

## Legislative Assembly of Alberta

Title: **Monday, April 3, 1995**

**8:00 p.m.**

Date: 95/04/03

head: **Committee of Supply**

[Mr. Tannas in the Chair]

THE CHAIRMAN: I'll call the committee to order and ask that we continue to abide by the general convention that all members take their seats and that we only have one member standing and talking at the same time.

This evening we are about to hear from the subcommittees of the Committee of Supply, and we're going to be taking them in alphabetical order. Just so that we all understand the ground rules that we're operating under, I'll just review my understanding, and then if there are corrections to that, House leaders can draw my attention to that. We're going to have the committee chairman take up to 10 minutes, then the department critic up to but not more than 10 minutes, and the subcritic. The final speaker on each of these departmental estimates will be the minister or the minister responsible for that department if it happens to be an acting minister for the department.

So the first department tonight will be Economic Development and Tourism. Then we'll have Environmental Protection, followed by Executive Council, then Public Works, Supply and Services. Transportation and Utilities will be the fifth subcommittee report.

head: **Main Estimates 1995-96**

### **Economic Development and Tourism**

THE CHAIRMAN: So if we could hear from the chairman of the subcommittee that reviewed the Economic Development and Tourism department estimates, the hon. Member for Lesser Slave Lake.

MS CALAHASEN: Thank you, Mr. Chairman. Good evening. As the chair of the subcommittee of supply for Economic Development and Tourism it's my pleasure to give the members of this Assembly a summary of the discussion which took place on March 20, 1995. On that date we met with Murray Smith, the minister responsible for Economic Development and Tourism, and Dianne Mirosh, the minister responsible for science and research. On behalf of the subcommittee members I would like to thank the ministers and their officials for their openness and frankness. Everyone was well prepared and accommodating, and we were able to elicit answers to some challenging questions. This process certainly showed once again that this government remains committed to being open and accountable.

We were joined by several agency officials who report in some form or other to the department. Representatives from the Alberta Motion Picture Development Corporation, the Alberta Tourism Education Council, the Alberta Opportunity Company, and the Alberta Research Council were these, and they were ready to answer questions. Both the minister responsible for Economic Development and Tourism and the minister responsible for science and technology and research provided the subcommittee with specific information pertaining to their respective departments. They will be summarizing their comments for the House.

Naturally, the questions focused on the specific areas falling under Economic Development and Tourism's and science and technology's mandates. The subcommittee was interested in

hearing about the percentage of cuts to the ED and T budget coming from program reductions versus improved service delivery. Also, subcommittee members were concerned about the implications of staffing reductions and redeployment opportunities. Mr. Anderson from the Alberta Opportunity Company replied to questions about AOC deficits and nonbudgetary disbursements to the gross estimates. He also responded to a series of questions regarding lending policy and the AOC loss ratio.

The subcommittee then addressed the issue of the proposed Alberta tourism corporation. Members were mostly interested in the status of the proposal with government and the tourism industry. There were specific questions relating to funding, clarification of the relationship between ATEC and ATC. The subcommittee asked many questions about the Alberta Motion Picture Development Corporation regarding accountability. Both the minister responsible and Mr. Toth from AMPDC were very open to answer all questions.

Mr. Chairman, the roles and responsibilities of the department also came under scrutiny. To be specific, the subcommittee queried the value of Alberta's foreign offices and whether or not a value-for-money audit is done for Alberta's foreign offices to ensure that taxpayers get a good return on their money. Both the minister and Mr. Rasmusson indicated that the department has developed an international export strategy which identifies the key international markets Alberta should be focusing on. As well, business plan development is front and centre for the trade offices, identifying key industrial sectors.

The likelihood of trade missions increasing the role of private-sector emissaries while reducing government involvement in trade missions was also an issue. The minister indicated that government is responsible for opening doors for the private sector. He said that private-sector companies attend trade missions at their own expense and that the newly established Alberta Economic Development Authority, a private-sector management board, plays a major role in determining where and when Alberta trade missions occur. The minister and his officials provided detailed answers to queries on business taxation strategies and investment and industrial development strategies.

The subcommittee had also several questions for the minister responsible for science and technology, the Hon. Dianne Mirosh. As usual, the minister and Dr. Barge were well prepared and readily answered all of the subcommittee's questions. Some questions from members were about the accountability of research funding as well as seeking clarification regarding the relationship between ED and T and the Science and Research Authority. Dr. Barge, from the Alberta Research Council, stressed that the ARC is in fact a leader in Canada with respect to establishing accountability measures. He stated that the typical ARC project is a joint venture with the private sector. As a result of this partnership with the private sector, the marketplace plays a pivotal role in determining which projects receive funding and which ones don't. The ARC only undertakes research initiatives which are deemed to have the greatest impact or leverage. Minister Mirosh outlined the relationship between the Science and Research Authority and ED and T and how it complements the province's overall economic development scheme.

Mr. Chairman, this is a brief summation of the issues dealt with by the supply subcommittee on Economic Development and Tourism. This was my first subcommittee, and I'd like to thank all members for co-operating with me. We used the full four hours, indicative of the interest by members. I'd also like to thank the ministers, both the minister responsible for Economic

Development and Tourism and the minister responsible for science and research, for their openness and making it easy for someone like me to be able to chair this very important subcommittee. I'd also like to thank the members of the agencies as well as the staff. They were a great help in getting specific information to questions. The process of subcommittees of supply certainly makes information more readily available to members regarding specific items related to estimates and budgets.

Thank you very much, Mr. Chairman.

THE CHAIRMAN: Okay.

The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Chairman. One fine morning last month I was able to participate in my first one of the smaller, more aggressively analyzed departments. There is some potential for this particular procedure to become the way of the future, and that potential would save this Legislative Assembly 20 to 30 days a session, but it won't work and it's doomed to failure if we continue, with respect, to play sidebar games and if we continue, with respect, Mr. Chairman, to not dealing with the questions that are being asked from time to time of the committees.

Now, one very interesting sidelight occurred in this particular meeting, and that is that there was extra time left at the end of the day. We did not have sufficient time to ask all of the questions that we wanted to ask. Would those people who had the extra time stand aside and allow the questions to be asked and perhaps save this Legislative Assembly in the future 10 to 20 days of session? The answer, Mr. Chairman, was regrettably no. I won't pursue that issue, but I would ask those people who decided against that to look into their consciences and see if there is an opportunity for us to work together here and make some time management decisions that will help us all.

Now, I want to deal with Economic Development and Tourism. The minister in charge of this department some months previous to becoming a minister railed against the size of the ministry and decided that we were on the right track in Alberta by having smaller government, and that means a smaller cabinet. I would hope that this minister, who I have come to respect for his fairness and his honesty, will at some point stand up and say that this department does not need an independent ministry. This department is virtually duplicative of the work of the Department of Federal and Intergovernmental Affairs, and there is no reason for those two ministries not to be merged and to operate as one. Individuals say that we don't give constructive criticism from this side of the Assembly. Well, there is constructive criticism, point number one tonight, Mr. Minister. You can analyze how a dual role of economic development and Federal and Intergovernmental Affairs would respond in a streamlined, seamless, one-window delivery approach. Have the members opposite heard that type of vocabulary in the past? Certainly they have. From whom? Why, the very minister himself, who now chuckles as I make the comment. So I urge you to keep up your aggression and deal with those members on your front bench that are reluctant to amalgamate and get some of these departments streamlined.

**8:10**

Now, Mr. Chairman, I want to point out again that when Albertans have indicated that they want to see the fat of government trimmed, they are asking that government fat be trimmed at the top. This department, like a lot of the government departments, has not trimmed sufficient amounts of fat at the top, and

there is more work that can be done there. My second constructive criticism to the hon. minister of this department is to go looking for fat in all the high places instead of all the low places.

I want to move on by pointing out that there are some difficulties with this department, and it's an attempt to create an emerging role in the Mexican market. I urge this government not to get so caught up in the attraction and the allure of Mexico that we throw caution to the winds in what is happening in Mexico by all externally moving reports, and that is that Mexico appears to be moving into an era of political instability and an era of rapidly fluctuating currency evaluation and devaluation. I want to suggest that the government of the province of Alberta is not equipped to play in that rapidly altering economic market and that the minister would do well to determine whether there are at the present time as many advantages in Mexico as the government is hoping in its so-called highway to Mexico. I urge the government to be cautious about that in their handling of this Department of Economic Development and Tourism.

Now, there are a lot of other issues that touch on the minister's portfolio. Many were canvassed in the lengthy four-hour session, but I want to broad base some of those. One is this: the view that the room tax charged on rooms in the province of Alberta is one of the single largest inhibitors of tourism in the province of Alberta that we have. I think that the minister is on side but not in control of that issue, and I would urge the minister's commitment to this Legislative Assembly that he will do whatever he can to have the sales tax on tourist-traveled rooms removed in this particular province as quickly and as smoothly as he is able to.

It is also interesting that recently the minister of economic development has come out on the record as saying that he favours the abolition of the machinery and equipment tax. That's a wide tax in the province of Alberta. Many people would agree with him, but unfortunately the machinery and equipment tax funds an awful lot of the school educational funding in the province of Alberta. Before business will buy into that initiative lock, stock, and barrel, they would want to see where the other shoe is going to drop, where the personal tax payer in this province and the business tax payer in this province will make up that extensive tax loss if that machinery and equipment tax is simply repealed.

I will not take a long time this evening, Mr. Chairman, because in fairness to the formula it has been agreed that having given this department a four-hour scrutiny, the open Assembly speeches on this department are relatively short. At that point, I will simply conclude by wishing the minister the best of luck in his department. I know that he will take some of these constructive criticisms, particularly the one about cutting fat at the top, to heart. The last request that I make of the minister - it was made orally, but I have not yet received the answer, and I think he will - is that he was going to break his full-time equivalents down by program and by department, as I have been urging all other departments of the government to do. I hope that if he is not in a position to do that tonight, he will reserve that answer and deliver it at a later time.

Thank you very much, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Chairman. I thought we were going to alternate back and forth, but I'm pleased to be able to rise today and speak to the estimates of Economic Development and Tourism.

THE CHAIRMAN: Hon. member, if the Chairman has somehow misled the committee - I said at the outset that it was my

understanding that we were going to go to the chairman first, the critic, then a subcritic, and the minister would summarize. However, I am the servant of the committee and not its master, so if for some reason the committee wants to change that, that is fine. Hearing no objection or anything, we proceeded on that basis. So I'm sorry if I misled you.

MR. CHADI: There's certainly no objection on my part, Mr. Chairman. I think the only objection I have is being called a subcritic. Does that mean a real critic is taller or bigger? [interjection] Yeah. Better than standard.

Let me start off by first referring the minister to page 85 of the estimates, particularly with respect to the Alberta Opportunity Company. Over the years we as a government and as taxpayers in this province have spent a great deal of money propping up the AOC. We have spent a great deal of time pondering what we should do with the Alberta Opportunity Company. I know that for a long time it seemed, to me anyway, that the AOC was doing what the chartered banks were doing and what the Treasury Branch ought to be doing.

I was a strong advocate of the AOC, I'll have you know, from that point on, Mr. Chairman, but lately I've started to realize that since we are downsizing and since the money is not as available as it was during the boom years of the late '70s and early '80s, perhaps we should now start taking a look at what to do with the Alberta Opportunity Company. I myself have pondered this for some time.

We could beef up the Alberta Opportunity Company to make it the entity it was supposed to be. It was to be the lender of last resort. For a while there it was doing what the chartered banks were doing, and I think it was approving somewhere around, say, one in six loans or something to that effect. That's unacceptable for a lender of last resort, because that's just what the banks were doing anyway.

Having said all of that, I have had some discussions with the Federal Business Development Bank. The Federal Business Development Bank, as the minister would know, is represented in this province I think quite adequately and for quite some time now. I'm wondering if the minister will now look at perhaps the merger of the AOC with the Federal Business Development Bank. Obviously the two levels of government are trying to promote the same thing. They were both lenders of last resort, and here we are competing with one another in the same territory, this Alberta.

I know that the Federal Business Development Bank would be happy to speak with the minister if the minister would initiate some negotiations, perhaps maybe even take it a step further, maybe put together an all-party committee to talk to the AOC and the Federal Business Development Bank, see if there isn't a fit there somewhere. Like, \$27 million in expenditures this year, Mr. Chairman, is an awful lot of money, and I don't know just how much we're going to end up losing with the AOC at the end of the day when we tally up the total loans to this from the heritage savings trust fund and every other fund that we have in the province that has been financially assisting the AOC.

So I appeal to the minister to advise us, and if there are any negotiations that are ongoing with the Federal Business Development Bank to perhaps take over the assets, maybe buy the assets of the AOC from the province, I think we'd go a long way. You know, maybe down the road when money gets a little bit easier again, perhaps when the oil starts to flow from the tar sands at Fort McMurray, maybe another tar sands plant starts up, maybe we hit another Leduc – who knows? If that ever happens or

maybe the forestry industry in this province is really taking off and poplar is starting to grow at a rate that even the researchers and the best scientists in the world hadn't realized could happen, then we could perhaps get back into the lending business through the Alberta Opportunity Company or a vehicle like it.

8:20

I often thought that the Alberta Treasury Branches were an excellent vehicle for lending in the province, a vehicle that was in place, represented in just about every small town in this province, and I have utmost respect for the Treasury Branches and their lending practices. So having said all of that, I reach out to the minister to perhaps maybe enlighten us a little bit, if he can, with respect to AOC.

Another area of concern of mine would be tourism education and training. This is of vital importance to this province, as it is to any other province in Canada. I would hope to think that we could look at beefing up this area, that we could in fact utilize some of those dollars that the hon. Member for Fort McMurray was talking about in terms of the hotel tax and, keeping in tune with the recommendations that were made by the Alberta Tax Reform Commission with respect to what the stakeholders in that industry were saying, that in fact some of that hotel room tax ought to be going back towards the hospitality industry and particularly the tourism/hospitality industry. It could go an awfully long way to promoting tourism in this province. I note that it was the Alberta Tax Reform Commission that stated that it was what was considered a sales tax on hotels because it was a consumption tax, that primarily Albertans were paying it.

So I wonder if the minister could advise us as to his thoughts on that recommendation and combining it with the Tourism Education Council operations and hopefully down the road even take it to a point where it's on a cost recovery basis. If perhaps we're going to teach the hospitality industry, then we should be working on a cost recovery basis. It would only make sense.

Another area of concern of mine is in the area of science and research. I take the minister to page 89, in particular reforestation and forest management. We're spending there almost a million and a half dollars, albeit down considerably from 1994-95, about a third. I'm hoping that the minister could advise us as to what indeed could be done with this expenditure in the future with respect to perhaps moving it to something that the Science and Research Authority could be looking into and could be administering. Barring that, perhaps even the department of environment ought to be handling this, and perhaps it ought not to be in the Economic Development and Tourism portfolio at all.

One of the things we have to do is continue to streamline, and I can see that the government has done an awful lot in the past two years in doing so, streamlining the different departments, but there are always going to be some areas that we've got to continue to tighten up. I see this as being one of them. This could easily be moved to environment or it easily could be moved to science and research.

Science and research is an area that is kind of puzzling me – it's program 6, Mr. Chairman – inasmuch as it sits in the Economic Development and Tourism estimates, yet we do have a minister for science and research. Science and research has its own department and its own estimates. I would hope to think that in the future this is one of the things that we would tighten up and that we could bring it all on its own. Executive Council also deals with science and research, so it's embedded in that department as well. There's about \$600,000 that handles the minister's office and the science and research secretariat for this fiscal year

'95-96. So, again, if there is a way to be able to tighten that all up, put it all in its own department and let's get on with life. Let's start to clean up some of these departments.

Lastly, I want to talk about tourism marketing offshore in vote 5.6. I know that we've got our trade offices all over the world, and the trade offices that we have are working, I would hope, in conjunction with the trade missions that are taking place throughout the year. I know that there's the trade mission that went down to Texas and of course others that will take the Premier to the Middle East. With those comments, I would only suggest to the minister that he look at combining this tourism marketing with the trade offices that we have and maybe eliminate some of these expenditures.

Thank you.

**THE CHAIRMAN:** The hon. minister responsible for Economic Development and Tourism.

**MR. SMITH:** Thank you very much both for the sound advice from my fellow colleagues and also for the interesting comments from the members opposite.

To start off the conclusion of the estimates of the department, I want to thank the chair for the excellent job put forth in subcommittee and certainly to remind members opposite that the agreement was struck by mutual consent with their House leader and our Government House Leader, and in fact that's where the discussion should be resolved.

I do want to take this opportunity in the full spirit of openness, transparency, and accountability to table, Mr. Chairman, the staff salaries of the Alberta Opportunity Company and the department, broken down in the categories that the opposition asked for. In fact, it's quite interesting because for a department that is presently staffed at 540 people – and we were challenged by the member opposite to cut down on the fat – we have in fact one person at \$100,000, three people at \$90,000, and five people between \$80,000 and \$90,000. So in fact that gives us nine people out of 540. I think that's much, much leaner than what the hon. member means to project. So with that, I'll table that information for his knowledge and edification and thank him for his questioning at the estimates.

The comment that the hon. member made this evening with respect to the Mexican commitment that this government has in the Americas strategy – in fact, Mr. Chairman, we have embarked upon a private-sector-driven exchange model through the chamber of commerce where a member of the chamber will be installed in a Mexican office in exchange for a member being installed in the chamber office. This is done at a very low cost to the provincial government and will in fact give us predictions as to how the currency issue and how the recovery of the economy will take place in Mexico. One cannot ignore, however, that we are looking at a market of over 360 million people, \$8 trillion in total trade that represents 20 percent of all the trade on Earth.

Not covered earlier in the estimates, but mentioned this evening was the member's comment on the machinery and equipment tax. The most important aspect of this examination of this tax is as it relates to an impediment to new investment and in fact may be a discriminatory tax. Economic growth and a growth in property tax base could possibly recover the tax that would be changed. It is important to note, too, that we are only addressing the education component of that.

It's important to note, Mr. Chairman, that this department has changed its business plan to concentrate on a strategic focus, a

knowledge base, to concentrate on trade, investment, and business infrastructure. Its spending is being reduced by 30 percent, and its accompanying staff is being reduced by 38 percent.

**8:30**

With respect to the subcritic's comments on the estimates for the department, his comments with regard to the Alberta Opportunity Company were covered on pages 75 and 76 of the designated supply subcommittee. His comments on the Alberta Tourism Education Council were covered on page 87. It was very clear that the gentleman acting as the subcritic tonight had not attended nor had he read the designated supply subcommittee, so it gives me great pleasure, Mr. Chairman, as well, to table a copy of the designated supply subcommittee minutes for the benefit of the member opposite.

With that I'd ask for your approval. Do I ask for the vote on this?

**SOME HON. MEMBERS:** Yes.

**MR. SMITH:** So I'd ask in fact that approval of the estimates of the department of economic development be given.

Thank you.

Agreed to:	
Operating Expenditure	\$95,484,000
Capital Investment	\$700,000
Nonbudgetary Disbursements	\$37,000,000

**THE CHAIRMAN:** The hon. minister responsible for Economic Development and Tourism.

**MR. SMITH:** Thank you. I'm encouraged that the chairman . . .

**THE CHAIRMAN:** I think the words you're looking for, hon. minister, are that the estimates of your department be reported when the committee rises.

**MR. SMITH:** Yes, that's exactly what I said. Thank you. Oh, it is working.

**THE CHAIRMAN:** It's on. It's working, yes.

**MR. SMITH:** You must not have heard me when I mentioned that the committee, when they do rise, report the estimates as being read.

[Motion carried]

### **Environmental Protection**

**THE CHAIRMAN:** We'll ask the committee chairman, the Member for Lesser Slave Lake, to begin, and then we'll call on Edmonton-Whitemud.

**MS CALAHASEN:** Thank you very much, Mr. Chairman. On the evening of March 23, 1995, there was the second subcommittee of supply meeting. As per the House leader agreement that was signed, we carried out and used the time that was allocated to discuss this specific subcommittee. I want to thank the minister and his staff for participating in the meeting and answering the many questions that were put to them by committee members.

Overall the format was a great one for members to put the minister and his staff to the test of answering detailed questions.

I'm positive all members who participated would agree that this was an excellent opportunity to get details from the department about their initiatives as well as those of their reporting agencies. The minister and his staff addressed all the questions during the more than three hours used for this purpose. The session ended near 9:30. There were many questions, and these were focused on the '95-96 budget estimates. Government members asked more than 50 questions in total and opposition members more than 80 on a wide range of programs and issues. I definitely feel that this was a good examination of the department and agencies reporting to the minister, and I want to thank all the members for their preparation and interest in those areas all important to Albertans.

The minister opened with a brief overview of the activities of his department. He spoke about areas of focus for his department in '95-96. These included sustainable development, community level service, building partnerships with Albertans, and harmonization. The members of the committee appreciated the minister's ability to abbreviate the overview so that members could get right in and ask their questions.

In the estimates book you will note that there are six programs under his department. I am happy to report that there was a good discussion on a number of program line items. There was also excellent free flow on the questions back and forth among the different programs as well as the three-year business plans that were submitted. Questions were aimed not only at department line items but also at those of the agencies reporting to the minister. These included the Alberta Special Waste Management Corporation, the Natural Resources Conservation Board, and the Tire Recycling Management Board.

I'd like to give you a very brief overview of the variety of topics from the different programs. As an example, under program 1, dealing with departmental support services, questions related to expenditures on capital and staffing, since there was an increase in some areas. Overall the budget estimates for this program have fallen, but some areas saw increases, and naturally under the keen eye of the members these areas certainly got their attention.

All Albertans want a clean and healthy environment, so as no surprise members were interested about the work of environmental regulatory services under program 2. The questions covered a range of topics such as treatment of biomedical waste, pollution investigations, and the issue of reclamation certificates. Environmental impact assessments were discussed as well as issues of air quality monitoring. This was an area of high interest, so there were plenty of questions on how these areas would be affected by the '95-96 budget estimates. It's good to know that this area continues to be a priority for the department.

Natural resources services also received some attention. This service combines a few diverse areas such as fish and wildlife, parks, and water resources. Again, these areas are all of high interest to Albertans. Since much of what is happening is in this area, the questions dealt with all kinds of line items including budget cuts in fishery management and the impact of this to fisheries in the province. Programs such as the transplant of wildlife from Alberta to the United States were raised as well as the flood damage program.

A number of questions were put to program 4, corporate management services. For example, the land information system and reductions to occur in this area were raised.

Land and forest services under program 5 is looking at capital investment increases to improve communications. This services' woodlot program was discussed and how it helps private landowners understand how to manage trees on their property in an

environmental way. Funding questions were raised. There were some good questions on the reforestation program and how any cuts might affect future services. This is a pretty big area and important to this province, and it was excellent to see the interest by members.

There were a lot of questions in program 6 on the Special Waste Management Corporation. Questions were related to ongoing activity at the special waste treatment facility in Swan Hills. The discussion was excellent and certainly enlightening to all the members. Committee members questioned pricing structures at the facility as compared with those of facilities in the United States for the treatment and disposal of hazardous wastes. In my view, questions were probing and reflected a healthy interest in this subject.

The work of the recycling management board was also scrutinized. Questions about the revenue being generated through the surcharge on tires and how that money is being used to encourage tire recycling programs were very key. It was pleasing to hear that there is some movement in this area. This is good news for the province.

Overall it was an excellent session, and although I provided only a brief overview of that session, details can be found in the *Hansard* report, which I would encourage members to review. Again, I believe committee members felt that this was indeed an excellent forum. I want to once again thank the members for their thorough discussion as it related to this department and its reporting agencies. I also want to thank the minister for being so open and willing to the wide-ranging questions tossed at him. The staff also deserve a mention for their openness and their information, which they were so willing to share. Mr. Speaker, my subcommittee certainly made use of our department staff and their minds. I would like to also once again thank the members of the subcommittee, who were excellent in their probe in every area in the program of Environmental Protection.

THE CHAIRMAN: The hon. Member for Edmonton-Whitemud.

**8:40**

DR. PERCY: Thank you, Mr. Chairman. First, I'd like to echo the comments of my colleague from Fort McMurray in that the subcommittees, if run properly, would save so much time and effort and are a far more constructive way of dealing with estimates than in the House, because you actually do get answers and there are the departmental staff there who can provide backup and more comprehensive details. So if the House leaders can ever do it and move . . . [interjections] The whip's on. What I want to concentrate on now are some of the issues that the chairman had touched upon.

First of all, a number of questions were raised with regards to Alberta Special Waste Management. There the issues really dealt with concerns about the profitability of the Alberta Special Waste Management Corporation and, in particular, the ability of that plant to function in its niche market, which is the treatment of PCBs at a time when I think the natural attraction now is for a north-south flow of hazardous waste as opposed to an east-west. Should in fact Canada permit the export of PCBs to the United States or, for that matter, the EPA permit the import of PCBs into the United States? That issue was raised and discussed extensively, and it lies, I think, at the heart of trying to assess the future profitability of the Swan Hills plant, because it's clear that the future profitability is tightly linked to its ability to treat the existing stock of PCBs. Once that stock is gone, the feedstock, so to speak, for that plant is gone, and then we'll have to compete

on a level playing field with other hazardous waste incinerators for hazardous waste that in fact flows across borders. So that was one issue that was discussed, as were revisions to the joint venture agreement and concerns about operating costs and how operating costs at the plant compare to other plants of comparable size.

Another issue that we had discussed in some detail – and certainly we are keenly awaiting an answer – concerned the contingent liability of the plant. The province remains responsible for the reclamation of the site, and that may be very, very expensive indeed. One of the differences between plants in the United States and the plant at Swan Hills is that the EPA has very stringent standards with regards to site reclamation. The plants in the United States have to be bonded, whereas the province of Alberta is ultimately responsible here, and there is not yet the amortization of those potential costs as part of the ongoing expense of the plant. So we certainly were concerned about that issue.

The other issue that we talked about in general terms was forecasts of anticipated flows of hazardous waste to the plants and what were reasonable estimates. So we dealt with that in some detail.

Another set of issues that had come up dealt with forestry, in particular. Beyond the issue of enforcement of standards with regards to logging on private lands and whether or not that would require additional staff, the issue was raised about the allowable cut effect and the incentives that it provided for large corporations, particularly those with forest management agreements, to engage in intensive forestry. Certainly extensive forestry involves far more land, but intensive forestry allows you to have lands that are just dedicated specifically for forestry and managed solely for forestry, and it really depends, then, on the incentives to get the highest yields per hectare from those lands. The allowable cut effect certainly has been used in other jurisdictions to provide an incentive for firms to invest in intensive forest management as opposed to extensive.

In that context, we had discussed very briefly – we had awaited a reply – some of the incentives for intensive forest management. There is the allowable cut effect, which allows firms to harvest more today in anticipation of larger yields tomorrow because of greater growth because of intensive forest management. I think one issue that was raised concerned: what incentives beyond the allowable cut effect are there for intensive forest management? The Free to Grow standards basically are uniform across sites, and one would hope that there would be a set of incentives in place so that you would put more effort and more focus on good sites and on good terrain; therefore, getting more bang for a buck as opposed to reforesting medium sites, et cetera, or poorer sites, where the return in terms of additional growth is far less.

Colleagues had also raised issues with regards to Special Places 2000 and economic development in those areas, and I think there was a spirited exchange there. Colleagues had also discussed the fish and wildlife trust fund and some of the other trust funds that were in place and their management.

One area that we spent some time discussing – we hope the minister will enlighten us – concerns the pro forma statements and the capital amortization, net contribution, et cetera. I mean, there is the singular fact that when you read those statements, it appears the more money you put in Bovar, the better off is the province. You certainly have to put me in on the skeptical side on that one. It's very difficult, when you read those on page 162, just to get a clear handle on exactly what the accounting magic is, but I suspect that's why accountants are paid far more than most individuals, that they are able to do this and get away with it.

Others are put in jail. So there's that issue we would like some enlightenment on.

Otherwise, I would say again that I thought the process of the subcommittees works because the staff are there, and I think it provides a far better forum for getting a handle on the estimates and being able to both ask sensible questions and get sensible replies.

So I'll conclude my comments with that, Mr. Chairman.

THE CHAIRMAN: Okay.

The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Chairman. I want to start off by talking about the Tire Recycling Management Board. I know that the Member for Lesser Slave Lake touched on it. Unfortunately, I was not part of the subcommittee that scrutinized the estimates of Environmental Protection, but I would hope the minister would be able to respond to a couple of comments that I have on, to start off with, the Tire Recycling Management Board.

We've got this board that is now functioning in this province, Mr. Chairman, and what they're doing is administering the collection of a \$4 fee or tax on tires. That's everything that is new tires and not anything to do with the fact that there were millions of old tires throughout the province that have been scattered around probably in landfill sites and people's backyards, and on the back 40 you'll find some along fence lines, et cetera.

Now, I note that the minister in question period responded to a question earlier about the shredding of some of these tires, particularly on-site, and the shredding that took place in southern Alberta not long ago. My first question would be along the lines of: what demand do we have for the shredded material right now? Is there anybody looking for this product? Is there any discussion with perhaps transportation? I'm told that this shredded material could in fact be quite a good, solid base or provide a solid base for highways, and I think there are jurisdictions around North America that are indeed looking at implementing the usage of this shredded material. Apparently, it makes for a very solid base and would last, of course, for years. So I wonder if the minister could advise us if those sorts of discussions have been taking place with transportation. If not, what demand is there for it? Why are we shredding these tires if there really isn't any need for a shredded product?

I note that in reading some correspondence some time ago, Mr. Chairman, it stated that one of the plants that was burning the tires here in Edmonton – and in fact we are paying, through the board, a certain fee. I believe it's around \$1.40 per tire to have the tires burned. I think over and above that there's a transportation fee of so much per tire to another outfit that is totally different from the company that's doing the burning.

**8:50**

The correspondence I had read said something to the effect that there was about \$1.6 million in expenditures or capital investment that the cement company would have to incur in order to burn these tires, to accommodate the burning of the tires. I think, first of all, the rationale behind asking for \$1.40 a tire, or whatever that figure is, from the board was because there was a substantial capital investment that would have to take place in the plant itself. In the correspondence that I read, what the plants in the southern parts of North America have done is in fact spend no more than about \$300,000, so about 20 percent, Mr. Chairman, of what is suggested the Canadian plants had to spend to beef up their plants to be able to accommodate the burning of the tires. In fact, the

tires are being burned south of the border as well, but they're not paying anywhere near what we are paying here in Alberta. I'm hoping the minister would be able to respond to that, to see if in fact he is looking at that aspect of expenditures with respect to burning the tires versus using the recycled product somewhere else, particularly in road construction, since it is costing us \$1.40 per tire anyway now to burn it.

My next concerns lie on page 141, for the minister's reference. It's with respect to land administration and, in particular, land dispositions. It appears that the expenditure of \$4.3 million refers to land dispositions, the sale perhaps of real estate. I see no explanation other than, on the opposite side of the page, it says that Land Administration "issues and administers land use agreements for public lands, including technical services and policy development." I see under land administration, vote 5.4, it clearly talks about land disposition, and that expenditure is there. Now, I'm curious to know if in fact we've spent those or are anticipating those sorts of expenditures with respect to land disposition. Perhaps maybe the minister can explain that to me. If indeed it is land dispositions or the sale of this property, maybe we ought to be looking again in the best interests of tightening up the different departments.

Perhaps public works ought to be taking a good hard look at this. I know that public works disposes of land on behalf of all the departments of government in a very professional manner, and it is one where they're experienced. They know the movers and shakers in the industry, they know the buyers, and I think it might be in the best interests of this government to move it over to public works. Again, an explanation would be of interest to me.

I notice also in land administration – and it has nothing to do with the line expenditure – on page 140 under the Land Administration clarification it says that it also "administers the Foreign Ownership of Land and Land Agents Licensing programs." Well, I've often wondered why the administration of the foreign ownership of land would be in the Department of Environmental Protection. It would appear to me that Municipal Affairs would be clearly the place to be. Municipal Affairs would handle things like land titles registries. I know that for the foreign ownership of land, when you do buy a piece of property, you have to sign a statutory declaration stating that you're either a Canadian citizen or that you are a landed immigrant or what have you, but that has to accompany the land title transfer prior to going to a land titles office or prior to being registered in one's name.

It would seem to me that if in fact this is what it refers to, the administration of the foreign ownership of land and the documentation, et cetera, it ought to be handled, then, by Municipal Affairs, because that's exactly where all the rest of the documentation is handled, including the transfer of land, including caveats, if any, on properties, the general registries that take place, the searches. Anything to that effect would have to be done through the Department of Municipal Affairs. So, Mr. Minister, tell us what it is, in fact, that your department is doing with the foreign ownership of land and why it can't go to Municipal Affairs.

For the benefit of the minister I'm going to go to page 129, land reclamation. Now, I know that there's substantially less budgeted this year than there was the previous year, but in fact the expenditures last year were indeed lower than what we're expending this year or what we're anticipating to expend this year, although combined with the dedicated revenue, it amounts to about the same thing. My question first of all is in land reclamation. What is the dedicated revenue? Where is this

revenue coming from? It's \$1.2 million versus \$465,000 last year. Now, there's a significant difference there in the dedicated revenue.

[Mr. Herard in the Chair]

My question then would be, if in fact the land reclamation as described on the page opposite – it says it "manages remediation initiatives for orphan contaminated sites." Now, I suspect that if they were orphan contaminated sites, there wouldn't be a dedicated revenue at all, that in fact we recovered some funds here simply because we did it on behalf of some municipality. Perhaps it was an old dump site. But how could we have orphan contaminated sites if we're dealing with – and I want the minister's explanation on this. I do it merely in the interests of getting the information back to me. I don't mean any malice by my questioning.

So with those comments, I'd ask the minister to respond. Thank you.

THE ACTING CHAIRMAN: The hon. Minister of Environmental Protection.

MR. LUND: Thank you, Mr. Chairman. It gives me a great deal of pleasure to rise and close the discussion on the 1995-96 estimates of Environmental Protection. Before I do, I want to take this opportunity to thank the chairperson of the subcommittee and the members of the committee who participated that evening in the debate on the estimates. It was an extremely well-run meeting. I thought it was very productive. I had the opportunity to get a lot of information out. They were excellent questions, it was excellent discussion, and it was a meeting that I certainly enjoyed. I would really urge the House leaders to see that all the departments would go through that kind of a process, because we have the ability to have staff there to answer the really technical questions. Members get the opportunity to get into issues in depth and get a real understanding of what exactly the department is doing and what their goals are, what their programs are.

I want to just highlight a few things on the goals of the Department of Environmental Protection. Really, they fall into four categories, the first being the sustainability of our natural resources. Mr. Chairman, I believe we have made many wise management decisions about our resources, so of course that is our first priority. Examples of these initiatives in this area include our recent announcement to move ahead with the special places. We also are developing with our partners a forest conservation strategy. I also will take forward a Bill on revising, or I might say updating, the water management policy and legislation in this province this fall. That is after a great deal of consultation with the public dating back to 1991 and more recently under the very able chairmanship of the hon. Member for Dunvegan, who has just now concluded a round of public hearings and is putting together his report.

A second area of focus is on improving service delivery to Albertans. This initiative we're calling the community level service. I'm committed to moving resources and greater accountability to staff throughout the province at the community level. This should, I believe, reduce the bureaucracy, and it'll allow decisions to be made on an operational basis out in the communities.

9:00

Our third priority is to develop more partnerships in the province. Now, I know that government cannot possibly manage the environment on its own, and this is why my department has

developed many partnerships with Albertans over the years, including individual Albertans, interest groups, industry, and local authorities. We realize that existing partnerships need to be maintained and new ones developed. The aim ultimately is to benefit the environment.

Good examples of some new ones that we're going to develop are in that program that I announced a week ago: special places. This initiative will need the contribution of Albertans all across this province as our partners. I know they want to be involved in this and many other environmental programs, and we will continue to encourage their active interest in the environment for the benefit of today and for future generations.

Our fourth area of focus in the '95-96 fiscal year is called harmonization. We will eliminate overlap and duplication between the federal and provincial governments. We will reduce costs to both taxpayers and industry, but we will also ensure that the standards for environmental protection are maintained. We will also look into lifting regulatory burdens without jeopardizing environmental standards for a clean and healthy environment.

Some of the highlights of our proposed budget estimates include a \$23.2 million decrease in operational expenditures for the '95-96 year. We have budgeted for a \$13.4 million decrease in capital expenditures. By the end of the '95-96 fiscal year the department will have met 90 percent of our staff reduction targets of 856 positions.

Contributions to our environmental protection and enhancement fund ensure that emergencies such as fires, floods, droughts, and insect infestations can be appropriately addressed through timber stumpage royalties and various fees. My department will continue to seek greater efficiencies while at the same time ensuring a higher level of environmental protection.

Now, I'd like to move on to just a few of the issues that were raised this evening. The first one dealt with Bovar, and certainly I appreciate the sincere concern of the hon. Member for Edmonton-Whitemud on this issue. It's also a concern of ours. As all members know, we put in place a new board last December. One of the main mandates of the new board was to see what could be done to try to get the government out of business.

I think that when government got into the business of destroying hazardous wastes, it was with the intention of making sure that there was a plant in Alberta that could in fact handle the very hazardous waste that was within the province. There was an expansion, and looking back, maybe that was not a wise move. However, there was an NRCB hearing. It was determined on the information at that time that in fact it was a good way to proceed. So as a consequence we have ended up with an extremely good plant in the province of Alberta for handling hazardous waste, but along with that quality comes horrendous expense. We're trying to work our way through it. We're trying to see what we can do to remove ourselves from it and to satisfy the contract.

Some issues were raised about forestry practices on private land. I must reiterate that whether it's on private land or public land, there are six Acts that apply similarly. We have been doing a number of inspections; as a matter of fact, in a three-week period did over some 800 inspections. Of those inspections, there were eight that required a further follow-up. Of course, it was less than one percent. I just got notice today from the department that those have had a further investigation and have been found to be not in contravention of any of those Acts that I mentioned. I know that a lot of people are concerned that there's environmental damage from this harvesting, but quite frankly I believe that it's for the most part being done with a very environmentally sound management process.

Now, the hon. Member for Edmonton-Whitemud also mentioned intensive forestry management. That is a concept that certainly is of a lot of interest. A lot of FMA holders would be very anxious to get into that, but we've covered much of the province with an IRP process. That IRP process is one that takes all kinds of public input. The public are saying that they want to see our public lands, our forests managed in a manner that accommodates all users. In other words, they're talking about multi-use. I imagine that we will see more emphasis by the FMA holders. Because of their ability, having land to manage, they will do more intensive forest management. However, we can't allow it to move to the extent that excludes the other users. So as we move forward and talk about sustainable development, I'm sure that'll be one of the things we'll be looking at. How do you in fact grow more fibre but at the same time not adversely affect the other users and the wildlife?

The tire recycling board and the things that they're doing: the hon. Member for Edmonton-Roper just raised a number of issues. Yes, you're absolutely right that the \$4 disposal fee that is charged whenever you purchase a tire is for the disposal of that tire. One of the difficulties, of course, that we see coming down the way is this huge backlog. In fact, there are about 16 million tires. If you take the tires that are in the landfills and on the vehicles and that are in the system, those haven't had a \$4 fee on them. So if we can move and get products that will help pay for the disposal of those tires, then maybe we'll be successful, but it's going to be very difficult.

THE ACTING CHAIRMAN: Thank you, hon. minister. Your time did go. I don't know if you heard it or not, but I wanted you to finish your thought.

Are we ready for the vote?

SOME HON. MEMBERS: Question.

MR. LUND: I'm not sure of the wording. What is it?

THE ACTING CHAIRMAN: Well, we're voting on the estimates for the Department of Environmental Protection.

Agreed to:	
Operating Expenditure	\$317,475,000
Capital Investment	\$8,658,000

MR. LUND: Mr. Chairman, I would move that the vote be reported when the committee rises.

[Motion carried]

#### Executive Council

THE ACTING CHAIRMAN: The hon. Member for Calgary-North Hill.

#### 9:10

MR. MAGNUS: Thank you, Mr. Chairman. It's my privilege to report on the meeting of the designated supply subcommittee on Executive Council. The subcommittee was composed of six government members, including myself as chairman, and three opposition members. We met with the hon. Premier, who is the minister responsible for Executive Council; the hon. minister responsible for science and research; and senior officials from the Northern Alberta Development Council, the Premier's office, the



personnel administration office, and the Public Affairs Bureau. The subcommittee met for more than three hours on the afternoons of March 15 and 21.

This subcommittee was the seventh such committee that I've had the honour to chair since this new process began in the fall of 1993. As in previous meetings, members from both sides conducted their questioning of the estimates in, for the most part, a direct and professional manner. The co-operation afforded by members allowed the committee to get a substantial amount of work done.

I'd like to extend my special thanks, on behalf of the subcommittee, to the Premier. Throughout the proceedings he was highly candid, thorough, and patient in responding to questions, including many that clearly fell outside of the parameters of the subcommittee. His conduct demonstrates a strong and exemplary commitment to openness and fair play, Mr. Chairman. The vigorous questioning that occurred throughout the proceedings is a strong vote of confidence in this still new process, a process that is making government more open and accessible to the people of Alberta.

We covered a lot of ground over the two afternoons, and I'd like to provide this committee with a brief overview of that ground. Concerning the Premier's office, questions covered areas like staffing, expenses, and responding to inquiries from the public. In the arena of science and research, questions keyed on areas like spending, the function of the Science and Research Authority, the impact of medical research, and Alberta's efforts to join the information highway. On the subject of northern development, questions focused on areas like the role and major activities of the Northern Alberta Development Council and the impact of lotteries on northern communities. Relating to the personnel administration office, questions touched on areas like budgeting and the government's workforce adjustment strategy. Concerning the Public Affairs Bureau, questions explored areas like government advertising, research surveys, teledemocracy, and especially the RITE toll-free telephone network.

Questions covered a number of other areas as well, ranging from the Swan Hills special waste management plant to an individual case in the health system. Again, it was only because of the Premier's candour that these were discussed, given their remoteness from the 1995-96 estimates. I would like to remind all members that the Committee of Supply and its designated subcommittees are to focus their efforts on the budget estimates themselves. Some members pursued questions of policy, which is not a part of this committee's mandate. The goal of this process is a more detailed and comprehensive review of the departmental estimates.

Be that as it may, Mr. Chairman, some productive dialogue did take place between the Premier and the subcommittee. I must emphasize that we continue to believe very firmly in the utility and accountability of this important, relatively new step in the legislative process.

In presenting this report, Mr. Chairman, I can't deal with every matter that was covered by the subcommittee. Indeed, I'd probably suffer a few slings and arrows over here if I tried to do so, but I would refer parties who are interested in reviewing the matter further to transcript numbers 23-3-3 and 23-3-5 if they so desire.

Mr. Chairman, I'll conclude by noting that the review of the estimates of Executive Council, science and research, the Northern Alberta Development Council, the personnel administration office, and the Public Affairs Bureau was complete for that

portion of time allotted the opposition side of the table. Due to unforeseen circumstances the government side of the table was unable to complete the last portion of their final hour. However, as chairman I feel the time spent was productive and that these estimates should not require further review.

THE ACTING CHAIRMAN: Thank you, hon. member.

The hon. Member for Edmonton-Manning.

MR. SEKULIC: Yes. Thank you, Mr. Chairman. I just want to start off by thanking the chairman of the committee that worked the Executive Council estimates. He was, I would say, fairly professional and thorough and objective in permitting the questioning to be carried on. It's difficult when we're discussing the Premier's office, Executive Council, to say that something doesn't fall within his scope, because ultimately everything falls within the Premier's office. Sometimes policy questions would veer out, and they'd seem like they were inappropriate, but the chairman in his good judgment permitted them to go on. As the chairman just mentioned, the Premier was quite candid and carried on to respond to those questions.

I do want to say that it took a bit of effort from the opposition side to get a response to the one question that certainly appeared to be the furthest out of order, and that is: when something goes wrong in health care, who is responsible? That was the question that I think irritated so many of the government members during that Executive Council subcommittee, the response, having the Premier say: I am responsible. You know, after some 20 minutes of debating the issue, the Premier ultimately did say that it was he who was responsible when something goes wrong. I do admire that. That took a great deal of honesty, and he was very candid in coming forward with that. The only thing is, it's a little unfortunate that when committees, boards, or health authorities are appointed, a government can distance itself from those core programs and services which they're mandated to deliver. They are also associated with the outcomes of those core programs and services. We got beyond that. Ultimately the Premier did say that he is responsible when something goes wrong, and for that I would say thank you, Mr. Premier.

Now, one of the areas that we had some difficulty with was polling. Executive Council and the Premier's office conduct a fair bit of polling, probably in the area of a million dollars' worth. We as an opposition were quite interested to see whether that polling was to any extent political. In fact, the Premier stated on record that the polling was completely nonpolitical, and when I pursued it and my colleagues pursued it as to whether he would make the results, or the outcomes, of those polls public, he in fact stated – and I'll quote him: well, you know, our attitude is that we ought not to be doing public surveys or polls unless we're willing to release the information. Once again I would congratulate him for that response. Now, the only thing that lies ahead is the delivery. Where's the beef, as so often I hear from across the way? Where's the beef? Well, we've got the commitment, and now all we need is the beef to follow. So I anticipate that the Premier will ensure that the results of all those polls and surveys that are conducted at taxpayers' expense are in fact made available to the opposition for their review and to ensure that they're nonpolitical in nature.

One area that really surprised me was when I asked the Premier – it was conspicuous by its absence that in fact the Premier's office did not have a business plan. The Premier went on to say: well, you know, we do things that the Premier does in the office

here; we respond to some calls; we carry out correspondence; there's a number of services that the Premier's office carries out. My thinking on that is as soon as you carry out a service, you have the basis for a business plan. So when there's a cost to the taxpayer and when there is in fact a service delivered, then in fact there is a basis for a business plan. Now, once again I would say that it's conspicuous by its absence, and I would assume and advise and strongly suggest that that is something that can be corrected in the future.

I made a recommendation to the Premier during the Executive Council estimates. I said that one of the things you can measure is the number of telephone calls to your office. How quickly are they responded to? What issues are they on? These are issues, areas, measurements that I'm sure would be of the greatest possible interest to Albertans, to know what other Albertans are calling the Premier on. What are they concerned with? I think the start of the business plan is right there. How many calls are they getting, what are they on, and how quickly are they responding to them? So we've covered the business plans.

The next area that I was quite surprised by was the relative comfort. This isn't to say that the Premier shouldn't have the support of his caucus, but certainly I would assume that his caucus, being as bright and as determined as they are, would have had more questions of the Premier's office. Surely they can't know everything that's going on in the office, and I was surprised that they conceded the one extra hour that they had to ask questions. So that was quite puzzling to me.

I would follow up with a few more questions that we should have. Obviously, I'm saying that there should be a preparation of actual business plans for the office of the Premier and for the area of general administration. In the absence of the business plan and in light of the government's commitment to reporting on the results achieved for the expenditure of tax dollars, I would look to the Premier to indicate what performance measures have been established within his office to date to assess the results that are achieved for \$3.077 million in expenditures during 1995-96. Once again, if we have \$3 million, it's fine, I guess, to say that we carry on the business of the Premier's office, but there has to be something quantitative to follow that qualitative statement. Certainly it seems to be in the direction that the government claims to be going. So I would anticipate that something would be forthcoming in terms of measurement in light of the office of the Premier's mandate to maintain "open communications between the Office and Albertans."

9:20

I would again look to the Premier to indicate whether he believes benchmarks or targets should be established with respect to parliamentary questions responded to by the office, ministerial correspondence, response to public requests for information, and reports to cabinet and the Treasury Board. What due date targets does the Premier feel should be established by the office of the Premier with respect to responding to public concerns in writing?

I would look to the Premier to indicate whether weekly and monthly reports are prepared by his office tracking the views of Albertans on such issues as health care and education, those individuals who correspond with his office by letter or by telephone. What steps are being taken to follow up or respond to the concerns expressed by Albertans through these weekly and monthly tracking reports prepared by the office of the Premier? I would suggest that Albertans shouldn't have to demonstrate on the steps of the Legislature and we shouldn't have to see these things on the television, the 6 o'clock news. Rather, we should

have a reporting of what kinds of concerns Albertans are raising. They should be items that are debated in the House based on actual quantitative analysis as opposed to there were 1,500 people at the steps of the Legislature or 30,000 people in Mill Woods very disappointed with what's happening to the Grey Nuns or 75,000 people signing a petition about the Misericordia. We should have information coming from the Premier's office because in fact the Premier's office is a public office and all information which goes through there, in the quantitative sense, is public information.

There was another issue that I think the Premier should look into and perhaps comment on at some point: the effectiveness of the review panel process established by departments in October 1993 for significant appointments to agencies, boards, and commissions in light of the fact that a number of appointments have been made recently without review panels being established. One of the examples was the chief commissioner of the Human Rights Commission and the president and CEO of the Alberta Special Waste Management Corporation, just to name a few. Now, I was wondering if the Premier would indicate why certain departments such as the Department of Labour have in fact disbanded their review panels. Perhaps that's a direction that other departments as well as the Premier's office should pursue. Also, it would be helpful if the Premier would describe in further detail the process that is used to vet prospective appointments through review panels. Noting that the Public Service Commissioner, Jim Dixon, or deputy minister to cabinet, Vance MacNichol, sit on the review panels in many cases is of some interest. [Mr. Sekulic's speaking time expired]

Could I look for unanimous consent to carry on?

THE ACTING CHAIRMAN: The hon. Minister of Justice.

MR. EVANS: Mr. Chairman, I understand that for some of the designated subcommittees there's only one critic on the opposition side. If the hon. member who was speaking would nod that that is the case with this one, then on behalf of the government I would move that we give him additional time.

MR. CHADI: I want to speak to that, Mr. Chairman. There may be one critic, but the deal that was done with the two House leaders meant that there would be 20 minutes given to each side, and I think that it would be fair.

SOME HON. MEMBERS: That's what he said.

MR. SEKULIC: I get to carry on.

MR. CHADI: Oh, all right. So carry on.

THE ACTING CHAIRMAN: Do we have unanimous consent to allow a second period of time to the hon. critic?

SOME HON. MEMBERS: Agreed.

SOME HON. MEMBERS: No.

THE ACTING CHAIRMAN: Hon. members, I may have confused – if you would like to listen, maybe there wouldn't be so much confusion. Could we have unanimous consent to have the critic for Executive Council take a second period of time, a further 10 minutes?

HON. MEMBERS: Agreed.

THE ACTING CHAIRMAN: Opposed, if any?

Carry on, sir.

MR. SEKULIC: Thank you, Mr. Chairman. It's really good to see that the Minister of Justice in fact has a great regard for justice, and he defended appropriately in this case.

Speaking to another area that was of interest to myself and the opposition, Mr. Chairman, is the Auditor General's report, the recommendations to Executive Council. There was some issue as to how many of the recommendations had in fact not just been adopted but actually acted upon and to what extent. It's one thing to say that, yes, we do agree with the 80-some recommendations, but it's quite another to describe the actions that have been implemented to ensure that these recommendations of the Auditor General are in fact coming to be. There wasn't enough clarification there as to what the actions were that followed with the recommendations, and that's one area that I would be quite interested in seeing a report on in greater detail because of the nature of the recommendations. I mean, when they do come from the Auditor General, there's perhaps the greatest level of objectivity, and it's of interest to the opposition and Albertans in fact to see the progress in this area.

I'd also like to hear the Premier indicate why the business plans for commercial enterprises such as Treasury Branches, whose shareholders are Alberta taxpayers, are not made public in the government's three-year business plan report. In fact, that was another recommendation of the Auditor General in his statement, that each organization and fund should prepare plans and performance reports. So I'd be curious as to what response – perhaps even the Treasurer would pitch in partial response in that area.

Also, I would appreciate it if the Premier would indicate what steps are being taken by Executive Council to comply with the recommendations, as I said earlier, of the Auditor General for individual departments to prepare asset and liability balance sheets, cash flow statements, and revenue and expenditure balance sheets, once again recommendations of the Auditor General and, given the source, I think have to be weighed quite heavily in terms of priority.

The next area that I'd like to pursue. As I said earlier, Executive Council and the Premier's office expend a fair bit of money in the area of polling and not surprisingly a fair bit of money in newspaper clipping. One area that I was quite curious about is how much did the Public Affairs Bureau spend on retaining Chase Communications to provide a newspaper clipping service in 1994-95, and what was the governmentwide cost? Could the Premier explain whether it is cost-effective for individual departments to subscribe to Chase Communications' clipping service at a cost of nearly \$400,000 in 1993-94? Why not use the Public Affairs Bureau as a central distribution point and save, what we calculated, \$280,000 per year? The cost of Chase to the Public Affairs Bureau in 1993-94 was \$120,000. So there is room for improvement, or at least if it's not seen to be improvement, there might be a clarification of why the current system is the best.

Looking to science, research, and technology, there were a number of questions that I still had to ask. One was: how did the minister anticipate the consolidation of the science and research agencies of the province would be accomplished? What formal process is the board of management undertaking to accomplish their task? When will a business plan be released for the Science and Research Authority? Who is responsible for developing the

business plan? Are all the government departments contributing to the business plan? That's something that we heard debated earlier in the Legislature today. In fact, the Member for Cypress-Medicine Hat went on at some length to state his desire to eliminate duplication between the various bodies of government that are conducting similar business. So here are all the government departments contributing to the business plan, and is this in fact the best way to carry out the work?

9:30

The board of management has a significant representation from the private sector. Has the minister consulted with the private sector outside of the board of management? Who has she consulted with? What does the minister feel will be the ongoing relationship with the private sector? Does the minister have a specific plan in mind for targeting research partnerships with small businesses in Alberta? What problems has the minister heard from the private sector with respect to the way in which the Alberta government targets its research priorities?

What has been the input of the university research community to date to the business plan of the Science and Research Authority? This is I guess quite an important area in fact, because I think you're getting onto dangerous ground when you start your decision-making in a unilateral process and certainly if you close the doors on consultation. So it will be interesting to know how the university research community is responding to the business plan of the Science and Research Authority. What does the minister feel is her mandate with respect to university-based research? What has the response of the university research community been to the mandate of the Science and Research Authority?

What specific steps has the minister taken to consolidate the research activities of the agencies, boards, and commissions of the Alberta government? Will the minister provide a list of which specific programs she has taken authority over?

Just a couple more questions here. It is estimated that over \$200 million is spent per year by the government on research and development. What overall savings is to be achieved by consolidating the agencies, boards, and commissions of the Alberta government involved in research through the elimination of duplication? Will the savings in fact occur? What percentage will be an administrative saving, and what percentage will be saved by eliminating duplicate subsidy? What is the anticipated saving through filtering out projects that are not economically viable?

Who will decide which projects deserve R and D funding? This is another area that was discussed earlier. How will we vet which projects will be funded and supported and which in fact won't? Is this the sole decision of the Science and Research Authority Board of Management? What is the recourse for an agency – i.e., a university – who disagrees with the decision? Who has the final say about projects currently operated by individual departments of the government?

So once again we run into some questions over final authority that I think are important to answer. I think with a central authority, if government in fact dictates too much of what research is being done, we do run into some concerns over: is it being ideologically driven, or is it being driven because intellectuals and academics deem it as an area that we should be furthering and investing public funds in in this regard?

In summary, I just want to say that the review of the estimates was productive, that we did get some information. The only area that was really of great concern was the area of responsibility: who assumes responsibility when the system starts to break down?

That was the one that I think was a sensitive area, but the Premier did say that it was in fact him.

The polling: like I said earlier, we would like to receive the results of these polls, as committed to by the Premier. The whole issue of business plans: if the Premier and the Treasurer are going to respond in question period by waving a business plan or at least that big, thick, white book in the air, that there be something on those pages between the two covers. In this case and in the case of the Premier's office, there certainly isn't anything; it's just a blank page. I would hope that that blank page would be filled prior to the next time we debate the estimates of Executive Council.

With those comments, Mr. Chairman, I'll take my seat.

**THE ACTING CHAIRMAN:** The hon. Minister of Justice on behalf of the Premier.

**MR. EVANS:** Thank you very much, Mr. Chairman. Indeed, I am rising on behalf of the Premier to thank the standing policy committee chair for a review of the proceedings at the subcommittee stage and to thank the hon. Member for Edmonton-Manning for his comments. I'm sure that the Premier will read them attentively.

At this point I would now move that the vote be reported when the committee rises.

**THE ACTING CHAIRMAN:** Well, hon. member, I would love to do that, except we have to vote on it first.

Agreed to:

Operating Expenditure	\$23,679,000
Capital Investment	269,000

**MR. EVANS:** I was so enthusiastic and so looking forward to that vote being reported, Mr. Chairman, and I appreciate your wise advice. Now I would move that the vote be reported when the committee rises.

[Motion carried]

### **Public Works, Supply and Services**

**THE ACTING CHAIRMAN:** The hon. Member for Little Bow.

**MR. McFARLAND:** Thank you, Mr. Chairman. It's my pleasure tonight to report on the meeting of March 6, when our subcommittee met with the Minister of Public Works, Supply and Services and a number of his senior staff to discuss the 1995-96 estimates.

In a nutshell if I could, Mr. Chairman, I would like to highlight those points that were brought forward in the '95-96 budget. The first thing was that the budget for the very first time includes amortization of Public Works, Supply and Services' assets, valued at \$2.3 billion. This amortization amount for 1995 is \$55.8 million.

The second highlight is a reduction in the operating budget of over \$33 million and 399 full-time equivalents from the 1994-95 estimates. Expenditure savings in '94-95 of nearly \$100 million resulted from delays in implementing capital projects – primarily health facilities, dams, and reservoirs – and the cancellation of capital projects requested by some program departments.

Specifically, under program 1 the increase results from the department assuming responsibility for payroll, accounts payable, insurance, and Crown debt collections. There was approximately

\$1.2 million provided for these services, which were previously provided by Treasury.

In program 2, expenditure reductions of \$4.4 million from the 1994-95 estimates. The '95-96 budget includes \$950,000 to implement freedom of information and protection of privacy programs. Funding was reallocated from other areas to accommodate this requirement.

In program 3 there is a reduction of \$13.7 million, primarily due to a reduction of over 300,000 square feet of space leased for government departments, the contracting out of property management services, which reduced costs by 30 percent, and reductions in caretaking services and the various levels therein.

In program 4 the 1994-95 forecast of \$166.5 million is almost \$69 million less than the '94-95 budget. This is again primarily due to the delay in implementing health care facility projects and the restructuring of the health care system. In addition, implementation of the Pine Coulee and Little Bow reservoir projects was delayed by the review of the joint panel of the Natural Resources Conservation Board and the federal environmental assessment review office. The '95-96 budget includes \$110 million for construction and upgrading of health care facilities. Capital plans for all regional health authorities are in the process of being finalized. On February 20, 1995, the joint review panel recommended that the Pine Coulee project proceed, subject to cabinet and federal government approvals. In addition, the EIA for the Little Bow project is planned and will be completed in the '95-96 fiscal year. A total of \$24.4 million has been provided for these two projects.

### **9:40**

With respect to government-owned offices and special-use buildings, the department plans to make better use of and extend the useful life of existing buildings.

Public Works, Supply and Services' business plan has a number of accomplishments, Mr. Chairman. The first would be the privatized operations which, where economically feasible to do so, have taken place. Services have been privatized or outsourced, including architectural and engineering design, building construction, nearly 50 percent of property management of government buildings, land appraisals, disposal of surplus goods, printing, systems development, warehousing of building and office products, and courier services. Through departmental streamlining there were 1,057 full-time equivalents eliminated since the start of the business plan and a reduced space inventory of over 2 million square feet. This resulted in the disposition of nearly \$60 million in surplus property.

As a final comment, Mr. Chairman, I would like to thank the members of both sides of the House who allowed the free-flowing exchange of comments and ideas. I believe we stuck to the agreement reached between the members of both sides of the House in restricting our questions as closely as possible to the estimates. We had unanimous consent to adjourn prior to debate, and I might point out that I think we did utilize the time. Although the government members didn't ask quite as many questions, they were able to facilitate a couple of the members opposite in asking a few additional questions. I think we had a very cordial and frank discussion. I quite enjoyed it, and I want to thank the members from both sides.

Thank you.

**THE ACTING CHAIRMAN:** The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. I'd like to start off also acknowledging the chairman, the Member for Little Bow. I certainly would agree with his comments that his chairmanship led to a very conducive exchange. It was certainly very fairly chaired, and indeed we did have some accommodation in the last hour, which was really government members' time, to ask a couple of extra questions.

Just following my colleague from Fort McMurray's comments that the essence of good government is tied to a budget process, what we're seeing with the supply estimates process of the four hours being allocated is certainly a substantive improvement over the previous year. I would go a step beyond that and say that to utilize that full four hours, whether it be government or Official Opposition members, I think it would actually behoove us as a Legislature to seriously look at and to ask all the questions that were possible to be asked, because it's good information that in essence lends to good government. As I say, Mr. Chairman, the basis of good government is in the budget process.

You know, we were trying to ensure that we kept out of the policy areas, but the one thing that I will acknowledge about this government and this Premier: there is an acknowledgement that money is an ineffective tool if you don't have a business plan to drive it. The minute you have a business plan, you're creating in essence the policy of the government of the day. So I think you've got to be sensitive when you get into the budget process that policy and budgeting are very closely tied, and you don't have an effective budget process without acknowledging what it is that's driving the expenditures of this province. I look back at my municipal days and the first year we went through a budget process when I was mayor. We said: take it out of the back rooms of city hall, put it in a public forum, and make every staff member who is in a supervisory position justify the expenditures they are bringing to the council and the commission management committee justify why they need those dollars to expend. That's when you get good management. That's when you get good government. I see the supply estimates, in essence, being the first step in doing that.

Now, I certainly perused, Mr. Chairman, through *Hansard* the minutes of our designated subcommittee for Public Works, Supply and Services, and there still is a sense of frustration that even using this process with the civil servants there and the hon. minister there, we don't have the level of detail in the questions being asked and the answers. I think to really have an effective budget process you have to have openness and transparency. Now, that was mentioned tonight in this Assembly by a government member, that this government is an open government and a transparent government. Well, I would suggest that we've a long way to go before we can actually say that we've achieved the meanings of both of those words. Without that, you don't have an effective way of assessing whether you get your dollar value.

I'd like to just tie it into a couple of areas. You're looking at property management and you look at business plan 1 and you look at business plan 2. Now, I would be asking our bureaucrats: how can there be such a variance in business plan 1 numbers? You start at 1992 and 1993 and you go right through to '94-'95, and you actually look at the variance and the actual between those business plans, and quite frankly, Mr. Chairman, they're way out. We've got to do a much better job of estimating. When you see such a variance, you have to say, "Well, what tools are they using? Are they really on top of what space we need?" So I use that as one example.

I want to move now on to the next example, and that is the role of Public Works, Supply and Services. You know, it's not one of the sexy portfolios, Mr. Chairman, but I would say that it's actually the backbone of good government. If you do not have a very effective Public Works, Supply and Services, it negatively impacts your Health, your Education, or for that matter Justice and other government departments because it's the foundation; it's the basis of making sure that other government departments have the appropriate support systems to make sure that they carry out the programming.

Let's look at Education and Health. We start looking at capital expenditures. Now, we asked the question about the money that's been set aside for capital expenditures in Health, the \$70 million. To be a bit more specific, reading *Hansard*, you don't really know how that \$70 million is going to be expended. I think Albertans deserve to have that level of information. If the Official Opposition's going to be able to do an effective job, you have to have some idea of the criteria that are going to be used for that \$70 million.

Now, we hear that Health makes those sorts of recommendations. I don't think that's good enough. The cabinet ministers sit at the same table, so at the beginning of a budget process, we have to know what criteria are going to be used for expending that \$70 million. Acknowledging as well that if you look at the capital dollars that have been requested by the regional health authorities, Edmonton or Calgary could spend those moneys.

Now, I know that in *Hansard* the reply from the minister and the civil servants was: well, you know, that expenditure doesn't all happen in one year. We know that, but we also know that with the restructuring of health care and even with Education, there is going to be some accommodation being made through capital expenditure for that restructuring.

#### 9:50

Now, to have a business plan effective and the restructuring effective, you should have had the criteria in place and had an appreciation of what capital funds you're going to need. For example, in the Lakeland health region if we're going to community health centres, was there any assessment and definition of a community health care centre? What would have to happen to an acute care hospital to accommodate that type of facility? My sense after asking questions and listening to questions in the House: there hasn't been any sense of what is going to be required and what are the criteria.

[Mr. Tannas in the Chair]

Now, the minister of transportation did a commendable thing when he tabled all the projects for transportation and the criteria that were being used to justify those projects. That's the kind of foreplanning that needs to be in place so that we know money's being spent in the right areas.

Another area where I see us beginning to see some light at the end of the tunnel – and this is something, Mr. Chairman, that I personally have been advocating for years. You have to value your provincial assets and show it in your consolidated financial statements, because without that you do not know whether your privatization is going to be a positive happening. Indeed, if we're looking at selling off some of these facilities the way this government seems to be moving, how do we know what truly is the value of that asset if we've not had it documented five years before, 10 years before?

My fear is – and we're seeing some of that happen right now – that we're selling provincial assets at fire-sale prices. That's a tragedy. It's like me selling my home at the lowest price because of a depressed marketplace to try and balance my budget. So, yes, it's great that we're looking at value of assets, but I hope we're not just going to use it for the fire-sale mentality.

Thank you, Mr. Chairman.

**THE CHAIRMAN:** The hon. Member for Edmonton-Roper.

**MR. CHADI:** Thank you very much, Mr. Chairman. I'm going to keep my comments very brief with respect to Public Works, Supply and Services, but I'm pleased to be able to speak about them. Again, I was not part of the estimates subcommittee, and I would hope to think that what I'm about to talk about was covered. If it was, I'd look for some direction from the minister.

For the minister's own information I'm going to take him to page 267 of estimates in program 3, management of properties. It seems to me that this is probably one of the largest expenditures by program within public works, and it's in the range of \$200 million. It's slightly down from the year before, but we are expending almost \$200 million, and a lot of that goes towards the leases of property for the different government departments, \$87 million to be precise. It's certainly down from the year before, Mr. Chairman, but it's still, in my opinion, a lot higher than I anticipated the 1995-96 estimates would have been in terms of leases from the previous year given the fact that we are downsizing dramatically.

I do know our constraints with respect to leases. We have to abide by them, and whenever they run out perhaps we are looking at that point to consolidate with the different properties that we already own or already have long-term leases on, but I would have thought that we would have been down considerably from last year. It doesn't appear as though it's that much. Perhaps the minister can enlighten us a little bit with respect to some of the long-term leases that we've got and some of the leases that are coming due this year and if in fact we are expecting to see a reduction this year even less than the budget is showing us.

Also with respect to property management business support and property management operations, management operations in the province is sitting now at \$72,410,000. It's about the same as it was the year before. I recall speaking to public works I think it would have been about two years ago now when the very first estimates came out, and we were talking about the property management operations. The minister of the day said that we are looking now more towards privatization of property management operations. I know that in the program delivery mechanism on the opposite page, it clearly states that in fact we are looking at "private sector service or property management contracts." I wonder if the minister can give us an indication as to what is a percentage that is privatized, private-sector delivery of property management, and how much of that would still be in direct government delivery.

Also, with respect to property management business support I'm not convinced that I quite understand that particular element, and I'm hoping that the minister would enlighten us with what in fact the two mean: the property management business support and the property management operations. Perhaps one of them is the privatized and one is the government delivery. Under capital investment we're talking about a further capital investment this year of \$260,000, and last year we spent \$250,000. So it seems as though we have been expending about the same amount of

money on capital for the last couple of years now with respect to property management business support. If, in fact, we were taking this towards private-sector delivery of property management, maybe we shouldn't be looking at expending further dollars in this area at all.

I know that there are a great many property management companies out there that would just be dying to bid on the government contracts if they were ever let out, and I was hoping that by now we would have been well on the road to privatizing the management of our buildings and the leases that we now have in place. So I would hope that the minister could enlighten us in that area.

Just one more area of concern, and that is with respect to information technology and supply. That is on page 265, for the minister's reference. We're spending 3 and a half million dollars on acquisitions and disposals. Under supply, under the definition, it says, "Develops product and equipment standards and specifications and provides advisory services to Alberta businesses."

I'm hoping this is the last year that we see this sort of element in public works. I'm hoping that in fact the Science and Research Authority could be taking some of this over and that with the minister's approval, it would actually move over and allow the Science and Research Authority to do its job of developing products and equipment standards, et cetera, and maybe the sale to Alberta businesses from there on, perhaps even a cost recovery for the expenditure that we are incurring in this province. So maybe the minister can advise us a little about that, if in fact he intends to transfer some of those research expenditures and dollars over to the Science and Research Authority after this fiscal year-end, or in fact even this fiscal year-end, if the authority gets under way and we pass Bill 22 in an appropriate fashion, we could actually move those funds over.

With those comments, Mr. Chairman, I'll take my seat.

**THE CHAIRMAN:** The Minister of Public Works, Supply and Services.

**10:00**

**MR. FISCHER:** Thank you, Mr. Chairman. It is my pleasure to rise and report on the estimates of Public Works, Supply and Services. Certainly this is a fairly diverse department and a big department. Public works involves an awful lot of activities, and they include construction of capital projects such as government buildings, reservoirs, nursing homes, and hospitals. Public Works, Supply and Services acquires leased space for government departments, telecommunications, computer services and also acts as the procurement agency for other government departments and agencies.

Mr. Chairman, Public Works, Supply and Services has exceeded its business plan targets in virtually every core business. The 1995-96 estimates reflect expenditure reductions of nearly a hundred million dollars and staff reductions of over 1,000 full-time equivalents since 1992-93, the beginning of our business plan. These reductions have been achieved primarily by organizational streamlining, privatization, and outsourcing and also reflect a decrease in demand for the services and programs as other departments which we do service for implement their three-year business plans, including the Department of Justice.

I would like to mention that we had an excellent debate on our estimates during our appearance. I did want to comment on a couple of things that the Member for Clover Bar-Fort Saskatchewan mentioned. I did appreciate her remarks about the policy and budget and openness that our department did show at

our meetings. I think we had an excellent meeting that was very valuable to all of us. Myself as a new minister, I appreciated that very much. Certainly the criteria for the capital health projects – that issue, as the member knows, was part of the health authority and the regionalization, and before we could put any plan in place to do or not do capital projects, we had to have the authorities' regionalization take place and what requirements they were planning. It would not be proper to start planning from this side when we did give them that authority.

Also, the fire-sale buildings. I think that when you have a government department or the private sector, if you like, out in the marketplace – when they want to sell something, they have to sell it at the price of the day. After you make up your mind to sell the building or land, then you get an appraisal and you sell it at that particular price. I think our department has done an excellent job of coming very close to the appraised value of the economic times. It's important that we don't keep some of those buildings and facilities, paying the ongoing costs year after year after year, even though we might have paid more money for them a lot earlier on, when the economic times were different. You can eat up all the dollars if you just continually hang on to it and add half a million dollars to the cost each year.

For the Member for Edmonton-Roper. One of the questions that he asked was the difference between the two years with the management properties, where it was \$72 million or close to \$72 million in the last two or three years. Most of that is outsourced contracts that are long-term contracts that are already in place.

Some of your other questions that you were talking about, I'm sure that you could easily find them if you skipped into the *Hansard* of the subcommittee meetings.

I would just like to thank the subcommittee, the members from both sides, for the excellent questions. We did have a nice, friendly three and a half hour meeting.

With that, I would like to ask that we move that the vote be taken on these estimates.

Agreed to:

Operating Expenditure	\$476,390,000
Capital Investment	\$54,900,000

MR. FISCHER: Mr. Chairman, before I mention that this vote be reported, I would like to file the written answers to the questions that we brought back from our subcommittee meeting.

THE CHAIRMAN: Okay. A page will pick them up in a moment.

MR. FISCHER: Do I give that to you, Mr. Chairman?

THE CHAIRMAN: It can be tabled, yes.  
Now, would you make the motion?

MR. FISCHER: I would move that the vote be reported when the committee rises.

[Motion carried]

### Transportation and Utilities

THE CHAIRMAN: We call upon the chairman of the standing policy committee, the hon. Member for Little Bow, to begin.

MR. McFARLAND: Thank you again, Mr. Chairman. Once again it's a pleasure to present my report on the subcommittee of

supply on Transportation and Utilities. On March 13 our committee met with the minister to discuss the '95-96 estimates. The minister was accompanied by his deputy, Mr. Harvey Alton, and the assistant deputy minister of administration as well as the assistant deputy minister of lotteries and gaming and the chairman of the ALCB. These officials were available to answer specific questions about their program areas, and I want to thank the minister for his typically frank discussion and definitive responses that he gave to the questions forthcoming from the '95-96 estimates.

To open the discussion, the minister outlined the major areas of his department's operations for this coming year. He detailed the various and diverse aspects of the portfolio and provided relevant handout materials. All of this information and material was quite helpful, and I believe the whole committee would concur with that.

In his overview the minister explained that the main function of the department is protection, maintenance, safety, and the future development of the highway systems and ancillary structures such as bridges in our province. His department assists the municipalities through consultation and grants to these same ends. It is also involved in the operation of the Motor Transport Board and the Motor Transport Act, which again relate to the safety of our highways and the safety regulations pertaining to truckers and other travelers on our highways. The minister then spoke in quite a bit of detail about the major expenditures that occur every year not only in construction of highways and bridges but also in maintenance. In fact, some \$70 million is required just to provide the ongoing maintenance.

### 10:10

The minister then gave a brief rundown on various other programs, such as the REAs, Gas Alberta, and the Canada/Alberta infrastructure program as well as the airports that the department currently looks after but is planning to divest itself of. The minister made detailed reference to the organizations within his portfolio – namely, Alberta Lotteries, the Gaming Commission, the Racing Commission, and the ALCB – and talked about reviewing the functioning of these organizations in the next year.

The minister also pointed out the advantages and changes that have taken place within Alberta Public Safety Services and the cost savings to be realized by the amalgamation of this agency with Transportation and Utilities.

In all, Mr. Chairman, the minister provided a very good overview, especially of how Transportation and Utilities has gone from a budget of \$1.2 billion down to \$621 million.

We then entertained some questions from the members on a broad number of issues. To briefly highlight a few of those, Mr. Chairman. The first one began on the issue of strategy for air transportation in the province and airports in general. Considerable discussion was given to Alberta's road systems, in particular the primary and secondary highways. Debate was wide ranging, from matters such as slight policy matters to privatization to where the minister expects savings in the 20 percent range to major projects such as the twinning between Fort Macleod and Lethbridge and specific items like the Red Coat Trail through Manyberries. I knew Lethbridge-West would be happy to hear that one. As well, there were many specific questions relating to Lotteries and the ALCB.

Finally, Mr. Chairman, we ended with unanimous consent that the debate on the '95-96 budget estimates of the Department of Transportation and Utilities was concluded and that the estimates

in our view had been well reviewed by the designated supply subcommittee.

Again, Mr. Chairman, I want to thank all the members who partook from both sides. I frankly enjoy these kinds of meetings much more than some of the debate that goes on here. I think we gave ourselves a pretty fair day exchanging some good ideas, and I compliment both sides on the quality of questions that were forthcoming and the minister for some pretty decent material that was handed out and his responses to all of us. I believe I can say with quite a bit of confidence that we completed our debate and we shouldn't have to have too much more.

Thank you.

THE CHAIRMAN: Okay.

The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Chairman. I tend to agree with the chairman that the discussion was open and frank and certainly cordial, and I must on behalf of all the members from this side that have spoken tonight compliment those on the government side with the co-operation in this forum of discovery. It really was quite fruitful from both sides. I have to compliment the chairman on conducting a very good meeting, and when he was unable to continue because he had to go off somewhere else, the Member for Dunvegan filled in and did a very good job also.

The chairman of that committee says something special now about the minister, this minister being well known for being frank. Well, that was well demonstrated when asked about a particular point on the air transportation policy. His deputy went to some great length to talk, three to five minutes, about the policy, and then at the end of the little dissertation the minister interrupted – and I quote from *Hansard* – "Let me answer a little more directly." Now, that's the style of the minister. The minister got right to the point many times and was really quite forthright in many of his answers. Some of them, of course, he had some difficulty answering. Tonight I'd like to review some of the answers that were given, ever so briefly, and hopefully they will be answered some time in the future similar to what the minister of public works has done just now with his filing.

The question is – and it has not been answered as yet and hasn't been forthcoming. On page 32 of *Hansard* the minister did say that he would provide this side with the latest of the government of Alberta's air transportation strategy, recognizing that it is in the works. He did file some time this past week a base study, that I presume is the early stages of a complete strategy. He did also say at the time and his deputy did say that there was in fact a strategy in place, and we asked for a copy to perhaps be filed or just sent along so that we could understand what the government's aim is on this. That has yet to be provided.

Although the base study reports a great deal of factual data insofar as the existing situation with the airports, it doesn't do anything in the way of predicting what should happen and what could happen. Being that air transportation is fundamental to economic development, I would suspect that there should be a published policy so that all those concerned can understand what it is.

The annual report of the department on page 19 under Policy and Planning says:

To oversee the development of an Alberta Air Transportation Strategy, the department established a Steering Committee with representatives.

This is a report of last year, a 1993-94 annual report. Presumably there are some reports that have been filed. Those reports should

in fact be filed, and we just ask that we have a look at them just to critique them in some small way and to be able to report to our publics that in fact the Alberta government is doing that which they can to provide those services.

Moving on to another area that's called disaster services, I have a little difficulty understanding how the numbers came about. The minister was reported on page 31 in his initial statement to the committee as saying that

we will save about 1 and a half million to start with on the operating budget of \$5.4 billion. We will also save some 40 positions out of the 84.

Well, I did what I could to find those numbers. In fact, I find that the numbers in the budget document are considerably different than those reported. If you're looking at disaster recovery, yes, there's about a \$3 million difference there, but I certainly cannot find the \$5.4 million, unless of course one adds that entire program up without the disaster recovery, which is another program. I can't find the 1 and a half million dollars either. I can't find those numbers within the budget documents.

The other thing that is a little questionable too: if disaster services in fact are set up for what would be the objective – to develop an overall provincial program of preparedness in response to emergencies and disasters – when you cut, in the minister's words, half the staff and you cut out, in his terms, a quarter of the budget, how does one maintain that preparedness? Of course, the only test of that is in fact a disaster, and I'd hate to have not made it known in this House that this side is concerned that there don't seem to be any studies – and if there are, we'd like to report those – to say that, yes, the preparedness is in fact there.

Now, agreed, the minister is careful to point out that the three disasters that have occurred in the province of Alberta – the Hinton train crash, the Edmonton tornado, and one other that I can't quite recall at the moment – have been studied the world over for preparedness and people have been sent here to study those. That being the case, then surely we should be able to look at whether in fact we can deliver the same service for less cost and report same to this House. Certainly that is in the best interests of all, not just those that sit in the House but those that are unsuspecting. Perhaps a disaster could strike in Alberta at any time.

10:20

Moving to disaster services and dangerous goods control, we see there is 3 and a half million dollars that is lost there, and we're not sure how that occurred with the transfer. We'd like to have something back from that. That number in comparison with a number given by Mr. Alton, the deputy minister, on page 35 of *Hansard* – this is in public safety services, and he's talking about FTEs, full-time equivalents. That has moved to 75 FTEs, down from 81. That being the case then, how did the minister go, as I said earlier, from 84 to 40? The numbers I have a little difficulty with. We'd like to have a little explanation of those numbers.

In the same area we did not get around to asking the simple question: why is disaster recovery, which includes the southeastern Alberta disaster assistance program that is clearly to cover some income losses owing to severe and prolonged drought, and presumably those are some primary producers in the province – that being the case, why is it here as opposed to in agriculture? Or if it's drought related – although I suspect it's probably not in an area where there's some subsidization of water transportation and therefore would not be in the department of environment. But it does seem that this department is misplaced. Aside from the fact that there's some \$24 million there, presumably the loans would be upwards of \$250 million or more that we're guaranteeing and in fact subsidizing.



There are a number of questions . . . [Mr. White's speaking time expired]

Mr. Chairman, if I might, with the permission of the House leader.

THE CHAIRMAN: The Chair indicated that in the instance when we only had one critic from the opposition, we would ask for unanimous consent to let that member complete their thoughts in the second part. So if we have unanimous agreement for that, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed?

Yes. The hon. Member for Edmonton-Mayfield to complete.

MR. WHITE: Thank you, Mr. Chairman. Thank you, Mr. House Leader.

On or about page 55 of *Hansard* the minister was asked a number of questions with regards to the deliverance of service in the transportation and utilities area, particularly in transportation, setting aside the utilities for a moment, that there was a rural bias and rightly so because of the distances traveled. We were just asking about the rural bias on a per capita basis. Well, the minister answered and then was supplemented by Mr. Tannas, the Member for Highwood. The minister answered to the effect – and I will have to paraphrase this because it's a long paragraph – that the subsidies are due to the fact that the gas and oil and coal and all of those minerals are situated in rural Alberta. We have a little difficulty with that explanation. Surely the minister can provide a little better explanation than that. In law and in practice the resources of the province are not distinguishable in ownership from rural to urban.

Another area that puzzles us somewhat is the development of the annual construction program in a document published by the Alberta Transportation and Utilities department called the Construction Programming Process, part 3 of that report, page 9, the development of the annual construction program. The very last paragraph of an otherwise relatively unenlightening little bit of dissertation here trying to explain how one project is advanced over another outlines a bit of an explanation on how the detail is augmented and somehow they come up with the program. Well, this member, having had a little experience years ago in the construction business and in the engineering business, would say: look, there has to be and surely there are some fundamental tests that can be applied to prioritize these projects, particularly in rural Alberta, so that all areas of the province have a similar, if not exact, level of service delivered to them. We suspect that there could and should be a much better published form of prioritizing the conditions that lead to the decisions.

The last consideration is that there was some discussion of the ALCB at the end of the period. In fact, there was one question asked: in that the ALCB does no longer handle or own the product, does not do anything but really collect tax and regulate the body, would it not be wise then to reform the ALCB into another form, an advisory committee? If that were so – it would be a direct arm of the government – what form would and should that take in the not-too-distant future?

Mr. Chairman, I'd like to again thank the committee members and certainly both committee chairmen for running a very good meeting and in fact would thank you very much for your time, sir.

THE CHAIRMAN: The hon. Minister of Justice.

MR. EVANS: Thank you, Mr. Chairman. On behalf of the Minister of Transportation and Utilities I'd like to thank both my colleagues the hon. Member for Little Bow, the chair of the standing policy committee, and the hon. Member for Edmonton-Mayfield for their comments. Regrettably the Minister of Transportation and Utilities is ill this evening and can't be here. I undertake, of course, that I'll point out to him the questions and the issues that were raised, and I'm sure that in his normal manner he will get back to the hon. member opposite to address the concerns. Accordingly, I would call for the question.

Agreed to:	
Operating Expenditure	\$644,179,000
Capital Investment	\$120,483,000

THE CHAIRMAN: The hon. Minister of Justice.

MR. EVANS: Thank you, Mr. Chairman. I move that the vote be reported when the committee rises.

[Motion carried]

THE CHAIRMAN: Are you ready for department by department? [interjections] Thank you.

10:30

Agreed to:	
<b>Advanced Education and Career Development</b>	
Operating Expenditure	\$1,027,643,000
Capital Investment	\$280,000
Nonbudgetary Disbursements	\$55,879,000

MR. ADY: Mr. Chairman, I move that the vote be reported when the committee rises.

[Motion carried]

Agreed to:	
<b>Agriculture, Food and Rural Development</b>	
Operating Expenditure	\$369,851,000
Capital Investment	\$3,329,000

MR. PASZKOWSKI: I move the vote be reported when the committee rises.

[Motion carried]

Agreed to:	
<b>Education</b>	
Operating Expenditure	\$1,484,710,00
Capital Investment	\$774,000
Nonbudgetary Disbursements	\$122,015,000

MR. EVANS: On behalf of the Minister of Education, I move that the vote be reported when the committee rises.

[Motion carried]

Agreed to:	
<b>Energy</b>	
Operating Expenditure	\$79,164,000
Capital Investment	\$8,487,000

MR. EVANS: On behalf of the Minister of Energy, I move that the vote be reported when the committee rises.

[Motion carried]

Agreed to:

<b>Federal and Intergovernmental Affairs</b>	
Operating Expenditure	\$6,081,000

THE CHAIRMAN: The hon. Minister of Federal and Intergovernmental Affairs.

MR. ROSTAD: Yes, Mr. Chairman. I move that the vote be reported when the committee rises.

[Motion carried]

Agreed to:

<b>Health</b>	
Operating Expenditure	\$3,552,941,000
Capital Investment	\$435,000

MRS. McCLELLAN: Mr. Chairman, I move that the vote be reported when the committee rises and reports.

[Motion carried]

Agreed to:

<b>Justice and Attorney General</b>	
Operating Expenditure	\$343,545,000
Capital Investment	\$2,117,000

MR. EVANS: I move that the estimates in my department be reported when the committee rises.

[Motion carried]

Agreed to:

<b>Municipal Affairs</b>	
Operating Expenditure	\$409,823,000
Capital Investment	\$4,982,000
Nonbudgetary Disbursements	\$100,000,000

MR. THURBER: Mr. Chairman, I move that the vote be reported when the committee rises to report.

[Motion carried]

Agreed to:

<b>Treasury</b>	
Operating Expenditure	\$41,679,000
Capital Investment	\$1,417,000
Nonbudgetary Disbursements	\$25,600,000

MR. EVANS: On behalf of the Provincial Treasurer, I move that the estimates of Treasury be reported when the committee rises.

[Motion carried]

Agreed to:

<b>Legislative Assembly</b>	
Support to the Legislative Assembly	
Operating Expenditure	\$20,697,798

Office of the Auditor General	
Operating Expenditure	\$9,774,774
Capital Investment	\$200,500
Office of the Ombudsman	
Operating Expenditure	\$1,038,000
Office of the Chief Electoral Officer	
Operating Expenditure	\$890,014
Office of the Ethics Commissioner	
Operating Expenditure	\$172,233
Office of the Information and Privacy Commissioner	
Operating Expenditure	\$450,000

THE CHAIRMAN: The hon. Minister of Justice.

**10:40**

MR. EVANS: Thank you, Mr. Chairman. I move that the budget of the Leg. Assembly be reported when the committee rises.

[Motion carried]

MR. EVANS: It gives me great pleasure, Mr. Chairman, to now move that the committee rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions reported from the designated supply subcommittees, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1996, for the departments and purposes indicated.

Economic Development and Tourism: operating expenditures, \$95,484,000; capital investment, \$700,000; nonbudgetary disbursements, \$37,000,000.

Department of Environmental Protection: operating expenditures, \$317,475,000; capital investment, \$8,658,000.

Department of the Executive Council: operating expenditures, \$23,679,000; capital investment, \$269,000.

Department of Public Works, Supply and Services: operating expenditures, \$476,390,000; capital investment, \$54,900,000.

Department of Transportation and Utilities: operating expenditures, \$644,179,000; capital investments, \$120,483,000.

Mr. Speaker, the Committee of Supply has also had under consideration certain other resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1996, for the departments and purposes indicated.

Department of Advanced Education and Career Development: operating expenditures, \$1,027,643,000; capital investment, \$280,000; nonbudgetary disbursements, \$55,879,000.

Department of Agriculture, Food and Rural Development: operating expenditures, \$369,851,000; capital investment, \$3,329,000.

Department of Education: operating expenditures, \$1,484,710,000; capital investment, \$774,000; nonbudgetary disbursements, \$122,015,000.

Department of Energy: operating expenditures, \$79,164,000; capital investments \$8,487,000.

Department of Federal and Intergovernmental Affairs: operating expenditures, \$6,081,000.

Department of Health: operating expenditures, \$3,552,941,000; capital investment, \$435,000.

Department of Justice and Attorney General: operating expenditures, \$343,545,000; capital investment, \$2,117,000.

Department of Municipal Affairs: operating expenditures, \$409,823,000; capital investment, \$4,982,000; nonbudgetary disbursements, \$100,000,000.

Treasury Department: operating expenditures, \$41,679,000; capital investment, \$1,417,000; nonbudgetary disbursements, \$25,600,000.

Mr. Speaker, the Committee of Supply has also had under consideration certain other resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1996, for the Legislative Assembly for the purposes indicated: support to the Legislative Assembly, \$20,697,798 for operating expenditures; office of the Auditor General, \$9,774,774 for operating expenditures, \$200,500 for capital investment; office of the Ombudsman, \$1,038,000 for operating expenditures; office of the Chief Electoral Officer, \$890,014 for operating expenditures; office of the Ethics Commissioner, \$172,233 for operating expenditures;

office of the Information and Privacy Commissioner, \$450,000 for operating expenditures.

Mr. Speaker, I would also like to table copies of documents tabled during the Committee of Supply this day for the official records of the Assembly.

THE ACTING SPEAKER: Thank you, hon. member.  
Are you all in favour of the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any? Carried.  
The hon. Deputy Government House Leader.

MR. EVANS: Thank you very much, Mr. Speaker. First of all, I'd like to congratulate the Chairman of Committees, the hon. Member for Highwood, for a magnificent report. I know that he's anxious to spend some additional time tonight dealing with legislation, but I think hon. members would agree that he's done such an outstanding job that we should now move that the Assembly stand adjourned until 1:30 o'clock tomorrow afternoon.

[At 10:50 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

