

Title: Wednesday, April 30, 1997

Date: 97/04/30

8:06 p.m.

[Mrs. Gordon in the Chair]

Subcom.D: Economic Dev. & Tourism

Subcommittee D – Economic Development and Tourism

Gordon, Mrs. Judy, Chairman
Haley, Carol, Deputy Chairman
Amery, Moe
Barrett, Pam
Black, Hon. Pat
Boutilier, Guy C.
Broda, Dave

Carlson, Ms Debby
Coutts, David
Herard, Mr. Denis
Langevin, Paul A.
Lund, Hon. Ty
Magnus, Richard
Nicol, Dr. Ken

Paul, Pamela C.
Pham, Mr. Hung Kim
Sapers, Mr. Howard
Smith, Hon. Murray D.
Taylor, Hon. Lorne
West, Hon. Stephen C.

THE CHAIRMAN: Well, everyone, I'd like to welcome you to subcommittee D. Tonight we have under consideration the estimates of the Department of Economic Development and Tourism.

Just some basic housekeeping straightaway. This runs the same as Committee of Supply in the Assembly. Each side has up to 20 minutes. We'll start with the minister so she can give us her opening remarks. The minister has indicated to me that we'll allow several speakers, and then she will intervene and start to answer questions. This worked well the last couple of nights, so I would ask for the same co-operation. There is coffee over at the side, and we will be going till sometime after 10.

So I would like to welcome the hon. Minister of the Department of Economic Development and Tourism. If you'd like to give us your opening remarks.

MRS. BLACK: Thank you very much, Madam Chairman and members of the Assembly. I am very pleased to be here with you tonight and to submit for your review and approval the 1997-1998 estimates for the Ministry of Economic Development and Tourism and the related agencies for which I have the responsibility, that being the Alberta Economic Development Authority, the Alberta Tourism Partnership Corporation, the Alberta Gaming and Liquor Commission, the Alberta Racing Corporation, and the Alberta Opportunity Company.

Madam Chairman, let me begin with a brief overview of Alberta's economy and the role played by the ministry. The executive committee from the ministry are here with me today, and I would like to take a moment to introduce a few of them to you. First of all, as you know, we don't have a deputy minister at the moment. We do have a new acting deputy. That's Roger Jackson, and he's with us today. In addition, we do not have at this time a chairman of the Gaming and Liquor Commission, so we have an acting chairman and an acting CEO. That's Roy Bricker and Norm Peterson, and they're with us. Along with them are a number of the directors and executive directors from the various sections within the ministry. I'm sure, as the year passes on, many of you will want to take the opportunity to go over to the department – the doors are open – and have a visit with these people, because they have a wealth of knowledge that can't be matched anywhere else. So I would welcome the opportunity for you to join and meet with them on a one-on-one basis, or even sometime when they're before the SPC, take some time and get to see what it is they do.

Let's have a look at our economy. Over the last four years Albertans have worked very hard, and we've built a foundation for growth that's drawing people from across Canada, from the

United States, and of course from overseas to our province. People are coming to Alberta because we have created a positive climate on a sound financial footing, and I am very proud of that financial footing, that all Albertans have contributed to.

Let's look at some of the numbers. As of last month more Albertans were working in Alberta than ever before. In fact, our unemployment rate has dropped to an average of 6.2 percent. That's almost full employment. In economic terms full employment is 4 percent. Financial experts from institutions like the Bank of Montreal and the Bank of Nova Scotia give Alberta the stamp of approval. They say it is the best place to do business in Canada, and I think that bodes well for Albertans. From 1992 through 1996 the Alberta economy grew by about 4 percent per year. That was nearly twice the national average rate.

While energy still makes up the largest component of Alberta's gross domestic product, manufacturing and business services have grown almost equal to energy's contribution to our GDP. In 1996 total manufacturing shipments increased by \$2.3 billion over 1995 levels, bringing them to a total of over \$30 billion.

Our international exports of manufactured products surged from \$4.7 billion in 1992 to a record of over \$11 billion in 1996. That's quite a record and quite an improvement.

Alberta's economic forecast is very good. We are looking for another 3.6 percent increase in economic growth this year, and we expect to have in the next three years an average increase of 3.8 percent per year.

Alberta is benefiting from rapid export growth under the North American free trade agreement, from a healthy energy sector, from expanding opportunities in forestry, petrochemicals, food processing, and the emerging information technology sector. The petrochemical industry has announced already more than \$3 billion in planned investments before the year 2000. Forestry investments will continue to contribute to our diversification, and they have already announced more than \$3 billion in new investments over the next five years. In secondary manufacturing, oil and gas field equipment manufacturers, metal fabricators, the machinery industry, and plastics products represent rapidly growing segments of the manufacturing sector. Shipments from these segments will exceed \$5 billion in 1996. We are also expecting growth in the emerging sectors like environmental services, information technology, biotechnology, health care, and medical services. Alberta is also attracting record numbers of visitors from around the world. Tourism – let's never forget about it – our fourth largest industry, is also growing rapidly.

Between 33,000 and 38,000 new jobs will be created by the private sector in our province this year. The private sector we expect will create 155,000 new jobs by December of the year 2000. Ladies and gentlemen, that's quite a forecast and a record when you think about it.

So what are some of the initiatives that are key to this department? Where do we go? There are many challenges that are

ahead for this department, and there are many challenges that we will face head-on. I am very pleased to have the opportunity to face those challenges with this department. I think we have a unique opportunity in Alberta because we are the one province that has created a unique relationship with our private sector. That relationship comes under what's called AEDA, the Alberta Economic Development Authority. We are the only province in this country to have such a vehicle. It's a strong relationship that brings the private sector into a partnership with the government to look at strategies that will take us forward and capture the true Alberta advantage.

Ken Nicol handed me a document that was put forward by the Alberta Economic Development Authority to map out strategies, and it's called Building on the Alberta Advantage. If you haven't got a copy of it, I would suggest that all of you phone the office and get a copy of this, because I think it's fundamentally important as we move forward. It talks about sound economics, sound strategies for growth and prosperity within this province. Already AEDA has demonstrated some of those strategies. They've moved forward positions which the government has been able to adopt, some positions such as reducing the aviation and railway fuel taxes, taking the education portion out of machinery and equipment taxes. That was a fundamental move to look at taking away some of the disincentives for investment in the province. Also, recommendations to put in place the infrastructure for the north/south corridor.

The department itself has gone through some tremendous reorganizations, in line with the government, really, to do things better but with smaller resources, to be efficient, and to be focused. The ministry's human resources plan has been reduced from 436 to 255, and the department's human resources have been reduced from 318 in the 1996 fiscal year to 171 in 1997-98. The refocused organization will become more of a facilitator rather than the way it was, as a deal-maker, and ensures that its programs and services effectively meet the private sector's needs and the government's economic and fiscal objectives.

My colleague Dr. West was the minister of this department before me. I admire what he has done in this department, and I applaud him for his efforts, because he does believe in the free enterprise system within this province and the Alberta advantage. I applaud him for what he has done and how he has had to go through and make some tough decisions, but he's gone with the courage of conviction to make sure that we focus on what our job is and not what it should have been before.

The department's goals are clearly to increase investment in Alberta, to increase Alberta's exports, to assist Alberta's industry and business sectors to be competitive in the global marketplace, and to facilitate the growth of small and medium-sized businesses in Alberta. Let's never forget that the backbone of this economy is the small business operator.

These are ambitious goals, Madam Chairman, and we are a much leaner, more focused ministry to address them. I am pleased to report that the estimates of the department have decreased by 27 percent from comparable 1996-97 estimates and by 19 percent for the overall ministry. The total ministry budget for 1997-98 is \$119,746,000. The budget for the Department of Economic Development and Tourism is \$48,013,000, and the budget for Alberta Gaming and Liquor Commission is \$71,733,000.

8:16

Madam Chairman, I will first address issues related to the Department of Economic Development and Tourism. It is important to note that the department's estimates have decreased

by 65 percent in the last five years. That's a tremendous decrease, and I wish to compliment the officials from the department and the agencies for their dedication and taking the lead to do this. They have exemplified high standards all the way through these reductions, and they deserve a lot of credit for it.

Let's turn to some individual programs. The ministry support services program includes my office, the office of the deputy minister, the corporate services for the department, communications services, funding for the Economic Development Authority, and funding for the standing policy committee on jobs and economy. The total budget has program spending of \$5,532,000 and a capital investment of \$115,000. The second program, business and tourism development, includes small business, industry, export, technology, tourism, and investment development as well as business information services. Business and tourism development has a total program budget of \$21,071,000. As I mentioned earlier, tourism continues to be a vibrant and growing industry in Alberta.

Madam Chairman, through the contract with the Alberta Tourism Partnership Corporation, also known as Travel Alberta, we continue to promote Alberta as a world-class tourist destination. We actually estimate that tourism revenues will reach \$4.4 billion by the year 2000. That's a 22 percent increase in revenues. The tourism development agency has been structured within the department in consultation with Travel Alberta to ensure services are provided that are complementary and are driven by the needs of the private sector.

The Alberta opportunity fund is also funded through the ministry. The operating grant to Alberta Opportunity Company has been reduced by 10 percent for fiscal '96-97. Over its history the Alberta Opportunity Company has made a large contribution to the economy of Alberta through the small business communities. More than 7,000 loans totaling over \$700 million have been authorized. The Alberta Opportunity Fund Act prohibits the provision of assistance to businesses engaged in basic agriculture, residential housing, or petroleum exploration.

The Alberta Racing Commission was privatized in October of 1996, and as a result the operating grant, which was \$6.8 million in fiscal '96-97, has been discontinued.

The Alberta Gaming and Liquor Commission, for which I'm also responsible, maintains the integrity of gaming and liquor activities in Alberta and collects revenues for the province. The current system of allocation and disbursement of lottery fund revenues will continue for the '97-98 fiscal year. Madam Chairman, I'm looking forward to working with you in your new position as chairman of the secretariat for that division. Operating expenses for the commission will be reduced from \$74.8 million to \$71.7 million. This reduction will be achieved by streamlining delivery systems and outsourcing services where financially viable.

Madam Chairman, this concludes my opening remarks on the estimates for the Ministry of Economic Development and Tourism and the agencies. I'd like to thank you and the others for the opportunity to make these remarks, which I hope will have been somewhat useful. I'm looking forward to hearing the comments of the hon. members, and I will be pleased to answer any questions they have regarding these estimates. I will undertake to review the *Hansard*, and any questions we do not answer tonight, we will answer in writing as quickly as possible.

Thank you very much.

THE CHAIRMAN: Thank you very much, hon. minister.

I will be opening it up. I would ask those of you who wish to speak tonight if you could please let the chair know. There is

paper before you; you could just write me a short note. I have started a speaking list. We'll start with the hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Madam Chairman. Is my voice coming through okay back there?

I'd just like to welcome the new minister to her position and also recognize the efforts of Dr. West that were made and the changes that went on in economic development over the latter part of the last term, anyway. I'd like to start basically with a couple of overall comments relating to some of the items pointed out in your mission statement and the business plan area.

I think all Albertans recognize the fact that, you know, our future has to be based on good, sound economic growth. Everybody wants to make their jobs productive and have the kind of life they want. When you start looking at some of the visions or some of the projections, some of the long-term goals that show up in the business plan, I begin to kind of look at some of the directions that are suggested by those, and I'd like to have some clarification on a few of those points right now.

The issues that I'd like to start with in terms of page 117, if you've got it handy, looking at your comments about the application of regulations and how this affects business initiative, business growth. I recognize that we have the regulatory review under way right now, but I think there has to be some kind of a recognition also in terms of the regulations, what that does to business and how it promotes business, creates opportunity for business.

I think the biggest example we've had of this in the last couple or three years has to do with VLT licences, where these have been capitalized into a real wealth for a select group of Albertans. I would hope that as you look at these regulatory restrictions, you will look at the equity and the consideration that results from those regulations and the implication that that has on wealth and wealth distribution for Albertans. There have been a number of, you know, very profitable transactions made in the last couple of years where people have taken the capitalized value of those licences and essentially retired on them. So this is one of the things that I'd like to see brought in and considered. I'd like the minister to look at dealing with that as part of her regulatory review, especially in terms of how those regulations compare with what other provinces, other jurisdictions are doing when we start looking at business decisions. This is so important when we start looking at international individuals coming to Alberta and establishing business opportunities here. So that's kind of the first one that I wanted to deal with.

The next one is, again, on page 119 and deals with some comments on the Alberta Racing Commission. You mentioned before that it was privatized. There are also some real concerns right now that have been expressed by some of the racing organizations and racing groups as to the restrictions that are placed on the kind of operations that they can deal in and how they can operate their businesses. They see them, you know, as too restrictive in terms of being able to get out and compete. Specifically, some of the issues that have come up deal with off-track betting. The deal now that comes up is – there was an article – I think the Calgary racing association is dealing with the issue of some of these video or casino horse races that come up, and this is cutting into their business. People are participating there instead of going to the track and participating. So they're looking for flexibility in how that works. So it's an issue that has to be addressed in the context of how they deal with it at that point.

8:26

Under your strategies, again, back on page 118, you're talking about the targeted trips, the missions that are out to promote the Alberta advantage, either to encourage businesses to settle in Alberta or to help Alberta businesses establish markets. I guess what it would be interesting to have from the minister is some kind of an estimate at the beginning of the year instead of a block fund that's going out there, some idea of the number of these kinds of programs that they would be anticipating during the year. I think this is going to be especially critical as we move into the potential for the Calgary 2005 world fair. You know, we've got a real chance there to attract some countries in to see what we have in Alberta, what we can offer them. So it would be nice to see some tie-in to that and how that comes about. You know, given a successful decision in June, that's going to be very critical for us.

Before I get into some of the specific issues of the budgeting, I'd like to talk about some of the key performance indicators that you've got in your business plan as well. It kind of struck me – I don't know whether it's an anomaly or whether there's a reasonable explanation for it. Your projections, the target for 1998 in terms of your manufacturing service industry investment, seem to be significantly out of line with the others. You're going along in '96 with basically a negative growth, '97 a 5 percent growth, '98 a 15 percent growth, then it drops back down to 10. What's going on in '98, or what do you anticipate in '98? This is on page 120 of the performance indicators in the business plan book. I wouldn't have expected as large a jump in one year; I would have expected more of a smooth transition. If the minister could explain why that big jump occurs in '98.

I guess the next one is under manufacturing shipments. If you've got all the investment going on in the manufacturing and service industry that we saw in the first key performance indicator and down in the third one under manufacturing shipments it's a very steady growth, a very constant approximately 4 percent growth projected from now until the year 2000, what relationship does that have with the investment, then, if we're not seeing any kind of an increase in growth that's proportionate to the investment? Could the minister explain why that kind of investment is being made if the industry isn't expecting to see a growth in it?

I guess the last question I'll have on the business plan and the performance indicators is on page 123 relative to the performance measures on the Alberta Gaming and Liquor Commission. On page 123 you've got your return to charities set of data. Maybe I don't thoroughly understand how casinos and these kinds of operations work, especially the casinos. I thought most of the card games, the roulette wheels, these kinds of things based on a probability theory, had fixed win/loss calculations. Yet it appears that the minister is projecting some larger payout to the charities who support those, especially the casinos and the bingos. Raffles and pull tickets: it's a matter of how you market them, how you deal with them. So I have no problem with changing payouts on the latter two, but on the first two, where it's a matter of probability, I kind of wonder how you're seeing changes in the payout. I know bingos don't change very much. But the casinos: I'd like an explanation on that, if the minister would possibly allow.

Now to the budget document, if we might, some of the specific issues that came up here when I first glanced through the budget and looked at some of the overall changes that have gone on in terms of the expenditure patterns. Madam Minister, you and I spoke just before session started, and we talked about the report that came from the Alberta Economic Development Authority. I just want to congratulate your ministry. I think this is an

absolutely excellent report on the opportunities that we have as a province.

What I'd like to do is have the minister explain how you see the relationship between the Alberta Economic Development Authority, the Growth Summit, the new standing policy committee on the economy – I forget the exact name of it, but it's basically your economic development standing policy committee – how those are going to relate to each other, how they're going to deal with each other. I think with the emphasis that we're seeing on the Growth Summit, with its report probably due late in the year, I would expect that we might have wanted to postpone the standing policy committee initiation. You know, we're going to be dealing with the results of the Growth Summit as legislative change and legislative action. To me, it would seem to be kind of almost second-guessing the Growth Summit if the economic development standing policy committee is given a major initiative right now to bring forth legislation. It would seem more appropriate to wait until the Growth Summit made their recommendations to see what areas of both opportunity and legislative change they would recommend. And then, again, how does that Growth Summit relate to the work of the Alberta Economic Development Authority, you know, in terms of responsibilities, in terms of timing, in terms of workload and the ability that they have to go together and work on these?

I guess within some of the specifics of the budget items – some of my colleagues are going to deal with them much more specifically, but just in terms of the overall operation of the ministry, the significant reduction in corporate services, I take it that comes about from the change in the management style and the management focus of the department. So I think this probably has to be looked on as a good move in terms of reducing the administration. The issue that comes up there in terms of the ability to get out to the community to interact with business: I don't know how that would be affected through that part of it as opposed to your programs 2 and 3 that come up.

The other one that comes up under ministry support services is the reduction in funding for the Alberta Economic Development Authority, and this goes back to the concerns that I expressed in terms of what their responsibility is relative to the Growth Summit. Is this reduction in dollars for the Alberta Economic Development Authority a reflection of kind of putting them in a hold position right now till the Growth Summit results come out? Or is it a change in the long-term mandate of the Economic Development Authority itself in terms of how it's going to work, how it's going to bring together information from the relevant interest groups, the relevant contacts across the province? It's an interesting issue that we would like to address there. So that's basically the overview.

You know, in terms of the performance indicators of the business plan, I guess the question that I would ask the minister kind of in conclusion is: do they see in the context of the business plan specific focuses on geographic areas? How do you deal with the issues of some of the domestic, interprovincial trade issues as well as the international ones from the perspective of trying to promote growth in Alberta's business, you know, the freedom that we have to deal with the issues of value added here in the province? These initiatives go into a lot of areas. I know that your department as such doesn't have quite the direct influence in the agriculture sector that you do in some of the others, but, you know, we see these kinds of overlap issues where some sectors are being treated differently in terms of the overall philosophy, and I'd like to see the minister work with the other departments to develop a uniform philosophy across business in Alberta in terms of how they relate to the other provinces and to our growth

potential. We seem to have a real question as to – if you're in the right sector, you get different opportunities.

8:36

So we need to have the ground rules kind of standardized across the different sectors in the province, and I kind of see economic development as the umbrella for some of the other ministries, like agriculture, Energy, forestry, those issues that come under public land management, all of that. I would like to see the economic development ministry initiative kind of be the co-ordinating focus for all of those, so I would wish you success in trying to bring some of those things to a common end.

Madam Chairman, I'll stop – I think my time is pretty close to up – and will allow for someone else. Thank you very much.

THE CHAIRMAN: Thank you.

The hon. Member for Calgary-Montrose.

MR. PHAM: Thank you, Madam Chairman. First I would like to welcome the minister and the former minister. I also want to welcome the staff here today too. It's nice to see some familiar faces. You must have survived one of the most incredible restructurings in the history of your department. I'm sure that with the free enterprise and efficiency-oriented leadership of Dr. West, it has been carried out for the best for Albertans.

I have a few questions today regarding your business plan and your budget. One of the goals that you have in there is to "increase investment in Alberta," and one of the strategies is to "increase business immigration by targeting key geographic regions and specific industry." This year is 1997, and one of the major events that will happen is that Hong Kong will be turned over to China in July. No doubt that will have some impact on the number of immigrants who will move out of Hong Kong. After that, the next big wave of immigration will probably come from Taiwan, because Taiwan will be the next target for China to take over. I don't know if the department has put in place a good plan to deal with the influx of immigrants and to try to take advantage of these opportunities.

One of the things that I have learned lately is that there is reverse immigration. Some of the immigrants who had come here from Hong Kong now have moved back there because they couldn't adapt to the new environment; they couldn't adapt to our economy here. That, I think, is a loss for all of us. Have you put in place any program, any incentive to help these business-people go through the transition period so that they can do business and keep the investment dollar here rather than after two or three years, when they have met the immigration requirements, they begin to move their investment back there?

Another area that I want to focus on is the Alberta Gaming and Liquor Commission. Some of the critics of VLTs have repeatedly asked the government to remove the VLTs or to reduce the number. I, on the other hand, think that we should increase the number of VLTs in the province, because if we can use the proceeds from these machines in a proper way, the benefit of it will outweigh the harm they may bring.

Many of my constituents have come to me and expressed the importance of putting personal responsibility back into the hands of the people. We will always have compulsive gamblers, the 1 or 2 percent of the population who will find a way to gamble no matter what. Today, as we are speaking, there are still many Albertans flying down to Las Vegas for the weekend to play the VLTs and to spend money there. If we outlawed all of the VLTs tomorrow, if we take all of them out of the province, the compulsive gamblers will find a way to gamble anyway. You know, if

history is something that we can learn from, then we can talk about the 1930s, when they tried to outlaw drinking down in the U.S. It didn't help; it actually backfired. All it did was increase the number of drunks. Half the Mafia moved in and took over industry; that's all.

If we increase the number of VLTs to more than 6,000, maybe we can take a larger portion of the revenue generated from the additional machines and reinvest it in different educational programs, AADAC for example, to help compulsive gamblers. You know, I think it is a waste to just cap the number at 6,000, because we can certainly take advantage of those.

I want to ask about another area that we have heard a lot about: the Growth Summit, which will take place in the fall. That, no doubt, will be a major initiative that will set the direction for our province in the next few years. In your budget I haven't seen you make any provision to cover the cost of implementing any of the initiatives that may come out of that summit. I expect that your department will be the leading force in, you know, pushing for any initiatives or recommendations coming from there. I don't know right now if any department has made plans to cover the cost of setting up or arranging the summit. Certainly it's not in your business plan.

Those are just some of my comments. Thank you.

THE CHAIRMAN: Thank you.

Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Chairman. I, too, would like to welcome the minister to her new position. While we've agreed to disagree on many issues in the past, I certainly have a great deal of respect for how you carry out your duties, and I look forward to seeing what happens here over the next couple of years.

My first comments are general in nature. I'd like to talk about the overall 30 percent cut to business and tourism development and try to get an understanding of how this kind of cut, a 30 percent cut, fits in with being a facilitator in the marketplace rather than what you said, being a deal maker or broker in the past. I think that on our side we'd like to get an understanding of the rationale of what strategic planning was done that led to the decisions for the drastic cuts that were taken and the speed at which they were taken.

So is there now a new long-term game plan, long-term goals that you've set out here? There's some information in here, but there's not a lot of specifics. Is this as far as you intend to go with the cuts? What kind of ongoing reviews will you be doing in terms of knowing that you are on the right track here and that the decisions you've made are correct or that there need to be some corrections along the way? So if you could address that for me, I would appreciate it.

When we get to financial assistance to the Alberta Opportunity Company, I'm wondering why it is that you are still giving financial assistance in this department, how you still see a role for government to be in this area. Then could you tell us: why the 10 percent cutback there?

Financial assistance to the Alberta Motion Picture Development Corporation. I'm wondering if you have any indications from the industry that you should be relooking at this or if there's any mind-set within the department to take a look at not funding this anymore. If not, then what specifically is the department planning to do to help keep the doors open to the industry? There's no doubt that there's been a hue and cry over time about the lack of funding there, and all indications that I have certainly would say that we're going to fall behind other provinces now in terms of

the kind of support they provide to the film and video industry. That would look like, at least at first glance, a certain competitive disadvantage for the industry. So I'm wondering if you have any plans to beef up on that end?

8:46

Being from Calgary, you know what a great motivator that's been for employment in the region and the kinds of new dollars from outside of Canada that have been brought in with the expansion of the film and TV industry in that area and in fact throughout Alberta. I'm wondering why you feel there's no longer a role for government in there and also why you chose not to provide an endowment fund to the MPDC, which we think would have given the corporation a better chance to adjust to being a more self-sufficient model. Have you looked at the kind of support that is being supplied in other provinces? Particularly I would say that Saskatchewan, Manitoba, and Nova Scotia at this time would be industry leaders in this area, and it looks like we're losing some pretty major films as a result of that.

I'd like to go now to the key performance measures in the business plan. I have some questions on them. When we take a look at the manufacturing and service industry investment, I too have a question about why there would have been a drop in the '96 estimate and then a rebounding in '97, particularly when we take a look at what it says here with the total public and private investment for all sectors being estimated at \$17 billion for both '95 and '96. What kind of glitch was there in '96 that resulted in a negative investment percentage change?

When we go to manufacturing and service exports, it looks like the estimate here on the percentage change for '96 is slightly lower than what you're saying is the industry average. You talk about total exports for all sectors being estimated at \$29 billion for '95 and \$31 billion for '96. So what happened in that sector that you're showing here to show that slight decrease over the average?

What I see here in these key performance measures is that you're measuring growth in specific areas, and to my way of thinking, the efforts that the department has in this area are only a small part of the picture. I'm wondering why there are no measurements here that would more clearly indicate change in your participation in the industry. You can track the industries as long as you want to, but it doesn't specifically identify whether or not the role that government played there particularly helped them or made no difference. Will you be going with these same key performance measures in years to come, or will we see something that's perhaps more consumer friendly? Will there be some industry satisfaction or client satisfaction, as you like to call it, in years to come in these areas?

I see here that you're measuring exporters. I'm wondering why there's no move to measure importers and the percentage change of stuff coming into the province, particularly in terms I think of identifying potential market share or businesses that we could build on or recapture so that the focus isn't on importing. That leads into more value added in those kinds of areas. If you could just comment for me a little bit in terms of where your department intends to go on that.

Now I've got a question on program 1, ministry support services. You're talking about a new government standing policy committee on jobs and the economy to provide policy advice. I'm wondering if this is going to be the same kind of format as the other standing policy committees and if you could tell us who's on it, the kind of remuneration the members are looking at, the specific mandate, who will be open and available to make presentations, if this is just particularly in terms of policy advice

to the department or if this will be open to lobbying from industry, and what role there will be for small business in there. If you could address those issues for me, I'd really appreciate it.

Now, going down to program 2, business and tourism development. You talk about offering small business owners and other people technical assistance, information, intelligence, and business services. I'm wondering how this co-ordinates with other groups. AOC also offers some counseling in business management services and support. The Business Link offers this kind of support in a few areas, and there are many places that are in private industry that provide this kind of support. The major banks are now getting into this in a fairly significant manner. I'm wondering how providing this kind of support fits into your overall mandate of being out of the business of being in business and not competing with the private sector.

There are also incubators still around, some of them run by cities. I'm thinking of St. Albert in particular. There's a federal initiative, the women in business initiative, which provides a full range of service support. I'm wondering if this is an area where perhaps we still have some overlap and duplication and if it's an area that you're going to specifically be taking a look at, how that's going to change or expand or contract over the coming year. Some specific information there that I'm hoping you can provide are things like how many individual client contacts you have over the course of a year that were provided with advice and information and how many you anticipate being made in the coming year, how many workshops were held for clients in the '96-97 year and, again, how many are anticipated. Are those on a cost-recovery basis?

Is there any attempt by the department to take a look at workshops that are held by other groups to see that there isn't any overlap in here and to look at how the services you provide are significantly different or value-added in terms of what else is out there in the outside market? Have there been any independent evaluations of branch services conducted? How do you measure client satisfaction in these areas in terms of whether they were satisfied with the support they were provided with? Is there short-term and long-term follow-up? This is an area that I've done a great deal of work in over the past 20 years, and I've often found that while people may be incredibly happy in the first couple of months or right after having taken the course or courses, when they get exposed to the real marketplace and see the kinds of challenges that are facing them out there, they'll often find that there were holes in the programs offered to them or not enough information provided. I'm wondering if you're doing the kind of long-term follow-up that would improve the kind of services that are being offered and no doubt improve the success rates of the people using the service.

Do you do any follow-up in terms of the confidence level of clients' significant business decisions as a result of the information that they've received, and what specifically are the benchmarks in this department? I'm sure this information is available somewhere, but I've been unable to find it.

MR. SAPERS: Managed capitalism.

MS CARLSON: Managed capitalism, yes. We're having an interesting side discussion here. The minister who gutted the department is actively embroiled in some outside discussion.

MR. SAPERS: We just wanted this to be more like the Chamber: a little give and take.

8:56

MS CARLSON: There you go. Yeah, a little give and take; right?

Can the minister report on activities of the regional offices and the percentage of clients who rated on a scale of 1 to 10 the ability of these offices on access to department and government programs and services? Again, in these areas what are the benchmarks?

Can we see here the existing businesses, not start-up businesses but businesses that were existing, that used the services and the information and the advice? Do you tabulate how many show a direct increase in their exported general sales? It seems to me the department used to do that kind of follow-up – I'm wondering if you still do – and other kinds of information that Stats Canada will often gather, like increased payroll costs, which would indicate that there's growth within the business. Also, do you track business failures that have gone through the program? Is there a tracking of the people who come to you initially for some advice and who don't have a business but who then do ultimately start up a business?

Can you give us some information on what's happening with the co-operative program the Business Link now, the kinds of successes there have been there – I'm sure there are a great many more successes than failures; certainly that's what I hear from industry – and once again the kind of overlap and duplication between what the department's doing and what's being provided there? Do you intend in the long term to continue support to the Business Link, and what is your overall rating of the effectiveness of that particular organization?

I think with that, I'll hold my questions for awhile and give my colleagues, who are champing at the bit, a chance to jump in.

THE CHAIRMAN: Hon. minister.

MRS. BLACK: I thought, Madam Chairman, I might get in and give some answers, not complex answers, because I will have to go back and get the specific data to answer some of the questions. But I thought I'd give some general overviews on some of this. Keep in mind that this is a new ministry for me, and we will be looking at it in more detail as time progresses.

Quite clearly, the member from Lethbridge asked the question about regulations. I'm a firm believer that regulations have to be in place for a number of reasons, mainly to protect, of course, the public interest. But also they have to be regulations that work. There's no point in having regulations that are counterproductive, that become what I call disincentives to development. So that means that regulatory review is not something that happens once and is parked. It's an ongoing process to make sure that the regulations that are in place are appropriate, that they're not being duplicated somewhere else, because that causes a tremendous administrative burden on not only the private sector but also on the government administrations who've put them in place. It has to mean they're also not in contradiction between departments and between government levels.

I think that regulations are one of the key things that we as a government have focused on through this regulatory review to make sure that we are addressing those issues. I know that in the last ministry we went through some 900 regulations, which was not easy to do. In this one we will continue with that regulatory review, because it's amazing how – and I hope there aren't any lawyers here at the table. Please don't anybody take exception to it, but quite frankly, when you go through unbundling 20 years of buildup of regulation and you start to pull the pages out, you

realize that regulations were put in place on a continuum, but the old ones were never taken out of the package. So you have this mammoth buildup that basically kept lawyers employed. Firstly, they were the only ones that could read them because they were written in a language that nobody understood, and secondly, there were so many contradictions that it left them wide open for interpretation. So all you created was a longevity of legal bills for the private sector and for, quite frankly, our shareholders, the people of Alberta.

I think regulatory review is a critical thing to make sure that there are clear, concise regulations and frameworks in place so that everyone knows the rules up front. One of the things that I'm a tremendous advocate of is that regulations and reviews must involve the stakeholder groups. If you're going to have regulations that are workable, it's absolutely imperative that you've at least talked with the people who are going to have to live with those regulations. Quite often it's like any change you make. If you don't go to the user group and have the buy-in and accept some of their suggestions – you may not be able to accept them all – I guarantee you it will fail. I believe that that kind of a process of having review and having actually in a lot of areas stakeholder involvement is critically important. So you'll see regulatory review as an ongoing process throughout the government, because there's no point in having regulations if they're counterproductive and become disincentives.

The second thing I want to say is on the Racing Commission. You raised some concerns about these types of businesses. Now, I have to admit I'm not an expert on the Racing Commission, and I'm not ever going to pretend to be. But I have some pretty outstanding people that are. I know there are concerns that come up from time to time, and we'll deal with those head-on. I'm not in a position to give you policy direction on whether this type of business is appropriate or that kind of thing. That's what the commission is there for, to vet those things.

That's also what we have set up with the secretariat: our ideas of what the future holds. All that information can focus through that secretariat through the Member for Lacombe-Stettler and can be fed into that process. That goes for all sides of the House. If you've got some concrete ideas or you're hearing from constituents, then by all means feed them into that process, and we'll have a look at them. If you have concrete information that you want us to review, we'll do that. That commission has worked very successfully. You know, in every type of operation there's a group on this side, there's a group on that side, and then there's the main body in the middle. You always have to balance off the pros and cons.

Quite frankly, in the last two weeks I've heard, I think, four sides of the argument on every issue so far. We're going to have to take our time and go through this and rely upon those people with that expertise to sit down with us. Again, the stakeholders will be involved. This will be filtered through the secretariat, because there are a lot of things there that are going to be on an ongoing basis as you see different markets open up and different requests from clients come forward. Those are all going to have to be dealt with, and we'll deal with them head-on. We're not going to shirk those responsibilities. We'll deal with them head-on. We've got to gather the information, we've got to assess it, and we have to have the opportunity from all members to go through this in a rational, logical way. There's no point in making snap decisions that we might regret in six months' time. So we will go through this in a methodical way and come back with suggestions for policies to take through.

You also asked about targeted trips. I have had more requests for trips in the last two and a half weeks. Actually, I was in

Calgary the other day, and one of the people from Canada 2005 said: "What are you doing between now and June 12? Can you go?" I said, "Well, the funny thing is we're in the Legislature right now, and I pretty much have to be in Edmonton in session." I probably have more requests for trips than you can imagine. We have an area in our ministry, a group of people that deals with and co-ordinates them. Our government doesn't believe in sending ministers overseas and on various trips in just an ad hoc way. We look at the requests. We look and see if in fact the requests are going to be beneficial to Albertans, and then we decide. In some cases you have a country that will have a request in for four different ministers to go. Well, you know, that's not reasonable. These all flow through a co-ordination. I know the last time I was overseas, I was acting for four ministers on that trip, because it's not reasonable to send four ministers to the same country at the same time. That's just not the way to do it. So it is co-ordinated.

Clearly, there are some key areas that we will be focusing on where there are, we believe, close connections and market opportunities, but that is driven by requests from the private sector. The government doesn't go and get into business in those jurisdictions. The private sector has to express interest. They have to pay their way. They have to be involved.

9:06

Two years ago I went to Beijing. We had an Alberta night there; 120 companies from Alberta attended that function. I didn't know really what to expect because I had never been on one of those big overseas trade missions. I guess what I was amazed by – just us being there, companies from Alberta that had tried for as many as five years to get to the person in that structure, which is totally different from what we have in Canada – was making the linkage. In one night we were able to sit those companies down with the person. This was a dinner with the China National Petroleum Corporation. You know, they have a million and a half employees. So trying to find out who the right person is to contact to make that linkage could take you 10 years. What happened was that there were companies from Alberta sitting at a table with the person who makes the decision. Now, all we were able to do was to make the introduction. What they found amazing was that a number of those companies were competitors, but they were sitting together as Alberta companies at that table, but they made the linkage. Now, they stayed behind. We went on to another country. They stayed behind, and they did their own deals. A lot of them were very successful. Some of them were not.

What we were able to do was facilitate that. We did that not only for the previous portfolio but for a number of other portfolios. You do focus on where you can be of best use to try and facilitate. That's sometimes a difficult role because you don't know what structure you're going into. All of these countries have different structures than us. You know, a lot of them have been Third World countries or socialist countries that control everything, a totally different model. They don't have free enterprise the way we have it. So you have to really watch where you're going and be careful. You bet it's controlled, it's directed, and it's monitored very closely. You don't send ministers all over the world just for the sake of sending them. There's nothing that comes back.

You talked about performance measures, and you talked about investments. I can't go through all the investments that are in these performance measures. I can tell you that when you relate investments into when you're actually delivering product, you invest now, but your production is not coming out for maybe as

much as five years. I'm thinking about oil sands investment. You invest dollars now. It's billions of dollars that go in the ground, and then product starts coming out, but it doesn't come out in the same year that the investment goes in. So you've got a mismatch of invested capital to actual shipped product. That will happen. You'll always have that out of sync.

When there have been massive announcements like in the petrochemical industry this last year again, you'll see that committed capital investment, but you're not going to see product coming out of that until that facility's built and up and running. You've got to have that lead time on capital investment. So you'll see a mismatch probably all the way through.

Whether that's a valid performance measure to put in place you could probably debate, but I think it's a valid as you get. I don't know how else. I would deal with them on a separate basis. This is the capital commitment that's coming into the province, which is phenomenal, and this is the end result in the longer term, what the export ability and the development ability will be. So I wouldn't try to relate those two together on a year-to-year basis. In the long term you might be able to look back and do that.

You asked about the relationship between the ministry, AEDA, the Growth Summit, and the strategies that we're looking at. I think that's an important question. You showed the document Building on the Alberta Advantage, that we talked about at the very beginning. Clearly, the Alberta Economic Development Authority is so unique in this country. It started off as an idea, actually when Premier Klein was the mayor of Calgary. You know, Calgary was in a slump, an absolute decimation in 1980 because of the national energy program, quite frankly. I remember it very clearly. I was in that industry. We were going down the tubes fast. We needed to have a body that could come forward and help to focus on some strategies to help pull Calgary back into being a viable entity again.

A dear friend of mine and my family's, Arthur Smith, was commissioned as a friend and as a volunteer by our mayor then, Ralph Klein, to try and bring together some expertise from the business community to try and help put in place some sort of strategy that we could follow in Calgary. People kind of forget. I remember those days. We were losing 10,000 jobs a month out of the oil patch. They were heading south, and we were in big trouble.

They put forward and started the Calgary Economic Development Authority, which was then followed by other jurisdictions, to try and focus and use their expertise of what strategies we could put in place to try and recover economically and to try and build a cohesive, strategic plan for the city of Calgary. That was extremely successful. It brought people who were out there in the business community to the table, and they worked with the City Hall in Calgary. So when we got into the situation where Premier Klein became the Premier of Alberta, we talked about: how do we get that same feeling and development concept going?

Now, there are a number of economic development authorities throughout the province, but how do you make the whole province part of a strategic plan? That's how the Alberta Economic Development Authority came into play: let's take a group of people from all different aspects of business and ask them to donate their time to come forward with sort of comprehensive strategies to take us into that new millennium you hear about all the time. Quite frankly, they've done a wonderful job. They've come forward with a number of strategies that I think are going to be extremely beneficial for Alberta and for the people of this province.

How does that lead into the Growth Summit? Well, the Growth Summit is another aspect of this in the fact that we know that we

are going to be going through growth cycles in this province. We have projections as high as 4 percent growth for the province. Some are more bullish on their forecasts; others are not quite as bullish but somewhere in that category.

As you know, with economic growth there are pressures attached to that, whether they're in the health sector or in the education sector or in the social sectors or in the job sectors. You know, simple questions like: do we have enough buses to accommodate growth? As an example, Calgary is the fastest growing city in the province. As more people move in and you have this growth occur – naturally you're getting growth because of economic opportunity, and development is taking place – how do you deal with the pressures in that community to accommodate that growth? Look at the pressures that are going to be experienced in Fort McMurray with the growth that they're going to have over the next five years because of announced projects. How do you deal with that in the Cold Lake and Grande Prairie areas and the Peace River area and the Bonnyville area and Edmonton's regional portion of where they're going to have that? How do you deal with those growth pressures that are going to be there? Naturally when you look at the strategies for Alberta, you've got to feed them into the Growth Summit. So AEDA will be a very critical part of that Growth Summit, to work with all the groups, because all of that has to mesh together.

That's the long term, that Growth Summit: where do we go in the long term on those forecasts? I think it becomes very important that you don't have – and I'll probably use the wrong term. This is a very critical time frame for us to go through this Growth Summit because we've got to prepare for the longer term. This is going to be a very serious group of people that are volunteering their time to sit down and work together to come out with some long-term plans. That has to be in place. I can't predict all the outcomes because they haven't started, and I don't want to do that, but I would think there would be some immediate directions and there would be medium-term and long-term directions that come from that summit. So it's going to be very critical. AEDA will be there.

9:16

You asked about a uniform philosophy to have in place. I believe like you that there has to be a generic framework, I call it, for development. People when they come to this province, whether they're investing from inside Alberta, across Canada, or internationally, have to know the rules of the game. You cannot expect people to employ capital in this province unless they know what kind of framework is there and what kinds of rules are there, and if in fact we have the proper framework and right kinds of workable regulations and tax structures in place, there is absolutely no reason that we will not attract investment from inside Alberta and from outside Alberta. The philosophy of development covers all sectors. I agree with you that there needs to be a crossover on our industries to have them talking.

I'm actually amazed, and I have the responsibility to look at development in the areas of agriculture, forestry, petrochemicals, mining, small business development, and tourism, and I would not pretend to be an expert in a number of those areas. I will never pretend to be an expert, but there are some fundamental principles of economic development that I believe have to be employed, and that means groups sitting down and talking about it. "This is the province. How do we become the very best place to develop our products, to invest in, and to be the one that reaches the marketplace first?" [Mrs. Black's speaking time expired] Am I finished?

THE CHAIRMAN: I'm sure, hon. minister, that we'll let you wrap up again at the end, but we do have a speaking list.

MR. PHAM: Madam Chairman, can you ask for unanimous consent to let her continue?

THE CHAIRMAN: We do have a number of people that are still on the speaking list.

The hon. Member from Calgary-Egmont.

MR. HERARD: Thank you, Madam Chairman. Hon. minister, congratulations on your appointment to this portfolio, and I certainly look forward to working with Economic Development and Tourism as the lead department on the Growth Summit, and I'm probably going succumb to the temptation of making a couple of comments with respect to the Growth Summit a little bit later on.

You said something very interesting probably in the first two minutes of your discourse, and it was that more Albertans were working in Alberta today than ever before. One of the concerns that I have with respect to growth is that we'll have lots of people working in Alberta, but they won't necessarily be Albertans because of the problems that we're going to have with respect to human resources development.

[Ms Haley in the chair]

It's good that we're in committee because you can use exhibits, and I brought some with me. There's something called industry sector profiles, which is in Alberta Careers Beyond 2000. There's another one on occupational profiles. It talks about all the jobs that are hot and the ones that aren't, and then it talks about all of the careers beyond 2000. What's interesting about all of this is that every one of the industry profiles – and there are 27 of them – talks about the fact that information technology and computer technology is the most significant factor affecting the growth and the profitability of each one of these sectors. Yet even the authors of these documents don't get the picture. Even though they do a great analysis of the industry profiles, they don't recognize the fact that all of this technology and all of these changes don't happen without a training industry, and a training industry doesn't happen without a content industry, and a content industry doesn't happen without a knowledge industry. I'm pleased to say that our new minister of science, research, and information technology is starting to talk about a knowledge industry in this province, a new pillar in his portfolio. I think that's so important to recognize, because the leading economists and those well-known world leaders who speak on this subject are saying that knowledge is the capital of the future. In today's technological age everybody can buy technology. It doesn't matter what kind of business you're in; you can buy technology and be just as competitive as the next guy. You can be just as productive as the next guy. Your cost of goods can be just as low as the next guy. So the only thing left that will distinguish corporations of the future in terms of their ability to compete globally is the knowledge capital of the people that work for them.

I'm assuming that you agree with this little discourse, because I see in this great little document from the Economic Development Authority that it speaks to those things. For example, on page 5 it talks about developing and maintaining a skilled and flexible workforce, one that is responsive to the changing requirements of a global economy. Then if you turn the page, it goes through all of the things that are found in this document, which is called

People and Prosperity: A Human Resource Development Strategy. Now, I like this guide because I had something to do with it. In terms of that, then we see a little bit further on page 7: to ensure that Alberta has a first-class infrastructure to meet the current and future needs of the economy. It talks about appropriate initiatives dealing with telecommunications and networks, not just highways but highways of a different kind. So I'm really pleased to see that.

In order to keep pace with changing technology, it talks about supporting the leadership of the Alberta Science and Research Authority and its endeavours. I guess what all of this is saying, the long and the short of it, is that governments typically operate in silos, in the past have operated in silos. I think what this document is saying is that we all have to work together in order to achieve those things. Some of these strategies are essentially strategies of advanced education and career development. Some of them are strategies with respect to science and research. I guess my question, after all this long discourse, is: how are you going to make all of that happen in an area where traditionally we tend to work in silos? I think it's extremely important with respect to the future of this province that the kinds of initiatives that you see in this little document – you know, it's 11 pages long, but it does tell a really good story of what needs to happen.

So I guess my first question is: how are you and your department going to work to essentially achieve all of those things that are discussed in that document which involve all of these other departments?

As I said, I probably will succumb to the temptation of speaking a little bit about the Growth Summit. You were quite correctly hesitant to talk about outcomes. I just want to share some outcomes that happened in Quebec with respect to their Economic Summit and the things that got me turned on that weekend in November when I watched the Economic Summit from Quebec live on CPAC. My wife thought I'd lost my marbles. I spent two days watching it. One of the outcomes was that every sector of the economy, including all the public and private sectors, including all the unions were buying into a partnership such that, for example, a thousand new apprenticeship spaces were delivered – signed, sealed, and delivered – at that conference. Thousands of business partnerships for meaningful work experience were delivered. Thousands of mentorships in technology areas where our school systems don't have the expertise were delivered. Those are the kinds of things and the kinds of outcomes that I hope we can achieve with respect to the Growth Summit.

I'll stop there, and you can maybe provide me with some answers.

THE DEPUTY CHAIRMAN: The next speaker is Edmonton-Castle Downs.

9:26

MRS. PAUL: Thank you, Madam Chairman, Madam Minister. Actually, I'm just going to turn to the tourism program, being that I'm the critic for tourism. I'm just going to ask if the minister could provide some details on specific initiatives of the Alberta Tourism Partnership for the upcoming fiscal year; in other words, just a little bit of in-depth specifics on that initiative. I was listening to her comments a little bit earlier, and she's touched on a few of them. I'm just wondering if there would be little bit more of an update.

Also, in the past the ATP has been criticized for developing programs which have really focused on Alberta's big four, it's called, and that's the tourist markets of Jasper, Banff, Calgary, and Edmonton. Of course, when you think of tourism in Alberta,

you obviously think of Edmonton, and then of course you think of West Edmonton Mall.

DR. TAYLOR: And Medicine Hat.

MRS. PAUL: No, I'm sorry; not Medicine Hat. When I was living in Nova Scotia in the early 1990s, I made reference to being from Alberta, and the first thing that everybody said was, "Oh, have you been to West Edmonton Mall?"

MRS. BLACK: I thought it was the Calgary Stampede.

MRS. PAUL: No, West Edmonton Mall, I'm sorry to say.

Anyway, what I was alluding to is that I find that tourism obviously is a very strong business moneymaker for the province of Nova Scotia, and I don't really see that initiative in Alberta. I see it, as I said before, in the big four tourist markets, but I was wondering what plans or initiatives you are planning for the rural areas to give a little bit of a higher profile in terms of what they have to offer to people that are coming to Alberta. We have a lot to offer, and I think that should be a little bit more visible. If we have to generate a little more money into the programs, well, so be it, but we don't want to lose sight of the tourism dollars that Alberta can bring in.

If you do look at what Nova Scotia has done, that's just a strong indicator of how powerful that province has made tourism on their agenda. We have to sort of take note of that small province. All the Atlantic provinces are doing the same thing.

As well, Madam Minister, I've had a few calls from constituents in this area with concerns about the small drive-in roadside parks, specifically the ones around Sherwood Park and the Strathcona area, that have been put up for tender. Apparently nobody has bid on operating them, and they want privatization. I guess there's indication that they're going to be privatized. Nobody has bid on the parks to run them. There are four or five of them. It has been noted that the parks are to be closed.

MRS. BLACK: I don't think those are ours.

MRS. PAUL: They are provincial parks run by the province.

MRS. BLACK: Yes, but I don't think they come under my ministry. I think they'd come under Environmental Protection.

MRS. PAUL: Environmental Protection? Okay. I'm sorry. Then you probably don't have the answers to why they're not being . . . [interjection] It's tourism. I was sort of trying to relate it under the umbrella of tourism, not environment. You know, you could accommodate 30 . . .

MRS. BLACK: But the privatization issue on them: I don't have any background to give you on that.

MRS. PAUL: Do you know if there are any plans to close these?

MRS. BLACK: You'd have to go through Environmental Protection. In fact, they haven't been up yet, I don't believe.

MRS. PAUL: No, they haven't.

THE DEPUTY CHAIRMAN: Tomorrow night.

MRS. BLACK: Tomorrow night?

MR. SAPERS: You've sort of lost control, haven't you?

THE DEPUTY CHAIRMAN: That's what I was going to say. This is not a back-and-forth conversation.

MRS. BLACK: Oh, I'm sorry, Madam Chairman.

THE DEPUTY CHAIRMAN: How about we just go forward on your comments, and we'll worry about the minister's responses later, please.

MRS. PAUL: Thank you, Madam Chairman. [interjection] Yes, it was a good question, but, anyway, the wrong department. Actually, I was going to be alluding to economic development and strategies and what not, but I think you've covered quite a few of the issues that I was going to bring forward. I look forward to the results of the summit. We'll be watching that with great intent. Please don't forget tourism in this province. I love tourism. I've been involved in it for lots and lots of years.

Thank you very much.

THE DEPUTY CHAIRMAN: Madam Minister, did you want to comment again?

MRS. BLACK: Well, if I could maybe try and be briefer and cover a few more issues here. Areas that I've already talked about I won't talk about again.

From Edmonton-Ellerslie there was a question on the Alberta Opportunity Company and its function. There are a lot of people that would question if we need that or don't need that, and I guess that's a debate that will probably go on for quite some time. You know, when you look at small business development and you realize the size of the majority of the financing, the loans that come out of there, they're usually new loan start-ups.

[Mrs. Gordon in the Chair]

You made a comment about tracking, what happens with some of the development that occurs. I guess I feel somewhat familiar – I'm not as currently involved this last few years, but I used to sit on the Federal Business Development Bank board of directors. I was the director for Alberta and the territories. One of the things that I found quite interesting was the number of small-size loans that were given to mom-and-pop operations, small businesses. The larger banks, quite frankly, weren't interested in loans that were under \$100,000. There was too much cost involved in writing up the loans and monitoring them. Where vehicles like AOC and FBDB – I forget what it's called now. The Business Development Bank of Canada. They've changed the name of it. They were there to facilitate those small business start-ups.

Yes, they're high risk, a lot of them, but one of the things, the services, that was there which I thought was so critically important – and as you know from your background, most small businesses experience failure in the first two years if they're going to fail. One of the things that these groups have is the counseling process and the follow-up. It's one thing to go in and encourage a business start-up. Then if you abandon it immediately and leave it to stub its toe along the way, it has a higher percentage of failure rate. But if you go through and have follow-up to see are you collecting your receivables, are you making your payments, have you continued on to have your development occur, if you can get past that first couple of years from start-up, then you have a much greater probability of success in staying in business.

Now, there's been a lot of co-operation that has occurred between the different agencies that fund small business development through the federal government and provincial governments, like the western diversification program, et cetera, that was there. Instead of duplicating those responsibilities and functions, they have ended up in one shop or the other or they've been merged.

I think one of the benefits when you're looking at small business development, quite frankly, is the ability to keep that database. When someone comes in to say, "I would like to look at a small business in XYZ area; what kind of data information is available?" you can access that database and see: is the market in that area oversaturated? Is the product already out of date? Are there other competitive areas? Having all that data available to a small businessperson so they can gain that type of information I think is critically important, probably equally as important as actually having the financing. I would think it would be a real shame not to have – now, through our business information centres we are able to provide that kind of data to people. I think that helps people when they're starting to make decisions, if they're going to personally get involved and invest and put their time and their effort and their money into that kind of development. I think that's a role that's critically important and needs to be there, because that kind of history and intelligence cannot be found anywhere else unless there's been a database established somehow to collect that. I do know that there was a co-operation between the federal government level and the provincial levels to share that kind of data so that people aren't going all over to track down that information. Some of the functions that were in AOC have been moved out, and you see a much smaller operation than you did before.

9:36

You asked a bunch of questions on the number of contracts. I'm going to have to get back to you on those. I don't have that data with me.

Calgary-Egmont asked a critical question about human resource development. There are two things Alberta has that I don't believe any place else has. We have absolute strength in our human skills and in our natural skills, natural resource opportunities and human, but the problem is you can't take it for granted. As the world changes – and people used to ask me this question: how do you project a forecast price for a commodity? Nobody can do that, because you're playing to a market that you have no control over. But one thing I always thought was the one place where you have to have the advantage is not in being able to forecast a price but in being able to have employed the best technology and the most advanced technology possible. That comes from looking at research and development.

The big plus, I believe, in success will come from having the very best and the latest technology employed in your production lineup in the future. That will give you the competitive edge that no one else will have, because nobody can project what that commodity price will be, but that also means that the people who are going to be working there have got to be qualified and have that extra skill level that you cannot take for granted.

One of the things you see in the development that's taking place is that we don't have enough welders. We don't have enough welders, guys. That's a problem. So we need to have that absolute linkup through apprenticeship programs, et cetera, and co-operation with our postsecondary education institutions to look at certifications through apprenticeship programs that can be done on-site. There has to be a crossover, and the silos he talks about for this kind of development have got to go away. Industries have got to be committed to a program of trade as do our postsecondary institutions.

We will not have the people from Alberta staying in their own communities. When you see the development in the outlying areas that I talked about earlier, not in the two major centres, one of the best ways to keep young people there is to give them a job to do and have them employed and learning while they're on the job. They'll stay there and develop that whole community, the community they're from, if they have internship programs and apprenticeship programs on-site. They're critically important.

Today you can go on to the Internet and scan the Net and look at internship programs with companies in a whole raft of areas, but they're not enough. There has to be apprenticeship certifications take place, and it can't be something just to talk about. It has to be a full buy-in, and action has to take place. That's a big concern, because if we don't keep that advantage here in Alberta of having what I call the highest level of training and expertise really in North America, we will lose part of our advantage. So that means a real partnership between people, government, business, and educational institutions. They all have to be on the same track. It can't be one against the other. They have to be there together, and that's going to be a push that we need to have.

Edmonton-Castle Downs talked about tourism, and I was in a session this morning. You know, we have I think one big flaw in Alberta. We don't brag about ourselves. Outside of Alberta people have heard about Alberta, and they want to come to Alberta for a number of reasons: Banff, Lake Louise, Jasper, Waterton park, Calgary Stampede, Klondike Days, to go to the Tyrrell museum, all these sorts of things. But, you know, it's really sad for me when I look at this in a serious sense. Albertans don't go inside Alberta. This year we're going to focus on Albertans inside Alberta: travel in your own province. Everything you could possibly want to see, some of the absolute wonders of the world are sitting in this province. That may sound kind of sappy coming from someone who's lived all her life in Alberta, but I would put the challenge out to MLAs.

About – gosh, I can't remember – four years ago I was on a committee that was sent out to tour the province, to hold 31 public hearings throughout Alberta. I drove 95,000 kilometres through this province that year in those 14 months. I'm ashamed to say that there were places I went that I had never even heard of. It was sad. There were some wonderful places to see in this province.

Instead of taking a trip stateside or overseas – and I'm not against traveling internationally – we should have a year where we as ambassadors for Alberta say: travel Alberta; go and visit the areas in this province and experience them. People come from all over the world, busloads of people travel through this province, and we all leave. We take it for granted. We don't brag about it in our own constituencies or in our own hometowns. Start looking at what's here in this province and start promoting it, because there's an opportunity for this business to be extremely successful and one of the big leaders in this province. It should be, because when you look at the venues that are in this province today, it's unbelievable.

I was at a conference this morning, and I said: start bragging about what you have here. I think it's phenomenal what we have, and I would hope that every MLA, when they put out their newsletters before the summer break, will talk about a particular place in the province to visit, promote. You can't rely upon a group within the Department of Economic Development and Tourism to do the job for you. We need ambassadors; we need people to start promoting this.

I mean, consider what's on the agenda this year alone. This summer we've got the World Police/Fire Games in Calgary. Every member should be down there with their family and friends

to see that, because there will be people from all over the world coming there. We go right into the Calgary Stampede. Over a million people go through those gates a year. Then we go right into Klondike Days here in Edmonton, and they have almost a million people go through Klondike Days now. Then we go into this fall and some of the conferences coming to Alberta.

All of us, every one of us in this Legislature, should be contacting every person we know in the international community and supporting the Canada 2005 bid, sending letters – I know I'm sending personal letters to everyone I've met from a different community – and making sure that we have every person we can have in that international community support the bid to have it here in Alberta and in Canada, because that will help profile it.

It's amazing to me that all of the 70 countries that visited me in the last year and a half knew about these venues and these things in Alberta, but we never talk about them as Albertans. So I think the Member from Edmonton-Castle Downs has a valid point. We have to profile it ourselves, starting right with our own newsletters, and send out that message. Madam Chairman, I know that's getting off the topic of my budget, but it can't all be done by one department of government. So I think we need to do that and profile it.

The directions we'll be taking in the future as to how we will be structured. I will let you know today that we are going to refocus and reshape, not lay off people but reshape some of the responsibilities within the ministry. As you know, we don't have a deputy and we don't have any assistant deputies. We are going to be refocusing and reshaping somewhat, and we'll come back with that. We're bringing in some strategic planners to help us with that, plus we will also consult with the stakeholder groups as we move forward.

There will be some change. I will be focusing most of my attention on attracting people to Alberta this year in all aspects. I expect that we will be trying our utmost to make sure that we put forward a plan that will be very successful and will be in sync with the private sector, the public, and the longer term strategic plan that will come from both AEDA and the Growth Summit and will feed across departments. When you talk about silos in technology, you better talk about silos that occur within sectors, as the Member for Lethbridge-East talked about in the agriculture community, the forestry community. Those silos have to come down if you're going to have a full strategic plan. You have to have stakeholder involvement, and that means crossing over boundaries and joining together.

9:46

So it's going to be an interesting year. I am actually quite excited about the challenges that are there. I will say this in all sincerity: I would hope that if the opposition members have ideas – and I'd be interested in some in tourism – please feed them in. Please feed them into the process. You know, I have been known to actually give opposition members credit. When they have fed actual valid information into the process, I've stood up and thanked them publicly for their input. I know I've had a discussion with the Member for Lethbridge-East. I believe that is a good process to have, because we're supposedly all here for the betterment of this province. So let's work on it.

Thank you, Madam Chairman.

THE CHAIRMAN: Thank you, hon. minister. We still have a couple of more people on the speaking list.

The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Madam Chairman. Welcome to the

ministry, Madam Minister. You certainly don't mask your enthusiasm well for it. I mean, it's a wonderful opportunity that we've had to hear about your enthusiasm for tourism and for economic development, and I'm glad you've had a chance to share those comments.

I do want to say to the chairman that I hope the chairman will make note of the fact that not once did I raise a point of order on anything to do with relevance coming out of any of the discussions so far. I hope you'll be mindful of that as I proceed.

THE CHAIRMAN: It's nice to see enthusiasm in this room, hon. member. It's fairly warm in here, so there is a little leeway shown.

MR. SAPERS: Yeah. If we could have some air in this room to go with the enthusiasm, it would be nice.

Madam Minister, I'm actually going to try to brief, so that should come as good news to everybody. I want to ask you a couple of questions about the Alberta Gaming and Liquor Commission, something we haven't really talked much about yet tonight. I want to put this first question in the context of something that's happening in my constituency.

There's a merchant who has opened up a liquor store, and a couple of blocks away from the liquor store is a hotel that also has a liquor store. Now, the liquor merchant has applied to sell lottery tickets from his liquor store and has been refused. He found this curious because the refusal was based on the fact that there shouldn't be this mix of gaming and liquor, but he points out to me that this hotel has a liquor store. It has a tavern as well, and it has a full-service bar. It also has at its main counter a little bit of a convenience – you know, you buy chewing gum and potato chips and lottery tickets. So he asked me: well, isn't it a little bit of a contradiction that I'm being told as a liquor store proprietor – nobody consumes alcohol on my premises – that I can't sell lottery tickets because of this prohibition against mixing liquor and gaming but at this hotel where they have multiple liquor licences, they can?

I guess I ask you that question because of the business plan as I understand it for the commission. The intent of the commission is for the orderly wholesale and retail distribution of liquor and also the control of gaming, including lottery tickets. This is a policy contradiction, and I guess I'd like to know whether or not you're going to be looking into this area of regulatory control, seeing whether or not we can make better sense of it for the small businesspeople, not just in my constituency but throughout the province, who are facing those kinds of contradictions.

I also note from looking at the business plan the targets for returns to charities for things like bingos and casinos. This has stuck in my mind because tomorrow evening I'm going to be working till 2 or 3 a.m. in a casino that's going to be raising money for the school my children attend. More and more frequently my children are bringing home one kind of permission form or another – you know, can they sell chocolates; can they sell pull tickets; can they sell the Entertainment books? – and to ask parents to get involved in things like casinos and bingos. I'm wondering whether the Gaming and Liquor Commission will be looking at the growing reliance that publicly funded schools have on gaming activities to fund their operations and, when you're setting these performance targets or these key performance indicators for the kinds of returns you want to the charitable groups, whether or not you'll also be looking at setting limits on the amount of gaming revenue you will allow public institutions to become reliant on for their operations. It seems to me that you can't really do one without the other, or else you've created a bit

of a vacuum. So I'd be curious to hear your thoughts on that.

There has been some discussion about tourism, and you have quite elegantly stated your passion for travel Alberta, something that my family and I enjoy doing quite a bit. One of the things that I've noticed in my own travels – and I always make it a point to stop at the information centres. There are few of those these days, you know, harder to find, and when you do find them, quite often a lot of the material that you used to be able to pick up is no longer available free of charge. That's been a bit of an issue.

One of the things that I do notice is that when you get south of Red Deer, there's a tremendous amount of information on tourist attractions. There's been some obvious government commitment to developing tourist attractions. But when you get up into the Peace country, there's next to nothing. There's very little when you get up into the northeast. It seems that it's been led by industry around Fort McMurray more than its been assisted by government.

You know, one of my favourite places to be, particularly this time of year, except for the flooding, is when the ice is breaking up on the Peace. That wonderful suspension bridge at Dunvegan. It seems to me there are all kinds of things in this province that are worth a trip or a side trip, but it seems that there's been this division that's been drawn on a map north/south. The government has put a lot of emphasis on developing and marketing, particularly marketing, south of the line and not a lot north of the line, and I guess I'd like to know what you're planning on doing about that.

Program 2 of your main department estimates – what's it called? – business and tourism development, I think it's called. There was a question raised by my colleague about support for women in the federal program, the dollars that this government has left on the table in the past. I'm wondering if you've specifically turned your attention yet to coming to the assistance of women in small business. There's been discussion in other jurisdictions about lending circles and small capital pools and streamlining the process for government support, particularly for people who are newly entering the market as entrepreneurs, as businesspeople. Many women, of course, fight many barriers and stereotypes still. I'm still amazed when women come into my office and tell me that they are still being asked for their husbands to co-sign and things like that, and they express frustration. I'm wondering whether or not you've turned your attention to that and what specifically in your budget in that program you could point to and say: yes, this will specifically come to the assistance of women entering the field as small businesspersons.

9:56

Also under program 2, of course, I have some particular concerns now about science and research. I'm wondering if you can tell me how the Alberta industrial benefits strategy and the forest industry development division of your department integrate or co-ordinate with the Alberta Research Council and particularly with the minister responsible for science, research and information technology. There's been the development of a couple of new MLA-led committees. I'm having a heck of a time drawing a picture of how all of these things relate. I don't mind if there's a little bit of overlap; in fact that might be good. I guess what I'm having difficulty with is understanding who's in charge. We still don't have a comprehensive public research strategy for the province of Alberta. I don't know whether I should be turning to you, your colleague the minister responsible for science, research and information technology, or someplace else. So I hope that if you don't have the time tonight, perhaps in writing you can help me put this map together and explain to me how that co-ordination

happens, sort of who's the lead hand when it comes to the development of a comprehensive strategy. I agree with you that it's critical, and I'd like to get on with it.

I have a number of specific questions about AOC and under program 3 financial assistance to the Alberta Opportunity Company. I'll try to run through these relatively quickly, and I don't expect a detailed answer to these this evening.

MRS. BLACK: Did you just want to submit them to me, and we'll bring them back?

MR. SAPERS: There are a couple that I'd like to make you aware of tonight. I will put in writing my complete set of questions about AOC, and I'll make sure you get those in a timely way. Thanks.

Specifically regarding the financial assistance provided to the Alberta Opportunity Company, I'm wondering if you would tell us a little bit about the plan approved by Treasury Board to eliminate the deficit that AOC currently has. As I understand it, there was a \$27 million grant provided by the province in the '95-96 fiscal year. What I'd like to know is: what's happening with that plan to eliminate the balance of the deficit, and what is the status of the company's long-term plans to ensure that we'll never have to give them that kind of cash infusion again, or in fact are we getting close to that? Are they going to need another \$20 million or \$30 million?

Also, if you could give us an update on the status of the export loan financial assistance program, particularly as that relates to the overhaul of the Alberta Opportunity Fund Act regulations. I think that happened in the fall of '94, and I haven't been able to find any update.

MRS. BLACK: It's gone.

MR. SAPERS: Is it gone? Is that why I can't find it? All right. Was there a write-off?

MRS. BLACK: I think any balance there went over to the Treasury Department – didn't it? – on the export loan. Yeah, that was transferred over. Look in Treasury.

MR. SAPERS: It was transferred to Treasury?

MRS. BLACK: Anything that was left there.

MR. SAPERS: So if I look carefully in public accounts for '94-95, I'll find that transfer?

MRS. BLACK: Probably '96.

MR. SAPERS: For '95-96? All right. I'll check, but if you can find it faster, that would be helpful to me.

The authorization has changed for individual guarantees under the export loan financial assistance program. Hasn't the ceiling been increased? I think it used to be \$600,000, and now it's just shy of a million. Or are you telling me that's just gone?

MRS. BLACK: I believe that's gone.

MR. SAPERS: Okay. Well, I may be horribly confused, and I'd be delighted to be set straight. We'll press on. Just a couple more.

I'd be interested in receiving an update on the provision for a loss that has been established by the Alberta Opportunity Com-

pany for its impaired loan portfolio. That portfolio in the last accounting that I can find is in excess of \$10 million, what AOC says is their impaired loan portfolio. Together with that, I understand there have been some negotiations which will provide the province with a sharing of the gains on the disposition of those investments, but I don't know whether that sharing on gains is possible before the deficit on AOC is eliminated. I'm not sure if I'm making it clear. I'd like to know what's going to happen with the impaired loan portfolio, how that relates to the commitment to get rid of the deficit, and what kinds of repayment terms have been negotiated. I understand that the repayment terms of the notes require repayment of a principal amount without interest on the disposition of either the investment or on demand by the province. Is that ahead of writing off the deficit, or is one contingent on the other? [interjection] Thanks for that advice.

I have some other relatively specific questions on AOC, which I will send you before this estimates process expires, and it would be really helpful if we could get at least preliminary answers to them as well before we have to do the final vote.

THE CHAIRMAN: Do you wish to respond, Madam Minister? We have one more member who has indicated he has three short questions.

MRS. BLACK: I'll take the last questioner.

THE CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks very much, Madam Chairman. Good evening, Madam Minister. Just three specific things I wanted to ask. Firstly, the European Union adopted the privacy directive that says that by 1998 member countries – and that would be all of western Europe – would no longer trade with nations unless the nation has adequate privacy protection. I think it's article 29. Now, I'd like to know what steps the province of Alberta is planning on taking to be able to comply with the privacy directive. What's interesting is that I understand Quebec is right now the only jurisdiction in North America that complies with the EU directive, and it's creating great concern in the U.S. I think about \$70 million is our exports in terms of goods and services to Europe. I may be wrong in that, but that just sticks in the back of my mind. I'm concerned about what plans you have, Madam Minister, and the government has so that we don't get caught flatfooted in 1998 when the EU directive takes effect.

The second question is on the Calgary Business Development Centre, a wonderful innovation. I can't say enough in terms of how impressed I am and people I know who have used that. Three levels of government together in one centre. The concern, though, is one that occurred last year. Calgary is the centre in Alberta that has the largest number of immigrant investors. There were, as I recall, two counselors in Alberta, one in Edmonton and one in Calgary, and your predecessor had eliminated the immigrant investor counselor position in the Calgary office with the consequence that people coming from Hong Kong, China, and so on, wanting to set up business, invest in Calgary, would meet with their immigration lawyer there but then were told they could no longer go down the street. For many of those people, I understand, it's important to have an in-face meeting. It doesn't work to phone Edmonton. I'm interested in knowing, Madam Minister, what we've done about that. I recall writing your predecessor and getting a response back that this wasn't a problem, but I hear from a number of immigration lawyers in Calgary that this has been a major concern. I'd like to know what's happened there.

The final thing would just be if you can advise me at some point before we ultimately vote on the estimates about how many applications you or your department have received under the freedom of information Act. How many applications were deemed abandoned after an estimate of fees was provided? That's where somebody makes a FOIP application. They receive an estimate from the department saying the fees are going to be \$400, and if half of the fee isn't paid within 30 days, then it's deemed abandoned. If you can cull your records and advise me how many of those were deemed abandoned.

Thanks very much, Madam Chairman, Madam Minister.

10:06

MRS. BLACK: Well, I would have to say to the Member for Edmonton-Glenora that if you have a particular case from a constituent that concerns the Alberta Gaming and Liquor Commission, by all means phone over to the Gaming and Liquor Commission and talk on behalf of your constituent. This group also operates as a quasi-judicial board on rulings, and it would be really inappropriate on a particular case where there has been a ruling made for the minister to all of a sudden get involved in that. There are always processes for appeal. If it's a general policy direction, clearly I think that's what you want to filter through the secretariat, which the Member for Lacombe-Stettler is chairing: ideas on how to look at those in the future. But in particular cases I will not overrule decisions made by this quasi-judicial board, any more than I did in the last portfolio, whether I agree with them or not.

MR. SAPERS: But it really was that policy.

MRS. BLACK: Well, if there's something wrong with the policy, then that's a different issue. But in a particular case, I will not intrude into that arena. [interjection] Well, I'm not going to debate that case here. I won't get into that. That's fair warning. If you have a suggestion for a policy direction, I would ask you to forward it to the chairman of the secretariat and deal with it there.

On the issue of women's issues we have a minister who's in charge of women's issues, and all aspects of that filter through that ministry. They don't come through individual ministers. Actually, the number of successful businesspeople today that are female is very, very positive, quite frankly.

We will get back to you on where all the export loan information that you want is.

Calgary-Buffalo, on the EU directive. I have to say that after only a few weeks here I am not familiar with that directive. I'd appreciate seeing it. If you have a summary on it that you could send over, that would be great.

The Calgary Business Development Centre I think has been a very successful partnering of, again, three levels of government working together. Even though they may have different political philosophies, it's time that you don't have this overlap and duplication.

You missed this in my opening remarks or one of the comments that I made. We will be refocusing the ministry, and clearly that will include the Calgary office, not to take away from the relationship that's there but to make sure that the issues in economic development, which includes a lot of stakeholders, are able to be addressed quickly. I will be working with that office directly.

Madam Chairman, the other thing was about the difference between northern and southern Alberta. We don't deal in differences between northern and southern Alberta. If in fact

there is a perception that that is the case, then we have to clarify that, because we must deal with the province as a whole. We don't get into regionalization, and we don't get into sectors within it. Working with me through this portfolio, you'll find that I don't pick areas of winners and areas of losers. The worst thing you can do is get into that scenario. We must sell this province as the very best place to visit, to live, to invest, and to raise your family, and that goes north to south, east to west. So if there are issues that come up on that front, I would appreciate hearing from you very quickly on them, because I won't tolerate that kind of perception. We will try very hard to promote all sectors of this province.

I think that's about it. Madam Chairman, we will undertake to formally answer. We'll review *Hansard*. If there are things we haven't clarified – and I know there were a number of questions from Edmonton-Ellerslie that will require follow-up on specific data – we will get back to you as quickly as we can with them.

Thank you.

THE CHAIRMAN: Thank you, hon. minister, and I'd like to thank everyone for their indulgence.

The hon. Member for Calgary-Egmont.

MR. HERARD: Madam Chairman, I'd like to move that we rise and report.

THE CHAIRMAN: Thank you. As moved by the hon. Member for Calgary-Egmont, does the committee concur that progress be reported when the committee rises?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried. Thank you.

[The committee adjourned at 10:12 p.m.]

