a new management reward strategy, and developing a government-wide program to promote the early return to work of employees on short- and long-term leave. Our performance measures are most

encouraging. In measuring client satisfaction with human resource policy frameworks, our baseline was 58 percent of clients very or somewhat satisfied, and in the fiscal year we achieved over 80 percent. Client satisfaction with working relationships with the personnel administration is even stronger, at 95 percent.

In conclusion, we are working to ensure a skilled workforce for the government of Alberta and for the province as a whole. I appreciate your interest in fiscal year '97-98 as part of that journey and your support for the road ahead.

We're certainly now prepared to take any questions anyone might have.

THE CHAIRMAN: You can rest assured there shall be questions, but prior to that perhaps we could have the Auditor General introduce his staff.

MR. VALENTINE: Thank you, Mr. Chairman. On my left is Nick Shandro, who is Assistant Auditor General with responsibilities for the Department of Advanced Education and Career Development. On my right is Patty Hassnick, a manager in the office who has field audit responsibilities for that audit. In the gallery today are Murray Walford, Domenic Gallace, and Lynda Turpin, all from the office of the Auditor General.

THE CHAIRMAN: Thank you.

I believe we have Mr. Sapers up first to ask questions of the minister.

MR. SAPERS: Thank you, Mr. Chairman. Good morning, Mr. Minister, Mr. Valentine, and staff. Thanks for the overview.

The first questions I have to do with the key performance indicators. The year 1997-98 was the first year with the performance funding, and I think it's fair to say there were some interesting results when the allocations were made. I'm wondering what kind of feedback you had and whether or not you're going to be adjusting those performance indicators so that funding will follow scholarship, research, innovation, teaching excellence as opposed to enrollment and course completion, which has been criticized for reinforcing some of the wrong emphasis in postsecondary education.

MR. DUNFORD: Well, we're very proud of the performance envelope. Again, to restate it, we're the only jurisdiction in Canada that made such an attempt in the fiscal year we're reviewing today. I believe this to be true: when we put in the research aspect of it in terms of the KPIs we used, I think we became the only jurisdiction perhaps in North America then that tackled that project. Certainly I think you as a fellow Albertan are very proud of what we are doing in that particular area.

8:50

I think it's fair to say there were mixed reviews on the performance indicators and, of course, the outcome that it had. I believe it's fair to say there was a reluctance on the part of the institutions to get involved in the performance funding envelope. There were many opportunities for myself as the minister and for our department to have delayed it. We were provided with very many reasons that perhaps this could have been delayed, but I believe there was a commitment on the part of this ministry, certainly to our caucus but I believe to the government of Alberta and also to the people of Alberta, that we would forge ahead with the initiative. I believed then, as I still believe today, that the performance funding envelope will continue to evolve.

We discovered, I think very early, that we had some problems with the enrollment indicator. It was not perhaps as flexible for

collaboration as we had hoped. In fact, I think some alleged that we were actually driving competition into the system, and that's not what we wanted. I'm trying to think of the dates, but I believe it was November of '97, so again within the fiscal year we're here to discuss. I believe that was when I made a public commitment that we would be reviewing that particular indicator.

I think over time, in talking about the evolution, we will continue to improve it. But again I would want to complete my answer by indicating that some of the things you are asking to be measured are in fact being measured and will be measured, because you've hit upon some of the characteristics that we would see in a high-quality, high-performance postsecondary system in Alberta.

MR. SAPERS: I guess the second part of my question was really about the feedback you received and the changes you'll make. Now, maybe that's for next year's meeting in front of this committee, but you've had the opportunity now of having a year's experience, and the enrollment measure wasn't the only one that was challenged as being inflexible and emphasizing what some people even labeled as negative factors, the competition. So I'm wondering. In your analysis -- and I'm sure you've done one -- of what the institutions did with the money, are you going to be adjusting the allocation of funds based on those KPI results?

MR. DUNFORD: Well, I want to make sure my part of the record is established. The only in any way formal or official disagreement that was sent to me on a personal basis was the enrollment, the KPI. There may have been some grumbling out there about the others we used, but that was the only one that bubbled up and came in any sort of official way to my office. That being said, we have a high-quality department that is out in the field on a daily basis, so I'm aware of the grumblings, if I can use that term, in perhaps some of the other areas.

When we assessed '97-98, we had again spotted the enrollment concern, but we were in a situation where in going ahead, I had made the commitment to the institutions that there would be a two-year pilot project and I would honour that, because as all the members here would know, one of the worst things you can do to an institution or a business is keep changing the rules on them. So we had that commitment. At the end of '97-98 and looking forward to the next fiscal year, the commitment was there to keep the KPIs the same, and of course that is what we did.

Tonight in the estimates I will be upstairs in 512, and perhaps there might be questions at that point as to what has happened subsequent to that.

THE CHAIRMAN: Well done, sir. You kept your comments to the year in question. Well done.

Mr. Stevens, followed by Ms Blakeman.

MR. STEVENS: Thank you, Mr. Chairman. Good morning, Mr. Minister. My first question relates to page 42 of the Auditor General's annual report. I note at that page that the Auditor General has issued a reservation of opinion on the ministry's financial statements, and it appears the report identifies exceptions from generally accepted accounting principles that do not present fairly the financial position of the ministry. I'd very much appreciate it if you could provide an explanation of the reasons for those exceptions and whether or not your ministry accepts that there are improvements that can be made.

MR. DUNFORD: Well, first of all, this perhaps is now a good time to apologize, Mr. Chairman, for not following the procedure. I know you wanted the Auditor General to introduce his staff before I got

into my remarks, and I apologize for jumping ahead.

While we're in an apology mode, the Auditor General of course is a very strong advocate for what we are doing in terms of government accounting I believe, and certainly in practically all cases we have conformed with his direction. On this one, however, we have disagreed in the past, and we still continue to have some gentlemanly disagreement. We report on the basis of accounting policies that have been established by the Treasury Department within our government. The information you have in front of you, then, for '97-98 indicates that, so the Auditor General has quite appropriately pointed out that we have continued along that line.

MR. STEVENS: Thank you. My second question relates to an ongoing issue, and that is the Y2K problem. Can you advise as to what was done in your department in this particular fiscal year relating to the Y2K problem and also comment on the general preparedness of your ministry and the accountable organizations relating to the year 2000 issue?

MR. DUNFORD: I'd be glad to, Mr. Chairman. For the technical details I'll turn it over perhaps to Lynne Duncan, but before I do that, are we allowed a little humour here in Public Accounts?

THE CHAIRMAN: Oh, please do. It's absolutely mandatory.

MR. DUNFORD: Okay. In assessing the Y2K problem, I found some difficulty talking about Tuesdak and Sundak and Mondak, so perhaps we can get by that at some point. [interjection] I think it went over . . .

AN HON. MEMBER: Bad joke.

MR. DUNFORD: Well, if you think about 2 as t-o, maybe my joke becomes clearer.

Lynne, would you like to go.

MRS. DUNCAN: I'll read *Hansard*.

MR. DUNFORD: If I could, I thought it was quite funny, but maybe it's too early.

9:00

THE CHAIRMAN: It must be the chair that you're sitting in.

MR. DUNFORD: Maybe. It must be the chair.

MRS. DUNCAN: The ministry computer systems are all if not compliant well on their way to compliance, and we will be in good shape by early fall. In terms of our extended stakeholders, the postsecondary institutions, the minister has written to the board chairs alerting them to their responsibilities in terms of the Y2K issue. We have been meeting with the presidents and vice-presidents to keep up to date on how they're progressing. The advice we're receiving is that the core systems -- I'm forgetting the word here; there's a word for it -- of all the institutions are going to be in good shape, and we don't see any fundamental issues in the postsecondary system.

MR. SAPERS: Mission.

MRS. DUNCAN: Mission critical. Thank you.

THE CHAIRMAN: Ms Blakeman, followed by Mrs. O'Neill.

MS BLAKEMAN: Thank you very much, Mr. Chairperson, and welcome to the minister and his staff, the Auditor General and his staff, and the staff joining us in the gallery. It's always fun on Wednesday mornings to do public accounts.

My questions stem from the goal that is listed and discussed on page 32 of section 1 of the annual report '97-98 for Alberta.

MR. DUNFORD: Is there a page number?

MS BLAKEMAN: Page 32. It's discussing the responsiveness goal. I note there has been a drop in satisfaction regarding the perceived ability of others to take the education or training they want. I note that on the following page when we look at public satisfaction, the reasons given were:

- debt load to be incurred is too high,
- training costs are more than what is considered worth, and
- loans to those in need are insufficient.

What was done inside this fiscal year to address those problems, or does the minister not feel they are problems?

MR. DUNFORD: They are problems, not in terms of responsiveness particularly, which you started out your question with, but during the fiscal year '97-98 it became apparent to me that the biggest concern we as a ministry ought to have is the level of student debt. I think this was justified or perhaps even ratified when we received the results we then were able to report. So I think, quite accurately, the information that is provided is showing the 36 percent who have indicated they are not particularly satisfied with the system, and they've identified those particular areas.

I want to just indicate to you, though, that somewhere in that fiscal year -- and I don't recall the date and don't recall the actual surveys -- it appeared to both the Minister of Health and myself that there was a disconnect out there amongst Albertans in the sense of services received and the perception of services that others might have received. I think it translates itself into: in the postsecondary system there's a tendency that when you ask a postsecondary student whether or not they're receiving the kind of service they want, generally they say yes, but when you ask the very same person whether they think others within the postsecondary system are receiving what they need, they say no. So it's an interesting disconnect that we spotted in that particular fiscal year, and we're still trying to deal with that in terms, obviously, of some of our communications strategies. But, yes, I think I would agree with the premise of your question, and I think it is there in black and white for all to see that in the dissatisfaction in our system that debt load is a number one concern. [interjection]

Yes, if I could continue. I think your question was: what did we do? What we did, I think, was something very significant and dramatic, which was the implementation of the Alberta opportunity bursary. While I'm on record, I would like to offer my congratulations once again to Mr. Mike Cardinal, the Member for Athabasca-Wabasca, who first brought forward the idea for consideration. Although it didn't end up exactly what Mr. Cardinal had recommended, certainly from that little seed the whole Alberta opportunity bursary program grew.

MS BLAKEMAN: Okay. My supplemental is also under the same section dealing with responsiveness. The Canada/Alberta labour market development agreement kicked into effect on November 1, 1997, and I'm wondering: what happened in the fiscal year we're discussing regarding plans of how much of the federal initiatives or federal guidelines or targets -- did this department have a discussion about which of those they were going to not follow? I'm talking about the planning stage that you must have been in in this fiscal year regarding the merging of these two programs. The

federal government had some very clear targets, guidelines, performance measurements, and expectations. What happened in this fiscal year around a discussion of how many of those you would hang onto as that money transferred into Alberta and became, in fact, under the control of Alberta?

MR. DUNFORD: Actually, to go back into the '96-97 fiscal year, when I believe the negotiations would have started, as a matter of fact our business plan for '97-98 indicated that we would have actually taken over the responsibility for delivering labour market programs on April 1. You've correctly identified that we actually didn't take control until November 1.

Mr. Chairman, I don't mean to preempt any questions, but that might be an indicator to members early on why there was quite a large lapsing of dollars back to the federal government in the fiscal year we're talking about. I guess Steve MacDonald would be the person that was perhaps most involved in the actual day-to-day negotiations. If you are the person, Steve, if you want to give us a blow-by-blow description, that would be appreciated.

MR. MacDONALD: Sure, Mr. Minister. I think I understand the question. On November 1 one of the objectives during the transition was to ensure minimal disruption to clients, so many of the rules, the delivery methodologies that the federal government had in place the Alberta government agreed to grandfather. By November 1 a lot of the contracts were in place, a lot of the processes were already in place, so rather than a sudden turnover to brand-new processes, brand-new systems, we agreed to sort of grandfather those. Most of the major changes occurred on April 1 of the following year, so we tried to keep a smooth transition that would be transparent to a client. They probably wouldn't have even noticed a difference on November 1 between the old world and the new world.

THE CHAIRMAN: Fine.

We have Mrs. O'Neill, followed by Ms Olsen.

MRS. O'NEILL: Thank you, Mr. Chairman, and good morning, everyone. I'm going to reference the Auditor General's report on page 39, and it is with respect to unfunded deferred maintenance. My question to you, Mr. Minister, is: what is the ministry doing or what did you do to address the risks associated with the unfunded deferred maintenance as identified in the postsecondary system?

9:10

MR. DUNFORD: Let's see. Phil, perhaps I'll look to you for some of the technical aspects, but again the Auditor General quite correctly has brought it to our attention for that fiscal year. It's a budgetary concern. We have the infrastructure renewal envelope that was used during that particular period of time, and I guess it's of paramount importance that I as the minister, as we move forward into fiscal years subsequent to the one we're discussing today, keep this in mind and keep it front and centre in our discussions about our business planning. Phil, if there's particular information you'd like to provide the member, please do so.

MR. GOUGEON: Well, our department is part of the cross-government capital planning initiative, and we will have processes in place during 1999 that we're developing. Also, we plan to have a long-term strategic capital plan in place by March of 2000.

MR. VALENTINE: Mr. Chairman, I think it's worth noting that the accounting framework, the historical model we use to account for activities of a particular entity doesn't take into account the issue of deferred maintenance in a very satisfactory manner. I say that in a very global sense across the profession. I know that Mr. Melchin

agrees with me on this. So it's a failure of the model we've used for many of tens of years. It would be my hope that in the fullness of time, because this has come forward in the public sector as a result of the move to full accrual accounting, the issue will be in one way or another resolved so that we develop a method of actually accounting for in the financial statements of an entity the deferred maintenance liability.

MRS. O'NEILL: I have a supplementary question with respect to that. Has anything been done to ensure that this deferred maintenance doesn't affect the quality of service provided to the students in our postsecondary institutions? Any specific examples or opportunities that you have?

MR. DUNFORD: Well, I mean we have to work as hard as we can to make sure that the quality doesn't suffer. As a matter of fact, just to digress quickly if I might, this is one area where in discussing topics with students during the fiscal year we're reviewing here today -- you might remember that tuitions were a hot topic, but I also wanted them not to lose sight of the quality of the education they were receiving. Some of the indicators I then got back from students, and certainly we were getting it back from the institutions as well, were some of the concerns around just the general maintenance, the general care of the facilities.

So I believe that in the year we're discussing, a total of \$66 million was allocated then for infrastructure support during that particular year. We asked and tried to monitor as best we could the fact that that would have been used in an effective manner, because again we're into a situation of limited resources in this particular area, so we need effective use of everything we have.

THE CHAIRMAN: Thank you, Mr. Minister.

Ms Olsen, Mr. Johnson, and Mr. Pannu.

MS OLSEN: Thank you, and welcome to the minister and his staff and again to the Auditor General. I want to go back, Mr. Minister, to the reporting entity and to the Auditor General's report. On page 44 he points out that consolidated financial statements would be beneficial to stakeholders, in fact that

stakeholders would find the information in consolidated financial statements useful to evaluate the sector's financial performance.

My question to the minister is -- I know that this whole notion of consolidated reporting is an issue for the government, and I guess I want to try and flush out why the departure. Why does the Department of Advanced Education and Career Development not believe that consolidation of postsecondary institutions under the government's reporting entity would enhance the accountability responsibilities for informing stakeholders about the operations of the system?

MR. DUNFORD: We follow the instructions of corporate Treasury in this matter, so I would respectfully suggest, Mr. Chairman, that this is a question that ought to be referred to the Provincial Treasurer. I don't know when the Treasurer is scheduled to appear, but I think that might be more appropriate at that time.

MS OLSEN: Well, I guess that's unfortunate, because we keep posing the same question to the Treasurer and there's a departure here from what the Auditor General is recommending. In fact, in some of my own reading in terms of accounting principles, what's accepted in other provinces or states, there's clearly a departure here, and as the minister -- you know, I have difficulty with the notion that you wouldn't question that when clearly the Auditor General is making a statement. However, we'll move on to a . . .

[Mrs. O'Neill in the chair]

MR. DUNFORD: I wonder if I can interject. I don't want to be confrontational, but I would ask you to provide me with the information about other provinces. It's my belief that no other province in Canada consolidates its financial statements including the institutions, as perhaps is being suggested here. Now, I'm leaving the opening. If you're aware of any, we certainly would look to have that information, but for the record I don't believe we are -- first of all, we're certainly following Alberta's corporate Treasury instructions, but secondly I think we're doing it on the basis that it doesn't make us inconsistent with other jurisdictions similar to ours.

MS OLSEN: Okay.

THE ACTING CHAIRMAN: Mr. Valentine would like to supplement that.

MR. VALENTINE: Just a couple of things for clarification. First of all, the second to last paragraph on page 44 sets out in brief the position I hold, and the paragraph at the top of page 45 sets out the ministry's position. I should preface any discussion about consolidation with the statement that the consolidated government accounts are prepared on an as-disclosed basis, which is a historical circumstance in government reporting, and the opinion on those financial statements is what is known as a clean opinion; in other words, without reservation. The ministry consolidated financial statements is a new form of reporting. The only province in Canada that's doing it is Alberta. The accounting principles that are attributable to those financial statements -- because there's no support in the literature for an as-disclosed basis on a ministry financial statement, that consolidated financial statement has to be prepared in accordance with generally accepted accounting principles, and then I would take you back to the second to last paragraph on page 44 where my views about consolidation are contained.

I don't want people to go away with the view that this is a knock-down-drag-'em-out fight. The fact of the matter is that within my colleagues across the country, Auditors General, and within my relationship with the Canadian Institute of Chartered Accountants, we are trying to progress the issue so that the appropriate definition of the government entity is achieved and the appropriate application of the definition is achieved.

9:20

In closing, I would just say that in the 1996-97 fiscal year in British Columbia these institutions were consolidated. I'm not sure I should be using B.C. as a particular example, but be that as it may, in the 1997-98 year the institutions were removed from the consolidation and the Auditor General of B.C. qualified his opinion. That's the current status, but as I said earlier, the subject is getting some progression. Good accounting principles take time to evolve and it will be some time, but I'm on a very friendly basis with my client on this issue because we both want to advance it.

MS OLSEN: Thank you. I guess I might be banging my head against the wall, but I've taken a few bumps and bruises before, so I just find it interesting.

Mr. Minister, what steps did the department take in '97-98 to ensure that the budget of postsecondary institutions be a combination of the budget as reflected on the current ministry financial statements along with the actual results of public postsecondary institutions?

MR. DUNFORD: I didn't understand the question. I'm sorry. Maybe I didn't hear it.

MS OLSEN: What steps did the department take in 1997-98 to ensure that the budget of the postsecondary institutions be a combination of the budget as reflected on the current ministry financial statements along with the actual results of public postsecondary institutions? I guess what I'm looking for is: would this allow for a variance comparison of the difference between consolidated actual results and consolidated budget? Pure math doesn't work, eh?

MR. DUNFORD: Well, the math works; it's the counting that I'm not sure of. I think that's a question for the Auditor General's staff. I'm not sure.

MS OLSEN: Bail me out; bail me out.

MR. DUNFORD: Well, they audit both of us. We don't audit the institutions. I mean, that's an independent audit, I would think.

MS OLSEN: It's reflecting back to the Auditor General's report, so I'm sure he has an answer in relation to that.

MR. VALENTINE: Well, I think your question was: what steps have been taken? As we are just about to commence the audit for the March 31, 1999, year-end, I can't tell you what steps have been taken, but in the fullness of time I will.

Secondly, the reference you're making, which is to page 46 of my report, first full paragraph: this was a suggestion as to how one might get over the budgetary problem when you bring the full accounts of the postsecondary educational institutions into the budget of the department. And it is exactly that; it's a suggestion of how the budgetary process might evolve. The importance of that is that unless we can deal with the budget at the outset, we will have difficulty dealing with the accounting for the expenditures at the end of the day.

THE ACTING CHAIRMAN: Thank you.

Mr. Johnson.

MR. JOHNSON: Thank you, Madam Chairman. Good morning, Mr. Minister and staff and others. My question is of a general nature, and it's taken from page 16, the second objective there on the page dealing with transferability of credentials and mobility of students. What steps is the government taking to encourage collaboration amongst institutions? I'm thinking of such areas as transfers, prior learning or advanced credit, and even interprovincial mobility. I think I'll ask my supplementary at the same time because you may want to tie the two answers together. My supplemental would be: what is the process of developing the recently announced Campus Alberta vision, and is it gaining support?

MR. DUNFORD: Well, first of all -- I'm going to deal with maybe the second part first, Campus Alberta -- in '97-98 that was again perhaps similar to the Alberta opportunity bursary in the sense that the seed became sown, I guess. We wouldn't be sure in that fiscal year, and even the results from that fiscal year, as to whether or not it had found fertile soil. But there's an interesting background, I think, to the Campus Alberta slogan. I don't know that I'm revealing it here for the first time, but members might not be aware of where it in fact came from. At the time -- again, I don't know whether it was February or March, but it was right at the end of the fiscal year we're reviewing -- I and staff were meeting in Calgary to discuss some collaborations between the University of Alberta and the University of Calgary and how that might impact with some of the private-sector firms in Calgary. It was actually one of the

members of the private sector to whom I would like to give credit now for the Campus Alberta slogan, and that was David Tuer, who is president or chief executive officer -- I'm not sure of his exact title -- of PanCanadian Petroleum.

In the discussion -- and it's one of these little quirks of history, little things that happen that at the time almost go unnoticed but in our case didn't go unnoticed -- he said, as I recall, in somewhat of a frustrated outpouring: why can't we have a Campus Alberta where we wouldn't have to worry about all this turf and things like that. Then of course the conversation flowed on from there to the actual discussion that was under way. But Campus Alberta stuck in my mind and I think in the minds of the deputy and others that were in the meeting, so again tonight at estimates I hope we get lots of questions about Campus Alberta.

In terms of '97-98 and in talking about trying to increase learners' ability to obtain collaboration, I think there would be a couple of things, at least two, maybe three before I'm done. The first one I've already semi-alluded to, and that was that in '97-98 when we were having all the discussions with students on their tuition, I said: yes, we're here to discuss tuitions; we'll discuss that with you. In fact, part of that discussion led later on to legislated cap. But I also said that we couldn't forget to discuss three other things that I believed then were very, very important to students.

The first one, which I've already talked about, was the quality of the instruction and the learning they were receiving, but the second one was the transferability. I would receive letters and, in some cases, phone calls and actually in another case had a document placed right on my desk which indicated to me that there was silo syndrome in our postsecondary system as it dealt with a student from a particular institution, so I was very concerned about that.

Having said that, in Alberta when you look at the published document of the transferability of postsecondary courses from an institution to another institution, I don't know if thickness is a criteria, but whereas other provinces might have pamphlets, we have a phone book. I'm exaggerating here somewhat, or embellishing, I should say. I guess in that sense within Alberta we don't have to take second place to any other jurisdiction in how we allowed our students in '97-98 to transfer between institutions.

9:30

The third thing I would point to is that early in that fiscal year I was able to attend an articulation celebration in my own constituency, which, for the record, is Lethbridge-West. As a matter of fact, the University of Lethbridge is located in my constituency. At that articulation celebration the school of management of the University of Lethbridge was signing agreements with, I believe -- I'm going to say 16, but it could have been 30 or 34; I'll underembellish this time to keep my balance. They signed articulation agreements with at least 16 different colleges that would recognize full transferability of a two-year diploma program into third-year school of management at the University of Lethbridge. It's the institution that actually has to take a lot of those steps, but we're there encouraging them to do this. We're there to try to remove any sort of -- not that there are hindrances, but if there are, we need to know those and try to move those away. So if the transferability catalogue in the province of Alberta is not now a phone book, we hope that soon it will be.

THE ACTING CHAIRMAN: Thank you.

Dr. Pannu, followed by Mr. Amery.

DR. PANNU: Thank you, Madam Chairman. Good morning, everyone. Mr. Minister, you will recall that I was quite generous in my praise of your relative transparency with respect to reporting deferred maintenance costs, and I'm going to be kind today again, in my tone at least, in asking the questions.

I think you have already acknowledged this morning the fact that satisfaction with respect to access hovers around 63, 64 percent both among learners and among the public in general. This is pages 35, 36. I wonder how one explains this, compared to your other responses to other questions where the levels are in the range of 75-plus and going all the way up to 90-something, if you considered this indicator, this measure, troublingly low, and if so, how so or why so.

Related to it is of course the question of affordability. I'm sorry; I refer to the '97-98 annual report of the department, section 1, your indicators and measures of affordability. On page 45 it's bullet 3, I think, under Discussion of Performance:

For those students receiving loans, average debt remains within manageable levels [of under \$10,000] for students in two-year programs and [\$17,000-something] for those in four-year university programs.

I was curious: how did the department conclude that these are manageable levels? Noting of course that these are average numbers, there would be students, I guess, who'd disagree with the 50 percent mark. There'd be a considerable number of students below this number, and there'd be a fairly large chunk of students who are far above. How does one conclude from this figure that this is manageable, based on the average that you're using here to report? You also, of course, note somewhere that debt loads may be increasing. We have no information here with respect to default on payments during that year.

THE ACTING CHAIRMAN: You've asked one question and then the other. I notice you've got a number of questions in there.

DR. PANNU: Okay. I've asked questions about accessibility and affordability. I think the two are connected; that's why I had difficulty putting it in a very brief way. Then the minister would say he doesn't understand the question. But I'll stop here.

THE ACTING CHAIRMAN: Your supplementary should be connected anyway. Thank you.

MR. DUNFORD: Okay. In a minute here I'll turn it over to Steve MacDonald to discuss bullet 3 and why we would use the term "manageable." Perhaps he has some indicators from the banks as to what the default rates might be.

I would spend some time with you on your preamble and the troubling aspect of increased loans. I want to say that we share that troubling concern. To that end I would want to refer once again to the introduction in the '97-98 year of the Alberta Opportunity bursary. There is no reason for its introduction other than to address the financial needs of so-called needy students. When we implemented that program, by turning it over in its entirety to the Students Finance Board, I believe we're able, then, to deliver -- I don't know if it's 100 percent, but I'm going to say that 99.8 percent of the funding that was allotted to that particular account would then be able to go toward financially needy students. I would point out that I don't know that any money in the '97-98 fiscal year went to students.

[Mr. White in the chair]

Again, in the year we're discussing the initiative was put in place. I think it was probably after March of '98, although I can't remember exactly, that the federal government -- it's in the fiscal year we're talking about. In Paul Martin's budget, then, in February of '98, which fits within this year so I can comment on it, they talked about the millennium scholarship. In our deputy minister meeting, which would still have been held within that fiscal year, there would have been a discussion about "What will this do in Alberta?"

although details at the time were sketchy.

In my mind Alberta would try as best it could not to get involved in any constitutional argument with the federal government over the millennium scholarship. Now, subsequent to this we've seen that some provinces have in fact done that, but because of the concern in our ministry at the time about student debt, we basically said that we would not stand between student and money. That position was articulated then in that particular fiscal year and has led to subsequent planning.

Within the Alberta context, during that fiscal year I sent many, many signals to the private sector that, yes, if they wanted to build buildings on campuses, then that was still fine with us, but if they wanted to participate in some way with this government in the development of more scholarships and more bursaries, especially bursaries, we would together find a way to reduce student debt.

So with that background, Steve, if you want to deal with then the mechanical nature of what happened during that year, I'd appreciate it.

9:40

MR. MacDONALD: In response to the first question around manageability and how we define that, what we look at is the average starting salaries of graduates from the different levels of programs, and based on those average starting salaries the remission program set a level of reasonable debt at roughly \$5,000 per year of study. Based on that the \$17,000 for a four-year program falls below that level. So using debt service ratios based on average salaries of graduates, the \$17,000 is a manageable level. You're correct when you say that an average is always a number that you have to be careful with.

For students that are either underemployed or unemployed, in other words aren't getting those salaries that we're expecting, there's the interest relief program. That basically allows them to not have to make any payments, and the government picks up the interest payments. There is that safety net for students that aren't meeting the sort of average expected incomes of graduates.

On the default side of the world, that's old language really. Default reflected the old world where the government gave a hundred percent guarantee on the loans. The reality is that now with our risk-sharing agreement, the government pays a 5 percent risk premium, and any of the nonperforming loans are the responsibility of the banks. So that's why you don't see it recorded there, because in terms of the cost to the taxpayer, 5 percent is the maximum cost. We're working with the banks to look at what proportion of the loans are nonperforming for them. We're just getting that information now. The reality is that that's the banks' information then. There are multiple banks, so we have to aggregate their numbers and get a provincial number. So in the old world default was a language that reflected basically the implementation of a guarantee. In the new world the cost of nonperforming loans to the province is 5 percent.

DR. PANNU: I trust that the explanation that you have given applies to the year under discussion.

MR. MacDONALD: That's correct.

DR. PANNU: My supplementary then. I had a question, but I think you've prompted another question. Are you able to give us information on the number of students who applied for interest relief during '97-98 and the percentage that in fact received interest relief?

MR. MacDONALD: I'll have to search my notes here to get a number for you. Maybe I'll just reply in writing to give you those numbers rather than search through my notes here.

THE CHAIRMAN: Mr. Minister, if you could reply through the secretary so that all members receive it, that would be fine.

That's fine, Dr. Pannu?

DR. PANNU: Thank you.

THE CHAIRMAN: Mr. Amery, followed by Mr. Sapers and Mr. Melchin.

MR. AMERY: Thank you, Mr. Chairman, and good morning to all. Mr. Minister, my question deals with the integrated training pilot program, which appears on page 47 of the annual report. I wonder if you could tell us: how does the ministry ensure that clients who enter that program have been appropriately assessed and referred to the integrated training pilot program, and who does the assessment?

MR. DUNFORD: Again I'll seek the assistance of others, but first of all I want to assure you that standards have been established, then, to assess employability needs, and we really want to match clients as best we can with programs that would help them attain employment. But as far as your question on the evaluation, can somebody help me here? Steve, I guess we're back . . . Sorry; we sprung another one on you here. As I understood, your question was: who assesses the results of the program?

MR. MacDONALD: There was an independent contractor that came in and did the assessment of the pilot for us.

MR. AMERY: Okay. My second question: are there any steps that have been taken by your ministry in consultation with social services to define shared objectives and the expected outcomes and the success rate of those people who are assessed and entered into that program?

MR. DUNFORD: Yes, objectives were established. The expected outcomes were defined for all of our particular training programs. Also, part of the system was that completion rates were to be measured not the day after the program was completed or three months, but certainly it would have to be up to 12 months for training. One of the things that was discovered -- and I think you can certainly understand this and perhaps appreciate it -- was that even after some of this training, not everyone was ready for employment. So during that fiscal year we worked very closely with Family and Social Services to develop alternative programs. I think it was subsequent to this fiscal year that we signed the memorandum of understanding, actually, with Family and Social Services. But certainly the experience we had during this fiscal year then led us through to subsequent treaty, if I could use that term, with that department, and we think that was a step forward.

THE CHAIRMAN: Fine. Thank you.

Mr. Sapers, followed by Mr. Melchin.

MR. SAPERS: Thanks. I'd like to follow up with some questions about the ITP program.

MR. DUNFORD: The which?

MR. SAPERS: The integrated training pilot program. I'm trying to phrase a single question, Mr. Minister, that covers a whole bunch of issues to do with the operation of the private vocational trainers, the relationship they have with the ministry, the contract management, and the assessment of impact on the trainees. I note that on page 47 of the Auditor General's report he mentions the completion of a new

contract management and operation manual. Can you tell us what impact that had on this last fiscal year in ensuring that the tax dollars spent represent full value? You and I have discussed in the past some of the problems with some of the private trainers and the lack of accountability and some of the difficulties students have found themselves in as a result of that lack of accountability. So I'm hoping you can tell us that this program that's been completed has addressed those issues and how.

9:50

MR. DUNFORD: It's not a bad question, but it's for '98-99, so I'm at a loss as to how to properly address it. Certainly, as indicated, a pilot was completed and changes were made. I'm sure a year from today, when we're back here discussing '98-99, some of those actual personal relationships that you and I established over that particular year can be more fully discussed.

I don't know how to answer your question at this particular moment in the context of '97-98 other than to indicate to you that the pilot was considered to be a success to the extent of carrying it forward with some change. Again, I'd just look to the chairman for guidance here.

THE CHAIRMAN: Perhaps what you can do is have the staff assist you in answering and send it back in a note when you consider the position, because it's difficult right now to separate what happened in what year and what progress was made on that. Review the questions in *Hansard*, and get back at a subsequent date.

MR. DUNFORD: That would be fine, to deal with it that way.

THE CHAIRMAN: It's much easier to do that than to make errors.

Mr. Sapers, you have supplementary questions to ask?

MR. SAPERS: I do, Mr. Chairman. I should have been more careful with the question.

The '96-97 annual report of the Auditor General made a number of recommendations which were acted upon in '97-98. It was the particular action that was taken as a result of those recommendations and what it led to in terms of outcomes. I'd be happy to receive a written response, because I'm going to ask a similar question about the skills development program. At the top of page 47 of the annual report there is a paragraph on the skills development program, including the statement by the Auditor General that output and outcome targets for the program have been established and that a cost-benefit analysis is being conducted. So I'm assuming that that cost-benefit analysis based on those outcome targets was completed during this last fiscal year, and I'm wondering if you can tell us about that.

MR. DUNFORD: Well, I think the chairman wisely provided us with some direction as to how to deal with this matter, and we'll deal with it the same way.

THE CHAIRMAN: I assume answers to both questions will come back subsequently through the secretary. Terrific.

Mr. Melchin to finish off.

MR. MELCHIN: Thank you. I'd like to address my remarks today with regards to the capital planning infrastructure, long-term planning within the department. The Auditor General certainly talks about and gives a couple of recommendations with respect to not just deferred maintenance but also long-term planning. The reference is a departmental study with regards to the infrastructure, and it talks about, you know, that even \$360 million is required over the next five years.

I guess with respect to the study that was engaged in by the

department, I'm not certain to what extent there's been an analysis of that study sufficient to, say, critique the assumptions; i.e., why five years versus 10 years? What are the levels of standards that would have to be maintained or not? All those things have tremendous impact as to the potential dollars someone would attach to that report.

So I guess when it comes to that -- where I'm looking is on page 112 of section 1 of your annual report. You have the infrastructure renewal allocation of \$66 million. When you've gone to the allocation of that \$66 million, I'd like to get a feeling for why the allocation in these amounts, as to what formula was used, whether that was integrated to your own departmental study of the need, and if this is an integration of a long-term discussion with those institutions as to: here are the funds that are really identifiable and needed by priorities. So give me a feel for how that form of the infrastructure renewal -- whether it integrated at all to the department plans or the study on the capital.

MR. DUNFORD: Are you an accountant by any chance? Perhaps I'll refer that question to my deputy. Thank you.

MRS. DUNCAN: Essentially, the moneys that we had under infrastructure renewal were distributed to the institutions based on a formula, and the study you reference had a significant role in the formula in that we used a two-part formula. The one part of the formula distributed a portion of the money according to the infrastructure needs as identified by the study in question. The other portion of the funds was distributed using proportion of enrollment. The issue there really was to link the need for infrastructure renewal to the enrollment levels but also to recognize that historically neither institutions nor the department have adequately looked after infrastructure renewal and that there are some deficit problems out there that need to be addressed.

MR. MELCHIN: Okay. I'd like to follow this one up. There's a number of areas there I'd like to explore further. This is a little more technical, to keep expanding my accounting questions, actually out of curiosity.

On pages 154 and 155 you get the summary of universities. I suspect this is true of the colleges and so forth; I just happened to be looking at this page. On your page 155 you've got an item called unamortized deferred capital contributions, which is being amortized each year over a period of time. I guess what I'm not certain is -- I'm guessing here. Is this from when we went to the accrual that the assets in the institutions were valued as to whatever their -- I don't know if it was fair market value at that stage or their depreciated value or whatever. Were they valued and then placed upon the institution's balance sheet and then being amortized over a period of time? If so, why is that a deferred capital contribution and not an equity issue that's not being amortized? Why is it deferred capital versus equity?

MR. VALENTINE: Mr. Chairman, with the concurrence of the minister and the deputy, I'm going to have the expert on defer-and-match accounting, Mr. Shandro, respond to that question.

MR. SHANDRO: All right. That number represents the sum of capital contributions. That's capital grants plus any capital fund-raising that occurred in these institutions and which was invested in capital assets less any amounts that have been amortized. In other words, if a capital asset was funded by, say, \$10 million by a capital contribution and it lasts for 10 years, the initial amount that would be credited to this account would be \$10 million. Each year \$1 million amortized over 10 years would have that amount steadily

decreasing until it reached zero. So it just represents the unamortized capital grants, so to speak.

MR. MELCHIN: But why is that deferred capital versus equity?

MR. SHANDRO: The equity here is basically the equity represented by a liability to the funder. In other words, the correct way of viewing it is to say that the funder has put in the equity, and it remains the equity of the funder as a liability until it's used up. In other words, it's a conditional grant for a particular purpose, and you earn it by using it on the building. The consumption on the building earns the capital grant, and therefore the equity is used up. Through this method it avoids the issue of unnecessary debate about institutions incurring deficits.

10:00

As you may remember, a number of years ago we always had some amount being reported as a deficit in an institution. Then the departments -- not necessarily this department, but there are other departments, like Health, that had this problem. The publicist would come on and say that it's not really a deficit because it's not really a cost because it's amortization. It was because there was a mismatching of revenues and expenditures that this problem was created, and this process recognizes that the capital asset was funded by someone and therefore the amortization was funded and therefore there is no deficit. It implies, of course, that in the future the capital asset will continue to be funded by an outside contributor, and if not, then the institution must find another way of funding the capital asset.

THE CHAIRMAN: Good. Now we all know how the technical accounting bits work and how the capital cost accounting is covered off by the publicists and the reason for it. We all understand that completely. If we don't -- Mr. Melchin, did you need further clarification in the way of a note?

MR. MELCHIN: No.

THE CHAIRMAN: No? Terrific.

We do have one other matter, so we're not going to be able to get to any further questions. I'd just like to thank the minister and his staff and the Auditor General for being so good at responding.

Committee, you understand that we do have the minutes before us. With the hour as it is, I understand we have a motion that wishes to be put, and we may deal with that immediately or we may take it as a notice of motion and deal with it at a subsequent meeting. It's at the pleasure of the committee as to how much you want to debate.

Perhaps we should hear the motion first and read the motion into the record.

MRS. O'NEILL: What I could do too, Mr. Chairman, is make sure that all members have it in print before the next meeting, if you wish to do that.

THE CHAIRMAN: Well, the suggestion is that the motion be read into the record as a notice of motion so that everyone has an opportunity, and with the committee's concurrence we will set aside at the top of the meeting perhaps five minutes, perhaps 10 minutes to discuss it.

MR. HLADY: Ten minutes at the beginning of the next meeting?

THE CHAIRMAN: Or should it be at the end of the next meeting?

MR. HLADY: At the beginning, and get it done. It's been dragging

on.

THE CHAIRMAN: Okay. Dealing with the minutes, item 3, if we could have the notice of motion read at this time. Thank you.

MRS. O'NEILL: Okay.

Whereas the proceedings of the Standing Committee on Public Accounts are recorded in *Hansard*, it is moved that the current practice of summary minutes be forgone in favour of a brief and separate record of any decisions or motions that have been made and a record of the voting response to be noted.

THE CHAIRMAN: All right. It has been moved. It is now a notice of motion, so it is automatically laid over to the next meeting, with the chairman's note that we will deal with it in item 3 next meeting.

MRS. O'NEILL: Further, I don't know whether you did accept -- we didn't have a vote to accept the minutes of the March 10 meeting. Do you want to tie that up, or what do you want to do?

THE CHAIRMAN: Well, the chair presumed that the motion dealt with the minutes and style of reporting, so all of that will be automatically laid over. Is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Next meeting we have the Hon. Murray Smith, Minister of Labour, here before us.

Adjournment has been moved. Mr. Amery. Is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: It's carried. Thank you kindly.

[The committee adjourned at 10:04 a.m.]