

Legislative Assembly of Alberta

Title: Tuesday, March 10, 1998 **8:00 p.m.**
Date: 98/03/10
head: Committee of Supply

[Mr. Tannas in the chair]

THE CHAIRMAN: I'd like to call this meeting to order. Hon. members of the committee, if we could all sit down, then we'll just go on the usual practice of only one member of the committee standing and talking at one time, whether you're a minister or not.

Just a reminder to all members of the agreement that the House leaders have arranged and the committee acceded to last night: up to 20 minutes for the minister, up to 20 minutes for the Official Opposition, and should there be the third party, up to five minutes for them to reply, and then the calling of the vote. If that's still in agreement, any objection? None.

head: Main Estimates 1998-99

Treasury

THE CHAIRMAN: The hon. Provincial Treasurer.

MR. DAY: Thanks, Mr. Chairman. I'll be brief. First, as we get into this reporting night, I want to thank the members who have spoken and addressed a number of questions related to the estimates. They were good questions and, I think, resulted in information forthcoming.

I'd just like to remind members that at the February 24 subcommittee of supply meeting, I tabled the ministry's business plan. That provided quite a bit of detail on the following entities; AGT Commission, Alberta heritage savings trust fund, Alberta Insurance Council, Alberta Intermodal, Alberta Municipal Financing Corporation, Alberta Securities Commission, Treasury Branches, Chembiomed, Credit Union Deposit Guarantee Corporation, Gainers Limited, and N.A. Properties. I also tabled at that time a clarification of the Gainers income statement – it was published in the '98-99 government lottery fund estimates – as well as answers to questions on the '97-98 supplementary estimate for long-term disability. I hope the information as requested was useful to the hon. members across the way.

In response to many of the questions that were raised on February 24, I tabled the following items on February 26: a breakdown of the department's '98-99 operating costs by object of expenditure for ministry support services, revenue collection and rebates, and financial management and planning. That included information by object, as requested I believe by the Member for Edmonton-Mill Woods, on such items as salaries, wages, travel, contract services, data processing services, hosting, et cetera, and also a status report on the electronic filing of the Alberta corporate tax returns and a synopsis of the guarantees, indemnities, loans, and advances that were issued since '92-93. So I hope that information was useful. I understand other departments have begun now to also file gross operating expenses by object. So I appreciate the members opposite raising the question and maybe getting a bit of a trend going here, which I think is positive.

I'd like to just read into the record if I can, Mr. Chairman, before I sit down a letter of March 4, 1998, and I'll table this letter. It's addressed to Mr. Al O'Brien, Deputy Provincial Treasurer, and it's from the Auditor General in response to a letter of February 9 regarding some recommendations coming

from the Auditor General on September 23, and he's reporting on the progress there. I'd just like to read into the record the last sentence of the Auditor General's letter to Mr. O'Brien, in which he says:

As I said in my 1996-97 Annual Report, the management of the Department of Treasury are to be congratulated on their achievements regarding the quality of the consolidated financial statements.

That is signed: Peter Valentine, Auditor General. So I appreciate that letter reflecting on the management and the personnel in the Treasury Department.

I'm interested and open to other remarks by opposition members or even my own colleagues, and though I may not be able to answer all questions tonight, I will indeed endeavour, as I have in the past, to reply to questions that may be forthcoming.

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

MR. ZWOZDESKY: Thank you, Mr. Chairman. A pleasure to join in on this excellent debate tonight on Treasury estimates, in fact to conclude debate on them. Before we get going with some of the specific questions that I have, I would like to take the liberty of tabling a letter which in fact corrects a misimpression from a week or two ago that was offered in the House I believe by the Provincial Treasurer. That's with respect to my predecessor's comments relative to the stabilization fund.

The letter I'm tabling is dated August 6, 1996. It's from Mike Percy, MLA, Edmonton-Whitemud, Treasury critic, and it's addressed to the hon. Jim Dinning, Provincial Treasurer. As Dr. Percy talks about various concerns that he has relative to the inadequacy of legislative frameworks pertaining to the high volatility of revenue bases in the provincial government, it's quite clear that in that context he does say in fact, hon. Treasurer, on page 2, "Another solution is to set up a stabilization fund." That is basically the same thing that I've been talking about, which is the fiscal stabilization fund. He talks about how it could in fact be brought to bear. In fact, Dr. Percy was quite a strong proponent of that fund. I wanted to just raise that so that the record shows that Dr. Percy had in fact initiated that particular idea, and I wanted to give him full credit for it.

Now, let's go on to the estimates before us. I want to start by talking about program 3, which is financial management and planning. This of course refers to the area of support services and programs of government toward the provision of planning, management, and reporting on the government's financial affairs and also the maintenance of sound financial services to the financial services industries. In the 1998-1999 gross operating budget we note expenses of \$17.685 million, which represents, I believe, about a 46.5 percent decrease from the previous year's comparable '97-98 budget. I'm always interested when I see these kinds of decreases in expenditures. [interjection] I'm just reading from my notes here, hon. Treasurer; I'll get you the page in just a moment.

In any case, just to carry on, I'm interested in that decrease, because I'm wondering if it has something to do with decentralization within the department or if it has something to do with outsourcing. In any event, it represents about a \$15 million decrease from the previous year, so it's a question I'd like answered. Mr. Chairman, I will tell the Treasurer that it's page 381 that we were trying to reference.

Now I want to talk about item 3.0.1, which is the office of budget and management. I'd like to know with respect to the office of budget and management what standards and guidelines

have been established to allow the office of the controller and the office of budget and management to ensure that individual departments do in fact follow consistent internal audit and financial and reporting procedures.

I'm also concerned about the performance indicators insofar as this department is concerned, in particular accuracy of recording departments' financial information, time lines of reporting departmental financial information, adherence to legislative compliance, and ensuring that departmental budgets are not exceeded. So in that respect, I wonder if the Treasurer would tell us what benchmarks he's established with and by the office of budget and management to look after those performance indicators. In that same vein, Mr. Chairman, I'm hoping the Treasurer will indicate whether any consulting projects are being undertaken by budget and management in 1998-99 and, if so, in what areas they fall.

Similarly, I want to make some comments with respect to annual reports, and some of these flow out of comments made by the Auditor General's department as they relate to these estimates. My questions are as follows. Are there any plans for allowing the Auditor General to provide a formal audit of specific ministry performance measures relative to annual reports? What form will these audit processes take?

8:10

Another question here with respect to annual reports has to do with what I would like to see as being some of the key components. I'm wondering if the Treasurer would entertain some of the following key components as being essential to the composition of annual performance reports. I would suggest that annual reports have served us and served us quite well, but we need to focus on a little broader and a little larger aspect of those reports. The key components that I would ask him to evaluate in that respect would include but not be limited to the following: program area by subdivision; expenditures and staffing by subdivision; goals by subdivision; a description of services; measures of activity, workload, and unit cost for the current fiscal year and, if possible, the previous two years; program area and subdivision drivers; a description of results achieved in each performance outcome area for the current and previous two fiscal years, including the following information for each measure – definition, rationale, data source, discussion of past performance, future plans to achieve performance targets, and any other factors that might affect performance. Those are some of the issues that I think should be addressed in annual performance appraisals.

I believe that the Auditor General did in fact make some comments relative to audit performance measures. In particular, he referenced, I believe, the March 1999 annual report, that will be forthcoming.

My other question with respect to annual reports is to know or to try and find out from the Treasurer what steps he or his department may have taken to instruct the ministries to present and prepare their annual reports in compliance with the recommendations that arise out of the Auditor General's comments relative to management discussion and analysis, forward-looking information, governance, and background information. It's important to allow for comparisons of actual financial performances against the benchmarks of the quarterly budgets. Maybe the Provincial Treasurer could comment on what it is that the budget and management division is doing to comply with the AG's recommendations and to provide financial results for each of the four quarters of the fiscal year within the consolidated budget relative to the areas I've mentioned.

Another point about costing in a general sense, Mr. Chairman, is in relation to outputs. I think we have to make the point that there should be closer monitoring and reporting of not only the input side but the outputs and what we're getting as a result. Perhaps the Provincial Treasurer at some point might be able to tell us about the plan that he has prepared or that the budget and management division has prepared to ensure that these outputs are in fact being costed out. If so, would he be willing to release a copy of that plan?

Additionally, I'm hoping that the Treasurer will tell us soon when he expects to comply with the Auditor General's recommendation for costing the outputs referred to and relating the results to costs based on specific outputs. In short, what's your time line on that? Or is that work already in progress?

Which reporting systems do you have, hon. Treasurer? Which ones do you have to adjust in government to meet the new reporting requirements that have been talked about and the changes in budgeting that precede the changes in actual reporting?

Now, there's another issue here relative to capital assets, specifically lands, buildings, highways, et cetera, and their appearance on the consolidated balance sheet. I'm wondering what steps the Provincial Treasurer is contemplating in regard to those capital assets and their reporting?

With respect to the monitoring and analysis project group and the departmental and ministerial statements and annual reports interministry group and the steering committee that's involved therein, I would like to know what activities are contemplated regarding those groups? I think the Treasurer would agree that they perform a very critical function, and we simply require some explanations about that. There are at least three interdepartmental task forces currently involved in improving the financial and performance measure reporting systems. They are the departmental financial statements task force, the monitoring and analysis task force, and the changes in financial management task force. I'm hoping that the Treasurer will share with us the key recommendations that these task forces have made and provide that to us shortly. There are undoubtedly a number of recommendations that he's working on in that respect.

Mr. Chairman, from time to time we see significant variances in budgets. I would really like to know what monitoring is being done and which processes the Alberta Treasury Department has developed and adopted with respect to timeliness surrounding the receipt of ministry business plans, ministry budgets, ministry annual reports, and consolidated ministry financial highlights as well as performance statistics which might include significant variance analyses.

Also with respect to reviewing the ministry reports for consistency and reasonableness, it would be appreciated if he could include an explanation and an action plan that he might be contemplating to deal with significant variances. I think we've spoken in this House before about some fortuitous variances, in fact. Nonetheless, when it comes to budgeting, I think that it's a bit far-fetched to try and ask the public to accept a variance of a thousand percent.

In that respect I would like to also table, as I promised I would, the so-called Minnesota model for the Treasurer's consideration, which is basically another way of doing some of the things that are already being done. In particular there's a statement in here under objective 1 on page 40, which says that they are going to forecast major tax sources within a 95 percent confidence band, which means that they are attempting to be accurate in their projections relative to those major tax sources and income sources

within a 95 percent accuracy ratio. Elsewhere in the report they also talk about a very strict compliance to the expenditure side, and they have a tolerance level of, I think, less than 5 percent, which I believe the Treasurer is doing quite well on. It's the revenue projection side that I wanted to flag by that tabling.

Mr. Chairman, in the 1996-97 annual report the Auditor General recommended that the province provide longer term budget information to supplement the existing three-year review in the annual budget. Will the Treasurer tell us what Alberta Treasury is in fact doing to move towards a more long-range, long-term fiscal planning horizon in the budget, which would in fact comply with the Auditor General's request?

I have another piece of business I want to do here, but I just wanted to flag for the Provincial Treasurer's reflection that Albertans really do like to be more informed and better informed on the province's fiscal and economic prospects over the short term, that being three years, as well as the long term, which can be up to 10 years. I want to know whether the Treasurer has given some consideration to adopting some of the budgetary reporting requirements such as they have in New Zealand, which would include the preparation of detailed three-year economic and fiscal budget updates and medium-term, 10-year fiscal forecasts and outlooks within the provincial budget. I think that would cover the span of the entire picture, hon. Treasurer, and I look forward to your comments there. Perhaps you've already studied it.

8:20

Mr. Chairman, I only have a few minutes left, and I would like to indulge the House at this time by presenting an amendment to this Committee of Supply. As it's being circulated, I would just like to read it out loud. I want to move that:

the estimates for the standing policy committee on financial planning and human resources under reference 1.0.8 of the 1998-99 estimates of the department of Treasury be reduced by \$95,000 so that the operating expense to be voted is \$36,062,000.

THE CHAIRMAN: If you could speak on something else – Parliamentary Counsel has not seen this; it's not signed – in whatever you've got left, if it's okay, then we'll move it.

MR. ZWOZDESKY: Thank you. While that's being circulated and read – and I'll speak to it momentarily – I want to ask the Treasurer, with respect to estimates, if he will tell us how much of the \$6.954 million under the office of budget and management is being directed to project management, transition, and re-engineering. Similarly, how much of the project management transition budget is being allocated to fee-for-service consultants? I'm assuming that there's a significant portion of moneys involved there, and I look forward to your comments.

Another point that I wanted to raise, Mr. Chairman, is with respect again to the same consultants referred to and ask if the Treasurer would provide a breakdown of the consultants that are retained by individual projects and the fees provided to each of the project management, transition, or re-engineering individuals or departments, what the moneys involved are for the previous couple of years and, indeed, the projection he has for '98-99. I would note for the House's consideration that the annual report for the New Zealand Treasury provides a breakdown of consultants, total costs, and a description of the project, and we would benefit from something similar.

Thank you, Mr. Chairman.

THE CHAIRMAN: The chair would observe that we now have the necessary signature. This amendment that's been circulated is now amendment A1.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I've circulated a notice of an amendment which I will just comment on briefly. I've had some discussions now with respect to the standing policy committees as they exist. It's my understanding that the standing policy committees perform a valuable function to government, and particularly to the government caucus. These are not all-party committees, as you know. The government would tell us that they don't need to be, and I respect that. Let it be so, but if it is so, then perhaps it is the government caucus that should be paying those costs or reflecting it in their own budget as opposed to a budget such as we see here today. That's the reason for this amendment, to reduce that expenditure to the House.

Thanks.

[Motion on amendment A1 lost]

THE CHAIRMAN: After considering the business plan and the proposed estimates for the department of the Provincial Treasurer, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

Agreed to:	
Operating Expense	\$36,157,000
Capital Investment	\$3,396,000
Nonbudgetary Disbursements	6,107,000

THE CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

We next have under consideration the estimates of the department of advanced education. I'll call on the minister of advanced education.

Advanced Education and Career Development

MR. DUNFORD: Well, thank you very much, Mr. Chairman. I'm pleased this evening to again introduce the estimates of Advanced Education and Career Development. As the people are aware, we did have a subcommittee meeting back on March 4, and I see various representatives here again tonight. Very good questions are going to challenge this minister to a great extent to be able to deal with all of them, but we certainly will at our earliest possible time, and of course I'll listen with great interest to those questions that are raised again this evening.

Thank you.

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

MR. SAPERS: Thank you very much, Mr. Chairman. I just got mixed up with the hand signals there.

Thanks, Mr. Minister. It wasn't a bad subcommittee as subcommittees go, and I appreciate the opportunity to once again engage in just a bit of discussion about your department's estimates.

I have a couple of things in specific that I'd like to query you about, and they flow as much out of the business plan as they do the budget. I note in the business plan your several references to faculty recruitment, retention, the governance structure in postsecondary institutions, and the relationship that your department has with the governance structures in the postsecondary institutions, and there are some other goal statements and strategies enumerated in your business plan that have to do generally with the institutional climate in Alberta's postsecondary system.

I want to ask you your opinion about the Alberta College-Institute Faculties Association survey which was recently released which looked at institutional climate. In particular, there were two institutions, Lakeland College and Red Deer College, which scored the lowest levels of reported satisfaction amongst faculties in the six-year history that ACIFA has been doing this survey. I'm assuming that you're familiar with the report, and I would very much like to know how this information will be useful to you in terms of operationalizing those goal and strategy statements which I alluded to.

It seems to me that we've got a real serious problem, if only in perception, that things are not well within those two institutions. I submit that it's more than just perception. I think there are some enduring problems there. There are some union management issues and a whole host of things that I know you're familiar with. But I'd like to know how this particular survey and these results will be incorporated into your operational plans as you move through your business plan in the coming year. I think that the faculty and the students and the people that work in those institutions and the people in those communities who support those institutions would be very interested to know that as well.

The second, in a similar vein, has to do with the same cluster – actually I've just given away what the issue is – the same array of strategic elements within your business plan. The University of Calgary has moved to these faculty clusters, and, Mr. Minister, I read a report quoting the president of the University of Calgary Faculty Association on the 6th of this month in which Ann Stocker said the following about these clusters:

Despite the overwhelming opposition, the administration now seems to be pushing their views ahead . . . without consultation, without debate, and without legitimacy.

Now, when I meet with faculty and administration at the University of Calgary, I'm told that these faculty clusters, this clustering, is part of the strategic plan of the University of Calgary and has nothing at all to do with budget reductions. That's sort of the official word that I hear. The unofficial word that I hear is that this has everything to do with budget reduction. This is the aftermath of downsizing that was forced upon the university in their scramble to find administrative savings. You notice I didn't use the words "administrative efficiencies," because many people have suggested that this won't be efficient at all and that the collapsing of these faculties together into these clusters is happening in such a ham-handed way that the heat and friction caused is going to be very inefficient.

8:30

Now, I've been very careful, Mr. Minister – and I'm sure you have too – not to pick a particular side of this argument, but there are powerful observations coming from both sides of the issue. It seems to me that, you know, this is one of the major post-secondary institutions in the province, a huge consumer of provincial government grants to postsecondary education, a centre that is I think recognized across this nation and internationally for

doing some excellent things. But we have a problem here. Again, I'd like to know what your thinking is about this and how it is that you see yourself and your departmental officials being involved in resolving the issues that present themselves at the University of Calgary.

The third specific issue that I'd like to raise with you tonight has to do with Grant MacEwan Community College here in the city of Edmonton. I was very disturbed to learn earlier, actually late in 1997, that the internal funding for the Minerva Senior Studies Institute had disappeared, that the seniors' studies program was no longer going to be fully staffed in the way that it was. I corresponded with the college about that, and it was a budget decision. There were no queries or quibbles with the quality of the program or the community support or the outreach benefits.

Certainly thousands of seniors have registered in dozens if not hundreds of programs over the years. It was, I think, a very highly regarded program and one which the college could be proud of, but now it's shifted. I want to be optimistic that the program is going to continue and that the college will continue to have this outreach function and will be able to involve the community in the same way, but I'm not sure my optimism is really justified, given the experience since that decision was made. Today I'd like to know what if any budget relief you may have been prepared to offer that program or that college.

The next issue that I'd like to raise is something that came to my attention really only today, Mr. Minister, and that's the Learning Skills Centre at Grant MacEwan Community College. This may be new information to you, and I figured I could share this with you here in anticipation of a question period or two to come. The Learning Skills Centre at Grant MacEwan College assists students as they develop communication and learning skills including writing, reading, critical thinking, and study strategies: how to memorize, how to study, how to prepare for classes, how to make the transition from home to work to school, back to work, back to home, and back to school.

As you know, Grant MacEwan's student population is, relatively speaking, aging over the years and more and more part-time learners. This means that there are more and more students in that centre who work and have family priorities over and above whatever scholarly priorities they may have. I taught for eight years at Grant MacEwan College, and I can tell you that many students benefited with this study skills centre. Not only did the students benefit, but the programs benefited. It meant that instructors didn't have to slow down the pace of learning in the classroom because there were one or two students who through no fault of their own but simply because they were out of the learning loop for so long were taking a little more time to come up to speed. Those students referred to the Learning Skills Centre could come up to speed outside of classroom time and excel in their studies. It was an excellent program, Mr. Minister. I'm told today that we're on the cusp of a decision to close down, to abandon the Learning Skills Centre at Grant MacEwan Community College. This is again a budget decision.

Now, in fairness to you and to the administration of Grant MacEwan Community College, because I've only learned of this today, I have not had an opportunity to discuss it with the administration at the college. I plan on doing so, but I wanted to take the earliest opportunity I could to ask you what you could do about that. As I understand it, it's a \$150,000 line item in Grant MacEwan Community College's budget, hardly a major line item. If it's administrative efficiencies that are being sought in that college, I'm sure there's a way to find the \$150,000 without

closing down this centre. Mr. Minister, if you'd be interested, I'd be more than happy to meet with you. I can give you firsthand experience with the centre. I've also received a number of testimonials about the centre and what it has achieved. It's certainly worth fighting for.

Mr. Minister, a couple of other things that I'd like to talk about, and one has to do with the performance benefits, the performance bonuses that are going to be given to public servants. I've had some very recent discussions, yesterday, with several managers in government who feel that the water is still pretty murky about what's happening. We're not through the budget cycle yet, but we're well past the announcement, when the government announced this plan. There are a lot of employees out there in the public service who are wanting to know when and how and how much. I guess I'm just encouraging you to get on with it and to make it crystal clear to the line level people and the management level people what is going to be expected of them and also how much control they'll have over allocation decisions and how far afield, I guess, or just how broad the program will be for those groups that operate within the public service but at arm's length from government. There are several agencies that fall into that category, and there's still not a lot of clarity about that.

Mr. Minister, I also want to ask you about an old hobbyhorse of mine, and that's this debate that you and I initiated to do with the federal HRDC money. I think you and I exchanged an honest difference of opinion on which came first, the chicken or the egg, or in this case the block funding or the student-specific funding. I am very sensitive to and actually quite supportive of your commitment to ensuring there's value for money and ensuring that there is accountability for tax dollars spent. But what I'm curious about is this. It seems to me that we're out of balance. If you take away the block funding to some of these private vocational schools, those private vocational schools lose their ability to keep the door open. I mean, if you take away their core funding – what they need to have to advertise, to promote their services and programs, to recruit faculty, to attract students – then those programs can't exist or they exist in perhaps a substandard kind of way or they exist really at the pleasure of the next dollar that comes in through the door. I'm not sure that we want these skill-training programs to be beholden to the next dollar that comes through the door.

So what can you do to redress that balance? It seems that now that you've gone to the money going to the student and the student going and trying to find a place, all too often there aren't enough places. I guess my evidence of that, Mr. Minister, is the fact that maybe 10 to 15 million bucks is going to be unspent. You know, I don't want this to be sort of a political discussion, but I think you'll agree with me that it's not because there aren't people, Albertans out there who couldn't benefit from retraining, and it's not because there aren't jobs for the begging. There are employers out there that are desperately trying to find skilled workers in many, many fields of endeavour. We've got a workforce that's willing, and we've got employers that have jobs, but the gap is that training. So maybe in your search for accountability for every dollar, you've just sort of overshot the target a little bit, and I'd like to know how you're going to find that balance again.

Mr. Minister, those are the issues that I felt we didn't get a full enough chance to address in our previous round. I would appreciate some timely responses, in particular on the Grant MacEwan issue, given that, as I'm told, that decision is pending. I know my colleague from Edmonton-Gold Bar has one or two queries for you as well.

Thanks.

8:40

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

MR. MacDONALD: Thank you, Mr. Chairman. I welcome this opportunity to have a few questions for the Minister of Advanced Education and Career Development this evening. My questions for the minister are regarding the direction his department is taking with apprenticeship programs in this province. There are many people in this province who feel very strongly that, yes, it's the Minister of Labour who should be looking after this part of the Advanced Education and Career Development portfolio, not the minister, the hon. Member for Lethbridge-West. But this is what we're dealing with, and I am grateful if he could answer my questions.

Since 1991 unit labour costs in Canada have fallen by about 25 percent, and that's a dramatic fall in such a short period of time. This is relative to those in the United States on a common currency basis. Now, people in this province all talk about this perceived labour shortage. Many people in this province are sick and tired, fed up with working for less. They want more. In the past whenever there was a surplus of labour, of course wages declined. But now that this surplus has dried up, particularly in the construction trades, we can't allow standards to be diminished. This is what I'm worried about. I'm very, very concerned about this.

I've heard the minister, to his credit, advocate publicly that he wants to maintain the strong standards that we're known for around the world, and that's the Alberta qualification. If you pass a test here, you know what you're doing. I commend the minister and his department if they carry this out and continue this, but I am concerned about the Alberta qualification certificate program. I forwarded not only to the Minister of Labour but to the Minister of Advanced Education and Career Development letters that I had received from companies where they had some sort of identity card set up and it could easily have been mistaken for a trade certificate. These are coming from all over the province. The minister is aware of this, and I believe his department is doing their very best to ensure that this deception does not happen in the future.

According to job forecasts in Alberta, more than 156,000 jobs are to be created in the next three years in this province. In all fairness I believe the government had a part to play in this, and they should be congratulated. It is tremendous news for the province that we have this job growth. I'm not going to get into the details of strong export markets for our resource products or the weakness of the Canadian dollar, but this is a step in the right direction.

However, I need to know about the Alberta qualification certificate program and the fact that we have a \$710 fee. We talk in this document about mobility of workers across the country to fill this shortfall in workers. We want them to come from all over the country. Yet once they get here, we want to make sure that they're up to standard in this province, and they have to pay, particularly welders – we all know; we all read the papers about how there's such a shortage of welders in this province – \$710 for this fee.

In the budget document here under the department income statement revenue, we have workforce training last year, a cost of 2 and a half million dollars. This year it's blank. Why is there no money in this workforce training when you're charging \$710 to someone who is trying to help themselves? I want to tell the minister and the officials from his department that the idea of

someone helping themselves, whether they've been working on a farm or whether they've been working in a shop – perhaps because of family commitments they just couldn't afford to take time off the job to go to school. This idea of his with the Alberta qualification certificate program is basically a sound one, but whenever we're getting this sum of money from the federal government, labour market development, going into manpower training – I understand there's \$200 million left for the next two years – why do we need this fee?

Thank you, Mr. Chairman.

THE CHAIRMAN: All right, committee. After considering the business plan and proposed estimates for the Department of Advanced Education and Career Development, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

Agreed to:

Operating Expense	\$1,228,086,000
Capital Investment	\$3,045,000
Nonbudgetary Disbursements	\$64,800,000

THE CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Transportation and Utilities

THE CHAIRMAN: I'll call on the hon. Minister of Transportation and Utilities.

MR. PASZKOWSKI: What I will do is try to answer some of the questions that were asked at the last session. From the hon. Member for Spruce Grove-Sturgeon-St. Albert, changing the ways of measuring: how do we obtain our goal when it's changing and compare it with the year prior? As far as casualties are concerned, the previous measure that we were using and have been using in the province is indeed collisions per 100 million kilometres. The national policy basically is the measure using casualty collisions per 100,000 licensed drivers. We're moving to the national measure so that we can have consistency throughout the whole process. So that's where the differentiation is as far as measurements are concerned.

Front licence plates. Women of Uniform want front licence plates. We're working through the traffic safety initiative on that one. Indeed, we're doing a cost-benefit analysis there to see the benefits of whether there should be front licence plates on vehicles or not. This should be undertaken fairly quickly, so the review will be happening in the near future.

Bridges and overpasses, highway 16 and the interchange at Campsite Road. I think I mentioned that what we were doing is we've moved the interchanges, because they're extremely expensive, to the back end of the north/south corridor. We'll be doing more of the construction of the actual highway itself so that we have more miles of road built; the interchange will be more at the tail end of the north/south corridor. That brings it closer to 2007 rather than immediately. So there've been some major changes as far as policy is concerned. Our bigger concern is to

see that the road gets built, see that the accidents are dropped.

How is bridge inspection consistent across the province, and how do we make sure the bridges are being inspected? All the bridges on primary highways, secondary highways, and local roads are inspected by engineering consulting firms. Municipalities hire these firms. We hire these firms. Basically the standard process is used throughout whether it's a municipality, whether it's ourselves, because only certified inspectors are used.

Does this mean all vehicles that the government members and committee chairs and some of the Executive Council are leasing vehicles? I think I'd mentioned that we will be leasing the CVO vehicles. At the present time we have two fleets. We have the EVO, which is the executive vehicle operations, and the CVO, and indeed the central vehicle operations are what we're looking at leasing out at this time at least.

8:50

Rural utility grants and services. "I want to ask a question about rural utility grants and services expenditures." They're expected to increase from \$6.1 million to \$6.4 million. The increase is due to the transfer of retail billing services from the Gas Alberta operating fund to the ministry's operating expense. The billing activity will continue to operate from April to December of '98.

Increasing funding for the rural electric services. Expenditures are for support services which provide grant and loan program administration, grant programs such as rural electrification grants to reduce the high cost of electric service installation to firms, rural gas grants as well as remote area heating grants for things like propane for the areas that aren't able to obtain natural gas.

"Since Gas Alberta has been privatized, I guess I don't understand where this will come in. If it's privatizing, shouldn't the expenditures go down. Or is that going to be to help them set up? Would you mind clarifying?" Gas Alberta will be transferred to the private sector in July of '98. That is the plan. It doesn't show under 4.0.1 because Gas Alberta will have its own income statement, and the savings are shown starting next year in our business plan. So really there is no identified savings this year. They'll be shown next year in the business plan.

Why is there an overpass being built at Barnwell? Well, there is no overpass being built at Barnwell. A bypass being built at Barnwell is what the plan is. The department viewed at great length the various options that were available for highway 3 in the area, and ultimately it was decided that a bypass of the community would be built rather than things like overpasses.

With that I'll close for now, Mr. Chairman, and if there are any other questions, we'll answer them.

THE CHAIRMAN: The hon. Leader of Her Majesty's Loyal Opposition.

MR. MITCHELL: Thank you, Mr. Chairman. Thanks to the minister, too, for making every effort to answer questions. I was told by colleagues who were involved in earlier discussions of the Transportation budget estimates that the minister went the extra mile, to use a transportation analogy . . .

MR. SAPERS: The extra kilometre.

MR. MITCHELL: . . . the extra kilometre to be helpful in answering questions, and his effort tonight would bear that out.

I just want to make a couple of points. One is that I want to underline again, as did my colleague from Spruce Grove-

Sturgeon-St. Albert, that school bus safety is absolutely a number one priority. It has to be a number one priority. You cannot take any chances with it. Far too many chances have been taken with it to this point, and while perhaps it is getting better – perhaps the minister can give us some indication or quantify that – the fact is that it should have got better a lot faster. It is just far too important to take a chance there. Maybe you want to take a chance with not funding roads to the extent that some people think they should be, the repair and operation and maintenance, but you can't take chances on school buses. I think it is very clear that the government's record on dealing with that issue is not particularly acceptable and not something that the minister hopefully would be very proud of.

Secondly, I would like to raise the issue of Peace River, near and dear to the minister's heart. What steps can be taken to begin to develop – well, now that B.C.'s Peace River district might become part of Alberta, this would even be a higher priority – east to the western ports transportation outlets for the Peace River area, which might enhance the economic development of that area? It has tremendous economic potential, some of it realized of course, but transportation outlets to the west would enhance that even further.

I want to underline again the concern raised by the Member for Spruce Grove-Sturgeon-St. Albert about highway 794. We've always said that there should be two criteria, neither of which is political. One is safety, and the second is economic development. Clearly highway 794 has economic development implications, but it also has safety implications. While work is being done on it, could work please be done to widen the shoulders on that road?

Another point that I'd like to raise is the question that's been raised over and over again by members such as those on the AAMD and C. They point out that they are burdened with the responsibility of maintaining secondary highways which, while they provide some transportation benefit to the residents of their particular local area, are largely used or are used significantly by economic enterprises such as oil and gas and logging concerns and whose benefits really aren't realized often in these municipal areas. So the municipality has the unfortunate conundrum of having the responsibility to fix these roads, roads which are damaged due to economic activity that has a broader provincial impact and doesn't particularly have a positive impact in that area, yet they have had their grants to maintain the operation of those roads cut back absolutely significantly. In fact those cuts, despite what the Premier says, are not over. The cuts are continuing. I know the minister can say that some onetime grants have been made this year, but in the long-term operating grant structure the cuts have not finished. They are continuing, and they have been significant.

I'd also like to ask a final question. Could the minister of transportation give us a breakdown of gasoline tax revenue by three sources – Calgary, Edmonton, and the rest of the province – so that we would know how much of the \$500 million gasoline tax is generated by Calgary in an average year, how much is generated by Edmonton in an average year, and how much is generated by the rest of the province?

Thank you.

THE CHAIRMAN: After considering the business plan and

proposed estimates for the Department of Transportation and Utilities, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Okay.

Agreed to:	
Operating Expense	\$545,768,000
Capital Investment	\$174,050,000

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

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Deputy Government House Leader.

MRS. BLACK: Mr. Chairman, I move that the committee now rise and report.

[Motion carried]

9:00

[The Deputy Speaker in the chair]

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

MR. ZWOZDESKY: Thank you, 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 here below.

Treasury: \$36,157,000 for operating expense, \$3,396,000 for capital investment, \$6,107,000 for nonbudgetary disbursements.

Advanced Education and Career Development: \$1,228,086,000 for operating expense, \$3,045,000 for capital investment, \$64,800,000 for nonbudgetary disbursements.

Transportation and Utilities: \$545,768,000 for operating expense, \$174,050,000 for capital investment.

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

Finally, Mr. Speaker, I'd like to table copies of all amendments considered by the Committee of Supply on this date for the official records of our Assembly.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? Carried.

[At 9:03 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

