

Legislative Assembly of Alberta

Title: Wednesday, March 13, 1996 **8:00 p.m.**
Date: 96/03/13
 [The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: Please be seated.

[On motion, the Assembly resolved itself into Committee of Supply]

head: **Committee of Supply**

[Mr. Tannas in the Chair]

THE CHAIRMAN: We now are in Committee of Supply. For the benefit of those in the gallery, this is a less formal part of the Legislature. You can see that some people will take off their jackets. We're allowed to have coffee or juice in here, and they do not have to stay in the places that you see them assigned in the handout showing where everybody sits.

We have a couple of conventions here. One is that in order to speak, the member must stand at their regular place, and another rule we have is that only one member is allowed to stand and talk at a time. That I'm directing more to the members just to remind them.

head: **Main Estimates 1996-97**

THE CHAIRMAN: Are we going to go by the convention we had before? Hon. Deputy Government House Leader, are you going to speak to that?

MR. EVANS: Thanks, Mr. Chairman. As I understand it, the procedure tonight will be as we've done before, where we would have the minister responsible make some short introductory remarks. We'd then move to the opposition side for 20 minutes' worth of questions and then move to the government side for the same kind of time frame.

MR. DICKSON: With respect, Mr. Chairman, I think what we'd sooner do is simply alternate in the usual fashion for the length of time that we're dealing with the estimates of this particular department, rather than doing the 20-minute block.

THE CHAIRMAN: Okay. I'm here to facilitate the committee, not to make the rules, so is that agreeable to you, hon. Deputy Government House Leader?

MR. EVANS: Well, Mr. Chairman, I believe that the process has worked very satisfactorily, in fact very well, up to now. I think hon. members would generally agree. So I'd begin this evening with a motion that the process for this evening's three-estimate review would be that the minister responsible would begin with some preliminary comments. We would then move to up to 20 minutes of questions from the opposition and then move to the government side for up to 20 minutes' worth of questions as well.

THE CHAIRMAN: Hon. members, while we're thinking about which way the committee is going to go, I would ask for unanimous consent to introduce guests.

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

head: **Introduction of Guests**

THE CHAIRMAN: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. I am honoured to present to you 30 Cubs from St. Albert troop 12. They are here tonight earning their government badge. They are here with their dynamic leaders: Greg Masick, Ian Lande, Kent Larose, Mathew Wesolowski, and Neil Wenger. They are also joined by parent helpers and family members: Ian and Alex Luty; Douglas and Laura Moore; Linda, Ted, and Jaclyn Bloomfield; Mike Sharman; Tim Stblyk. They are seated in the public gallery. I'd ask they do rise and receive the warm welcome of the Legislative Assembly.

head: **Main Estimates 1996-97**
(continued)

THE CHAIRMAN: Okay. Hon. members of the committee, we have before us a motion proposed by the Deputy Government House Leader that we have the minister speak, then have 20 minutes however the opposition wishes to speak, and the remainder of time would be either government members or, if there aren't any to fill in the time, then the opposition would be able to ask questions in that remaining time. That's how I understand the motion, deputy House leader.

MR. EVANS: Just for clarification, Mr. Chairman, what are you considering to be the full time frame that would be available for questioning on each estimate?

THE CHAIRMAN: I'm not considering it. That's the committee's job. As I understood it and said it last night: the minister would speak and then there are 20 minutes to each side. The committee may choose to go whichever way they wish. I'm only at your call.

MR. EVANS: I appreciate your clarifying that, because that was the intent of my motion, that we would begin with the minister speaking for 5 minutes and then have 20 minutes on either side maximum and then move on to the next estimate. I believe, Mr. Chairman, that that was the agreement between the House leaders. I'm speaking with secondhand information here because I've not been a party to those discussions, but I believe that was the agreement. Certainly, as I said in my preliminary comments, that has worked quite well this week, and I would assume that it would continue to work well this evening.

MR. DICKSON: I have the same handicap as the Deputy Government House Leader. [interjections] There's so little respect for a noble profession, Mr. Chairman.

Mr. Chairman, there has been a practice which has been applied in some of the Committee of Supply debates, but contrary to the assertion of the Government House Leader – he may feel it worked well from the government perspective – it has not worked well from our side of the House. The reason is that that has been part of a package that tries to cap debate after a finite amount of time, and we always end up with questions unanswered, questions unasked.

I think that this evening what we wanted to do was rely on the typical practice of going back and forth until questions are

exhausted or until we rise. The point to make is that the kinds of time limits we've used other nights are wholly arbitrary and simply don't allow for the kind of scrutiny and the kind of assessment that members on this side feel the large dollar amounts involved and the important subject matter require.

So for that reason, Mr. Chairman, the practice that has worked on past occasions simply isn't working, and we think it's time to change it. Until we come up with something better, we would go with the normal long-standing convention of the House in terms of alternating speakers.

MR. KLEIN: Mr. Chairman, in order to expedite matters, I will relinquish my time for an opening statement. Let's get on with it.

THE CHAIRMAN: Okay. We have a motion before us.

[Motion carried]

Executive Council

THE CHAIRMAN: In spite of your offer, Mr. Premier, that's going to be the way with all of the ministers. For Executive Council, if you wish to make an opening statement.

MR. KLEIN: I'm open for questions.

THE CHAIRMAN: Okay. Twenty minutes to go.
The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Chairman. First of all, I'm happy to welcome the Premier here this evening to discuss the Executive Council estimates. These are estimates that the Premier of course supervises in their entirety, and . . .

MS CALAHASEN: He was supposed to make that speech, not you.

MR. GERMAIN: I'm sorry?

8:10

THE CHAIRMAN: Order. I didn't catch your comment or the outburst that appeared to have come from the other side. I'll invite you again to begin your questions. [interjections] Well, if the same minister could work with you, hon. member, we'd be away.

We have agreed to go 20 minutes a side, so we will invite whomever wishes to to lead off. The Premier has said that he will just respond to questions relative to the estimates of Executive Council, and I am now calling on the hon. Member for Fort McMurray to begin without interruption.

MR. GERMAIN: Excuse me, Mr. Chairman. Had you not called on me earlier?

THE CHAIRMAN: Indeed I did.

MR. GERMAIN: The hon. Member for Lesser Slave Lake took exception to that, so I sat down, Mr. Chairman. I'm sorry. Proving once again that from Fort McMurray we aim to please.

I'm happy to continue with my comments, but I understood that when the Premier relinquished his 20 minutes that meant there would be 40 minutes of constructive questioning from this side of the Legislative Assembly. That's what relinquishment means.

THE CHAIRMAN: That's an interesting proposition. However, hon. member, you are taking away your time. No. Twenty minutes and the leadoffs were not counted in the time. So, you're already eating into your 20 minutes.

MR. GERMAIN: But surely, Mr. Chairman . . . [interjections]

THE CHAIRMAN: Order. [interjections] Order.

MR. GERMAIN: Well, they may not be interested in his nearly \$10 million of promotion and advertising budget in Lesser Slave Lake, but I believe in other parts of Alberta they are interested, Mr. Chairman. So if I could focus on the estimates, I'm happy to do that. I thank the Premier for relinquishing his time. I had thought that he had relinquished it so that we could ask more questions.

Now, Mr. Chairman, as you know, we have a systemic flaw in our budget debates because two sessions go concurrently. On the particular day that the Premier was holding court down here last week, I was involved with the Community Development estimates. So if in some fashion I raise issues that the Premier believed he had answered before, then I'm sure he will understand and answer those inquiries again.

Mr. Chairman, one of the areas that the public reacts to when they hear about the government and they talk about the government is – they constantly say that we have too much government, and it spends too much money. When they say that, they're not talking about the services in the field. They're not talking about the teachers in the classroom. They're not talking about the nurses and nursing assistants in the hospital. What they are talking about is the model of government itself, the amount of government machinery that could be reduced still further in the interests of providing more money for line services.

Now, I concede that the budget items that are under the Premier's control have reduced by percentage in the last few years, but he reduces his departments by percentage no more than he seeks to reduce education, no more than he seeks to reduce health care, and some of the other important on-the-line services. So I would like to challenge the Premier today to speak to us out loud this evening about some of his cost items and whether he is not confident that they could be trimmed yet another 10, 15, or 20 percent. I want to point out to the Premier that he incurs a budget of \$2.8 million basically operating the office of the Premier.

The office of the Premier, Mr. Chairman, is a slightly more sophisticated office than that of a cabinet minister, but most of the cabinet ministers operate their departments for around \$350,000 a year. This Premier is expending \$2.8 million in his particular office. While it is true that he is the Premier, the Premier is really simply the first among cabinet ministers. When his costs are that much out of line with other ministries, he faces a strong onus to tell the House why that is and what steps he is taking to further reduce those expenditures, particularly at a time when this province has a budget of over \$30 billion, some of it contributed to the citizens of this province by the Premier. While it is well and good for him to say, "I am turning the ship around," every Albertan wants to know why the ship is not turning around perhaps faster than the Premier's wishes.

Now, in his personnel administration as well I want to point out that there's an expenditure there of over \$7 million, and in addition this year we have a new expenditure: \$500,000 for the office of the chief information officer. Well, the Premier prides himself on being a most eloquent spokesman for the government

and for his political party, Mr. Chairman. One has to wonder why we need half a million dollars spent on an information officer each year.

Now, when one does a rough job creation versus expenditure calculation on the Premier's budget – that is, cost versus jobs created – we find that he creates about 43 jobs for \$2.7 million. That works out to roughly \$60,000 per job. I want to ask the Premier tonight if he agrees that that is the average salary of his overall staff, and I want to ask him what steps he has taken to reduce that salary. In particular, I'd be interested in knowing if any of his staff have this year received increases by way of bonus, time off with pay, trips on behalf of the government out of the dominion of Canada, or any other perk of office that may be considered to have a cash-intuitive value to it. I'd be grateful if the Premier would explain those situations to us and whether he is proposing anything like that in this budget year that we are now going into. Those types of questions Albertans do want to know.

Now, the Premier in his department, Mr. Chairman, is also spending \$506,000 on what we call print and graphic design services. I understand that to be printed pictures coming out of the Premier's office with the Premier's smiling face on it and his signature outlining some government program. I wonder if the Premier has asked his department to do a cost analysis on removing his formalized greeting from all of those publications so that the publications were restricted to the bare-bones message that the Premier wanted to extend and not public relations gestures on behalf of the Premier.

Now, Mr. Chairman, I point out that if Alberta had no debt, perhaps we could afford to be a little more generous in this approach, but when this province has a \$30 billion debt, then it is important that everybody from the top down make the cuts and the sacrifices that they ought to make. I don't think Albertans would think any less of the Premier if he made a sacrifice by cutting 20 percent out of his publications budget by removing his formalized greetings and his picture off the front of all the government publications that he authors in his name.

MR. KLEIN: I agree. I agree.

MR. GERMAIN: In fact, in fairness to the Premier, I would suggest that he is well enough known now that he does not need this propping up at the taxpayers' cost.

I hear him agreeing with me. I'm happy to have his agreement, because when we later vote and we bring in an amendment to perhaps roll back some of these costs, when we deal with the estimate, the members of the caucus opposite who normally tremble in fear that they will vote contrary to the way the Premier wishes will recall and harken back to his comment tonight that he agrees and will stand up and vote to remove that portion of the cost.

MR. SHARIFF: Point of order.

THE CHAIRMAN: The hon. Member for Calgary-McCall is rising on a point of order. Do you have a citation?

Point of Order Clarification

MR. SHARIFF: Standing Order 23(h) and (i). The hon. member just made a statement that the members on this side of the House fear and tremble to vote against a Bill. Mr. Chairman, that is not true. I don't fear and tremble to vote whichever way I choose,

and I expect an apology from the hon. member.

THE CHAIRMAN: That would appear not to be a point of order but a point of clarification. Thank you for that clarification.

We'd ask the hon. Member for Fort McMurray to continue.

8:20

Debate Continued

MR. GERMAIN: Yes. You know, Mr. Chairman, I had many more interesting cost-saving measures to discuss with the Premier, but at the risk of unduly agitating the Assembly and in recognition that there are many of my other colleagues who want to squeeze into the time that has been conceded by the Premier, I will now take my place.

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

DR. PERCY: Thank you, Mr. Chairman. My questions to the Premier deal with, first, the issue of significant appointments. In the designated subcommittee last year and the year before the Premier had stated that significant appointments would go through a specific type of review process and that the composition of the panels would be known as would the outcome. I generally keep my ear to the ground, and I rarely see any mention of in fact which committees have been appointed, which appointments have gone through that, and who in fact is on the board. So one question I have is: what has happened to the process that had been set out for significant appointments? Certainly that has to be publicized, because that I think is an important issue.

The second question deals with the role of the Public Affairs department. My colleague had mentioned that it spends over \$9 million. If you go through – and it's an issue I had raised last year – every department, Education has a communications budget of \$327,000, economic development's corporate and public relations is \$783,000, in Community Development we're looking at \$277,000, and in agriculture it's \$2,631,000, just to take a few examples. Other departments have rationalized what they've done. In fact, in computing, I was surprised to learn – I guess it was in the environmental subcommittee – there is now a single person that has sort of been put in place to co-ordinate software and electronic data services. Why not in Public Affairs? Each and every department has its own separate department, and there's got to be a lot of duplication there. I know that the needs of departments vary, but I can't believe that each department needs to spend the resources that one sees throughout the various programs here.

The other issue relates to the process – and this I had raised in our initial meeting of the estimates committee – of determining salaries for senior civil servants and an ability for some mechanism to be set up that's arm's length, perhaps statutory in nature, where you have corporate headhunters tell us what the price is of getting senior management. So it's out of the Assembly, it's out of the PAO, and it's out there so we can all point to it and say it's arm's length, fair, and represents the market price to hire civil servants. I think the bottom line is: the ability of any government to both propose and dispose depends so critically on the calibre of the civil service. I would think given the freeze and given the uncertainty of tenure in the civil service, we are losing and hemorrhaging a number of very capable people that we're not replacing given the salaries that we're at.

With those comments, I'll take my chair.

MR. DICKSON: Mr. Chairman, I'd direct the Premier to vote

3.0.1 and 3.0.2. The concern is the fact that we have . . .

MR. KLEIN: Page number?

MR. DICKSON: Page 197, hon. Premier, in the estimates booklet: program 3, personnel administration. Looking at elements 3.0.1, 3.0.2, perhaps the Premier can confirm. My understanding is that each one of the 17 departments of government is free to establish its own policies in terms of severance, in terms of what kind of notice will be given in lieu of severance, in terms of what sort of compensation is available to outgoing employees. It seems to me, Mr. Premier, that that is at odds with the kind of co-ordination that you talk about in your ministry business plan where you talk there on page 203 about co-ordinating "cross-department initiatives." I guess that begs the question: why would an equivalent employee in one department be entitled to certain kinds of compensations, certain kinds of notice, a certain kind of treatment when their position becomes redundant or they no longer have a job than somebody with an equivalent position in a different government department?

I would give you by way of an example: if you look at the Department of Economic Development and Tourism, the rules there are very different, Premier, than they are for transportation, and they're very different again in, I think, the Department of Education. Wouldn't it make sense to harmonize, to have a standard treatment so that employees at the equivalent level would be treated the same way? It opens up concerns that ministers in some fashion are influencing what really ought to be an arm's-length process. So I'd like some response, hon. Premier, in terms of why that exists and why we don't have a standard regime.

The other thing, Premier, is the concern that I think a number of civil servants have, that some departments are considerably more open to internal constructive criticism, suggestions in terms of how a department could be re-engineered, how costs could be saved, how a service could be provided more effectively. I'm interested in knowing what initiatives you've taken in the last year through your office to ensure that in every department of government there is a genuinely open door so that employees in Family and Social Services and the Department of Justice and the Department of Health and each one of the departments recognize that there's not just a rhetorical objective but a meaningful commitment that if people have got ideas, there's somebody who's going to listen to them and it means they don't put their jobs on the line when they do that. The Minister of Justice always has an open door, and I get feedback that people appreciate his flexibility. Certainly there are other colleagues who are that responsive, but some aren't, and it seems to me, Premier, that this is sort of a leadership function that has to come through this office.

Now, the other question – and this is one I asked you two years ago – has to deal with Crown copyright. I note that last evening, last go-around, you talked, hon. Premier, about \$1.5 million in projected revenues through Queen's Printer bookstores. I go back to a complaint that your all-party panel on freedom of information heard in October of 1993 where a businessman came forward to the members of that panel from that side and this side of the House. This gentlemen had been interested in being able to make regulations and statutes and so on available in electronic form to a significant number of people inside and outside the province, and he reported that he got runaround after stall after noncommittal response.

In Canada we have sort of two different approaches. We've got one approach where a government says, "Statutes and regulations,

these belong to the people, and we want to do everything we can to make sure they're as accessible as possible." You have other provinces that take the position, "People need it, we're going to charge for it, and we're going to generate as much revenue as we can." I'm still not clear, Premier, because there's been no announcement from your government, which camp we are in in this province. Which school of thought are you following? Which approach are we taking?

I say with the greatest respect that you've shown some real leadership in this province with your initiative with the Freedom of Information and Protection of Privacy Bill. But it seems to me it would be consistent with that kind of leadership that you've already demonstrated to say that when it comes to laws, whether they're regulations or statutory instruments or statutes, we want to make sure these are as accessible and as available as they possibly can be. This shouldn't be a moneymaking source. I grant you, you want to cover costs, but it ought not to be a place where we try and make a profit. So I'm interested in the position that you have with respect to that, Mr. Premier.

I know there are many others who want to speak, and because we have a time restriction, I'll surrender the floor to one of my colleagues.

8:30

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

MR. SEKULIC: Thank you, Mr. Chairman. I just had a few questions that I wanted to raise. Last year in the debates on the estimates for Executive Council I raised a few points with the Premier, and those points were pertaining to the costs of polling. In particular, I asked for . . . [interjection] Polling? Doing polls on various issues – right? – to determine which issues Albertans were concerned with and what the magnitude of their concerns was.

I guess this year what I'd like to follow up: is that type of polling still continuing in Executive Council? I'm fairly sure it would be, because you do have . . . [interjection] No, it's not? I was wondering, then, if it were, why we'd be doubling up with other brochures we're mailing to every household, in particular Straight Talk, Clear Choices, where there's a cost of a quarter of a million dollars. If polling was taking place, then we would have an indication before we even sent out these brochures. That was my only question. That was my only concern that I wanted put forward.

Thank you.

THE CHAIRMAN: Okay. The time is up for the Liberal side.

We have the hon. Member for Grande Prairie-Wapiti to start off.

MR. JACQUES: Thank you, Mr. Chairman. I'd like to follow up on some issues and questions that were raised by hon. members when we were in the subcommittee with regard to Executive Council. At that time there were various questions and issues that were asked about the Northern Alberta Development Council. I believe there's only one member who's present at this time who was previously there, and if they would kindly reference the comments in *Hansard* back to those members, I would appreciate that.

At the outset, Mr. Chairman, if I may, I'd like to table four copies which contain a breakdown of the expenditures which had been requested, I believe, by the Member for Edmonton-Roper and the Member for Edmonton-Ellerslie. If that breakdown is not

satisfactory, if they could get back to me at a later date, we will provide more information. I did want to emphasize and indicate, however, that there are two separate amounts in there that are broken down. One is for the Northern Alberta Development Council, and the other is for the northern Alberta agreement.

While I'm on that agreement, there was a question raised as to whether there were moneys coming out of that, and there was some, I guess, confusion by the Member for Edmonton-Roper in asking questions about it. I want to restate, as we stated last year, that the northern Alberta agreement was a jointly funded agreement between the federal government and the province of Alberta for a total of \$9 million. It was going to be cost shared 50-50, or absorbed 50-50. That total amount will be somewhere in the order of \$7 million.

Applications for that particular program ceased as of December 31, 1994, and from the period of the beginning of '95 through to the '97-98 business plan the numbers that are in there are primarily reflecting a disbursement of the funding or the grants that were established and approved prior to December 31, 1994. So basically that program is in its sunset phase. The dollars have been spent as approved, and when we reach the end of that period of time, there will be zero dollars. Again, it shows on the tabling of the information the breakdown between the grants and the supplies and services and the manpower for that.

The Member for Edmonton-Roper had also asked for clarification with regard to a net figure of \$2,085,000 versus a figure of \$2,130,000 and what that difference was. Well, first of all, those two numbers are again the agreement and the Northern Alberta Development Council. However, the difference, which is \$45,000, is the amount that is jointly funded by the NADC and advanced education. It's for a research project or item where five northern institutions contribute \$9,000 towards the cost of the research officer. So five at \$9,000 is \$45,000, and that gives rise to the difference.

The member also asked: "If the members receive certain sums of money, how much do they get?" He was referring, I understand, to members of council. They are set pursuant to the government order in council on these items, and as you may recall, a member may get up to a maximum of \$175 per day. Of course, we do pay any associated travel and accommodation costs. For the information of the Assembly the council honoraria for 1996-97 is budgeted at \$15,000, and the chairman's salary, which is shown as a separate item, is on the disclosure that you have and shows it at \$15,000.

There were also questions by the member with regard to studying the rail transportation. What were the outcomes? Do we need rail transportation, et cetera? I don't want to go through all the background material other than to point out that in the Peace region, where this particular study was looked at, in terms of the total Alberta production approximately 30 percent of the pulp, 40 percent of the lumber and panelboard, 15 percent of wheat, and about 24 percent of canola comes out of that area. Obviously, competitive transportation is a major concern, and we also know that although the Crow rate was removed, the industry is still subject to regulation.

Some of the background material that we developed indicated that transportation costs were ranging between 12 and 20 percent of the crop value, depending upon the product line and the particular area. While one could say that the current prices of agricultural crops, particularly in 1995, may be able to absorb it, the issue is still on a continuing basis.

We hired a consulting firm to do some background work to lay

out some information. We had a conference of people who represented all sectors of the agricultural industry, forest products industry, transportation industry both from a rail and from a trucking perspective, as well as representatives from the CNR and from the port of Prince Rupert. Out of that process we came down to the point of shortlisting some specific areas that the majority of those attending, which was somewhere in the order of 75 or 80, directed the NADC to do further work on.

What we're doing currently and have been doing is some focus groups to get down to the fundamental issues that they have identified and also so that we keep the communication link and the issue link right in front of both the Canadian National Railway and B.C. Rail, together with the Prince Rupert port authority and producers in the Peace region of Alberta and to that extent within the northeast portion of British Columbia.

The Member for Edmonton-Roper also asked a question, and I quote: what is the project in northeastern Alberta, and how much money, if any, is the NADC dumping into it? We're certainly not dumping money into it because we don't have money to dump to begin with. I would advise him that the firm of Toma & Bouma Management Consultants again have developed some background information for us, which includes market trends, what people have identified as barriers to development, and also profiles some successful methods that communities have used to stimulate value-added agriculture. In that connection, Mr. Chairman, we have sent out an invitation, a very blanket invitation, to many organizations and individuals within the area that we have defined. I would point out that there are community meetings on March 26, 27, 28, 29 in Lac La Biche, Bonnyville, St. Paul, and Smoky Lake. Basically we are picking up the cost of those meetings as such, and I wouldn't call that dumping money into it. For anybody who's registering, we would ask that they pay a small, token amount of \$5 towards the luncheon.

8:40

There was also a question, Mr. Chairman, with regard to the members of the council, and I believe it was raised by both the Member for Edmonton-Roper and the Member for Edmonton-Ellerslie. The question was on how council members are selected and how long they serve, those types of things. I should point out that under the Act we can have a maximum of 10 and no less than eight members. They are appointed by order in council once a year for a one-year term. We presently are running with eight members including the chairman. The seven public members indeed are appointed by O in C and, again consistent with government policy, they are subject to a maximum of three appointments, which in this case would translate to a maximum of three years.

What we have done traditionally in some cases is go out and target organizations, target municipalities, get nominees forward, and out of that develop a shortlist, bearing in mind the geographical areas that we represent, the various backgrounds of people, gender, age, et cetera. Indeed, in an average year we probably have about one-third of those members who are leaving council as a result of having served the maximum three-year period. Last year we actually went out and advertised in public papers, and I think we had upwards of 80 or 90 applications for the few positions. This year, because of the change in the mandate and the mission that we had identified, we were more cognizant that it was very important that we have not only the geographical representation we need, but also that in some of the areas of economic development – such as in the tar sands, for example, out of Fort McMurray – we want to make sure that we have a

member on the council who represents the tar sands sector, the member who was here tonight from Fort McMurray. So that's an example of where we try to get very broad representation. Of course, some members do move from time to time, and that would create a vacancy that maybe otherwise wouldn't be occurring.

With regard to questions that were also asked on "how many [bursary] students were native," and "I want to know how much money was going to this bursary program," first of all, aboriginal ancestry has not been addressed on the application form, but if we look at the regular bursary program, we can provide an estimate. That's simply based on where the residence of the individual is, particularly in terms of remoteness, and any other information that the applicant or the student indeed put on there on a voluntary basis. For that, under the regular bursary program we estimate that somewhere in the order of 15 percent of the 119 students in the '95-96 bursary program were most likely of aboriginal ancestry.

With regard to the bursary partnership program it is true to say that the aboriginal organizations have made very good use of this program. We certainly have highlighted it and promoted it and targeted it particularly in aboriginal communities. Again, this is an estimate based on the best information we have, but of the 72 bursaries that were awarded in '95-96, approximately 50 percent of those would have been to aboriginal students. So if you take it on a combined basis, it would mean that approximately 54 of the 191 students, or 28 percent, as best we can determine were most likely of aboriginal ancestry.

The question was also asked with regard to the money and particularly as it related to the NADC. I want to make very clear that the NADC budget estimates that are before this House do not contain anything with regard to the bursary programs. Those dollars in terms of the bursary programs are approximately \$475,000, and that comes out of Advanced Education and Career Development. That particular arrangement has been in place since about 1974, pursuant to an order in council.

With regard to the bursary partnerships program, we've leveraged about \$93,000 for 72 bursaries that have been cosponsored by various community organizations and businesses. In fact, I just saw an acknowledgement kind of scroll that came across my desk the other day for information that we're going to be sending out to all the partners. There were somewhere in the order of 30 to 40 that had been part of this program during the current fiscal year.

Mr. Chairman, I think that concludes the remarks that I wanted to make with regard to the questions that were raised in the subcommittee of supply. If I have failed to address those that were raised by the members, if the Member for Edmonton-Ellerslie could let me know at some point, we will get that information to you.

Thank you, Mr. Chairman.

THE CHAIRMAN: Any further questions? Hon. Premier, would you like to sum up? If not, we're ready to move on, then, to the next order under consideration.

MR. EVANS: Maybe just for formality, Mr. Chairman, to begin with I'll move that we adjourn debate on this estimate.

THE CHAIRMAN: Okay. We'll adjourn debate. All those in favour of that motion, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. EVANS: Mr. Chairman, I would move that when the committee rises, we report progress on this estimate.

[Motion carried]

Advanced Education and Career Development

THE CHAIRMAN: If we're to continue in a similar vein, we'll ask the minister first whether or not he wishes to make some comments, and then we'll go to the opposition questions.

Hon. minister.

MR. ADY: Thank you, Mr. Chairman. I would like to make a few comments. I thank the hon. members for their valuable input on the estimate debate of Advanced Education and Career Development. I have now had the opportunity to review the debate in *Hansard*, and rather than taking up the time this evening with oral responses, I would like to table six copies of the responses for hon. members so that they can have them in hard copy.

There is one point I'd like to address that came up a number of times that deals with the question of: is quality being compromised in our adult learning system as we move through this period of change and fiscal restraint? I'd like to talk about that for a few minutes. Mr. Chairman, we have some strong evidence that our present system is accessible and is producing quality results. Inputs like dollars spent or number of faculty or size of classes are not important by themselves. The key is their link to the results.

I'd like to talk about the participation in learning. In 1992 38.6 percent of Albertan adults 17 and over participated in the learning programs or courses in our province. That's the highest participation rate in Canada. The Canadian average is 32.7 percent, almost a 6 percent difference. In the fall of 1995 enrollments in postsecondary programs were up over 2 percent from the previous year, and it was a new all-time high. In much of the rest of Canada enrollments are down, but Albertans value learning, and they're accessing quality opportunities that taxpayers have supported.

When it comes to learner satisfaction, graduates continue to report that they are satisfied with the quality of their learning. In April of 1995, for example, 90 percent of the graduates of the University of Calgary said that they were satisfied with the quality of their learning experience. We have to be concerned about public satisfaction, and the government's survey of the public last fall reported that roughly two-thirds of adult Albertans believe they are obtaining the skills and knowledge needed to prepare them for the workforce and their personal development. That evidence is backed up by enrollment data. Among Albertans, university degree holders have the highest employment rate at 96 percent. Postsecondary certificate or diploma holders have an employment rate of 93 percent. A Statistics Canada survey of 1,990 graduates in 1992 revealed that between 88 and 91 percent were employed and that 71 to 78 percent were employed in a job related to their field of study.

[Mr. Herard in the Chair]

We have to be concerned about research excellence. We are maintaining the quality of our research as well as of our learning. Peer-reviewed awards from federal research granting councils are at a new high. Just last week the University of Alberta celebrated a huge increase in its science research funding. The university jumped from fifth to third in Canada in the amount of funding it receives from the federal government's Natural Sciences and Engineering Research Council.

8:50

Mr. Chairman, much of this has been done while we've been in the process of balancing the budget, and with the fiscal action taken by this government, we have renewed financial strength to protect and support quality adult learning into the future. We will not cut support for learning in the face of significant federal cuts to the CHST if they don't change the rules any more than they have. We will reinvest in adult learning; \$17 million is included in the budget to enhance quality in learning and research in the new fiscal year. We will continue to measure the quality of learning in Alberta and to report and discuss results with Albertans.

Clearly, getting our financial house in order has been a priority, and it had to be done. Adult learning in Alberta is well positioned to meet the challenge of the future, and I know that it has not been easy. There have been a lot of sacrifices as we've moved to set new directions for our system.

I know that I speak on behalf of all those in the Assembly when I express my appreciation to the many individuals who have worked to make this a better system. From AVCs, community adult learning councils, and apprenticeship committees to colleges, technical institutes, and universities, I know that many of the accomplishments that we've reached have come from individual Albertans who have rolled up their sleeves, faced the challenges in front of them, and done what they could to ensure that Albertans have access to the highest quality learning and research in the country.

So it's fitting, Mr. Chairman, that I conclude my remarks not with my own words but with the words of a key stakeholder in our system. I think it's a good example of the attitude and perspective that I've had the honour of witnessing during my tenure as minister. In his message in the document *Great Explorations*, Professor Murray Fraser, president and vice-chancellor of the University of Calgary, has outlined the serious difficulties that the university has faced during the past few years. I'd like to quote from his document.

At the same time, I see evidence of great accomplishment in our learning process – in research and teaching, by faculty, staff and students. New programs have been created, some in partnership with other institutions. Curricula and teaching methods are changing. Our scholars compete with tremendous success in national and international competitions, and their work is favorably reviewed in the most prestigious journals. Connections with our friends in the private sector have strengthened.

There is nothing more for me to add, Mr. Chairman, so I'll take my place and invite debate from hon. colleagues in the Assembly. Thank you.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks, Mr. Chairman. I'd like to thank the minister first for the responses, but I haven't had a chance to read the replies from last session.

Could I ask about pages 34 and 35? That's the key performance measures, and I think that they really are very critical. The minister has indicated some satisfaction with the 38.6 percent participation in programs or courses and uses the national Canadian averages and indicates that Alberta is ahead in this area. May I indicate that the measure you have here is really very, very broad and gross? It's a percentage of all adults 17 years of age and older that are engaged in programs. Really what is crucial, at least what is crucial to the future of the province, is: what happens to our high school cohorts? Where do they go? How many of those people are participating in postsecondary programs, adult education programs?

I think, Mr. Minister, if you were to compare what happens to those cohorts with what happens to their peers, say, in Europe, we still have a long way to go. I wonder about the utility of this particular performance measure and how much it really tells us about the adult education system. It certainly gives us some information, but the really crucial stuff in terms of the future of the country and the great concern with globalization I think lies in what happens to those young people and the kinds of programs that they're engaged in, in particular with the 18 to 24 year olds because that is the segment of the population that's been experiencing the greatest difficulty in terms of securing jobs. So I would be interested in the minister's information on that particular cohort.

Even within that cohort, Mr. Minister, what kind of cooperation is there with the K to 12 system in terms of identifying groups of those students who aren't being successful or who aren't being encouraged for one reason or another to go on to further education? I think I referred last time – I don't think the minister has responded – in particular to students from low socioeconomic areas. There's some pretty good evidence around now that those students who come from families that are poor, families that are struggling economically, in the past at least have been underrepresented in the postsecondary system. They don't go on to postsecondary school. They're more likely to go out and get a job. If they do go on to postsecondary school, they often go into very low-cost programs, and they do that for a variety of reasons.

One of the reasons is that they come from families where debt is feared. For a youngster from a poor family to look at going to, say, a university or a college and doing that on the backs of a large loan is a frightening experience, and it tends to scare them off. I think there's some fairly good evidence around; there have been enough surveys conducted. So my question is: what kind of targeting is the department doing with the colleges, the institutes, the universities across the province? Are we looking at different populations and how successful we're being with encouraging them to better themselves educationally? As I said, I think there's really good evidence.

There's also, I think, some evidence in terms of students from remote areas of the province needing some encouragement, and I think we talked last time about the distance allowance having been discontinued and students now having to borrow that money. Surely there must have been some investigation of the impact on that particular student body. If the minister has some information before they put that in place – I assume they went and talked to those prospective students and asked them how changing it from a grant to a loan would affect their participation in programs that are remote from their own community. So, again, it's an accessibility concern that I'd hoped the minister might help us with.

The access fund is interesting. It, too, is tied to the whole

business of accessibility and was supposed to create student spaces. The access fund was instituted with a great deal of fanfare and promises about the number of student spaces that would be created, and it sort of fizzled out. I think it was announced by the minister at the Forum on Adult Learning in December that the fund was going to be discontinued. Now, it may have been some other forum, but that's where I first heard that the access fund was going to be discontinued and moneys taken from that fund and put into research. I don't think there has been really a good public accounting of the access fund and its impact on the system, and I realize that the last round of awards still has to be or may just have been made public, but it seems to me it just fizzled out.

9:00

I think the minister made some comments about the opposition not asking about student spaces anymore. To the contrary, we've been extremely concerned about student spaces, where they've been created, where they've been lost, and the kinds of student spaces that are being created.

If I may, Mr. Minister, it goes back again to those performance measures. Except for the literacy measures, the performance measures tend to be I think almost all quantitative. We have, for instance, the annual cost per learner indicator. The implication from this – and maybe the minister can tell me whether I'm right or whether I'm wrong – seems to be that it's better to educate students at lower cost, that we're going to try to drive those average figures down. I wonder if that's really what he wants.

I would ask, for instance: if our medical schools are training brain surgeons, if we're trying to drive that kind of training down to the very lowest kind of denominator that we can get it or if there isn't some other more qualitative measure in terms of the graduates that we might look at that might be more important? It seems to me that the cost per student is only one measure of what happens and that there are some really qualitative measures.

The only place we see qualitative measures is under the adult literacy indicators. You get a bit of a hint of it there where it says, "71% of adult Albertans have sufficient reading skills to meet everyday demands." Well, as good as that may sound, that doesn't seem to me to be a very high standard for a province that has spent the money that this province has spent on K to 12 and adult learning, that we just have 71 percent of the population that are able to meet everyday demands. Surely we have higher standards than that for the citizens of the province. Shouldn't some of those higher standards be reflected in these indicators?

The same with the numeracy skills. They seem to ask very little: "72% of adult Albertans have numeracy skills sufficient to deal with most everyday requirements." Again that seems to be a pretty low level, and when you read the descriptions behind those indicators from Statistics Canada, you get even a better feeling for how minimal a kind of standard that really is. So we may be high, and other provinces may be high, but is that really good enough? Should we not be setting our sights higher and the standard higher for the province?

Again, under the participation in programs and courses: "38.6% participation in programs and/or courses." This isn't exactly the learning society that most of us have envisioned.

I'd like to look at the research excellence indicator. Again, it seems to be a quantitative one. We're going to take and look at each researcher and ask the question: how many research dollars are those people bringing in? Well, we could have a Pulitzer prize writer in English bringing in zero in terms of research. Is that the kind of person that we would discourage from being an

employee, an instructor, a faculty member in our universities? I think, again, the indicator is a very narrow indicator and doesn't get at the kind of quality of those instructors and the programs at institutions. My question to the minister: is the plan in the future to expand these indicators to get away from really kind of simplistic measures at this point?

I guess if I could refer specifically to program 1 and ask the question why there has been no reduction in departmental support services. I think almost without exception all through the estimates there has been a decrease, yet in program 1, departmental support services, if I'm reading this right, there doesn't seem to be any kind of reduction. I wonder what the reason for that is.

One of the things that happened at the Forum on Adult Learning and that I really found distressing was the introduction of tuition fees for apprentices. It seemed to me it was rather convoluted reasoning: everyone else pays tuition, so they should too. It seems to me that that's really kind of wrong-minded thinking. Why don't we look at it the other way. If we have been able to eliminate tuition fees for apprentices – and presumably that encouraged and made it easier for them to enroll in programs – why would we go backward and impose tuition fees for them just in the name of everyone else doing it? I guess I would like to know: putting those tuition fees in place, exactly what is going to be the budget impact?

I've spoken to a number of apprentices and particularly their families, and they see it as a retrograde step. They see it as just one more thing that they have to cope with in terms of their husbands and brothers securing the kind of education – sometimes people find moving into an academic setting difficult at the best of times, and they find this is just one more discouragement.

I'd like to ask about the AVC report that's been recently released and what the process is now in terms of the AVCs and when we can expect some decisions to be made to finally put those institutions at ease and also to give them the kind of governance that I think they were all asking for. That was in terms of a board to which they would be accountable and a board that would make its business the business of finding out what local communities wanted the institution to be doing and trying to reflect those wishes in programs.

There's a worry that I've had. If you read the history of the minister's department – and I took the opportunity to go back and look at the history of the department of advanced education – it's really rather interesting. It's the history of advanced education departments across North America. For universities there's been a drawing more and more into regulation and control by the government. As the minister has developed the funding formulas and the performance measures and all the other kinds of changes that have been made, I wonder what is being done to protect what is unique and different about a university. How do we keep that distinction at that end? I think we all agree that we have to have a vital university that can act as a social commentator, a social critic, and not live in fear of retribution by this government or any future government. So how is that being accommodated in the kinds of things that the government's done and in this plan?

At the other end of the scale, what is done to make sure that places like AVCs aren't forced into a mold that really doesn't fit their mandate, the kind of students that they work with, imposing on them standards that may be more suitable for a college? The great differences in the system from a Mount Royal to an AVC Lac La Biche or Slave Lake: how can you maintain the unique characteristics of those institutions and not end up with a system where there is little difference and the pieces are almost inter-

changeable? So the uniqueness of the institutions: how have the budgeting efforts contributed to keeping those institutions unique?

9:10

The minister was quite right in terms of saying that he's been around the province, and the last time he indicated that he had had people talk to him and say: "Look; the cuts have been a good thing. If it hadn't been for the cuts, some of the changes that we should have been doing, we wouldn't have been doing." I think I've heard that same comment, but I think you have to ask where the comment is coming from. I've heard it from boards of governors, and I've heard it from administrators, but if you talk to students and you talk to faculty and instructors, that's not the kind of comment you get. I think it would be unfair for the public record not to have some balance between those kinds of evaluations of the impact of the cuts, because I think, as the minister well knows, students across the province have just recently mobilized and are planning some future action in terms of what the cuts mean to them and what they think they'll mean in the future. They aren't viewing them as an opportunity, to say the least.

A lot of questions, Mr. Minister. I apologize for the number of them, but I thank you for the written responses. I look forward to reading them. I haven't had access to *Hansard* yet from our last session, but I look forward to seeing the minister's comments.

Thank you.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Chairman. I have a few questions, and I'd again echo what Edmonton-Mill Woods says. Thanks to the minister for responding to the questions from last time. I have a couple of follow-up things I'd like to raise with regard to those questions, specifically with regard to Alberta's role in the federal immigration policy.

I recognize that the overall targets are determined by the federal government, but I wanted to express a concern about the objective that this government has with regard to maximizing economic benefits and minimizing social costs of immigration. Where does our responsibility for accepting our fair share, if I can put it that way – refugees, individuals who come to this province are initially a very heavy social cost because of ESL requirements, because of settlement services, income support, et cetera. Evidence will show that in history in our province and in Canada in the long term there's an economic benefit. I'm wondering what sort of time line the minister uses to measure maximizing the economic benefit and minimizing the social benefit. Is he saying that we would rather take somebody who can pay their own way and speak English right away, or is he saying that perhaps over a 10-year period we need to measure these things?

I think evidence will show that if we took the narrow point of view, which I'm afraid this government is bent on taking, that being to minimize the short-term costs, if that had been our history in Alberta, we wouldn't have the Polish immigration, we wouldn't have the German immigration, we wouldn't have the Ukrainian immigration, and I daresay we wouldn't have the Chinese immigration and the more recent southeast Asian, Vietnamese immigration to our province. Yes, there needs to be an initial investment – and that's changed over time – whether that be English as a Second Language or investment of tracts of land or investment in terms of infrastructure, roads and railways, for those individuals.

So I wanted to raise that issue and express the concern that was expressed to me most recently when I attended a Rotary Club luncheon in my riding.

The next issue I'd like to raise with the minister has to do with research at our universities and the long-term effect of the restriction of funding and the increasing load on the teaching faculty at the university. As more and more people retire, as more and more people take early retirement or move on, there seems to be an increasing reliance on sessional instructors and professors at the university, at U of A specifically, and I have a long-term concern about that. I know of one department at the university where of the 12 full-time teaching faculty, eight in the next two years will probably be leaving, and the initial word is that they're all going to be replaced by sessionals. When you link that with the necessity for research and ongoing continuity, I think we may have a problem there. I'd like to know what the minister is doing specifically to monitor that to determine by institution the ratio of full-time faculty and sessionals and the impact that that has on research; i.e., if we replace our full-time faculty with again full-time tenured faculty, I think we can enhance our research capacity.

There are other issues I'd like to raise, but at this point, Mr. Chairman, I'll wait for a further response from the minister down the road.

Thank you.

THE ACTING CHAIRMAN: Thank you.

The hon. Member for Vegreville-Viking.

MR. STELMACH: Thank you, Mr. Chairman. I'd like to make a few comments about some of the strategies that have been put forth by the minister and ask a few questions with respect to his budget. First of all, with respect to the access fund, I do believe that it's an innovative strategy that was introduced by the minister in terms of improving access, and it has won recognition Canada-wide and is supported by Albertans in terms of increasing the number of students that are able now to enter postsecondary institutions.

One of the questions I have, Mr. Minister, is: what is the increase in the number of students that have been able to access postsecondary institutions? I also see in the budget estimates, vote 2.8.1, that the access fund is \$35 million instead of the \$47 million that was announced earlier in January.

The next area is that of financial assistance to students. We are aware of the rather significant reductions in the federal transfer payments: \$239 million in the first year and \$437 million in '97-98, which accounts for about a 29 percent reduction over two years. You have indicated that you will be insulating students from those reductions and protecting our postsecondary institutions and still maintain access. In vote 3.3 the 1996-97 estimates for financial assistance to students is \$157.7 million, which is an increase of \$1.3 million. The question: is that all of the funding that's available for students, and will that be enough to cover the demands of students willing to enter postsecondary institutions?

As you know, with the growth and development across Alberta because of the Alberta advantage, we will be requiring more skill and talent to meet many of the job demands, especially in the announcements that were made recently in the petrochemical industry. Is the funding available sufficient to maintain the growth in the number of young people that we have to build in skill and talent?

With that, Mr. Chairman, I'll allow the next government member to speak to the estimates.

THE ACTING CHAIRMAN: The hon. Member for Calgary-Bow.

9:20

MRS. LAING: Thank you, Mr. Chairman. It's a real honour this evening to talk a bit to the estimates of Advanced Education and Career Development. This is a department that has truly met the challenge of change, and it's a very different department today than it was three years ago.

Many challenges have been met most successfully. One of these was the addition of the SFI group to this portfolio, and certainly a lot of accommodations were made to fit their needs so that they were better prepared to go out and change their lives and get back into the workforce. I really congratulate the minister for this initiative, because it has been a very challenging one but I think one that is working very well.

The access fund also has stimulated the postsecondary system to become more creative and to look at doing things in a new way, and I'd again like to congratulate the minister and the department for the success of this initiative. We see many innovations in the postsecondary system that weren't there a few years ago, and it's really adding a lot of enthusiasm and some excitement, I think, to the faculty as they plan and implement this initiative.

Another institution that's undergone a lot of change is the Banff Centre. It has certainly undergone a lot of rapid change as it prepares for a new way to deliver its program and to become more self-sufficient. Mr. Minister, looking at page 25 of the estimates, 2.7.1, I wonder if you could tell me why the Banff Centre received a \$9,306,000 reduction, or 51.3 percent, when the grant rate reduction for everyone else was only supposed to be 3 percent. That would be the question I would like to have answered.

Thank you.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Beverly-Belmont.

MR. YANKOWSKY: Thank you, Mr. Chairman. I also have a few questions to ask regarding Advanced Education and Career Development. My first reference is on page 24, 2.1.7. This element shows a \$3.1 million decrease, which translates to a 17 percent decrease in adult development programs. Now, this is a very substantial decrease, especially in times of restructuring and change. It seems to me that we should probably be putting more instead of less money, especially into the area of adult development. My question here is: why was the adult development program reduced by \$3.1 million, or 17 percent?

My second question is found on page 24 as well, 2.1.8, and here I just simply want to know what the other program support element includes. It shows a decrease of \$7,210,000

My last question is again on page 24, reference 2.3.2. Here we see actually a fairly large increase to the Lacombe Canadian Union College. Now, my understanding was that we were supposed to be seeing a decrease here of 3 percent, but we see the opposite, actually. We are seeing a \$61,000 increase in the grant to the Union College. So my question here is: why is the college receiving a \$61,000 increase when the grant rate reduction was supposed to be 3 percent?

Thank you.

MR. EVANS: If there are no further members who wish to get into this debate at this point in time, Mr. Chairman, I would move

that we adjourn debate.

THE ACTING CHAIRMAN: The Deputy Government House Leader has moved that we adjourn debate. All in favour, please say aye.

SOME HON. MEMBERS: Aye.

THE ACTING CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE ACTING CHAIRMAN: Carried.

The hon. Deputy Government House Leader.

MR. EVANS: Thanks, Mr. Chairman. I move that when the committee rises, the committee report progress on these estimates.

[Motion carried]

Science and Research

THE ACTING CHAIRMAN: I understand that the minister and the chair of the Alberta Research Council will make a few short remarks before we get into the questioning.

The hon. minister of science and research.

MRS. MIROSH: Thank you, Mr. Chairman. I'll keep my remarks brief since there are a number of questions that I know the members opposite have. I would like to reassure the members opposite that all the questions that were asked on March 4 estimates day will be answered in a timely and very comprehensive way in written form so that we can give you detailed answers to your questions.

I'd like to just reinforce for my colleagues the importance of science and research in our knowledge-based economy. The focus of the Alberta Science and Research Authority will be to implement the research and focus on research. I was interested in listening to some of the questions from members opposite to the minister of advanced ed with regards to research, so I know that you see the importance of research. That is our primary focus, and we in ASRA do examine budgets right across all departments so that we can develop a very strong R and D strategy.

Right now we're looking at a comprehensive health research initiative and developing a provincial strategy for increasing the level of industry investment in R and D in Alberta and reviewing technology management policies and practices and initiating and increasing and promoting biotechnology in the province. We're developing and implementing a communication plan and initiating financing of technology, taking it from research to commercialization, and an information technology initiative is being formed. I'll be tabling in the near future some of the really good-news stories that have happened and are developing in Alberta.

I'll stop there, Mr. Chairman. If the chair of the ARC could make a few comments, we'll be happy to answer your questions at a later time.

Thank you.

THE ACTING CHAIRMAN: The hon. Member for Cypress-Medicine Hat.

DR. TAYLOR: Thank you, Mr. Chairman, and thank you, Madam Minister. It's a pleasure for me to rise and make a few

brief comments tonight. I've been encouraged to be brief so that the members opposite will have a lot of time for questioning, so I will be brief.

I would just like to say that on the March 4 estimates we did get from the members opposite 28 different questions. That's quite a few questions, and that's why we don't have the responses ready here tonight. Some of them are requiring a good length of time to answer and taking up quite a bit of our executives' time answering these questions when perhaps they could be doing something else, but there were a number of very good questions, I must say.

The member for Edmonton—Peter Sekulic — what riding? — Edmonton—Manning; sorry. I know he would like the riding named after him. The Member for Edmonton—Manning in particular seems to be very familiar with the research area, and I would say that in particular his questions were valid, thought provoking, and well thought out. So I would just compliment that member on the good questions he did ask. We will absolutely get back to you, member, in some reasonable time with the answers to all of your questions, and we will get back to the other members here with the answers to all 28 of their questions, although, as I say, it will take a little bit of time because we are functioning with a minimal administrative staff in the interests of economy and spending our money in the area of research as opposed to spending it on administration.

I would make one other comment about the importance of ARC and the importance of ASRA. With ASRA and with ARC we're dealing with a knowledge-based business, knowledge-based industry. If we really are going to have a future in Alberta, this is a renewable resource: knowledge. Brainpower is a renewable resource, and we need to encourage and develop that resource. We need to encourage and develop the knowledge-based industries we have in Alberta. We are just starting to understand how to do that in Alberta. Other places know how to do it somewhat better than we do, and we're just learning to do that.

As we move away from our dependency on nonrenewable resources and as these resources begin to be eliminated and to not be as productive as they were, over a period of time — we're not talking just about five years or 10 years but over the longer period of time when we're looking at the future of Alberta — we have to look at the future of Alberta based on knowledge. We have to look at the future of Alberta in terms of knowledge-based resources, and that's what's so important about ASRA. It pulls together the knowledge. It pulls together out of the departments the ability to do research. It pulls from industry the ability to do research and will co-ordinate this knowledge-based resource we have in Alberta. I can't overemphasize the necessity of having a body like ASRA to be able to co-ordinate what we're doing.

So I encourage members to ask questions. The questions that we will get tonight, we will respond to. I will conclude with those comments.

9:30

THE ACTING CHAIRMAN: The hon. Member for Edmonton—Manning.

MR. SEKULIC: Thank you, Mr. Chairman. I just want to start off with a note on the responses that I'm expecting, that the minister and the chairman for the Alberta Research Council have indicated are forthcoming. I just want to say that my support for this budget when the appropriation Bills come forward is contingent upon those answers coming prior to, not after. Just so we know. Although I know that the cost of administration may be run up slightly, you understand that spending \$13 billion does

require some accountability. So my vote does have a cost, that cost of course being the answers you will provide. I know you will do that in that timely manner.

I want to start off by reading something which I very much believe regarding science and technology. In fact, it starts off by saying that

science, technology, and industrial innovation are critical components of economic growth and diversification. It is clear that the old industrial economy is giving way to a new economy that is centered on information and leading-edge technologies. Investment in new technology and its commercialization is essential to keep pace with our competitors, and to generate wealth and create jobs. Science and technology is one of the main economic drivers of the 1990s, and is a substantial creator of wealth and jobs in our province.

In the future we must rely on the skills and ingenuity of our workforce to add value to both traditional and new economic activity.

Now, Mr. Chairman, you may think in fact that those are my words because you've heard me speak along those lines in this Assembly before, but they're not. They are in fact excerpts from *Seizing Opportunity*, and I must say that I very much agree with in particular this paragraph that I found there. Now, although I may agree with this component that I found in *Seizing Opportunity* because it reflects my views on the importance of science and research, I do want to go to something that troubles me with regards to the government's actions and funding of the area of science and research.

If we are to be consistent with the statements that have been made in that document, *Seizing Opportunity*, then you wouldn't expect to see something that I came across just moments ago when I was pressing the numbers on my calculator that I borrowed from the Provincial Treasurer that he borrowed from his predecessor . . . [interjection] We did since replace the batteries though, Mr. Chairman.

The document that I'm referring to is *Scientific and Technical Activities Overview: Summary of the Proposed 1995/96 Alberta Government Science and Technology Program and Budget and Three Year Plan*. I'll tell you specifically what I was calculating. I was calculating the percentage that the scientific activities budget of the government was relative to the GDP and relative to the revenues of this province. If you'll give me but a moment here, I'll go on to make my point a little more clear.

In 1993 that ratio of scientific activities budget to provincial revenues was 1.83 percent. Well, the following year, in 1993-94, it fell to 1.59 percent. The following year, in '94-95, it fell to 1.29 percent. The following year, that being this '95-96, it fell yet further to 1.136 percent.

Now, although we seem to have reached a consensus on the themes, the statements and our beliefs and support for science and research, the government budgeting and the government financial support for that claim just don't hold true. There's unfortunately a tragic inconsistency. When I looked at the scientific activities budget, it's broken down by department, and it lists every one of the departments, I believe: Agriculture, Food and Rural Development, Alberta Agricultural Research Institute, Alberta Energy through AOSTRA, the Alberta Research Council, Alberta Environmental Protection, Alberta Health, and so on. So they're all listed here.

But the part that concerned me, in addition to the fact that we're decreasing the budget that we direct to science and research over time — and it seems to be a continual slide — is the fact that we've dispersed science and research amongst all of these departments. At the same time that we've developed an authority about a year ago in this Assembly, ASRA, the Alberta Science

and Research Authority, we still somehow maintain little pockets of science and research in all of these departments. In fact, it's almost like they've been established as parts of an empire that won't be let go so that they can experience, I think, economic improvements or economic efficiencies.

[Mr. Tannas in the Chair]

When we speak of developing partnerships with industry or we speak of developing partnerships with other levels of government, I think it's important that we develop partnerships internally first and foremost, that we put like minds together. I think we would accrue some of the benefits of these internal partnerships in putting these scientific minds together. They could more readily share information. Something I heard earlier in this Assembly was a cross-pollination of ideas, and it's more likely to occur if these individuals are established under one authority and perhaps even under one department.

I wasn't sure whether science and research as a department should have existed, and I raised that question with the Minister of Economic Development and Tourism. I raised that question with the minister responsible for science and research. In fact, I even raised that question with the Minister of Energy, because there is a significant amount of research happening in that department. I am coming closer to being convinced that in fact a science and research department does need to exist and that perhaps more of the science and research work needs to take place under that authority as opposed to dispersed throughout. I think there are significant benefits that could be found by doing such.

The other area that I'm also particularly interested in – although I firmly believe that government should be in partnership with industry and in fact other levels of government, I think we have to be very, very clearly focused, and I know the Member for Cypress-Medicine Hat will agree with me on this one, that at the time the technological developments are commercialized, the government must look at some form of cost recovery. The primary purpose of cost recovery is so we can continue to perpetuate this program, not necessarily that it has to be self-financed but it does have to contribute to its own well-being.

Mr. Chairman, I think those are three very important points.

The next point that I want to travel on to is the area of outcome measurement. I raised this in the earlier estimates debates that we had in science and research, but I once again want to look to this area of outcome measurement. The reason, specifically, that I want to refer to it is that the science and research department has outlined key performance measures, in fact seven of them. Yet when we look at similar activities taking place in other departments, they're not undertaking the same types of key performance measures. Well, there in itself is a reason that we need to bring these different groups together so we can measure them in similar ways, because they're undertaking similar activities. So that would be a starting point, Mr. Chairman.

9:40

Before I take my place and permit another speaker to ask questions, I do want to re-emphasize and stress again that we need to look at the potential benefits and the efficiencies that can come out of internal partnerships and bringing these closer together and trying to break up those rigid empires that have put themselves in place over the many years that this government's been in power. Mr. Chairman, I think that if we were to do that, we could see science and research start to see an increase in their budget. Perhaps when they are commercialized, we could see some of that cost recovery.

The final and most important point that I do want to make and the question that I want to put to the minister and perhaps she can then forward to her cabinet and lobby a little harder for additional attention to this matter is the fact that this province is sliding in its financial support for science and research as a percentage of our GDP and as a percentage of the province's revenues. This is alarming. This is in fact a crisis, given that we've all acknowledged and we all support the fact that a knowledge-based industry is the bread and butter of the future. I know in my opening comments in the estimates debates that I made that very statement, that this area, the knowledge-based area, is outtrekking agriculture, it's outtrekking natural resources, it is the way of the future, and we must as legislators pay attention to this trend if we are at all to capitalize on it.

Mr. Chairman, with those few comments I anticipate that we will receive responses to all of the questions that we've put forward and perhaps even some of the concerns that aren't necessarily questions, but I would like to see in one way or another that they are addressed or that they will be taken further to cabinet and addressed at that level.

Thank you.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I appreciate the opportunity to make a few comments and ask a few questions about the science and research budget. I'd like to, if I could, focus on the key performance measures, because it's a new area for the government. They've tried across all of the departments to establish measures. I know that these are early efforts, and in some cases in the future we'll look back and think that some of them are primitive and want to adjust them. I would like to ask: why is there such a heavy emphasis on quantitative measures? Is there no way we can get at the quality of some of the efforts of the authority rather than through quantitative measures?

If you look at page 364, there's a job measurement, a job creation performance indicator, and again it's the number of jobs that it focuses on. It seems to me that as important as the number of jobs, it's the kinds of jobs that are being generated that are really important to the future of the province. Are these jobs that are going to be long-term jobs and established? Are they temporary? What are the sectors that they're involved in? And are they jobs that are high paying and ones that are going to be attractive to Albertans in the future? My argument would be for a re-examination of the measures like that one to see if they can't be expanded so we get some better feel for the kinds of things that are being done other than numbers.

I just had the opportunity to look at a *Maclean's* magazine that had a special section on jobs in the country. It's a little alarming when you look at how jobs are being created and where they're being created and the salaries that are being paid and really what's happening to a population which is predicated on having a well-paid population if we're going to make the economy move in the directions that we think it should in terms of consumer goods, the opportunity and the power to buy consumer goods. So it's in our best interest that we have high paying jobs.

I'd look again at the contracts per employee. I think this is an important measure. It's a universal measure that's used I think in a lot of universities, a lot of science authorities around the world. It just gives us one look at what those employees do. My question again is: is there a measure that'll get at the kinds of activities that are being financed, the kind of contract money they're involved in?

The same is with the number of spin-off companies. I think

that's really interesting. The research park in my constituency is really wonderful to see. You drive through there and you see new institutions opening all the time. But, again, is it enough to say we've created five new companies and not have any indication of what kinds of companies they are? Are they high-tech companies? It says they should be based on technology, but what is the level of that technology? Are they cutting-edge companies? Just where are they? Can we get some measure of the quality? I've had the opportunity to ask the question in the heritage savings trust fund committee, and it still persists.

I go back and I look at the agriculture estimates. On page 49 the Agricultural Research Institute has \$5.6 million that they're spending. What is the linkage between that activity and this authority? Then I go back to the advanced education department, and they've just created a new research envelope. If this is really the research authority, it would seem to me that we would see all of those other research efforts somehow or other being brought under the Science and Research Authority and some co-ordination, particularly in this area where you're creating databases and where trading information is so crucial to the activity of the investigators. It would seem to me that the reason this authority was created in the first place was to really make sure we brought all of the money that we're spending in the province together and co-ordinated it, if not control it, at least to know what they're doing so that the left hand knows what the right hand is doing and the kinds of efforts they're making.

So my question again: is that the intent? Is that where we're going to go with the authority? What kind of progress is being made in that regard? You know, I supported it and I thought it was a good idea to have a portfolio devoted to science and research given the kinds of objectives and goals we have for the Alberta economy and for the people that live here. If we're going to be on the cutting edge, we really need a department like this that takes on the responsibility for research, but it has to be allowed by other departments to really carry out that function effectively.

With that, I'll conclude. Thanks, Mr. Chairman.

THE CHAIRMAN: Any further questions? Okay.

The hon. Member for Vegreville-Viking.

MR. STELMACH: Well, thank you, Mr. Chairman. It's certainly refreshing to hear members in the opposition agreeing with the fact that research and development are recognized as key to meeting Alberta's social and economic needs heading into the 21st century.

One of the things we heard today was that we should be spending more money on science and research. I firmly believe that before we put more money into science and research, let's take the time to assess the amount of dollars that we've invested today in science and research, let's review the budgets and see where the overlap and duplication is in the industry, and then take up the challenge of finding more dollars for science and research once we've removed all the duplication. So I would ask the minister this evening what processes she has in place to review all of the departmental budgets and collate this information and present it to the House so that we can then look at the areas where we may be duplicating and what strategies are in place to co-ordinate science and research and get on with it.

9:50

The other comment I heard is that research should be first and foremost, well before, let's say, agriculture. Well, I'd like to say, Mr. Chairman, that the reason the province of Alberta is well

on its way to a \$20 billion industry in agriculture production and food processing is the fact that we have invested a number of dollars in research, and as a result we are now realizing some of the benefits. I think for every member here it's important to know the dollars invested in science and research in the area of soil and water conservation. We're the only province that's by far leading the other provinces in terms of reduction in summer fallow acres because we have invested dollars into new seeding techniques, some of the machinery, and as a result we've seen a reduction of over 30 percent in our summer fallow acres.

Now, what does that have to do with everybody here? Well, if we don't maintain good soil and water conservation, in essence we erode the land, and when we erode the land, we lose production. Today the amount of tax they pay on their land is based on the assessment, and that assessment is based on the production. As the production value of our agricultural land goes down, that means that the farmer pays a little less tax, and guess what? Other individuals in the province have to pick up the slack.

So I would like the minister to just share with the House what processes she has in place for the Alberta Science and Research Authority to review all of the research budgets of the various ministries.

Given the time, that it's 5 to 10, I would wish to move adjournment of debate on this item.

Thank you.

THE CHAIRMAN: The hon. Member for Vegreville-Viking has moved that we adjourn debate on the science and research estimates. All those in favour of this motion, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no. Carried.

The hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Chairman. I now move that the committee rise, report progress, and request leave to sit again.

[Motion carried]

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions of the departments of Executive Council, Advanced Education and Career Development as well as science and research, reports progress thereon, and requests leave to sit again.

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

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? Carried.

[At 9:58 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

