

Legislative Assembly of Alberta

Title: Monday, March 9, 1998 8:00 p.m.
Date: 98/03/09
head: Committee of Supply

[Mr. Tannas in the chair]

THE CHAIRMAN: I'd call the committee to order. Hon. members are reminded of the agreement that exists between the House leaders. That is to say that for the reports of the subcommittees of the Committee of Supply the minister would report for up to 20 minutes, the Official Opposition would reply for up to 20 minutes, and the ND Party would reply for up to five minutes, for a total maximum of 45 minutes. There was an additional one in there. So if that's the understanding of everyone here, then I think we're ready to go. Is that agreed?

HON. MEMBERS: Agreed.

head: Main Estimates 1998-99

THE CHAIRMAN: Okay. The first department under consideration is the Department of Education, and for the first 20 minutes I'll call the minister.

Education

MR. MAR: Thanks Mr. Chairman. I'm pleased to answer the questions that were raised last Thursday afternoon. First, the Member for Spruce Grove-Sturgeon-St. Albert. All capital requests are assessed by priority with health and safety coming first, followed by the critical need for space, then essential modernizations, then modernizations and new construction deemed nonessential. Two of the improvements to the Thorsby school were approved as essential modernizations, but increasing the size of the gymnasium was assessed as not being critical. I said last Thursday that if a regulation interferes with school boards doing their job, we will look at changing it, but I cannot simply waive regulations.

Mr. Dwyer's letter was about transportation funding in the Sturgeon school division, not Parkland. I will copy the member on my response to Mr. Dwyer.

The important role of the Famous Five in advancing the political rights of women is covered in grade 4 social studies under *Alberta: Its People in History*. We are reviewing the social studies program as part of the western Canadian protocol, and I have encouraged the Famous Five Foundation to collaborate in this review.

I share the member's concern about family violence and violence towards women. We will consider the issue as we review the K to 9 health curriculum and career and life management 20. My department's Safe and Caring Schools initiative is aimed at violence facing our young people.

Regarding sports activities, the basic instruction grant supports physical education instruction equally for boys and girls. However, team sports and their related activities are not part of the curriculum. Those are local decisions and local funding issues.

Yes, we did receive capital funding requests from three St. Albert schools. As I already explained, capital funds are allocated based on priority. Available funding was allocated to schools with more critical needs.

Yes, we have accepted a task force recommendation to bringing funding for basic instruction in private schools to 60 percent of that of public schools. Current funding is just slightly under 50

percent. We accepted all 26 recommendations including those dealing with greater accountability and more rigorous qualifications for public funding. Some things do not change. By law, education property taxes cannot go to private schools, and regular private schools will not receive funding for operations and maintenance, capital, or transportation. The task force report was based on more than 9,000 written submissions and almost 300 presentations.

On the issue of mild and moderate special needs, in the instruction grant for every student is an amount for mild and moderate disabilities. The budget for 1998-99 provides a 30 percent increase for these disabilities. School boards are expected to pool this money to provide programs and services for the students.

Generally I agree that instruction dollars should not be spent on advertising, but some ads I've seen recently are aimed at getting students back into school and letting them know that they can fit classes around a job. I think these are important messages, but at the end of the day advertising is a local decision.

Another local decision is teachers' salaries. Again, the average wage rollback from 1994-95 was 4.5 percent. For the 1997-98 school year over half of the school boards and teachers have signed contracts that bring the average increase since 1995-96 to 6 percent.

About teacher stress, according to the Alberta school employee benefits plan, as of 30 September last year 281 out of more than 26,000 teachers and principals were on leave for some mental or emotional disorder, some of which may be stress related. That's about 2.5 percent, which has been relatively constant since 1993. Teachers, their professional association, and local school boards are in the best position to decide if teachers need professional development or other means to deal with stress related issues.

About my trip to Asia, if the member was referring to my mission in October, a full report was tabled in this House on 2 February of this year. If, however, the member was referring to my February trip to Brunei, I headed the Canadian delegation and represented Canada at the annual conference of the South East Asian Ministers of Education Organization. Canada is an associate member of this organization, and while there, I met with ministers of education from several Pacific Rim countries. All of my expenses were covered by the federal government, and I believe that they have recognized the importance of such exchanges of ideas.

The Member for Edmonton-Highlands was mainly concerned about funding for the Edmonton public school board. In 1987-88 the Edmonton public school board had revenue of just over \$304 million. In 1997-98 that amount is \$418.5 million. When converted to 1987 dollars it is still \$313.6 million. So, accordingly, funding has gone up in absolute dollars and in constant dollars. With the reinvestment it goes up even more. If the Edmonton public serves 15 percent of Alberta's students, then it can expect another \$27 million starting this September, roughly a 7 percent increase. The board will decide how much of this increase it is able to pass on to its teachers.

The member suggested that the pupil/teacher ratio be a performance measure, but PTRs include teachers and administrative, counseling, and other nonteaching positions, and accordingly PTRs do not show average classroom sizes. Also the PTR is a school board decision. In some cases it's part of the contract between the board and its local of the Alberta teachers' union. As I mentioned last Thursday, class size is not a guarantee of education quality.

The member mentioned textbooks for the new math curriculum. Funding for learning resources, including textbooks, is included in the basic instruction grant. School boards also receive a credit at the Learning Resources Distribution Centre to offset 25 percent of their textbook costs. School boards had three years' notice of the new curriculum, so they certainly had time to put resources into place for the purchase of new texts.

There is no new corporate tax to replace the machinery and equipment tax. We expect a \$3.5 billion increase in investments in our economy that will provide sufficient added tax revenue from all sources to offset the removal of the M and E tax. The health of Alberta's economy in my strong opinion shows that we're right.

The Member for Edmonton-Mill Woods had asked about site-based management, the 4 to 6 percent cap on governance and system administration at the school and board level. This is separate from system-based instructional support, which is at the school level and which is what the college of Alberta school superintendents was referring to. Boards are required to allocate funds for system-based instructional support in a way that respects differences in school populations. Principals, working with staff and school councils, decide what instructional support services their students and teachers need. School-based decision-making is still being implemented provincewide. My department is monitoring the implementation and is working on further support material for schools to use as they set up their own processes.

The leader of the Liberal opposition concentrated mostly on a document by the Calgary board of education. I must say at the beginning that the increase this September for CBE will be about \$30 million, or roughly 7 percent. Last Thursday I talked about CBE salary issues, but it bears repeating. CBE teachers accepted a 4.5 percent rollback in 1994, not 5 percent, and the latest contract gives them 4.7 percent. CBE estimates the cost of the settlement at \$14 million, but as I said, CBE's increase this September alone is \$30 million.

Kindergarten is funded on a per student basis, and like regular classrooms the funding is going up this September by \$24 per student. The resulting \$156,000 in total is not for a new program; it is a straight increase in the per student amount.

Next, classroom technology. I should be clear about this. This government never set any kind of computer to student ratio, nor do I understand why CBE is paying \$3,500 for each computer. The Grande Yellowhead regional division buys computers for \$1,200 to \$1,400 per unit. On top of that, CBE participates in the computers for schools program, through which businesses can donate their used computers. About 5,000 computers already have been distributed to Alberta schools. Maintenance should be about 10 percent of the computer budget, and \$15 million seems excessive.

8:10

Looking at English as a Second Language, the Calgary board of education bases its shortfall on the assumption that the funding for Canadian-born students applies only to kindergarten and grade 1. That is not a correct assumption. According to CBE's own calculations, in this case it stands to benefit to the tune of \$400,000.

I agree with the member that early help is important. That is why in First Things First we focus so much effort on the early grades through the early literacy initiative and the teacher aide program. Let me assure the member that teacher aides are not intended to provide alternate employment for qualified teachers at a lower rate.

Gifted and talented students are included in the mild and moderate disability category because these students also need special programs to make the most of their potential. As I already explained, funding for mild and moderate disabilities is included in the per student grant for basic instruction. The 30 percent increase is about providing more funds per student, not about making up any miscalculation in student numbers. Tracking how high schools use the funds should be a simple matter of using existing accounting procedures.

Referring to the comments made by the Member for Edmonton-Calder, I find it interesting that the member would say that we should err on the side of spending more money when Albertans have clearly told us that they want the government to be fiscally responsible. The whole point of our three-year plan and First Things First is to target our funding so that we do not err.

About ensuring that students have access to the services they require, we provide classroom funding for students with learning and other disabilities, but some students face other kinds of difficult circumstances like lower family income or neglect. The challenge is to improve services for these children in the home, the school, and the community. To that end, Education is working with Health and with Family and Social Services to redesign services for children. School boards and schools are active locally within their communities. School boards have the flexibility to allocate resources according to their local community needs and the needs of individual students.

Schools have always used fund-raising to provide extras like sports teams, band uniforms, and so on. The decision to raise funds is made by principals in consultation with their school councils and according to guidelines established by their respective boards. If students and parents are being asked to raise funds for essential learning resources like textbooks, they should ask their school board how it is allocating its resources.

The member asked about the impact of kindergarten cuts. Students who went through the reduced kindergarten program will not write the grade 3 provincial achievement tests until this June.

The member made several comments about student achievement tests. First, the provincial achievement tests do not measure us against ourselves; they measure student achievement against the approved program of studies for that subject area and that grade level. I do not understand how the member can point to national and international tests that show that Alberta students are the best in the country and among the best in the world and still question the kind of job our schools, teachers, and parents have done in educating our students. While it is true that we cannot measure future results today, we can work towards improving future results by assessing current achievement and identifying and addressing any problems in student learning.

Turning to high school completion, I believe that a 75 percent completion rate in six years is a realistic goal by 2001, and I gave the reasons for that last Thursday. There are more options to build work skills in school, greater flexibility in when and how schools offer courses, greater access to school through computers and technology virtual schools. In addition, we are reviewing the curriculum to ensure that it supports our students' career goals, providing basic instruction funding for outreach programs for students under 20 years of age who may have dropped out of school and may want to complete their high school.

The Member for Edmonton-Castle Downs raised a common concern about accountability for special-needs funding. Again, for the first time we are asking boards to account for how they use the funds for mild and moderate disabilities. School boards

have always had to account for the funding they received for severe disabilities.

I believe that I have already answered the member's questions and concerns about classroom size.

I am surprised that the member would try and link privatization with charter schools. Charter schools are public schools, and like any other public school they must accept all students if they have the space and resources. They must align their planning and results reports with the government's three-year plan for education, and they must meet the same accountability requirements as all other public schools. Charter schools are governed by elected boards which may include parents but may also include nonparents who bring a community or professional perspective. By and large, these people bring the same qualities to their job as the people elected as school board trustees. My department offers an annual charter board development program, but boards may add to that on their own. I'm pleased to note that for the most part, students and parents are very satisfied with their charter schools. Alberta has approved 12 charter schools. A list is available from the Education web site.

Regarding competition for resources, the same funding formula applies to all school boards. They all receive the same per student funding for basic instruction, special needs, and a whole range of other programs and services.

The member also focused a lot of attention on transportation. The \$13 million increase will be distributed among rural, urban, and special-needs students and includes funding for increased capital costs and higher operating and contract costs. Transportation funds are not distributed evenly because funding is based on the number of students being transported and the distance they have to travel. I'm not able to provide a detailed picture of the transportation funding increases for each board. I can say that no rural board will receive less next year under the new funding formula, and changes will be phased in over the following three years. The provincial support for student transportation services provided by boards and parents in 1996-97 totaled \$137 million. The anticipated support for 1997-98 exceeds \$154 million.

Mr. Chairman, I believe that answers all the concerns and questions raised last Thursday. I welcome further questions this evening.

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

MR. DICKSON: Thanks, Mr. Chairman. I wanted to refer the minister to *Hansard* of March 2, 1998, page 618. A question from one of his colleagues was put to him about the educational consortia. The question specifically referenced the Calgary regional consortium, and the minister went on at length on page 618 talking about the fact that the consortia in this province "served more than 13,000 participants" between September of '96 and June of '97, talked about "participation ratings for in-servicing . . . indicated a 95 percent satisfaction rate." He indicated the results had been "consistently high."

What he wasn't asked and what he didn't volunteer is: given that sort of success, Mr. Minister, why is it that the funding is coming to an end August 31, 1998? I appreciate that it was a three-year program. I had an opportunity just last week to meet with the executive director of the Calgary regional consortium, and when I look at the kind of leveraging that's done - I think there are two people working in the Calgary regional consortium - and I look at the sort of impact they're able to have in terms of in-service training, it begs the question: why would we let that come to an end?

Mr. Minister, we saw what happened a number of years ago

when the community school program, that was hugely successful, very popular, didn't cost enormous money, was canceled. I fear that with the regional consortia funding coming to an end, once again we lose one of those things that should be so consistent with what the government talks about: leveraging a small amount of dollars to have a big impact in terms of providing the kind of support that teachers don't currently get. The ATA and local boards, particularly the smaller boards, don't have the critical mass to be able to provide that kind of support. The question just cries out, and I'm hopeful that before we get to the vote the minister would respond and specifically tell us whether he has any plans to renew that funding. If not, why not?

I'll just make a couple of observations, Mr. Chairman. I've indicated before that I appreciated the funding for mild to moderate disabled. I appreciate the change in terms of ESL. I'll continue to press the minister in terms of expanding the ESL program so there are additional years beyond three in appropriate cases for older children. Despite the minister's protestations I remain convinced and I think my constituents do that the CBE, the Calgary board of education, is not adequately resourced to meet the needs of children in the Calgary district. That's something we'll continue to press the minister with respect to. Those are the points I wanted to make.

Thanks very much.

8:20

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

DR. MASSEY: Thank you, Mr. Chairman. I wanted to gather together some pieces that we've not had an opportunity to address in the previous two sessions in looking at the estimates of the Department of Education.

One of the things, as you read through the estimates and the business plan, that strikes you is how little influence the education summit appears to have had on this business plan and these Education estimates. The kinds of things that we heard at the education summit in Calgary, the kinds of things that we heard in the education minisummits that were held across this province, in Wetaskiwin, in Lethbridge I think have not been reflected in this plan. Certainly, the 12-point action plan for education that has been put out recently does not capture either the spirit or the suggestions that came out of the education summits. In fact, the 12-point plan, if it can be called a plan, is really fairly weak tea.

One of the questions which was raised often at the summits is why there is no full funding for kindergarten. How can we justify the selection of an arbitrary number? Why are kindergartens not fully funded, as most of the participants would have wished? I think it goes back to a basic question: what role does research play in the kinds of decisions made by the department?

In two areas in particular, no matter what was said at those summits, it seemed to fall on deaf ears. One was ECS and the extreme importance that people put on early years and the need for programs for children at risk in those years and the need for fully funded kindergarten.

The second is class size, where the minister seems to be in denial. No matter what kind of research is presented, no matter how many times parents make a plea for smaller class sizes, the department continues to dismiss them and says: well, there's no evidence that it makes a difference. Well, I think there is good evidence that it does make a difference, some massive studies that say that the size of classes does make a difference, not the teacher/pupil ratio but the number of students that a teacher faces, K to 9 and the number of students that a junior high/high school

teacher is responsible for, particularly in English and mathematics, does make a difference in terms of achievement. So I never can quite understand: what is the role of research in the department's decision-making process? What counts and what doesn't count? We were treated to the previous minister filing a lot of reports on early childhood services that had nothing to do with the problem under discussion, and again we have the same kind of comments about class size.

The second question that I have is on the information from the private schools task force, the raw data that that task force worked with. Are we going to be able to ask simply in the House or by letter for access to that information, or are we going to have to request access to it under the freedom of information and privacy laws? As we visited around the province and as we talked to people, the balance of the presentations to that task force were overwhelmingly in support of public schools and overwhelmingly in support of either freezing or abolishing funding for private education. So we would like access to that raw material to determine for ourselves the kinds of interpretation that the task force came forward with.

A second problem that's facing boards across the province was the government's unprecedented interference in the collective bargaining process with the rollback of the 5 percent. They've taken care of some of the departments or some of the sectors of the public service by restoring the 5 percent, yet others seem to have to make their own way. It certainly leaves the public confused in terms of exactly what the government policy is. Wages were cut. Some of them have bargained back some of that, but again, the dollars that were talked about are never adjusted for inflation. They don't go back to the kinds of dollars that were cut in the first place. I think it would really serve the public well for some clarity to be brought to that and not a matter of throwing numbers around in terms that this board has done X and this board has done Y. Why are not all teachers across the province treated the same in the restoration of funding as they were treated in the cuts of those funds initially?

I'd like to ask about small schools again. As we visited across the province, we heard time and time again that site-based management and the funding formulas are working an extreme hardship on small schools and forcing many of them to the brink of closure. I know from my experience with the public school board and site-based management that small schools were a difficult problem for us and that there had to be funding adjustments, because they drop to a particular size and they're still faced with heating the building, keeping the building operational, a lot of basic expenses that bear no relationship to the number of students that they're instructing. I make a special plea for some attention to be given those small schools and the kinds of problems they face particularly in rural parts of the province, where they are the centre of the community and where the loss of one of those private schools is a major blow to a community.

I wanted to talk a little bit about the 12-point action plan for education, because the money that's in the estimates is the money that will support those initiatives. The number of teacher aides that are being hired: what is the exact impact of that on classrooms? Large urban boards: how many teacher aides will they get, how will they be distributed, and is it really enough to make a difference? Why was that kind of action chosen? What were the alternatives that were looked at by the department? I look at states south of the border, where the governors are deeply involved in encouraging the public to get into classrooms, encouraging citizens to take on the responsibility for reading for

at least one youngster in a neighbourhood school over a period of time. There are a number of reading initiatives that have been tried elsewhere that have, I think, wider impact than the teacher aide one that's listed in the 12-point action plan, and I wondered what other kinds of solutions were considered.

The needs for special-needs children, the money that's been allocated for that. I understand that, again, boards are saying it's too little too late for the kinds of needs that they have. How were those numbers arrived at? There's a feeling that they're arbitrary and that they aren't really based on the kinds of needs that teachers and principals are facing in the classroom.

Putting the programs together in terms of trying to co-ordinate services to children, I think everyone welcomes that. There have been a number of pilots, a number of programs under way across the province, and I think those kinds of examples need to be shared more widely, the situations where they're working and working well.

The technology. The minister just a few minutes ago indicated that there was never a commitment made to the number of computers that would be in classrooms, but it seems to me that at some point that is going to have to be addressed, because we've got schools across the province, parent councils deeply involved in trying to generate funds to buy computers, and certainly it seems to me that they should be working towards some standard, some goal in terms of the province's priorities.

One of the things, of course, that hasn't been addressed is the whole business of parent fund-raising. If ever there's been a cry from parents and parent councils, it's that they are really, really tired of the kind of fund-raising they have to undertake now, fund-raising not just for field trips and special education experiences but fund-raising for textbooks, fund-raising for basic materials that youngsters need in the classroom. I wonder why there wasn't somewhere an attempt to address those concerns by parents.

8:30

I have but four and a half minutes left, and I would like to move an amendment to the Education estimates. I believe you've got that amendment, Mr. Chairman. It's been distributed. If I could read the amendment, it's moved that

the estimates for the standing policy committee on education and training under reference 1.0.12 of the 1998-99 estimates of the Department of Education be reduced by \$91,000 so that the operating expense to be voted is \$1,913,146,000.

In making that motion we would like to know what the \$91,000 covers. Is it an honorarium for the members of the standing policy committee? Why is that money there? Why are these committees not all-party committees? Opposition members that attend them are not allowed to speak. We would like to know why that money is there, and we would like it taken out of the estimates for this year.

Is there some difficulty, Mr. Chairman, with the amendment?

THE CHAIRMAN: The chair would like to indicate that the necessary signatures are here, and this amendment would be called amendment A1. They have been handed out to everyone.

DR. MASSEY: I move the amendment. Thank you, Mr. Chairman.

THE CHAIRMAN: You wish to have the vote now; right?

[Motion on amendment A1 lost]

THE CHAIRMAN: After considering the business plan and proposed estimates for the Department of Education, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Operating Expense	\$1,913,237,000
Capital Investment	\$270,000
Nonbudgetary Disbursements	\$104,500,000

THE CHAIRMAN: Shall this vote be reported?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Labour

THE CHAIRMAN: We would call upon the hon. Minister of Labour to begin his report.

MR. SMITH: Thank you very much, Mr. Chairman. First let me start by thanking the hon. members who participated in debate on Monday, February 23. Certainly comments made by the members for Little Bow, West Yellowhead, Drayton Valley-Calmar, Calgary-Montrose, Calgary-Buffalo, Edmonton-Gold Bar, Edmonton-Norwood, Edmonton-Mill Woods, and Edmonton-Mill Creek were much appreciated.

Questions and issues were raised during estimates, and I want to take a few minutes, Mr. Chairman, to respond to some of them tonight. Anything that is not adequately responded to I will reply to by letter.

The business plan, Mr. Chairman, as we discussed earlier is intended on putting the customer first. Realizing that services are our product, we have been concentrating on the needs of our customers both in the public sector and in the private sector.

Mr. Chairman, let me look at the core businesses of Labour and the influence they have on employers, workers, and the economy of Alberta. First let me start, though, with the part of the Department of Labour that focuses on freedom of information and protection of privacy. The Member for Calgary-Buffalo asked about fees of \$1,572 for general access requests that were waived and how many applications were involved. The amount of fees waived represents the total fee waivers across government. We do not collect information from departments pertaining to the number of applications involved in the waiving of fees.

He also asked how many applications were abandoned after a fee estimate was provided and applicants did not respond. The statistical collection only quantifies the number of abandoned applications without reference as to why the applications were abandoned.

Just an editorial comment, Mr. Chairman, on those two questions. For \$1,572, I don't believe there's a cost benefit related to chasing that down to a further microlevel. However, we will examine the cost benefit of determining the number of applications abandoned after a fee estimate was provided, and hopefully we'll be able to determine whether it's meaningful or whether it makes sense to spend the money to calculate that information.

The last question from the member was about the integration of this group into the Department of Labour. It was completed during the fall of 1997. In fact, it's kind of nice that they're here.

They're over on 99th Street, Gary. They're close. It's I think a much more productive relationship, both for government and for members and the general public, having them close to the Legislature area. They're there in their forum. I saw the manuals for the rollout to the MASH sector, and believe me, they're working at full capacity.

Let me now turn to a more shaky area, Mr. Chairman, and that's some of the questions from Edmonton-Gold Bar, who asked: why is the systems budget increased in '98-99 from '97-98 forecasts when outsourcing the service was expected to be a cost-saving measure? The increase in spending is \$53,000. During '97-98, systems was a departmental operation until December of '97, at which time a private supplier, CGI Inc., under a full tender process was brought in. The '97-98 systems spending forecast of \$1.7 million was mainly an operating and maintenance budget and did not provide any major application or software developments. For '98-99 under the contracted service we're expecting to commit a total of \$1.2 million for operating and maintenance purposes, down from previous years, and \$600,000 towards systems applications development. The investment in systems development is necessary, as of course we all know, to ensure that we are 2000 compliant, that new management information needs are addressed, especially in the workplace, for health and safety and the safety services programs, two fundamental core businesses of the Department of Labour; also, to meet financial system conversion and to expand on our customer service applications with Internet applications.

I'd invite all members who have not visited us, that very rare number of members, to visit us on our Internet site. No cookie required; no cookie given. It's a good site, it's an informative site, and I think members would be well served by using it on an active basis.

The hon. Member for Edmonton-Mill Creek also asked the following question . . . [interjection] That's Gene. That's the American Federation of Musicians. Right. Don Massey is Edmonton-Mill Woods - thank you - and he asked: what is the participation rate in the Safety Codes Act administration? The current participation and delegation of the Safety Codes Act includes 323 accredited municipalities out of 372, which is a participation rate of nearly 87 percent. Thirty-one accredited agencies are contracted with Labour to provide services on behalf of municipalities that are not accredited. So we've got good coverage. It's wide; it's expansive. One hundred and seventy-five accredited agencies throughout the province, and 115 accredited corporations to administer the act in one or more disciplines. I think, as I talked about at the February 23 estimates, what we're trying to do is ensure that we've got an audit function or a contract administration function so what we can determine through discussions with the Auditor General as well as the work our guys are doing is that we're getting value for money and they're in compliance with the act.

8:40

Participation rate was replaced as a performance measure in the '98-99 business plan with a performance measure that addresses accountability and effectiveness of the safety services system. Basically, Mr. Chairman, I guess I'm reflecting the laudatory comments from Edmonton-Mill Woods, who talked about shortened performance measures, a concise business plan that talked about what we do, how we do it, who does it, and how we measure the success of it. That's what we want to stay with: short, clean, simple, easy to understand.

So picking up on the Member for Edmonton-Mill Wood's

question, staffing changes recently occurred in labour. The number of approved FTEs, Mr. Chairman, in '96-97 – and I will include the department and the LRB, Labour Relations Board – totaled 497. In '97-98 they were 394. In '98-99 they're 385. So a reduction of 130 total FTEs from '96-97 to '97-98. There were 60 vacant positions as a result of attrition, as a shift towards delegated services allowed for the reduction of our staffing capacity. The total reduction of nine FTEs from '97-98 to '98-99 is also attributable to the transfer of the Alberta Fire Training School to Lakeland College. Why would we manage an institution where, in fact, there is a postsecondary school across the street? Those are now one. It makes good sense. We did some work with them. We think it's going to be a good transition, and it will also allow this institution a better foundation to train firefighters on a worldwide basis.

Mr. Chairman, as I said, anything that was inadvertently missed, that I did not cover, I will respond to in writing. I look forward to closing comments from able critics from both opposition parties.

Thank you, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Chairman. I would like to thank the minister for his comments this evening. However, I do have some more questions for him regarding programs that not only are existing in his department but ideas that are going to come forward, particularly after the 31st of March this year.

As everyone in the House is aware, the minister, the hon. Member for Calgary-Varsity, and the Member for Calgary-Fort are going to conduct a regulations review of employment standards in this province. We on this side of the House would like to see a full set of public hearings across the province, not only this questionnaire which is, to say the least, not user friendly. I'm afraid there are many citizens of the province, particularly workers involved in the service industry, Mr. Chairman, who are not going to get a chance to have a look through this labour standards review. I would urge the minister to have a full set, as I said before, of public hearings across the province, including the resort towns of Banff and Jasper where so many of the service workers in the tourism industry work. They're the ones that are involved in the \$5 an hour minimum wage level jobs. They're also the ones that are getting room and board in these places. They will have a very, very good idea as to how hard it is to not only make a living but to save a few dollars, perhaps to go on to university. This is one of the most important initiatives that the government is going to do this year, I feel. Seventy-eight percent of working Albertans are not covered by any sort of collective agreement, and they rely on these regulations for workplace protection.

One of the things that I do notice – and I do take exception to it – is the fact that domestic workers are exempt from records of employment, and by records I mean hours that they work and overtime. A person doesn't have to record any of this information. If you have someone, for instance, who is working in your home and they're working 10 hours a day six days a week, you don't have to record any of this information – what time they start, what time they finish, if they had a break in between – and they're also exempt from the minimum wage.

AN HON. MEMBER: Not the minimum wage.

MR. MacDONALD: Yes, the domestic worker. I think something has to be done about this; there has to be a public education

program. Not many people are aware of this, and I hope I'll be looking forward to the results of this questionnaire to see what the Department of Labour is going to do about this. This is one thing that I find quite unusual.

The minister talked about costs. He's always talking about lower costs and higher standings. That is something that I admire, if it's going to happen, but as I'm speaking, Mr. Chairman, I think on behalf of everyone, regardless of their political persuasion, we should remember the workers who lost their lives in the workplace last year. Now, there are many, many workers. We can look at this list. They come from Lloydminster, Peace River, Nisku, Calgary, Red Earth, Rocky Mountain House, Medicine Hat. From July to the end of October last year there were 18 workers killed on the job in this province. The OH and S rules and regulations: there may have been a drop in costs here, but at what cost to families in this province? In some families there was not one breadwinner lost to industrial accident; there were two, fathers and sons. We cannot sit idly by in this House and allow a relaxation of standards to lower costs if it is going to increase the fatality rate of workers in this province.

Now, one of the answers that OH and S has is that they want to share responsibility. They note that the workers can share responsibility for health and safety by knowing and following safe work practices. Workers can use the Internet to do research on safe practices. Workers have the right to know information like WHMIS and MSDS and various health hazards and more. Well, I would like to question the minister and the OH and S officials as to how many workers on a construction site are going to have access to the Internet, and when are they going to do this? At coffee time? I can imagine that perhaps sometime in the future in the trailers there would be an Internet site, but this does not happen now, and it's a poor excuse to say that we're going to educate the workers in this manner. It's just not adequate. We go on and we talk about costs and how we're going to control costs and the costs in the construction industry in particular.

There was a private member's bill put forward here, I believe private member's Bill 204.

In 1996 vehicle-related accidents cost the construction industry eight lives, close to 8,000 days lost, and \$1.35 million was paid by the Workers' Compensation Board in insurance claims. Five-year claim costs were over \$7 million. Seven million dollars is a significant sum of money, and the cost per claim, Mr. Chairman, was well over \$13,000. This is only the direct cost. The real cost per claim may be anywhere from five to 50 times higher. This has to stop. There has to be more training. There has to be more worker awareness, driver awareness, and it has to come directly from programs that are initiated by the minister.

8:50

Now, getting back to the labour standards regulation review, we have to talk a little bit about the minimum wage. It's a small amount of money to last the workers. It can be as little as \$200 a week. I would challenge the minister to come forward if he feels that he could live on this amount of money for a week. I know there are colleagues of his in the House that feel that no regulation should be the norm; let the market decide. Well, we on this side of the House feel differently about this. Our policy is to increase the minimum wage from \$5 to \$6 per hour in the first year of our new government. Alberta Liberals after that would conduct a review of the wage by an independent committee comprised of workers, students, employers, and government, triggered by an increase in a predetermined index such as the CPI. The 40-hour week now, at a minimum wage of \$5 an hour, would

give a worker \$10,400 per year. That is not adequate.

According to the hon. Member for Calgary-Varsity, Albertans don't pay any provincial income tax, so that makes our minimum wage the fourth highest in Canada. At the recently held economic Growth Summit in Alberta the idea was to study this further, and the conclusion was that people will get what they're worth in the market. Those are the words of the Minister of Labour. Now, the Premier – there are conflicting reports here, Mr. Chairman – in 1993 called an increase in the minimum wage a job killer, and I quote: I don't need to tell you what this would mean to your industry; this approach would be a job killer, end of quote.

Now, we're proposing in conjunction with this wage increase a cut to the small business tax, from 6 to 4 percent. That will mean that our small business tax will be the lowest in Canada. This is a policy that's also supported by the Alberta Chamber of Commerce in their policy resolutions in their catalogue that has been put forward. They support us on this, lowering the small business tax rate from 6 to 4 percent. There's a cost involved with this, and yes, that's \$47 million. But the revenue shortfall from the cut is included within the context of our three-year plan to balance the budget.

There are many things to talk about whenever you consider raising the minimum wage. The current social allowance rate for a family of four is \$693 for all expenses but shelter plus \$430 maximum for shelter. That's equal to, if you add all this together, \$13,476 annually. Well, as I said before, the minimum wage is \$10,400. Boosting the minimum wage to \$6 an hour results in an annual wage of \$12,480.

Alberta is one of the two provinces that imposes a health care tax on its population. Current annual health care premiums are \$408 for an individual and \$816 for a family. According to statistics released by the Alberta government in October of 1996, Alberta's economy was growing by 2.4 percent in relation to the previous year. Overall, wages and salaries only increased by 1.6 percent.

I would find it very difficult to live on that sum of money, but I challenge the minister this evening that perhaps before this review is made public, he and I should live on that amount of money for one month and see what it feels like, because 2 percent of the population of this province is at the moment living like that. Perhaps if we were to experience what they do and what they are, we would have a soft spot for them and increase the level so that they could live at least in some form of comfort.

Albertans have less money in their pockets on an annual adjusted inflation basis under the last four years of this government. Personal disposable income per capita after taxes, as I said, has increased 2.5 percent. The source of this is from the annual report of the province of Alberta for the fiscal year ended March 31, 1996. Meanwhile, inflation increased by 5.6 percent over the four-year period.

The small business tax that we mentioned, this rate, this reduction, will give small business the ability to expand their operations and purchase new capital equipment. This will result in an increase in jobs for Albertans. Over 97 percent of employers in Alberta are businesses with less than 100 employees. Employers with less than 300 employees account for 55 percent of employment in Alberta as of the third quarter of 1996. This is a very important issue for this province. We have to raise this wage level. It has not been raised – this is now going into six years, and it must be done.

With those remarks, Mr. Chairman, I will allow time for my colleague from Edmonton-Norwood. She has some questions for the minister regarding workers' compensation.

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

MS OLSEN: Thanks, Mr. Chairman. Thank you, hon. House leader, whoever you are. I just have a few questions here on the WCB for the minister. I'm going to run through them quickly so I fall within the time frame here. I'm not sure how much time I have.

What accountability measures does the WCB have in place to ensure that workplaces do indeed have safer work environments and that there is not a concerted effort to refrain from reporting incidents or accidents in order to take advantage of premium refunds?

Can the minister provide detail on the WCB's investment fund? Will the minister or the WCB release a breakdown of the types of investments that this fund is currently in? Albertans have a strong interest to ensure the strength of this fund and to ensure that the WCB never again falls into the terrible situation of a few years ago. That's with a \$600 million unfunded liability. So we want to avoid that. In this regard can the minister comment on the status of the WCB's rate and benefit stabilization reserve? Could you also indicate what the fund balance was for the past fiscal year and what your department anticipates it will be for the current budget year? Again, what is the consolidated revenue projection for the WCB in 1998-99?

9:00

Also, in the past the WCB has been known to spend a great deal of money on consulting fees. Could the minister tell us what has been budgeted for this in the upcoming year? Has the WCB in fact managed to reduce its reliance on expensive consultants? Consultants always come at a high price, and I think it's in the best interests of the public to know that they're trying to manage this.

One of the concerns that we always hear from the WCB is the length of time it takes for a claim or an appeal to be dealt with, and I'm wondering if this problem could be because of a lack of adequate resources. Maybe the minister could tell us: what is the current ratio of caseworkers employed by the WCB and the number of claims files handled by each? There seems to be what would appear to be a huge caseload in that these claims don't get dispensed with very quickly, so if you could let us know what that is. Is the minister able to provide any statistical information on how long it takes on the average to have a claim processed, and what would be a measurement tool that the WCB uses to determine that? Have they decided if there's a specific duration that's acceptable, and what do they do beyond that when they don't meet that mark?

Maybe we could also be provided with any indication of what the projected rates for WCB assessments will be over the next three years. I'd be interested in knowing that as well. Given that the greatest number of claims made by WCB reflect back injuries, I'm wondering what steps the Department of Labour is taking to increase education about the types of risk that cause back injuries. Has the department made any progress in expanding preventive education programs to reduce the number of claims in this area? Those are my questions on WCB.

I just want to ask a couple of other questions related to delegated administrative authorities. I understand that there's been an increase in work-related injuries throughout the province, and I'm wondering what tools you use in your department to measure that. How can we be assured that the delegated administrative organizations are indeed collecting the data in the manner that should be prescribed by the minister's office, so that they're

not just saying to the delegated administrative authorities or organizations: we don't have any injuries and related injuries. So I'd like to know whether or not there is an increase and maybe over the few years what indeed has been the trend.

THE CHAIRMAN: After considering the business plan and proposed estimates for the Department of Labour, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

Agreed to:

Operating Expense	\$28,300,000
Capital Investment	\$300,000

THE CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Economic Development

THE CHAIRMAN: We'll call on the Minister of Economic Development to begin.

MRS. BLACK: Thank you very much, Mr. Chairman. I'm pleased to report on the estimates for Economic Development and to thank the hon. members who attended the session up in room 512. The questions, by and large, were very good and very informative, and I think we answered a number of them that evening. However, there were some that were left over. This ministry has the responsibility for not only the Department of Economic Development but also the Alberta Gaming and Liquor Commission and the Alberta Opportunity Company as well as the Alberta lottery funds. Of course, the Alberta lottery fund will be dealt with at a later date, so it's not part of the dialogue or the discussion tonight.

Mr. Chairman, a few questions arose from the dialogue that evening that I said I would get back to hon. members on. One of them was on my favourite topic, FTEs, full-time equivalents. I don't really like the terminology because I don't know that it truly always adds up. I look for warm, breathing bodies as opposed to FTEs, because quite often that means there are some vacancies. I guess coming from the private sector, you actually do a head count. In here there's a position that may or may not have been filled, and they count that in and call it an FTE.

Anyway, I'm able to provide hon. members with a breakdown of the FTEs for the ministry, and in fact I've brought along five copies of the FTE breakdown to file, Mr. Chairman. I want to make it abundantly clear that there was some concern that this ministry was growing and that we were empire building within the ministry, which is absolutely incorrect. Prior to our restructuring model in July we had 188 staff members plus nine vacancies, adding up to 197 FTEs. As of today in Alberta Economic Development we have 192 people with six vacancies for a total of 198. There's a one-person shift in the number of people that are in the Department of Economic Development.

Also a concern came out that we were making some quantum leap changes, particularly between Edmonton and Calgary, and I wanted to bring this up tonight so that hon. members, particularly the opposition, realize that there isn't a quantum leap shift. In

1996 we entered into an agreement in Calgary called a colocation agreement whereby we would work with the Industry Canada people in the city of Calgary, and we would complement one another instead of duplicating and being redundant with people going into those facilities. We agreed at that point we would try and provide services that were not able to be provided by the other two groups in the colocation. That meant that approximately 12 people would relocate into the Calgary office. This is nothing new; this is something that was agreed upon back in 1996. Just through our restructuring and realignment of people, we have been able to follow through on that process. So again, our numbers in Economic Development have changed by one, and we have shifted people around.

I have, Mr. Chairman, a copy of the FTE breakdown, which I'd like to file five copies of with the Assembly for hon. members. Hon. members will notice on this FTE breakdown that I've also included Alberta Opportunity Company, which has 63 FTEs added on. So I'll file that with the Assembly. That was a question that had come actually from the Member for Edmonton-Castle Downs as well as the Member for Edmonton-Calder.

One of the other things that was a question from the Member for Edmonton-Castle Downs was the reference to the \$750,000 in other revenues anticipated by the department. This revenue was revenue we used to receive from trade show participants. In previous years this revenue was received in the economic development and tourism revolving fund, but in response to the Auditor General's recommendations, we were to get rid of the revolving funds. Economic Development is terminating its revolving fund March 31, 1998. So that will no longer be a part of the budgeting process.

Edmonton-Castle Downs also asked: would we release the restructuring report from Coopers & Lybrand that we had from last July that helped us restructure our ministry? Mr. Chairman, that study and report is in the library of Economic Development, and it's available for public scrutiny, so members can access it there if they so wish.

9:10

The Member for Edmonton-Castle Downs also asked about the terms of reference of the Council of Economic Development Ministers. To refresh members, this was a concept that came out of the restructuring plan from the Coopers & Lybrand report, and it was a concept that would bring together those ministries that had some form of an impact on economic development within the province. It would do that by tearing down the barriers between ministries of government and also by having them join together with the private sector to focus their attention on priorities that were reasonable, attainable, and achievable in the province of Alberta.

So the overall concept of the council was to look at issues that affected economic development that the government had an influence on and to make sure that there were not contradictory regulations or legislation in place between ministries. They were also conducive to having investment take place within the province. So the feed between the Alberta Economic Development Authority and those ministries that affect economic development was critically important to actually build on what we've called all along the Alberta advantage. The framework was to work together to co-ordinate economic development activities within the government in co-ordination with the Economic Development Authority.

It's quite a unique formula to have. There's no other jurisdic-

tion that has directly linked itself to the private sector. We believe, quite frankly, that economic development begins with the private sector, spurring an interest in it, and it ends with them actually making the investment in the economic development. It must be led by them, not by the government.

Another question that came from the Member for Edmonton-Castle Downs and the Member for Edmonton-Calder was: what was the reason behind the 42 percent difference in the 1997-98 estimates of the minister's offices on expenses? Well, I have in my office four employees besides my own position. One is seconded from the Alberta Gaming and Liquor Commission, and one is seconded from the department. We put the full budget as if it were paid directly out of my office, but in fact there will be a payment made out of those departments. If there were a change in the employees or ministry, they may not want to continue that arrangement, and people would be sent back to their respective department and commission. Then those dollars would be required in that vote so that those people could in fact be paid. That's why there's a difference there. We didn't use all the funds, but those people were in fact paid by the department and the Alberta Gaming and Liquor Commission.

There was another question from Edmonton-Calder that asked: how many inquiries have been handled by the business immigration program, and how many immigrant entrepreneurs have been successfully landed and their business investment put into place? It's a complex question, so I'll go through it.

Citizenship and Immigration Canada is responsible for the selection and admission of all immigrants to Canada. The provinces are responsible for the promotion of their respective jurisdiction to prospective immigrants. In 1996 Alberta received 478 business immigrants. Landing data for 1997 is not yet available, but when it is available, we will report on it. Business immigrants are composed of entrepreneurs, investors, and self-employed class immigrants. Citizenship and Immigration Canada's immigration plan for 1998 has set business class immigration landings at between 19,300 and 21,300, and that includes their dependents.

Data received from Citizenship and Immigration Canada for 1996 records 174 entrepreneurial investments in Alberta. Business exceeded \$24 million with 633 full-time jobs created and maintained. The preliminary data received for 1997 records entrepreneurial investment in excess of \$29 million. Citizenship and Immigration Canada recorded immigrant investment in Alberta-based immigration investor funds exceeded \$84 million for 1996. Investments placed by these funds reported over 2,000 jobs for Albertans.

Federal regulations for the immigration investor program were amended on June 30, 1996, limiting marketing and management of immigrant investors' funds to government-controlled funds only. Alberta does not have an immigrant investor fund. Alberta's ability to attract immigrant investor capital is therefore at somewhat of a disadvantage due to the federal regulations.

Another question that was asked was for a breakdown of the gross operating expenditures by program. The Member for Calgary-Buffalo commented and wanted to know how much money was in telephone rentals, repairs, maintenance, et cetera, on the operations. So again, Mr. Chairman, I am able to file five copies of the operating expenses for the ministry by vote in I think the detail the Member for Calgary-Buffalo requested.

Just for the record this breakdown includes permanent salaries, nonpermanent salaries, wages of contract employees, cost of employer contributions, allowances and benefits, salaries and

wages in total. It has transportation; travel; advertising; insurance; freight and postage; rentals; telephone and telecommunications; repairs and maintenance; professional, technical, and labour services; electronic data-processing charges; hosting; other purchased services; and materials and supplies. It also has grants to our funded agencies and payments to MLAs and Executive Council plus the amortization of capital assets.

Another question from Edmonton-Castle Downs was with regard to Alberta Opportunity Company. I'll remind members about Alberta Opportunity Company. They have a very specific role even though they are grant-funded through this ministry. They have the responsibility to provide financial assistance and guidance for the development of Alberta businesses. Priority, of course, is given to smaller businesses in rural communities which although viable are not able to obtain financing from conventional institutions. Priority is also given to Alberta-owned businesses which will create jobs, are introducing improvements to productivity or technology, or have export or tourism potential. The Alberta Opportunity Fund Act prohibits the provision of assistance to businesses engaged in basic agriculture, residential housing, or petroleum exploration.

Each year we file an annual report from the Alberta Opportunity Company which clearly identifies the focus of their loans and details. I would also like to say that loans that are given to companies from Alberta Opportunity Company are in fact gazetted, but the particulars are also confidential because these are commercial arrangements. So I'm able to give a lot of detail but not specific detail on a company-by-company basis because of the confidential nature, even though they are identified by company in the *Gazette* when a loan is made.

There was some discussion as to the restructuring. Quite frankly, Alberta Opportunity Company this year will be operating with fewer dollars, but that doesn't mean they won't be doing as good a job. They've refocused their attention, they've streamlined their operation, and they are providing assistance to small businesses within Alberta.

One of the things that's a benefit of Alberta Opportunity Company which distinguishes them from other places is their ability to provide counseling services for small businesses not only at the start-up point but throughout their first few years of operations. As we all know, small businesses tend to have their failures in the first two years due to the lack of, say, collecting their receivables, so having someone walk through the program with them or be there to give them assistance or guidance is of benefit. That's one of the main things that Alberta Opportunity Company does for small businesses in Alberta.

[Mrs. Gordon in the chair]

Finally, Madam Chairman, I'd like to comment on our restructured model. We've gone through a quantum change in how this ministry has been structured. It hasn't necessarily been an easy change, and it hasn't been seamless. It's had some difficulties because we've had to put people in their right positions. We're going through a manpower program that will identify strengths and weaknesses not only of positions but of people to make sure we have the right people in the right jobs. This takes quite a bit of time and quite a bit of commitment from the executive committee of Economic Development.

9:20

We've had to shift an awful lot of people around within the ministry, but I do believe they are coming close to the end and are

making some headway. By the end of this one year of operation they should have a manpower training program where people can plan for the future. People can have job enrichment and enhancement that will take them through the various steps of government so that they in fact can have a long-term career with government and have some sustainable talent within government.

One of the difficulties you have within the government is you quite often end up with people with one to five years of experience and then 20 years plus, and there's a massive void in the middle. We have to try and get away from that by doing some actual manpower planning. Again this falls through on the council of ministers, because quite often someone can switch departments and their talents can be better utilized in another area. So manpower planning becomes very important not only for the government but for the people who operate within it so that they can in fact plan futures.

So with those few comments, Madam Chairman, I would like to take my seat and hear from the members.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKY: Thank you very much, Madam Chairman, and thank you, hon. minister, for those wrap-up comments. I also have a few concluding comments, and I believe my colleague from Calgary-Buffalo has a few as well.

As I reviewed the estimates and the game plan for Economic Development, I was struck by the vastness of the empire of responsibilities, quite honestly. I see here probably the greatest opportunity for our future, economically speaking, and for diversification as it ties in. I really truly believe that it's economic development that stimulates and spurs our job creation picture onward. I mean, everything here from tourism to the lottery fund to the Gaming and Liquor Commission is taken into account. It's a huge responsibility, and I agree with the minister that it is, in effect, not government who stimulates economic development so much as it is small business, the private entrepreneurs, and the responsibility should lie there. I also appreciate the comment made about the partnering effect, and it strikes me that we're probably miles ahead of many other jurisdictions in that respect. In particular, the Alberta Economic Development Authority has a great role to play there in terms of its co-ordinating functions and the strategies it helps to implement.

In that respect I want to just address a few issues specific to Alberta Economic Development Authority. Most of them are relative to the role and function of that particular division or department. I'll plunge straight in, Madam Minister, with a question regarding the taxation and regulation initiatives that the AEDA is contemplating or has begun with respect to benchmarking Alberta's position on various aspects related to taxation and regulation in relation to other major competing jurisdictions. I'm wondering what role you see AEDA playing in that taxation and regulation effort.

Similarly, with respect to AEDA and its role relative to the Department of Advanced Education and Career Development, it seems to me that we're attempting to establish some workplace trends here, some skill requirements and training opportunities for young entrepreneurs. There's a tremendous role that Alberta Advanced Education and Career Development must be playing there. There should probably be some co-operative efforts going on, I would assume, between Economic Development and Alberta Advanced Education and Career Development. Maybe the

minister could just comment on a few of those correlations in terms of the expanding co-operative work programs that are afoot.

I believe that we have some apprenticeship and mentoring programs as well. There's an organization I think called the Alberta Chamber of Resources, which I believe had as one of their premises the establishing of career education foundations. I would like just a little clarification on that tonight or in follow-up. Writing would do fine. There are a number of opportunities I think with Alberta Advanced Education and Career Development for curriculum design that specifically suits these new entrepreneurial programs, the new entrepreneurs that are coming out, and the business skills program side of that. Perhaps the minister could tell us what Alberta Economic Development Authority's role in that respect would be.

Similarly, I note that the authority is helping to develop Alberta's infrastructure in some other ways. I'm interested to know about the strategy, if there is one, with respect to multi-modal transportation services and what it is that the Department of Economic Development is doing in that respect to assist the Alberta Economic Development Authority.

Similarly, there are other opportunities in the telecommunications field, the networking capabilities, and also there's some work that's been started, I understand, with airport authorities that would help improve domestic and international air services. I know we've spoken in this House before about some very basic things, such as possible long-range elimination of the fuel tax and things of that nature. I believe it's been reduced now; has it not? Or there was an attempt to reduce it. So the activities that the Alberta Economic Development Authority has relative to these areas perhaps could be commented on.

Another area that is a very exciting one, I believe, is the new potentials that exist for new technologies. I was very interested in the development of synthetic crude products, for example, which are occurring throughout the province, some of the larger ones being, of course, the Alberta Energy projects and the Suncor development projects and Syncrude, where we're actually extracting the tar sands at a faster rate and hopefully at a more productive, more efficient, and more profitable rate as well. In fact, I think the government in co-operation with the federal government has actually launched this initiative going back to 1995-96, where we're restructuring the Alberta royalty tax credit system and back-end loading the royalties so that we're providing an incentive through a break at the beginning of the projects and encouraging more investment in that area. I don't think it comes to anyone's surprise that conventional oil is depleting in supply, and it's time that we did look onward. I think synthetic crude holds a vast potential in that respect. So relative to the potential of this new technology in energy production I think there's a role there that the Alberta Economic Development Authority must also be playing, and it would be interesting to hear what plans the Economic Development minister and her staff might have in that respect.

Similarly, there are other examples, Madam Chairman, with respect to wireless technology and telecommunications equipment, new media fibre and food, and also including the economic value-added forestry business and agricultural development. I recall the hon. minister of agriculture talking to us at some length about new exciting opportunities that he sees with value added, and I believe there are some value-added aspects in forestry as well, which I certainly hope the Minister of Economic Development is participating in. I'm sure she is.

Similarly, we have life sciences and biotechnology and environ-

mental technologies that are all burgeoning industries, and then there's the entire aspect of the province's R and D capabilities through Economic Development. I'm wondering what role the AEDA is playing with respect to strengthening the province's position on these new capabilities. I think research and development, it goes without saying, is critical to the longevity of our prosperous future in this province. I mean, look what has happened with the tar sands technology, as advanced as it is. I think there are opportunities elsewhere.

Also, with respect to supporting the leadership role that the Alberta Science and Research Authority has taken in expanding Alberta's base of science and technology business applications, I would like a comment about the important role that AEDA probably is playing in that respect.

9:30

Similarly, there's a number of expansion possibilities in the area of viable commercial products and services through these research and technological initiatives that are contemplated and referred to from time to time. I'm hoping that the minister might comment again, if not tonight then at a later point, with respect to the update in those areas.

A final couple of comments with regard to the Alberta Economic Development Authority are primarily placed in the area of helping to build self-reliant communities, Madam Chairman. In particular, I'm interested in the viability of local and regional economic development plans, where we see these local and regional bodies having a key partnership role that they play. In that regard also, there are a number of opportunities where I think the AEDA could be and probably is working with a number of businesses at the municipal level, particularly municipal governments, labour, education, and community groups, in an effort to eliminate any barriers that might exist. Also, they're working to identify perhaps opportunities for some local economic development. It occurs to me that as we explore opportunities to enhance the fiscal capabilities of these communities, there must be something that the department or one of its agencies is able to do to assist in maintaining the infrastructure and the development of community quality initiatives. So a comment on that would be purposeful. I would just conclude this section by asking what activities are planned by the Alberta Economic Development Authority relative to all these issues that are so critical to the building of self-reliant communities.

Moving on to the standing policy committee on jobs and the economy, again a few quick questions about role and function. The standing policy committee on jobs and the economy must play a pretty important role in reviewing and approving the ministry's three-year business plans, but I'm not sure what that role is. So perhaps the minister could comment on that and at the same time comment on the types of reports the SPC provides to the Treasury Board relative to the three-year business plan and the review thereof.

A final comment on the SPC. I wonder if the minister could provide an update on the decision to have SPC members appointed to serve on industry-targeted teams that are composed of AEDA members and staff from different government departments. Specifically, Madam Minister, I'm wondering where the SPC on jobs and the economy fits and in which policy areas of the SPC the members of that committee are involved.

Moving on to another area, international trade representation. I recognize that we have active offices going in Tokyo, Seoul, Hong Kong, Taipei, and perhaps elsewhere, and in that respect I'm always asked about the efficiency and the productivity of

these foreign offices. I'm hopeful that the minister will provide some additional information with respect to the ongoing viability of these offices in foreign locations and, at the same time, perhaps explain to us and to the public at large a little more fully what roles these foreign offices and the international trade representatives we have in those offices perform and if there is something they do with respect to the development of these business plans that are submitted to the department on an annual basis.

Finally on that issue, there's the critical area of performance criteria that I believe are included in the contractual arrangements between this department and the Department of International Trade. In fact, I'm hoping she'll comment on that as well.

Very quickly, I'll just say that I know the Member for Calgary-Buffalo has a few points he'd like to ask the minister. I do appreciate the minister, however, clarifying the issue of the 12 jobs that vacated Edmonton pursuant to the location agreement that goes back to 1996. So I understand that, and I thank the minister for having clarified it. It was a cause for concern, and I did promise to raise it.

There are a few final things with respect to the Alberta Tourism Partnership company and the newly appointed Price Waterhouse group, and I'll pursue those with you perhaps at another time. In the interest of time, I would allow my colleague from Calgary-Buffalo to take the floor.

Thank you.

MR. DICKSON: Thanks very much, Madam Chairman. I'd make the observation that the minister in her opening remarks identified some documents she was tabling. I always appreciate getting responses from the minister before we come to vote, but I haven't had a chance to see the documents that were tabled, so hopefully those documents are fully and completely responsive to the questions that were asked. I might just tell the minister that in the future it would be tremendously helpful if she were able to in fact provide a copy if not to each of the members that asked the questions at least to the caucus that asked the questions.

My colleague a moment ago asked some interesting questions about the standing policy committee. In fact, it brings me to move an amendment, which I'd like to do at this time, Madam Chairman. The amendment's been distributed to all members. I move this amendment on behalf of my colleague from Edmonton-Castle Downs and in her name, that

the estimates for the standing policy committee on jobs and economy under reference 1.0.5 of the 1998-1999 estimates of the Department of Economic Development be reduced by \$86,000 so that the operating expense to be voted is \$114,451,000.

That's the motion I'm putting to the Committee of Supply. The reason is simply this: that the standing policy committee, which has gone up from \$85,000 to \$86,000, is not a committee of the Legislative Assembly. Because it consists only of members of the government party, it ought to be paid for out of the government caucus budget, not out of the budget of the Legislative Assembly.

There are a number of other things I wanted to say and am not going to have time to, so I'll simply request, Madam Chairman, that we put the vote on the amendment that's currently before the House.

Thank you.

THE DEPUTY CHAIRMAN: Thank you very much, Calgary-Buffalo. We will call this amendment A2.

[Motion on amendment A2 lost]

THE DEPUTY CHAIRMAN: Go ahead, hon. member.

MR. DICKSON: Thank you, Madam Chairman. I understand I may have a few minutes left. I just wanted to refer the minister to element 2.3.1, policy co-ordination, and ask whether the minister would indicate what proportion of the policy co-ordination budget will be used to support the work of the Council of Economic Development Ministers. What type of support work is involved? Will the minister further indicate what proportion of the policy co-ordination budget will be used to provide secretariat services to the Alberta Economic Development Authority in 1998-1999, and further, the type of projects that will be undertaken by the policy co-ordination branch in this area.

This has to do with program 4, Racing, Gaming and Liquor Commissions. Will the minister provide a breakdown of the \$659.5 million in that ticket and video lottery revenue projected in 1998-1999 by source. In other words, how much would be derived from video lottery operations? How much would be derived from casino gaming operations? How much derived from ticket lottery operations? What are the projections for net ticket and video lottery revenues broken down by source for . . .

THE DEPUTY CHAIRMAN: Hon. member, may I remind you that we will be looking at and discussing the lottery estimates I believe it is next Tuesday. The lottery estimates are reviewed separately.

9:40

MR. DICKSON: I understand, and thanks for verification of it. I simply thought I'd get a jump and give the minister some notice so next time the minister would be able to provide us with responses before we have to actually vote.

I'm glad the minister is listening so carefully to the good advice we're offering her.

This is with respect to tourism. How much will it eventually cost taxpayers to hire the firm Milner Fenerty to draft the terms and conditions of a new contract and then go through a request for proposal process to hire a new contractor?

Will the minister provide further information on the special interdepartmental task force - I'm always fascinated with interdepartmental task forces - co-ordinated by the Minister of Economic Development which has been established for ensuring the fullest government support of the tourism industry during the transition period and providing any assistance that may be requested by Price Waterhouse.

I'm getting some good advice from the Opposition House Leader, but I have to account to Mr. Kaplan after I'm finished here. He may be a tougher master to deal with than the Opposition House Leader.

Furthermore, what consultations, Madam Chairman, have been undertaken by the special interdepartmental task force with industry on the need for enhanced new technology-based marketing tools?

I look forward to the responses. Thanks very much, Madam Chairman.

THE DEPUTY CHAIRMAN: Thank you.

After considering the business plan and proposed estimates for the Department of Economic Development, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Operating Expense	\$114,537,000
Capital Investment	415,000

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Energy

THE DEPUTY CHAIRMAN: The Minister of Energy.

DR. WEST: Thank you, Madam Chairman. Two weeks away we considered the estimates for the Ministry of Energy, and I present them here tonight for your final perusal.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Calder.

MR. WHITE: You have to jump to the pump real quick here, don't you, Steve?

The Minister of Energy was so kind as to provide a very first for this member today and invited this member into a talk earlier about a piece of legislation that is coming forward. I'd like to thank him publicly on the record for that. It was enlightening, to say the least. It happens to be in the area of electrical energy production, distribution, and marketing. The plan, on the face of it, seems to be moving rapidly towards the North American trend. In fact, Alberta appears to be well placed in its own markets as well as in our regional markets in order to market electrical energy outside the province.

I'd like to speak and ask some questions about the maintenance of the AEUB and make sure of the assurance of the minister in writing that the improved efficiency of the utility rate regulation and all its attendant facets does not impinge upon the unique character of the board in order to speak out on virtually anything that they feel is necessary for the betterment of the industry as a whole.

I'd like to hear some pretty bold statements with regards to the impending downsizing. I'd also like to talk about the AEUB's staff members. I'm informed by a great deal of them that they have almost a revolving door in their shop in that they bring people in sometimes from other provinces, sometimes from other disciplines, train them in the business, and they're promptly lost to industry with a considerably increased salary. This leads to a great deal of inefficiency in the operation. I wouldn't suggest to the minister for one minute that he holus-bolus raise salaries, but he certainly should be cognizant of the fact that in the industry it's well known that these people are moving along, and the remaining staff has a great deal of difficulty keeping up with all the trends in the movement in the industry as it is today.

With my history in the engineering and energy related businesses, I can't remember a time in history when things moved so very fast in the industry: price changes, market trends, growing and shrinking of various sized companies, the megaprojects that are drawing a lot of the engineering talent away from the traditional dig the hole, pump it out oil patch business. I would think one of the constants that should remain in all of this would be a board that has the expertise from within to provide that almost stabilizing effect to the industry so that the questions that are asked of the ministry can be asked and answered in a timely fashion.

I would like to move now to the area of climate change and would like to have a relatively complete report of what the department is doing in this regard in that it's a rapidly moving science, and in public policy it's going to be more and more something to contend with, Alberta being in a particularly vulnerable position. I would like to acknowledge the movement of Suncor in the way of acquiring some tradable rights and wonder if the department has had time to consider what the effect of those rights is and how the department will be dealing with that and packaging it such that the overall consumption of energy and therefore production of greenhouse gases from the province will be calculated so that we don't end up being caught short. In the words of the minister, I think from Ontario: every second automobile will have to be taken off the road immediately if we go to the Kyoto solution.

We should have a little bit of foreplanning in that, and this side of the house is philosophically not against, in fact we're for, the tradable permits and planning for all those sorts of initiatives. We understand that the industry is doing quite a bit; particularly the heavy oils are doing a great deal to reduce their emissions and without credit or calculation. We certainly don't have any knowledge of that other than through the voluntary challenge and registry program. This side of the House doesn't get that kind of accounting, and if this side of the House doesn't have that accounting, then perhaps it is not published enough so that the general populace can understand that.

Royalties and related information systems. We would think this is in the primary production areas as well as gas. We are not fully convinced that the systems that are in place now are functioning in the manner that they were designed to and whether in fact the computing systems that are attendant to that are actually performing as they should. We'd like to have some kind of word on how the efficiencies of those areas are proving out, noting that there were I forget how many millions of dollars put into this particular area over the past seven or eight years, I believe.

I would also like to have a little better accounting of the research and development funds that are in partnership with the private sector, to account for these expenditures, some kind of published result to see how they in fact stack up on the key performance indicators that have been developed in other sectors for research and development funds.

9:50

As we know, at least one very good operator, I believe it's Syncrude, some eight or 10 years ago had taken some 40 millions of dollars – perhaps it was 30 million; I can't quite recall the number. It was put into a fund that was to help develop one of their new systems in energy savings, therefore lowering the production cost of their product. I gather that until recently it was still on the books. I can't find anywhere in the Energy estimates that being taken account of and written off. It was still on Syncrude's books. The last time we looked at it, it was still there and was being carried forward.

We asked privately if in fact those funds were intended to be returned, and Syncrude's answer was: "Gee, we didn't think so. That bit of technology, some \$30 million worth, did not prove to be of any advantage to us, and therefore the return to the government was not forthcoming." Well, that is a pretty sad state of affairs. It's their opinion, the operator's opinion, whether in fact these funds were well spent. I would have thought there would have been some kind of independent adjudication of the worth of the research and development at the time, and someone

somewhere would have said: yes, 10 percent, 50 percent, 100 percent of those funds should be returned by way of increased efficiency in production. That does not seem to be the case, because they certainly aren't anywhere in the estimates, whether they be in the business plan or anything else. It just does not seem to appear.

The ministry restructuring seems to be moving along, but there doesn't seem on the outside to be any rational reason for it. Two years ago we were looking at an increase in staff. Now we're looking at a stabilizing or downsizing, if the minister's reports are correct. This member doesn't see the rationale. The workload certainly has not decreased. There doesn't seem to be a great deal of outsourcing going on, and there doesn't seem from the outside to be any new plan that says, "Here is why we have to downsize," other than just cutting the bottom line. Well, as I mentioned earlier, one of the things the industry should have is a stable EUB as well as a stable department with the attendant staff to carry the load.

The other area of concern is the key performance indicators, in particular the area of pipeline capacity. Maybe that's not a key performance indicator, but it certainly is an indicator of some substance, in that with the present export capacity the industry has, particularly in gas, it's limiting our price of return and therefore our royalty here. I understand that this government has been supportive of the Alliance application, and therefore we moved that up. I wonder why it took this long for an industry, an industry developed from themselves, to understand that the gas we have in this province is needed to be – why wasn't it stimulated from some government source? The government sources obviously know that the pools are here and obviously know that the royalties that are attained are certainly not those that could be attained, even at the present volume of gas, but we simply can't get it to the market.

I gather that with the new capacities of the partnership between Nova and TransCanada their capital expenditures will increase that export, and then the Alliance will increase that also. So perhaps we can look forward to the day when we don't have to back-end load the return on these things.

Talking about back-end load return, a question from the New Democrat member earlier today and the minister's answers were interesting. I'd like to have a little fuller and more complete answer to that question, although the question was asked and answered in part in earlier estimate debate. I'd like a little fuller explanation in quantitative terms on how that in fact works and what the best projections are that the ministry can put out in the way of oil sands production.

I'd also like to move to coal and wonder what the government's philosophy is on the current royalty and whether there's any view to loading that a little differently. We're getting, as I recall, some pennies per tonne exporting our coal. Now, one could say, yes, we're maintaining that infrastructure and we're keeping a lot of employment in the eastern slopes of the Rockies certainly, but this is exporting a nonrenewable resource. Of course the resource that's taken out now from the two main areas for export is in fact being taken at very, very little royalty rate. We could end up paying for that in the way of CO₂ gases in a major way and have some difficulty coming up with the Kyoto formula there in order to satisfy international concerns. I should like a little more discussion on that, and perhaps the minister can provide that.

I'd be interested in how the ministry sees minus \$14 a barrel crude as of today. Do they do international projections?

I'm getting the motion to take my seat here from the minister.

The minister is being very, very persuasive. I don't have very much more that I'd like to discuss with him publicly, although privately I think maybe we could be a little more specific in some of these areas that can't always be discussed publicly.

The EUB's noncompliance rate always is of some interest. It seems to be creeping up now and again, so it leads one to question the downsizing of the board's activity.

I could move on to some consumer satisfaction, but I think we dealt with that in earlier meetings. Perhaps I'll take my seat now and allow the minister to respond if he wishes.

THE DEPUTY CHAIRMAN: After considering the business plan and proposed estimates for the Department of Energy, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Operating Expense	\$71,902,000
Capital Investment	\$1,315,000

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Agriculture, Food and Rural Development

MR. STELMACH: Madam Chairman, the other evening we considered estimates of Agriculture, Food and Rural Development. We had many good questions from the other side and have made a commitment to respond to each and every one of them, especially those that I did not get a chance to answer during the period of time I had to respond. So I ask now for questions on our agriculture estimates.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

10:00

MR. MacDONALD: Thank you, Madam Chairman. It's a pleasure to rise this evening and speak to the agriculture estimates of the ministry. It was enjoyable the previous evening. The minister and his staff were very gracious in accommodating our questions.

Now, Madam Chairman, the minister acknowledged that he's not only the minister of agriculture; he's the steward of the agricultural land in this province. It's his job to ensure that this remains productive well into the future. We look at the country of Argentina in the 1930s and the standard of living that they had. It was the third highest in the world at that time. We look at their standard of living since and the decline in that standard of living. The next century certainly will be a golden age of agriculture for Canada, New Zealand, America, Australia, countries like this with productive land. We will as a country be very, very prosperous as a result of the agricultural industry. I'm grateful to have a minister of agriculture that understands this and is looking forward into the future to just exactly what role agriculture will play in this province. As I said before, it will be the industry in this entire country. There may not be much of our vast land area suitable for agricultural production, but what we do have is very, very valuable.

I have, however, some more questions for the minister, and they're regarding just exactly where we're going in the future. The recent Asian turmoil, or the Asian flu as it's referred to, I don't believe is expected to have a substantial impact on the economic growth of Alberta given the relatively low trade exposure to Asian economies that we have. We're a little bit luckier than the province to the west, British Columbia, because they're experiencing significant economic downturn because of their reliance on trade or exchange with many of the Asian countries. There is, however, Madam Chairman, some downward pressure on prices related to this Asian situation, and that is showing up particularly in commodity prices. If the minister and officials of his department could assure us that the farmers of this province are going to be assured a good return on their investment, I would be very, very grateful.

Now, the U.S. economy is entering its eighth consecutive year of expansion. The Alberta economy is entering its 12th year of economic expansion, and this is incredible when you think of all the fiascos that happened here in the past with failed industrial strategies. But the agricultural sector has carried on. It has certainly carried on, Madam Chairman.

I would like to ask the minister and his department officials what plans they have for what we call the agricultural towns. We know the population growth rates in Edmonton and in Calgary. That of Calgary is greater than Edmonton. But also, towns like Beaumont, Slave Lake, cities like Wetaskiwin, Camrose, and Red Deer are growing at a rate that's slightly higher than even Calgary. Some of the smaller centres are naturally declining in population, but it is a positive sign for Alberta and Albertans that these smaller centres are growing in population. I wonder if the minister has any concern about this trend in that in the small centres the grain elevator will close and people move away.

In fact, I believe that even out in his own area of Vegreville, to the west the town of Mundare had a problem with their school. I believe it has come to a successful resolution, and the school has remained open. But this is just a symbol of the problems that we face in the future in rural Alberta. I wonder what sort of strategies the agricultural department has regarding this.

Now, moving along to wheat prices. Wheat prices are very, very important to the rural economy. After peaking in the 1995-96 crop year, wheat prices weakened in the second half of 1996 and throughout 1997.

MS OLSEN: No.

MR. MacDONALD: Yes.

Due to the strong global supply, wheat prices are expected to weaken slightly in 1998. However, El Niño – and we discussed this the other evening in estimates – could reduce total global supply this year by causing draught or flood conditions in producing regions, which could push prices up. Prices could be pushed up. I wonder: what exactly are the plans of the minister of agriculture and his officials in case this is to occur? Over the medium term, rising world demand is expected to firm up prices despite increased supply.

Now, cattle prices. You know, if we think of Alberta, we think of beef. Alberta cattle prices recovered sharply in 1997 after falling steadily from 1993 through to 1996. There has been herd rebuilding and increased market demand, and this led to a price recovery. Moderate price increases are expected over the near term as herd rebuilding continues. Now, does the minister agree with this? Can we look forward to modest increases in cattle

prices? I'm sure his department does a very thorough analysis of this, and I'm very anxious to know on behalf of rural cattle producers.

Now, hog prices. Hog prices have moved up sharply since 1994, and we've discussed this as well before. Hog prices in 1997 were at near record levels, and we discussed before that there was a \$3 million price premium paid between Fletcher's in Red Deer and the old Gainers facility, or Maple Leaf Foods I should say, here in Edmonton. That was at this time last year. But hog prices are expected to level off in 1998 and may even drop slightly. Rising feed costs and excess pork supply could put some downward pressure on hog profitability.

Also, I would like the minister's comments regarding the situation in Asia, because the consumption, once again, of pork on a per gram per capita basis was increasing in those countries. Because of economic turmoil, does he expect there to be a decline in this province?

Madam Chairman, livestock accounts for about 55 percent of Alberta's farm market receipts. Does the minister expect this trend to continue? Farm income should remain high, and this is a very, very good thing for the market centres, that we discussed earlier, with the population trend increases, because naturally there's going to be disposable income for the merchants in these towns. There's going to be trucks, tractors, farm machinery purchased, and the list goes on and on and on. The farmers are going to have money in their pockets to spend in the local towns, and this can only say good things for Alberta small businesses.

Yet in 1997 the net realized farm income is estimated to have been \$600 million. That's 28 percent above the five-year average. Crop receipts fell from the record 1996 level due to lower cereal prices. This was partly offset by an increase in livestock receipts arising from higher livestock prices and lower feed costs. In 1998 does the minister expect this to remain at about 1997 levels, or will these receipts be offset by higher cattle prices?

With those questions, Madam Chairman, I am allowing my colleague from Edmonton-Norwood time for her questions. Thank you.

10:10

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Madam Chairman. I would like to move an amendment right now, and I think everybody should have it. The amendment I'd like to move on behalf of my colleague from Spruce Grove-Sturgeon-St. Albert is that

the estimates for the standing policy committee on agriculture and rural development under reference 1.0.2 of the 1998/99 estimates of the Department of Agriculture, Food and Rural Development be reduced by \$113,000 so that the operating expense to be voted is \$329,351,000.

This amendment speaks to the issue of standing policy committees, and it speaks to: if we're going to have a standing policy committee, they should be all-party committees. These are taxpayer dollars, and taxpayers deserve to have representation from all parties. Given that that doesn't happen, I think there isn't a need to be paying chairs excessive amounts of dollars to chair these committees and have other people sitting by. You know, as other members of the Legislature we can't participate to any degree other than sit there and watch these standing policy events unfold. We cannot participate, and as a member of this Assembly I represent on an average as many people as anybody

else. So I'm quite concerned and believe that this amount should be reduced to zero and the standing policy committee actually be disbanded.

[Motion on amendment A3 lost]

THE DEPUTY CHAIRMAN: Hon. member.

MS OLSEN: Thank you. I'd just like to address some of the issues arising out of the annual report of the Auditor General. There were a number of recommendations made, and I just want to address those. One of the recommendations made by the Auditor General is:

It is recommended that the Agriculture Financial Services Corporation, together with the Department of Agriculture, Food and Rural Development, develop measurable evaluation criteria that can be used to determine and report on the effects of the Farm Income Disaster Program.

The criteria that are currently used often are believed not to be measurable. Therefore I'm wondering what the department has done, what the minister has done to achieve and meet the recommendation set out.

It would seem to me that, as the Auditor General stated, measurable performance criteria and targets are an important prerequisite to the meaningful evaluation and reporting on the success of the farm income disaster program.

So it would seem to make sense that we have some appropriate measurement tools and some targets in place. I'm wondering what the minister has done in relation to that.

Also, according to this report, the "management information [system] should be enhanced to include the impact of actual claims experience on the program." The question asked in this regard is: "It would be useful to evaluate the impact that unanticipated claims results have on program expenditures." I'm wondering again what the minister has done in that regard to meet these recommendations.

Another recommendation that was made in the Auditor General's report is that

the Agriculture Financial Services Corporation's internal audit function improve its support to the Board of Directors and to management in the achievement of effective governance by planning and conducting its reviews of processes and programs based on an assessment of risks.

I would suggest that the whole issue of risk management requires some attention, and it would be desirable to see what the department again has done in relation to that recommendation.

Another recommendation revolves around the existence of the revolving fund. I'm to understand from the Auditor General's report that many of the activities around the revolving fund are not authorized by legislation. The legislation does not authorize the use of the revolving fund for the receipt of provincial grazing reserve revenues or the acquisition of improvements to land or the transfer of assets acquired by the department before the directive came into effect. I'm wondering what indeed the minister has done in relation to this particular recommendation in the Auditor General's report. That specific recommendation says that

the Department of Agriculture, Food and Rural Development wind up its revolving fund and account for all assets, liabilities, revenues and expenses of the Province's grazing reserve operations in the financial statements of the General Revenue Fund.

I'm wondering what indeed has occurred and what you've done in that regard.

I think the Auditor General's report needs to be attended to by the department and those particular issues dealt with. So if we could get some answers to that, that would be helpful.

I think that's pretty well all the questions I have right now. If any of my colleagues want to pick up . . .

THE DEPUTY CHAIRMAN: After considering the business plan and proposed estimates for the Department of Agriculture, Food and Rural Development, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:	
Operating Expense	\$329,464,000
Capital Investment	\$1,561,000

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Public Works, Supply and Services

MR. WOLOSHYN: Thank you very much, Madam Chairman. I'd like to thank the hon. Member for Edmonton-Mill Creek and his colleagues for the estimates in room 512 on the 25th. I made, I think, a pretty good effort to answer the questions at that time, and I forwarded to him in writing the answers to the outstanding questions. On that, I'd like to invite him to take the floor.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKY: Thank you, Madam Chairman. Yes, I will briefly summarize a few points here on behalf of the Official Opposition. I want to start by thanking the minister for quickly undertaking to provide some written answers. Mr. Minister, this was a good and noble gesture on your part to provide this, and as requested by yourself today, I will be distributing it to other members of my caucus. I think there are a lot of answers that have been given in fact during the debate, which I thought was a very good, open, honest communication between all parties.

[Mr. Tannas in the chair]

There are just a couple of issues I want to comment on and finish off with here and receive answers at the minister's discretion, when he has time. One of them is with respect to a follow-up question that was initially raised by my colleague from Edmonton-Manning, and it's perhaps with respect to a point that surfaced at the Growth Summit. It has to do with the issue of regulatory and tax issues. I note that there's a comment made that in addition to facilitating the implementation of the new corporate finance and human resource applications across government, which in turn will support improved decision-making and increase the effectiveness thereto, there's also the carrying out of the three-year legislative plan to review regulatory and tax reform issues. There's a reference made to some legislation that may be amended, and I'm just wondering what the implications of that are and what impact it might have and which legislation might need amending?

10:20

Similarly, with respect to the role and function of government, a follow-up question with respect to the identification of value-added services and determining if more efficient ways of deliver-

ing these aspects does exist, whether or not the Public Works, Supply and Services department recognizes at this stage what it intends to do, and what some examples of that value-added servicing might be.

Similarly, with respect to follow-up questions to the hon. Member for Calgary-Buffalo's, there's a reference made in the area of communications where they're talking about a team that organizes and chairs monthly meetings of the year 2000 departmental co-ordinators in respect to the year 2000 compliance issue. It strikes me, Mr. Minister, that there might be some specific performance measures already afoot that perhaps you could share with us. For example, how many departments are expected to be compliant this year? I think there's some reference made to March of 1999 in the correspondence. The member was wondering whether or not there were some specific targets, as you might call it. In other words, are some of these coming on at the end of the first quarter, the second quarter, or is it all happening at once in March? We'd be interested to know that.

The other comment is with respect to management reporting. There's a reporting framework that's been developed which the minister has commented on - and I was hoping that we might learn a little bit more about that - insofar as the office of CIO is concerned. What does that framework look like, and is it something that you'll be sharing elsewhere, or is it strictly an internal departmental function? I'll respect whatever the answer is.

On two final points raised by the Member for Calgary-Buffalo. One of them is with respect to the emphasis that is purported for 1998 on the monitoring of progress of key government systems. I think this is a good move. I'm just wondering what the minister might be able to share with us in terms of the monitoring of progress. What is the process, I guess, that's involved in that monitoring? The Gartner group, I believe, is the group that's involved here. I'm not familiar with that organization, but I'm sure they'll likely be doing a good job for you.

On the Imagis project there's a statement here made with respect to the upgrading or perhaps changeover of modules as it applies to accounts payable and general ledgers. Similarly, there are some new modules contemplated for budgets, accounts receivable, and billing. I'm wondering: is that for all departments, Mr. Minister, or is that just for your department? I see the minister nodding his head that it's for all departments, so we'll accept that as the answer. Thank you.

The final question from Calgary-Buffalo as a follow-up - and I guess this is more my question than his - is with respect to the Carewest Alzheimer care centre in Calgary. I note in the response to the Member for Calgary-Buffalo's question on the Carewest centre that you were expecting a request to be made by late February for approval to purchase the actual site. I'm wondering: has that request gone forward? Is this a done deal now? I read further that the project has actually started the design phase, so we sort of thought, you know, that because the letter was dated March 9, perhaps something didn't get tidied up yet. I see the minister nodding his head, so we'll take that as a yes, that in fact the site has now been purchased, or the request at least has been put forward. Right? Okay. I see. I understand it now.

Now, there are just a couple of other quick follow-ups here with respect to this department, and they are specific to the Growth Summit. This won't take very long, Mr. Minister, so if you'll just bear with me. I wanted to ask a question with respect to the improvements of the image of the public sector. I know that the Growth Summit spent quite a bit of time talking about

this, and I, too, am concerned about it. We know that there are difficulties in helping attract new or young blood to the area of the public sector on some occasions, and my question there ties into the human resource plan, which was touched upon also at the Alberta Growth Summit.

In fact, there were a number of discussions, Mr. Chairman, with respect to specific strategies that might be explored for attracting young employees, which I think every sector of society requires. In particular government, I think, has to be very careful to perhaps do a little more of what we, if memory serves, used to do, and that was to actually go out as a government, as departments, and actively recruit and actively seek new people. I mean, government from this standpoint is like a business as well, and part of that recruitment must surely be to attract people through apprenticeship programs and some co-operative training programs, which were suggested at the Growth Summit, and I'd be interested if we have any onstream or any contemplated.

Similarly, still with the Growth Summit recommendations, there was a suggestion made about implementing consistent technology standards across all government departments. There are a number of points, which the minister probably has, and I won't take the time of the House to read them all, but there were some excellent comments made to cultivate relationships with AUPE, for example, to somehow remove any barriers or impediments to the constant movement of staff that occurs between departments and boards and agencies, controlling the FTE shifts, as it were, and a number of other things which I'll leave to the minister to comment on.

My final couple of statements are with respect to an aspect that, if I recall, in last year's budget had to do with the breakdown of each of the different departments which the minister of public works might have to liaise with. For example, there are a number of aspects of co-relationships with Justice and Labour and Municipal Affairs and Community Development and so on where buildings primarily are concerned. It seems to me that in last year's budget, Mr. Chairman, we had the opportunity to actually look at the breakdowns of each of these departments: the Provincial Court as an example in Justice and the Jubilee auditoria in the case of Community Development, just to give you two examples. It seemed to me that it was easier for the public to follow and certainly easier for members of the House to understand as well where it was that the dollars were being allocated for what specific purpose.

Now, this year it seems that there's been a change, and it's kind of been consolidated somewhat, or perhaps we're not finding it. I did search for it, though, under construction and upgrading of facilities. Perhaps that's where it is, but it's not broken out like it used to be. Perhaps there's some comment the minister might make. There's an expenditure there of approximately \$26 million, and that's a significant amount of money, but it would be helpful to have a comment. I notice, for example, with seniors' lodges that those are all spelled out and broken out nicely and we can follow the dollars. Similarly in health care with health facilities, those are broken out nicely and we can see that as well.

My very last comment has to do with just a generic question about the parity of expenditures between the major centres in the province. I'm always curious to know how the dollars are being allocated. I'm sure they're on the basis of need, and I'm sure they're on the basis of requirements and requests put in, but I'm always interested to know how the two major cities in the province compare, Edmonton and Calgary. Fair enough. On a given year you might say that more money was required here because there was a definite need, and on another year there might be more money required there. But in a general sense I'd

like the minister to comment on the parity of expenditures between Edmonton and Calgary.

With those comments, I look forward to the answers.

I would move that the committee now rise and report.

10:30

AN HON. MEMBER: No. We have to vote.

THE CHAIRMAN: He's perfectly within his right. Do you wish to do that, or do you wish to do that after the vote?

MR. ZWOZDESKY: I'm sorry. We'll do the vote first, and then we'll do the other.

THE CHAIRMAN: After considering the business plan and proposed estimates for the Department of Public Works, Supply and Services, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

Agreed to:

Operating Expense	\$436,725,000
Capital Investment	\$50,310,000

THE CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Hon. Member for Edmonton-Mill Creek, do you wish to make that motion now?

MR. ZWOZDESKY: I would now request that the committee rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1999, for the departments and purposes indicated.

Department of Education: \$1,913,237,000 operating expense, \$270,000 capital investment, \$104,500,000 nonbudgetary disbursements.

Department of Labour: \$28,300,000 operating expense, \$300,000 capital investment.

Department of Economic Development: \$114,537,000 operating expense, \$415,000 capital investment.

Department of Energy: \$71,902,000 operating expense, \$1,315,000 capital investment.

Department of Agriculture, Food and Rural Development: \$329,464,000 operating expense, \$1,561,000 capital investment.

Department of Public Works, Supply and Services: \$436,725,000 operating expense, \$50,310,000 capital investment.

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

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

[At 10:35 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]