

[Chairman: Mr. Moore]

[8:32 a.m.]

MR. DEPUTY CHAIRMAN: We'll call the meeting of the Standing Committee on Public Accounts to order.

The first order of business is approval of the minutes from the May 9 meeting. Is there any question on that?

MR. GESELL: Mr. Chairman, could I deal with the agenda first perhaps?

MR. DEPUTY CHAIRMAN: Yes.

MR. GESELL: Mr. Chairman, I would ask that we insert an additional item, 2(a), to discuss the document that has been sent around by the chairman with respect to a meeting to discuss the Guidelines for Public Accounts Committees in Canada.

MR. DEPUTY CHAIRMAN: Well, we will see what time we get. Normally, as you know, we adjourn about 5 minutes to, to let the next committee have a chance to get in before 10. So we will endeavour to close the hearing part off before that, so they have a chance to address that subject.

The Member for Calgary-Foothills.

MRS. BLACK: On that point, Mr. Chairman, I want to be sure that we can have some discussion of business today. I have some business to bring before the committee.

MR. DEPUTY CHAIRMAN: Well, what we will do – and with the indulgence of the minister, so that he realizes – we'll try and close this part of the hearing off at approximately 10 to 10 so as to deal with committee business that last 10 minutes. So we'll try on that basis.

Now, the Member for Ponoka-Rimbey approved the minutes of the last meeting. All in favour? Okay.

Mr. Minister, just so you're aware of our process here – you've been here before, but you have a lot of officials here, and so they'll understand this committee operates in a very informal manner – we deal with matters that relate to the public accounts report of 1988-89 and the Auditor General report for the same period. We endeavour to hold our discussions to that, and we ask you and your officials to deal directly with that rather than take the – it's just a natural tendency to get into the present. That's the period of time we're dealing with, and those that ask questions will relate to some section in those reports so that you and your officials will be able to relate to where they're coming from and what their questions are directed at.

This morning we have with us the Hon. Ken Kowalski, Minister of Public Works, Supply and Services, and a number of his officials. We also have with us Mr. Andrew Wingate and Nick Shandro from the Auditor General's department.

To open our process, Mr. Minister, the minister has the opportunity to give a short overview of his department for that period of time that I outlined to you, and then we go to questions. Each member has one question and two supplementaries, and we proceed through in that manner. You may want to introduce your officials, Mr. Minister. The floor is all yours.

MR. KOWALSKI: Thank you very much, Mr. Chairman. I'll just say at the outset that I'm very pleased to have an opportunity to appear before the Public Accounts Committee. This is an interesting week in the sense that I think this is the third committee of the Legislature dealing with financial matters that

fall under the jurisdiction I have as an appointee, a member of Executive Council.

Mr. Chairman and members of the committee, several weeks ago when the chairman of the committee extended an invitation to me to attend before the Public Accounts Committee, I asked the chairman at that point in time which one of the various areas that fall under my responsibility did the chairman and the committee want me to address on this particular day in May, and he said all areas. So we have five – I underline "five" – separate areas that I have ministerial responsibility for, and the reason that I have as many people with me this morning is that I've got a couple from each of those five separate areas. It's not simply a matter of one area as perhaps most of the members of Executive Council would have, but in the case of the responsibilities that I have, there are five separate and distinct areas in terms of the responsibilities provided to me as a member of Executive Council. I want to make some brief comments to members of the committee, Mr. Chairman, in each of these five separate areas, because I think all of them are equally important, one unto the other, and I think it would be incorrect and wrong if we simply dealt with one.

I would like to point out as well, Mr. Chairman, that I also pointed out to the chairman some time ago that I didn't think it was possible in the matter of 90 minutes to deal with all of the items and the concerns that the members of Public Accounts might very well have in these five separate distinct areas. I pointed out that I'd be very, very happy to return and appear before the committee should the members of the committee deem it necessary and important, because the worst thing that can happen is that one member might feel at the end of 90 minutes that he or she did not have an opportunity to raise a question and get an answer in a particular area they felt important.

The first area I want spend a couple of minutes on is the Department of Public Works, Supply and Services. The gentleman to my immediate left is Mr. Ed McLellan, the Deputy Minister of Public Works, Supply and Services, and the gentlemen two down from my left is Mr. Gary Boddez, who's the assistant deputy minister of administrative services for Public Works, Supply and Services. The gentleman on my right is Mr. Ray Reshke, who is the executive director of finance and administration of the Department of Public Works, Supply and Services, and the lady to my immediate right is Ms Helen Wilson, the executive assistant to the minister. She looks after, really, five separate areas that would follow through in my office. I would like to make some comments with respect to Public Works, Supply and Services, and then go on to the other four. I'll introduce the other people with me at that time, when I would introduce that.

Mr. Chairman, in the fiscal year we're talking about, 1988-89, for the Department of Public Works, Supply and Services expenditures totaled \$747.8 million. That was comprised of \$519.6 million in the General Revenue Fund, \$219.1 million in the Capital Fund, and \$9.1 million in net statutory payments. In that same fiscal year, all members will recall, Premier Getty chose to consolidate the construction of hospitals, nursing homes, and reservoir projects in Public Works, Supply and Services. In that year, 1988-89, the capital program for hospital and nursing home construction consisted of 67 capital projects, and expenditures on these projects totaled \$150.1 million. That one small capital side of \$150.1 million for the 67 capital projects is only one division within Public Works, Supply and Services, but that expenditure is some five times larger than most

departments of government have in their annual budget for a particular department.

During the same fiscal year, 1988-89, the Oldman River dam was under construction. It's another major construction project of this department. In the fiscal year 1988-89 the diversion tunnels were completed, and the river was diverted around the damsite. That, of course, allowed foundation preparation and grouting to proceed along with work on the upstream coffer dam, and in that fiscal year \$69 million was expended on the Oldman River dam.

Public Works, Supply and Services operated with a staff complement of 2,466 in that fiscal year. That was down – down – from the previous year staff complement of 2,655. In other words, there was a reduction in staff from 2,655 to 2,466, a reduction of nearly 200 in one fiscal year. That reduction is largely due to the privatization of property management services.

During that fiscal year we expended some \$41 million for the communications technology side of government. Grants in lieu of taxes were paid to the 300-some municipalities in the province of Alberta. They amounted to \$36.6 million, and 8,977 of these claims under grants in lieu of taxes were provided that year.

Public Works, Supply and Services, of course, purchases land for use by the various government departments, and during that fiscal year we purchased \$9 million worth of land. The most significant purchase was the land just a few blocks north of here in downtown Edmonton: the land for the Grant MacEwan Community College site. That was purchased from the Canadian National Railway and done in consort and conjunction with the council of the city of Edmonton and the board of directors of Grant MacEwan College. Additionally, the last remaining purchases of land for the Oldman River damsite were completed in fiscal year '88-89 at a total cost of \$4.2 million. That land was essentially completed. You've heard no negatives at all about the purchasing process of land with the Oldman River dam, Mr. Chairman.

During that same year, on March 6, 1989, the memorandum of agreement on the reduction of interprovincial trade barriers in western Canada, the government procurement agreement, was signed by the four western provinces. That agreement, which became effective April 1, 1989, promotes opportunities to enhance procurement policies in the reduction of or removal of barriers between the provinces and results in greater opportunities for Alberta suppliers. You'll recall there's an offshoot and extension of this memorandum of understanding agreement on the reduction of interprovincial trade barriers. We followed up, then, with the introduction of the western purchasing information network, or WPIN, a program designed to allow any private business entrepreneur anywhere in the province of Alberta irrespective of where they live – Etzikom to High Level, from Fort Chipewyan to the Crowsnest Pass – to access any government purchase procurement in not only Alberta but western Canada. What we want to do is make sure that that opportunity is provided to any entrepreneur wherever he is, in his or her own business, not having a sophisticated office but in their own spot, to eventually access all government opportunity purchases within the country of Canada.

During that same fiscal year we undertook more than 300 capital projects with a cash flow of \$132.6 million: capital projects over and above the ones I've already talked about. Priorities were given to health and social program related capital projects, and I think all members in this committee have seen something happen in their own area with respect to that. A substantial program was undertaken on correctional facilities to

respond to the Young Offenders Act. You'll recall that the government proceeded with that legislation in the late 1980s, and we provided 250 beds in Edmonton and Calgary. We completed the master correctional plan, the so-called Moyer report of 1978, by providing 350 beds in Fort Saskatchewan and 50 beds in Kananaskis with respect to that.

You'll recall that in the same budget during the same fiscal year we also undertook and began two other significant projects: the Reynolds-Alberta Museum in Wetaskiwin that of course will house the Reynolds world-famous collection of vehicles, and also the Remington Carriage collection in Cardston to house both the Remington and the Glenbow carriage collections. We also assisted Alberta Tourism with respect to two travel information centres: one in Milk River, which was opened, and one at Field, B.C. In this case I asked the Member for Ponoka-Rimbey to represent the government and myself at the opening of that particular trade situation. A significant project was also undertaken at the Alberta Horticultural Research Centre in Brooks.

I would like to conclude my brief comments with respect to Public Works, Supply and Services by pointing that in his 1988-89 report the Auditor General expressed concerns on our vehicle industry and maintenance controls mechanism within the Department of Public Works, Supply and Services. I'm pleased to advise the committee and the representatives from the Auditor General's department that we've now taken action to correct the deficiencies noted by the Auditor General.

Secondary, Mr. Chairman, and it deals with another one that's included in these estimates in various places, has to do with Alberta lotteries, major exhibitions, and fairs. Mr. Gary Boddez, whom I've introduced to you, assists in that area. Mr. Rick Curtis, who's the gentleman back there to my left, is a senior director/program planner of lotteries, major exhibitions, and fairs. This is a separate entity unto itself; in other words, a separate department unto itself that provides a mechanism. The Auditor General in his report has made two recommendations regarding lotteries, recommendations that came out of the '88-89 report: recommendations 38 and 39. It is my understanding, and you've heard comments on this in the Legislative Assembly already, that with the passage of Order in Council 134/90 on March 8, 1990, the concern stated in recommendation 39 has been addressed. I've already pointed out in the Legislative Assembly that it would be my intent to meet with the Auditor General sometime at the conclusion of this session to discuss his concerns with respect to recommendation 38. The Auditor General in his report in the previous fiscal year, in my view, gave the government a clean bill of health with respect to the initiation of Bill 10. That Bill was provided to the Auditor General for his comments. We've received those comments. Those comments were part of the debate of the Legislative Assembly. The Bill was approved, and a year later we've got a view from the Auditor General that's 180 degrees different than the view received in the previous year.

I would also like to repeat again that it's my intent to meet with the Auditor General because I think we're talking about legal advice. I certainly have ample legal advice that tells me that the position taken by the Auditor General is the incorrect position, but that's a legal discussion and legal debate. The Auditor General and I will have a discussion of that as we go through 1990, and I'm sure we'll be able to comment more about it as we perhaps have an opportunity to meet before the Public Accounts Committee one year hence.

Mr. Chairman and members of the committee, a massive amount of grants was provided under the Lottery Fund during '88-89. They are all listed in terms of their global figures in the public accounts. There's a page that has the global numbers of them in there, and there are lots of examples of individuals who have received dollars through one of the various foundations that we have. There is a page in the public accounts which shows all of the various foundation levels, exactly what their global figures were. You'll recall that these foundations come under the ministerial responsibility of the particular minister. In the case of myself, I'm directly responsible for the Wild Rose Foundation, but other ministers are responsible for other foundations. As an example, the Minister of Recreation and Parks is responsible for the Alberta Sport Council. We would provide \$9.1 million per year in funding to the Alberta Sport Council, and that minister might be the one most appropriate to respond to some of those concerns and questions.

But if you wanted some names and highlights of some individuals who have received some dollars through one of these various foundations in the fiscal year we're talking about, Kurt Browning is an example. The men's world figure skating champion received \$1,200 from the Alberta Sport Council for training expenses in the fiscal year under review. Sixteen thousand dollars was provided by the Alberta Foundation for the Performing Arts to a young debutante, a pianist from the city of Edmonton, Angela Cheng. She received dollars to assist in piano competitions and in promotional material costs. She's part of the outstanding reservoir of talent that we have in this province. The list goes on and on. The Edmonton Jazz Ensemble, which has made a national reputation for itself, is an example. It has twice won the prestigious Alcan Award in Montreal, and its latest recordings, nominated by the Canadian Broadcasting Corporation as one of Canada's best used jazz recordings in the particular year, are examples. Sid Marty, a winner of the Governor General's Award for Nonfiction, received \$25,000 in this fiscal year from the Alberta Foundation for the Performing Arts to fund the writing of works in progress. There are just hundreds and hundreds and hundreds of individual Albertans who would benefit in one way or another as beneficiaries from expenditures under this program.

This fiscal year, 1988-89, was also the year in which we introduced the community facility enhancement program, and in the statement in the public accounts you'll see dollars expended in that first fiscal year. The program was introduced on October 17, 1988, so you will see a level of funding in there. The community facility enhancement program is geared to improving community and family life throughout this province. It was announced publicly in this building on October 17, 1988. All members will recall the briefing materials that were provided to all members and the plea this particular minister made to all Members of the Legislative Assembly to go out and become the community liaison officers with respect to this program: "Go out and explain it and go out and sell it." We made a decision at that time that we would not take money to advertise the program. We would not spend the \$100,000 it would cost to put one advertisement in all of the major dailies and weekly newspapers in this province; we said we weren't going to do that. We were not going to spend money on radio advertising. We were not going to spend money on television advertising. "I'm going to give you a package of information, including a briefcase to carry and safeguard your information": that was done publicly on October 17, 1988. A large number of members of this Assembly came forward and said, "Yes, I'm with you; I want to

go out there and help you and sell it," and I provided the materials. Others said, "No; it's a dumb program." You didn't get the materials, and that's the bottom line of that.

Mr. Chairman, during the same fiscal year Bill 10, the Interprovincial Lottery Act, was debated. I've already commented about that. That legislation was debated during the fiscal year 1988 and was proclaimed on May 26, 1989. This legislation fits with the intention of the government of Alberta to maintain lottery funds as separate from the General Revenue Fund for two basic reasons. One, lottery gains are not a tax, and contributions are not received from all Albertans. I believe philosophically and ideologically that they should not be utilized to pay for regular, essential service government programming. They are uncertain. Secondly, lottery funds are an insecure revenue source. If we make any kind of ongoing commitment of lottery revenues to any essential services, in my humble opinion, that would be fiscally irresponsible. I would like to point out the example of the state of Michigan, which determined that its dollars should go into a couple of areas: education and health. They found out during one fiscal year that their revenues did not meet their expected level. They had to reduce, dramatically, services to education and health by almost 20 to 25 percent almost overnight, because their lottery revenues could not keep up. If we believed in our democracy that lottery revenues should be spent on ongoing programs that are the responsibility of the General Revenue Fund, then I think we would be making a mistake with respect to that matter.

I've indicated as well that the one foundation that falls under my direct responsibility is the Wild Rose Foundation, and I'll say a few things more about that as well. Mr. Chairman, you'll note in that same fiscal year, 1988-89, that there was an item there dealing with medical purchases. During that year we purchased some very sophisticated hospital equipment. We purchased a magnetic resonance imaging scanner for the Foothills hospitals in Calgary, a lithotripter machine for the Holy Cross hospital in Calgary and one for the Misericordia hospital in Edmonton, and a linear accelerator for the Alberta cancer facility in Edmonton. I believe that the figures show there's something like . . . Well, \$8.8 million, I think, was expended in terms of this very sophisticated medical equipment in that particular year.

A third area that falls under my responsibility and my direction is Alberta Public Safety Services. The budgeting element for that comes in the GRF under Executive Council. With me are two gentlemen from Alberta Public Safety Services this morning: Mr. Mark Egner, who's the managing director of Alberta Public Safety Services, the gentleman in the light brown suit; to his left is Mr. Larry Robbins, who's the director of finance of Alberta Public Safety Services. This is a separate entity by itself, another department, unrelated to the other two.

Alberta Public Safety Services is the Alberta government agency responsible for promoting public safety in the province. It manages two specific programs: the disaster preparedness planning and response program and the dangerous goods control program. These two programs help individuals, municipalities, industry, and government itself to be prepared, trained, and ready to deal with emergencies and disasters when they occur. The programs also ensure that millions of tons of dangerous goods move as safely as possible on roads and highways in the province.

I want to point out, Mr. Chairman, that Alberta has more trucks on its highways than the other three western provinces put together. Our mode and method of transportation in Alberta is truck transportation, and the control, the administration, and the

review of hazardous goods, special goods, and all kinds of goods is a very important and high-level responsibility. The number of accidents we have in this province as a percentage of the total number of movements we have is so infinitesimally small that I have to say that I think that the people we have in this little department are just doing an extraordinary job.

I say "little" department because it has 86 full-time employees. The main office is located here in west Edmonton. We also have a training centre, a training school associated with Alberta Public Safety Services, and annually we train 4,000 Albertans in the area of safety and emergency preparedness. These are individuals that come from every community in this province. They may be members of the local police force; they may be members of the local fire brigade; they may be members of the local hospital. We also have seven modest district offices throughout the province of Alberta, located in Lethbridge, Calgary, Red Deer, Camrose, Edmonton, St. Paul, and Grande Prairie. Our annual budget in Alberta Public Safety Services: a massive amount of \$4.5 million delivered through six organizational units. We also, though, have an opportunity to access special warrants.

We receive approximately 15,000 calls a year relating to dangerous goods and disaster services at the Compliance Information Centre, which accepts calls 24 hours a day. We have here in the city of Edmonton in Alberta Public Safety Services a war room, so to speak, and it monitors all incoming calls that the government would receive. If you open the flip side of any telephone book in this province, you will see some emergency response numbers on the first page; flip it over, look to your left, and there you will see the numbers. If there's any kind of an emergency that people believe is important – an environmental emergency, a transportation emergency, a rail emergency, an aircraft emergency, a fire emergency, a flood emergency, a tornado emergency – that citizen, anywhere in this province, can access a contact person on a 24-hour basis. These individuals, as I said, take some 15,000 calls a year. Approximately one per day, Mr. Chairman and members of the committee, relate to dangerous goods or other incidents which require the alerting of government departments.

Through Alberta Public Safety Services we've also provided two very important safety improvement programs of equipment. One is called the regional response improvement program, or RRIP, and the other one is a rescue kit program. We will provide to fire departments and police departments throughout this province, and have been doing for a number of years, a kit of very sophisticated equipment that will allow them to respond and react to various emergencies. As an example, the rescue kit we provide to volunteer fire departments and other fire departments, value approximately \$4,000, has the most recent kind of equipment that they would find necessary. Under the regional response improvement program we can provide everything from the so-called jaws of life to very sophisticated fire fighting machines, and they are being provided here, there, and throughout the province.

I would like to point out as well, Mr. Chairman, that there are 329 municipalities in the province of Alberta, and all of these except one, and that's Lloydminster, have disaster plans which are regularly reviewed and tested by Alberta Public Safety Services. Lloydminster is in the unique situation that it's an interprovincial city. But I want to make that very clear: 328 municipalities in this province have disaster plans. Each one of these municipalities has a book that says that if something were to happen now – if a fuel truck were to explode in Main Street

of this particular town or the bridge went out – that would take people to the hospitals, they would have in their disaster plan an immediate series of steps that they would want to deal with.

One of the major responsibilities we had that no one really basically knew about was that we were also responsible with respect to the most massive and productive and important Olympics ever in the history of the world, the Calgary Olympics, to ensure that the safety/disaster-related plans were in place. Everybody wanted to talk about INTERPOL and the RCMP and terrorists, but the work that really had to be done was the work making sure what would happen if one of those arenas, one of those buildings went out. What would happen if the lights disappeared in the Calgary Corral and all of a sudden they had 16,000 to 18,000 people in there and the elevators jammed and the locks . . . What would happen? Who would be in charge to make sure something happened so you didn't have massive problems of the type that you've heard about in England, where soccer fans have rioted and crumbled people? That's the kind of thing you have to deal with all the time. No high profile with it: just very, very regular kind of methodical, mundane work that perhaps doesn't have as much fascination and attention as a \$10.50 T-shirt or something like that.

Mr. Chairman . . .

MR. DEPUTY CHAIRMAN: You've given us a very good overview. We have a lot of names on the list, so if you could just close off quickly on that, we'll get into the questions.

MR. KOWALSKI: I appreciate that, Mr. Chairman, but I did point out that there are five separate areas, and I think I would be doing dramatic injustice . . .

MR. PASZKOWSKI: Mr. Chairman . . .

MR. KOWALSKI: Mr. Chairman, I would point out as well that in Alberta . . .

MR. PASZKOWSKI: . . . I for one would like to have the minister continue because I find this quite informative. It certainly broadens my knowledge base.

MR. DEPUTY CHAIRMAN: I think we all agree it's quite informative, but we have a list here, and the minister said that he was going to just have a few comments and close up.

MR. KOWALSKI: Mr. Chairman, I'll go rather quickly then.

Just a couple more comments with respect to Alberta Public Safety Services. I'd like to point out to all members of the committee that all 135 active treatment and psychiatric hospitals in our province have a mass casualty incidence response plan. That's something that very few people know, but there is one. There's a mass casualty incidence response plan for all 135 active treatment and psychiatric hospitals that we have in our province: people know what must be done in the event of something happening.

Alberta Public Safety Services also maintains central emergency plans for the government as a whole. In other words, if a terrorist or group of terrorists were to come and to penetrate and take over this building now, there is a plan, and the people who are responsible would know what to do, Mr. Chairman. This is not something that's left up for debate or for grabs: we know what we would do. We have an Alberta survival plan in the event of war in our province. Now, somebody says, "Well,

hey, that's just Dr. Strangelove." But as you'll recall, after 1945 and the emphasis on the cold war, the organization that was created was called emergency planning, a whole bunch of other things. We send a large number of individuals from our province each year to a place called Arnprior outside of Ottawa, where the emphasis on preparedness has been changed, of course, from civil defence to peacetime emergency operations.

We have other emergency plans, Mr. Chairman. We developed the response plan for the sour gas emergency situation in Alberta. This was a direct result of the Lodgepole situation a number of years ago.

The emergency plan for search and rescue in Alberta. If an aircraft goes down, somebody gets lost in the woods, who does what? Who responds? There is a plan for that. A number of years ago you saw that tragedy in Kananaskis Country where one plane hit the side of the mountain, two others went up, and we lost some 18 to 20 people, as I recall; I may be out by a couple. It was very sad.

The emergency response plan for dams comes under Alberta Public Safety Services and assesses all the dams in this province to make sure that there is a plan to know what will happen if in fact there is a safety concern and consideration. And we're working with the government of British Columbia, in fact, on an earthquake plan.

Mr. Chairman, the next area that I want to make a few brief comments on is a separate entity unto itself, the Public Affairs Bureau. It has . . .

MR. DEPUTY CHAIRMAN: I wonder if you could . . . There's quite a waiting list here. Probably the questions will get into that area.

MR. KOWALSKI: Well, Mr. Chairman, there are two other areas that I've not commented on. Certainly you would want me to introduce the people. One is the Public Affairs Bureau, which is a separate entity unto itself, a separate division not related to Public Works, Supply and Services. The two people with me from the Public Affairs Bureau are Margaret Bateman, the managing director, and Dick Steiner, who is the executive director of communication services.

The last area that I wanted to make some mention on was the Wild Rose Foundation. It's a lottery funded foundation, and Joanne McDonald, who's the program manager of the Wild Rose Foundation, is right behind me as well. During that fiscal year we had major initiatives in both of those areas that are recorded in the Public Accounts Committee.

But, Mr. Chairman, I appreciate what you said. It's unfortunate that a minister doesn't have as much time to provide the important information as might be necessary. I guess it's a form of censoring that happens once in a while.

MR. DEPUTY CHAIRMAN: Well, we appreciated your overview, Mr. Minister. We are on a time frame here, and we have quite a list.

The Member for Innisfail.

MR. SEVERTSON: Thank you, Mr. Chairman. Good morning, Mr. Minister and staff. I appreciated the information you were providing. I found it quite interesting and informative.

My question this morning is on page 3.97, vote 3.58. You indicate expenditures of \$1,132,521 on the operation and maintenance of a water line. Could the minister explain this expenditure?

MR. KOWALSKI: Mr. Member, I appreciate the clarification that you gave, because I think we're going to find some very interesting flipping throughout the paper here. If I look at my public accounts book, there are about 25 different yellow tabs as to which page, so I really appreciate you telling us which one.

You want to talk about item 3.58, \$1.132 million on the operation and maintenance of water lines?

MR. SEVERTSON: Yes.

MR. KOWALSKI: We have in this province a unique situation where in the late 1970s, because of a critical water shortage that was enunciated in central Alberta, essentially in that area between Red Deer and Calgary, the Minister of the Environment at that time in the province of Alberta, Mr. Yurko, wanted to respond to overtures made by these various communities. The province got involved ultimately in building a water line that serves the needs of the people in there. There's a water treatment plant located on the Red Deer River, as I recall, and a pipeline which runs from Innisfail to Crossfield and serves the area and the people in there. It's called the Mountain View regional water system. In addition to that, another water line was built to serve Airdrie area residents. Now, that's very unique, because to my knowledge that is the only water line system that the government itself has directly built and owns, and in 1990 it's owned and operated. So the item you would see in there for that fiscal year would explain the costs that the province, through Public Works, Supply and Services, would have to expend on operating and maintaining that water line. Now, that's unique, because in virtually all other parts of the province of Alberta local groups have come forward and have assisted government funding and financing through Transportation and Utilities or Alberta Environment to build and maintain a water line, and then the citizens themselves would pay for the operating side.

I would like to point out to the committee that this is one area that I believe I would want to see Public Works, Supply and Services no longer responsible for in the next year. There are several options, of course, with respect to this. We could transfer the ownership, the operation, and the maintenance of the Mountain View water line to the local municipalities – and in fact would want to have the local municipalities come forward together and create their own commission – and then we would either sell it to them or cede it to them. Or there's an option, not an option that I find palatable and not an option that I find interesting, but I raise it as an option because it's talked about: to privatize it, of course.

MR. SEVERTSON: My supplementary, Mr. Minister. You mentioned it was built in the '70s, so it's about 10 years old. Some of these expenses of a million dollars: would that include upgrading and maintaining the water treatment plant? If it was taken over by the local authorities, would they have some system or way of evaluating it to see if it was up . . .

MR. KOWALSKI: My understanding is that the plant itself is in excellent condition, as are, I think it's safe to say, most water systems in our province. Quality control is really fundamental, because of all the things that are important to us as citizens in Alberta for quality of life, clean, good-tasting water is basically fundamental. I think the standard that's used for review control watch-over is very, very high. In the case of this particular water line, because it does come under the responsibility of Public

Works, Supply and Services, we've maintained a very, very high standard.

Of course, as with most responsibilities that we have, at least that I have as Minister of Public Works, Supply and Services, I really believe that the maintenance side of government is absolutely fundamental, and we have to be prepared to put the dollars into the maintenance and protection of the investment we have. That certainly holds true with the water line in question.

MR. DEPUTY CHAIRMAN: Another supplementary?

MR. SEVERTSON: No, that's good. Thank you.

MR. DEPUTY CHAIRMAN: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. First of all, I want to make some comments regarding Alberta Public Safety Services and express my appreciation to the minister, Mr. Egener, and his staff for the good work, at least that I'm familiar with, that they've done in the last several years. While we've basically resolved all the issues, particularly as a result of the tornado, there's at least one particular one that's still giving us some difficulty. By and large, I think it was a difficult job. It was dealing with emotions and with people generally, and I think compliments to the government and the department for their work in that particular area.

I do want to ask, however, about the issue of vehicles in the Auditor General's report. Although the minister has indicated they've now accommodated the Auditor General relative to the log books and so on, I was wondering: what type of vehicles are we talking about? Is it just motor vehicles? Are we talking about equipment – you know, heavy equipment and road construction equipment and so on – or is it just vehicles?

MR. KOWALSKI: It's my understanding it's the whole complement of it. But I'm going to ask my deputy minister, Ed McLellan, to perhaps assist with the specifics on that one.
Ed.

MR. McLELLAN: On this particular one we're talking about approximately 4,200 vehicles that public works leases to other departments. My understanding of the problem, as identified by the Auditor General, was that the departments who have the responsibilities to maintain these vehicles and make sure they're up to snuff with respect to maintenance have not been doing that. We've now taken steps to initiate two inspectors within public works to do a review on an individual department basis, as time permits, on each one of the vehicles.

MR. EWASIUK: We're talking primarily vehicles – cars, trucks, things like that – not graders and equipment like that?

MR. McLELLAN: Not heavy duty equipment.

MR. EWASIUK: Okay. Also, I want to ask about the land acquisitions. I know this department primarily is a service department in that you acquire and supply services to other departments. But could you tell me: does this department hold any inventory in terms of land in northeast Edmonton?

MR. KOWALSKI: I'm sorry, Mr. Chairman. Does this department still have an inventory? I'm sorry?

MR. EWASIUK: Are you holding some lands in inventory for another department in northeast Edmonton, the annexed areas? And if you are, what is the amount and what is the cost?

MR. KOWALSKI: Without getting further clarification about the question, I think what you're basically talking about is land that Alberta Municipal Affairs may have title to as a result of the annexation of several years ago. Most of the land that's held in the province of Alberta is under the title of Public Works, Supply and Services, but there are other departments that also have title to land. Forestry, Lands and Wildlife has title to land. Transportation and Utilities has title to land. Municipal Affairs has title to land. I'm sure some Crown corporations like Alberta Home Mortgage Corporation has title to land. The Agricultural Development Corporation has title to land. Alberta Opportunity Company probably has title to land. So, Mr. Ewasiuk, without perhaps a little more specifics, I'm sure that one of those entities I've talked about has the title to the land. But if you could give us the legal description, we could verify that for you completely.

MR. EWASIUK: I wasn't asking that specifically. It was just a general question whether this department is holding inventory on behalf of other departments in the northeast of Edmonton. You're basically saying perhaps not, or at least you don't seem to indicate that you're aware of it. Okay.

My third question, then, is the community enhancement program. Again, certainly a very good program; I have no difficulty with that program. I think it's helped many communities. I am a little taken aback by the minister's comments that, you know, you supplied information packages to government members to advertise and to sell the program. Again, nothing wrong with that except that I didn't get that kind of information. But I did sell it, in any event, meeting with area councils and school principals in my constituency. So I didn't really require a briefcase and the other things that were given to us; we were able to quite nicely sell the program in my constituency. So I just want to make that comment: we didn't need the kind of expenditure that government members obviously got to sell the program.

MR. KOWALSKI: I appreciate that, hon. member, and I certainly accept the position put forward. We're talking about a \$100 million program expenditure and purchase of file folders, briefcases. It's what? Five or six thousand dollars or something, as I recall.

MR. DEPUTY CHAIRMAN: Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I'd like to welcome the minister, and I for one appreciated the overview that you gave, Mr. Minister. It certainly was informative for myself and I think many other members on the committee, and I do wish you had proceeded with the other two departments in the same fashion.

However, I have two questions. One, I'd like to go to the Public Affairs Bureau, and it's page 3.60 of the public accounts book, vote 9. My question relates to the salaries and wages of employees in the Public Affairs Bureau. We show an overexpenditure of \$143,000 in salaries and wages, and I was wondering if there was some special activity or something that caused that overexpenditure.

MR. KOWALSKI: Okay. That's point 9?

MRS. BLACK: Yes.

MR. KOWALSKI: The overexpenditure of \$143,638? There was an expenditure of \$7,599,000 as compared to \$7,455,000?

MRS. BLACK: Right.

MR. KOWALSKI: Well, I think, member, the explanation I have is that the actual vacancy rate was lower than the budgeted discount for full-time equivalencies. That may sound like an accountant speaking, and that's not what I am, so perhaps I'll ask the managing director, Ms Margaret Bateman, to supplement the answer. Margaret.

MS BATEMAN: That's exactly what it was. We were in a situation where we had a request for as many as nine additional staff, between nine and 11 additional public affairs staff throughout the system. Given the restraint in government, we weren't able to meet that, but it did mean, however, that we were not able to maintain our relatively high-budgeted levels of vacancies. As soon as a position became vacant, we had to fill it, and even in the period of recruitment we had to put somebody in in what we call a wage offset.

So we have a budgeted vacancy discount we're expected to operate in, and because of the demand for the service throughout the 25 different government boards and agencies, we weren't able to operate within that vacancy discount.

The other element in there was management and bargaining unit settlements. In order to cover those off, we did take some funds from elsewhere in our budget. But it was a combination of the two. The vast majority of it, however, was the fact that we had to fill positions because we weren't able to add positions to our complement.

MRS. BLACK: Well, I guess, Mr. Chairman, what I'm getting at is that really there was a special warrant of \$263,000 awarded to that budgeted item. The budget actually went from \$7,192,000 to \$7,599,000, which is really an overexpenditure from an estimate of over \$400,000. I'm wondering why, with the special warrant being given, you would still not be able to operate within the budget.

MR. KOWALSKI: Well, that special warrant, member, was only there to cover additional expenditures in the bargaining unit salary settlements and management cost-of-living increases, as Ms Bateman has confirmed. The bureau itself wasn't able to absorb all those extra costs, and that was the requirement and the need for it. The base that it was based on as a percentage is rather small, but that doesn't excuse it. It's just that when you have an ebb and flow through a 12-month period, with the kind of individuals that you have, sometimes there are people who go and sometimes there are added requirements that you would want to proceed with. It's a very small entity. There's not much flexibility when you get down to some of these smaller budgets.

MRS. BLACK: Okay. My last question. If we flip over - you're right, we have to flip back and forth - to 3.101, vote reference 6.6.1, under Postsecondary Institutions, you didn't estimate any costs in there, but we expended \$2,505,661. I was wondering if you could explain what that was for?

MR. KOWALSKI: Would this be under the department of public works? Sorry; you have to help me here. There's . . .

MRS. BLACK: Public works, yeah.

MR. KOWALSKI: And give us the . . .

MRS. BLACK: The vote number is 6.6.1 on page 3.101.

MR. KOWALSKI: Bear with us; we'll find it. That was the deposit, hon. member, for the purchase of the lands from the Canadian National Railway for the downtown Grant MacEwan Community College site in Edmonton. I indicated earlier that we had expended that. That was the down payment, essentially, for it.

Members may not be aware, but that site is just north of here. You go down 116 Street, I guess, and as you cross just where Crosstown Motors is and look to your right and you see the CN Tower, there's 26 acres of land in there that was purchased. That's where the new Grant MacEwan Community College is destined to be. We've already made a commitment to build a campus at an expenditure level of approximately \$100 million.

MR. DEPUTY CHAIRMAN: The Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. Good morning, Mr. Minister and staff. I appreciate the departmental support that the minister has brought to us. But, Mr. Chairman, I wanted to address, first of all, some comments to you. I find that in the five different areas of responsibility, the minister in his information provided well-organized, relevant, and valuable input that I find extremely valuable, and he also presented it in a very rapid fashion. As a matter of fact, I had to do some speed listening. But, Mr. Chairman, I would hope that we in this committee would have some flexibility where there is a particular department and it has five different areas of responsibility, and that we would allow a little bit more time for that information to be provided to us. It might be reduced in those departments that may just have one area of responsibility. Perhaps we should be discussing that at a separate occasion and maybe even later on, if time permits, today.

I've got a couple of questions to the minister, Mr. Chairman. As the minister is aware, we were discussing in Fort Saskatchewan release of some lands that the province holds, but I want to ask about land assembly. I'm on page 3.101, under vote 6, and particularly under 6.4.3. It indicates there that a total of a little bit over \$4 million was estimated for Surface Water Development and Control, land acquisition, but a total amount of \$5.4 million was expended. I believe the minister indicated, if I heard him correctly, that \$4.2 million of that may have been related to the Oldman dam. I'm not sure whether that is in there. Could the minister account for that overexpenditure of some \$1.4 million?

MR. KOWALSKI: The figures there basically are that a total of \$4,055,000 was provided in the budget, and the total expenditure was \$5,408,000?

MR. GESELL: That's right.

MR. KOWALSKI: Okay. Very good.

Mr. Chairman, Public Works, Supply and Services purchases land for all departments of the government, essentially, except Alberta Transportation and Utilities. Surface water development and control of it is one of the programs of Alberta Environment, but Public Works, Supply and Services purchases the land. So

we're driven – and of course with land negotiation what tends to happen is that if you initiate a discussion with an individual, you have to negotiate back and forth, and sometimes there are conditions put on a particular transaction. Take the case, take the example of a discussion that would begin in January of a particular fiscal year. Our budgets are allocated to March 31 of a particular year, and we would want to entertain a discussion with the individual because one of our client departments has said to public works, "Go out and buy the land," but the individual says, "I want to get paid before March 31 of that particular year," whatever that year is. We'd say: "Well, just a minute. We can't do that because we don't have the budget for it confirmed till after April 1."

So there's a give and take, and in this area it's very difficult to come conclusively to where you're at, because you're driven by the person that you're dealing with. In almost all transactions, I'm sure that all individuals, whoever bought or sold anything – there's always a closing date that you would insist on in terms of everything. Sometimes there is a requirement to go beyond the dollars we've got in there, but we keep a very close watch on it. The priorities and finance committee and the Treasury Board of the government keep a very, very close eye on this. As the minister, if I were to come in and say, "Well, I need X amount of dollars for land purchases this year," they'll say, "Well, how much did you have last year and how much did you expend?" If you expended more than you had last year, then they'll just reduce it the following year to keep it within a concise package.

MR. GESELL: Mr. Chairman, also I believe that in the land purchases that have been undertaken for a particular project or for other departments, we have purchased some land that may be over and above the land that may be required for particular projects. Could the minister indicate how much surplus land we have acquired in that particular fashion and how we might want to deal with it now?

MR. KOWALSKI: There's absolutely no doubt at all that when government shows up as the land buyer, there's a perception among individuals that somehow the golden goose has suddenly arrived at your doorstep. In many areas the requirements are that you may only need three acres or four acres or five acres, and people then are prepared to sell the land, because they say, "Well, we're good citizens, and we certainly want the public good to be maintained." But invariably and inevitably they come back and talk about family heritage and, "We've been here four generations, and Grandma would roll over, because you want to destroy our farm or you want to destroy our acreage." So instead: "Look, you may only need four acres, but we've got 80 acres. Why don't you consider buying it all? Then, well, you know, there would be less difficulty for the family." And on and on and on it goes. Those are human reactions, and I can understand them and I can appreciate them. We certainly don't involve ourselves in a situation where when you need four acres, you buy 80 acres. That's certainly not the general impression I want to leave. But, overall, for all of the land purchases we would be involved in in a given year, we would invariably be in a situation where we have purchased more land than we need.

Now, there is an option to this: we can go to expropriation. But that is very costly, that is very time-consuming, and the bottom line in expropriation is that inevitably and invariably we're paying out a heck of a lot more. We've got to protect the public purse and protect the public dollar, so, you know, you've got to make subjective decisions, and I'm sure that whoever will

be the Minister of Public Works, Supply and Services in the future, whoever has been in the past, will always be accused of being more subjective. The fact of the matter is that I think all of us have been realistic in saying that if we can close a deal, we will close a deal with a minimum amount of hardship and the least cost to the citizens of Alberta. Others, of course, who are lawyers and accountants sometimes make the argument that, well, it's better to go to the expropriation procedure, because then you know exactly what it is. But maybe there's some self-serving in part of those arguments they give as well, because they tend to be the great beneficiaries.

But to answer your question very specifically, we have a surplus of land, more than we actually need, and one of the things I want to do as the Minister of Public Works, Supply and Services is to make sure we have a complete handle on all the titles for land we have in the province of Alberta. I want to package it all, put it in one great big document, and I basically want to make the recommendation to all Members of the Legislative Assembly that we should have a sale of surplus land in this province at some time in the future. But before we get to that, we've got to first of all assemble all of these packages. I really believe we're carrying too high an inventory. This is a thing that's happened over the last 80 years; it didn't just happen over the last two years. This inventory may be one and a half acres here or two acres there. It's attracting weeds; it may attract insects; it may not be pretty. I think the more of that we can unload from government and turn into private-sector hands, the better off we're going to be.

MR. GESELL: Thank you, Mr. Chairman. I want to shift gears a little bit here. The minister was talking about trucking being our major form of transportation. There seems to be some national concern about training for truckers. The minister indicated that we train some 4,000 trainees, I believe, through Public Safety Services. Could the minister elaborate on what initiatives we are actually pursuing in training for truckers, particularly in the hazardous waste transportation area?

MR. KOWALSKI: In the last number of years Alberta, along with the other provinces in the country of Canada, has been working with the federal government in ensuring that we would have national standards. We've made some progress at the national level on some of those standards, and some are still to be arrived at. Now, that's the administrative, formal side, where the government would be basically taking this initiative. There's also a lot of understanding and concern by the trucking industry itself with respect to this area, and we would be encouraging the industry itself to make sure that its standards are very, very high.

But I think the person who would best be in a position to give us the best update would be Mark Egener, who is the managing director of Alberta Public Safety Services. Mark, perhaps you might just bring the committee members up to date on our most recent initiatives in this area.

MR. EGNER: Yes, sir. The question directly asked was about training for truck drivers and drivers carrying hazardous wastes or dangerous goods. The responsibility for that is with the trucker's employer. Public Safety Services has tried to help by developing courses that are delivered through the community colleges, through NAIT and SAIT, for trainers for companies to provide to their own drivers and their own staff with respect to dangerous goods. We train the inspectors and the enforcement people in the dangerous goods area. We do not provide the

training directly to the company or to the driver, but we did develop training courses with the community colleges that are being provided for their company training people.

MR. GESELL: Thank you.

MR. JONSON: Mr. Chairman, good morning to the minister and his staff. I'd like to pose some questions with respect to museums. There is the beginning of expenditure in terms of the Remington and Reynolds museums in these public accounts. First of all, a specific question on the Reynolds museum. There was a budgeted amount of \$925,000, as I understand it, and an expenditure of some \$800,000 more. What accounted for that near doubling of expenditure in that particular year?

MR. KOWALSKI: Could you help us with specifically which number it is that you're talking about?

MR. JONSON: Page 3.98, item 4.5.25.

MR. KOWALSKI: I didn't get it all, but I'm sure someone beside me will get it for me.

The gist of the question is: how come there was more spent on a construction project than was actually budgeted for? Well, one of the realities of construction is that we have to deal with a 12-month fiscal year, April 1 to March 31. If we put a tender out on a project, we're then really driven by whoever gets the project. Everything is in public. You put a public tender up. Any construction company, basically, in Canada can bid on the job. Whoever wins the job, then . . . You may have a schedule that you would expect the individual to be on site in a certain time.

Then, of course, you're the victim of weather. If the contractor starts the project in September and he gets hit by rain in October and November and then in December he gets freezing, chances of that project going on the schedule that he or she had chosen to have it go on would be slowed down. On the other hand, if you get great weather, the project goes. Now, you can't tell a contractor, unfortunately, "You're doing 25 feet of cement scaffolding someplace; our budget only allows you to go to eight feet, seven inches." So you say: "Go. If the weather's there, go." This is one of the difficulties in our province. We are always in a situation in construction projects: once you release it, once you put it out to tender, once a contractor's got it, the contractor, of course, will maximize the efficiency and productivity in trying to get the job quite as well. I cannot budget 18 months before knowing what exactly it will be.

Hon. member, that's the explanation. You'll recall in this last fiscal year that we just went through, just as an example, we had to go back and get a special warrant from the government for over \$41 million, as I recall, because of a good construction schedule last year in hospitals in this province. We budgeted a certain amount, but the construction season was great. In other years we'll have other kinds of situations where we will not expend the amount that's in the thing because the construction schedule simply couldn't be maintained.

MR. JONSON: A further question with respect to museums, and I think this would apply to both the Remington and the Reynolds, although I'm more familiar with the activity on the Reynolds site. I understand that Public Works, Supply and Services handles the actual construction activity, certainly, but I'm wondering just what's included in that regarding restoration

activity. Does Public Works, Supply and Services pay for that, make those arrangements, pay those salaries, and so forth, or is that in some other department? I haven't been able to quite track that down.

MR. KOWALSKI: My understanding is that would come under Culture and Multiculturalism. But of course most departments of government want to basically get as much done by another department as they possibly can, so every time you get involved in a construction project, invariably the other department comes to us and says: "Well, just a second. You're building the building. Why don't you take care of this?" So you always have this constant renegotiation. But the bottom line to this one is, I think, in the restoration of the artifacts and the like. I think that falls under Culture and Multiculturalism. We're builders; we're not renovators of automobiles.

MR. JONSON: All right.

My third question, then, also related to the same topic, Mr. Chairman, is that there is no purchase of artifacts involved in the project as far as Public Works, Supply and Services is concerned. Is that correct?

MR. KOWALSKI: That's our understanding. No.

MR. JONSON: All right. Thank you very much.

MR. KOWALSKI: My understanding in the case of the Reynolds thing is that Mr. Reynolds himself had made a gratuitous contribution to the people of Alberta a number of years ago on the condition that a museum be built to store this remarkable collection of artifacts.

MR. DEPUTY CHAIRMAN: Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. I'd like to welcome the minister and his staff here. I noted that the minister referred to both Dr. Strangelove and the war room in his opening comments, which reminds me of the line, "Gentlemen, you can't fight in here; this is the war room." We'll have to remember that.

I'd like to ask my first question about the community facilities enhancement program. Since comments have been made by the minister and an MLA with respect to their attitudes to it, let me confirm to the minister that I am not a fan of that program. While there are many worthwhile expenditures, I believe there are even more low priority expenditures which should not be made at a time when we have billions of dollars in deficits. The structure of the program, with a hundred million dollars pushing to be spent and with MLAs moving around the province trying to talk organizations into spending money, seems to me to be a very poor structural way, from a management point of view, to spend money. MLAs are put into a cruel choice of having to decide on public responsibility to the Treasury as opposed to getting their constituents in on the goodies when everyone else is into it. My values told me I wouldn't go out and sell, and I didn't.

I want to move on now, having said that, to talk about the process of allocating funds, with which there's a great deal of uncertainty. Newspaper articles – one in particular relating to the constituency of Mr. Fjordbotten, the Minister of Forestry, Lands and Wildlife – have referred to quotas for different constituencies and a very heavy significant role, perhaps a

definitive role, for the local MLA in which projects are approved by individual MLAs. I'm wondering whether the minister and his staff of people could tell us exactly what the procedure is with respect to those particular issues and whether or not the role is for all MLAs including opposition MLAs, since I certainly haven't heard anything about it.

MR. KOWALSKI: There's an absolute role for MLAs, Mr. Chairman. When we introduced the program on October 17, 1988, we issued a pamphlet, and I read the quotation from the pamphlet in the Legislature the other day. Perhaps the hon. member wasn't in the House when I made the quote that basically said that applications could be obtained from either the minister responsible for lotteries or your MLA. It didn't say "or your government MLA." It said "your MLA." I presume that members of the opposition have always felt that they're MLAs as well.

There's a very dramatic role. As a matter of fact, hardly a week goes by without one of the member's colleagues coming to visit me. Just the other day the Member for Edmonton-Gold Bar was in to see me. We had a nice little chitchat about a couple of projects that she thought were really important. Heck, the Member for Westlock-Sturgeon, I mean, goes around the countryside telling everybody that he's my best friend, and he points out how, because of that, he's been able to serve his constituents. He's everywhere telling people that and does it. Go to a meeting in a crowd and if the Member for Westlock-Sturgeon is there, he hangs around with me like I'm a magnet attached to him, and I can't get rid of him. You can go away, Nick; people want to talk to me, not to you.

I'm talking about the role of the MLA, Mr. Chairman, because it's really important because there's a perception in here.

The second point: I don't think you have to be a Rhodes scholar to figure out that if the program is announced at \$100 million and there are 83 MLAs in the province of Alberta, you divide 83 into \$100 million and you get a pretty good idea. Basically if it were done in an opportunity of equality and equity throughout the province, you can come up with a figure. I mean, this is pretty basic mathematics. I'm sure that the Member for Macleod, as other members, has basically done that and said: "Hey. Well, okay. They asked me to function as an MLA. You divide 83 into \$100 million, and I get a certain figure."

MR. DEPUTY CHAIRMAN: Mr. Minister, if I might interject. The question was out of order, and your answer is out of order. We're getting into the political field. We're looking at the accounts in the public accounts book. Perhaps I should have called it out of order when it was given, but I like to give the Member for Calgary-Buffalo full leeway. However, could we go to your next question and relate it to the public accounts area and the report that's under study?

MR. CHUMIR: With all due respect, it seems to me that the process by which projects are determined is very much in the way of how you manage expenditures, and if there are allocations to constituencies as opposed to allocations on the basis of need, or if there are decisions made by MLAs . . .

MR. SHRAKE: Point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Hon. member, on a point of order.

MR. SHRAKE: I'd like clarification on this. I would like to know what page it's on. I'd appreciate it if the member would join the rest of us in trying to go through a budget process rather than playing a little bit of politics here today.

MR. DEPUTY CHAIRMAN: Yes, you make a good point. If Calgary-Buffalo will relate to the report so the rest can follow through.

MR. CHUMIR: Now I'd like to move on. We don't have the documents before us, but I have written a letter to the minister asking about this. It relates to the expenditures of the lottery program through the Alberta branch of the Western Canada Lottery - now, I'm not sure whether it's the branch of the Western Canada Lottery Corporation or if it's just the Alberta division of our lottery entity, but it's the one that's managed by the two exhibitions. They're spending our lottery money. I've been advised that when we sought information from them, they said, "All information has to be sought through the minister's office." Does the minister have the report? Is that . . .

MR. DEPUTY CHAIRMAN: Hon. member, again we're getting into an area asking questions on the political end.

MR. CHUMIR: No, it's not.

MR. DEPUTY CHAIRMAN: Does it relate to that period of time when this transfer of money was and where is it, or . . .

MR. CHUMIR: It's a specific expense. I want to know what they're spending in the range of \$400,000 a year on for travel. Is it . . .

MR. DEPUTY CHAIRMAN: What section of the book is that in?

MR. CHUMIR: Pardon me?

MR. DEPUTY CHAIRMAN: What section of the report is that in?

MR. CHUMIR: It would be in the report of the Alberta branch of the Western Canada Lottery . . .

MR. DEPUTY CHAIRMAN: The Alberta report is not the one we're examining today. We're examining the report of public accounts and the Auditor General's report. A lot of these questions you're asking are legitimate questions, hon. member . . .

MR. CHUMIR: They sure are.

MR. DEPUTY CHAIRMAN: . . . but we have the Legislature process there through estimates and through question period that these questions can be brought up in. So if you would go back to the public accounts, we'll carry on.

MR. CHUMIR: Might I ask the minister, looking at note 10 on page 8.25, what the \$325,000 grant for the Equestrian Improvement Foundation relates to?

MR. KOWALSKI: Will you give us the numbers again?

MR. CHUMIR: It's on note 10 on page 8.25. It's the notes to the . . .

MR. KOWALSKI: Agricultural Initiatives?

MR. CHUMIR: It's under Agricultural Initiatives, Equestrian Improvement Foundation, for \$325,000 stipulated as . . .

MR. KOWALSKI: Yeah, I'd be happy to answer to that question. First of all, need. That's the basis in the allocation of the community facility enhancement program projects: need, not equity. I was going to try and tie that all together, because there are some areas of Alberta that have more needs than others. We committed as a government to an improvement and quality of life in the inner city. So Edmonton-Highlands, which is inner city, is going to get more funding than an area that has a massive national park in it, that has hundreds of millions of dollars of public money already spent in it for a community facility enhancement program. That's only logical. Or an upper, ritzy area that has everything already built for it. It makes sense that you've got to respond to need, Mr. Member, and that's what we're doing. So if you see the printouts in the community facility enhancement program, you will very clearly see that Edmonton-Highlands leads the province – heck, it's substantially higher – whereas other areas of the province are not. But need is the reason.

Secondly, the \$400,000. The Western Canada Lottery Corporation – and, Mr. Chairman, please don't rule me out; it's important just to comment for a second – operates out of Winnipeg. It's a consortium of three provinces: Manitoba, Saskatchewan, and Alberta. Its head office is in Winnipeg. We have, of course, the administrative mechanism to run the gaming situation here in the province of Alberta, the 1,700 kiosks that are around the province. We need to have salesmen. We need to deliver the tickets. We need to have people to maintain the machines. We have to have people to make sure there's security on the machines. We have to be involved in the advertising mechanism. Our salesmen and our staff of the Western Canada Lottery Corporation, Alberta division, frequently have to have meetings with their counterparts in the other two provinces, so they travel from Alberta to Winnipeg. It's not MLA travel; it's not the minister's travel; it's the administrative side of it. We're very open with all of this. It's all published in the annual report of the Western Canada Lottery Corporation.

Now, 8.25, Agricultural Initiatives, Outstanding Commitments. Annually we provide dollars as one of the funding consortium. There's the page in the public accounts – I forget; I think it says \$91 million or something, the disbursements by the year ended March 31, 1989. That is one of the disbursements on the Agricultural Initiatives side of it. There was a total amount in that year for Agricultural Initiatives, I think, of something like \$19 million or \$20 million in total. But I'm going to ask Mr. Boddez to give you the specifics with respect to that one item, Mr. Member.

MR. BODDEZ: The \$325,000 that I believe you referred to under note 10 was paid to the Spruce Meadows Equestrian Improvement Foundation to assist in operating their operational and capital maintenance costs.

MR. DEPUTY CHAIRMAN: The Member for Drayton Valley.

If I might say, we want to cut here at 10 to. Two members indicated there was business they wanted to bring up. You have one question. Make it brief, and then if the minister would

make his answer brief, we can get on to some committee business for the last few minutes.

MR. THURBER: Thank you, Mr. Chairman. Mr. Minister, I'd draw your attention to page 3.24 and vote 4 on that page. That vote indicates that substantial lottery moneys are spent on assistance to major exhibitions and fairs. What kind of input do Albertans have in choosing how lottery revenues are allocated within that particular area?

MR. KOWALSKI: Mr. Chairman, the total number of dollars that were expended on lottery expenditures in the fiscal year under review was, I believe, \$91,193,000. I indicated before that the dollars are allocated through foundations on a provincewide basis for the most part. Because the lottery system in Alberta was originally created by Edmonton Northlands and the Calgary Stampede board and the province then moved in, there was a historic relationship that was invented in the mid-1970s whereby Edmonton Northlands receives a \$5 million a year grant out of the lottery system, and the Calgary Exhibition and Stampede receives a grant of \$4,750,000 per annum. The other dollars under the agricultural initiatives then are broken up in all agricultural societies throughout the province of Alberta on a formula basis, and there's a bit of leverage there with respect to individual concerns over and above the formula basis. The input is provided, of course, by members – people, citizens of this province – to their MLAs, to the minister, to people that they know employed in the program.

Usually what happens is the group gets together, has an annual meeting, passes a resolution that says we would like to do this in Cochrane or we'd like to do this in Bonnyville or we'd like to do this in Fort Macleod. Then they go into a dollar-hunting mechanism, and they'll try and tap anybody possible. We have historically said that quality of life in rural Alberta is fundamental, and anything that we can do to promote agriculture and the rural way of life is fundamental. That's not denied to the citizens of Edmonton and Calgary or any of the major cities, which all have an agricultural society as well. The foundation for Edmonton Northlands is agriculture, as is the foundation for the Calgary Stampede board in Calgary.

MR. DEPUTY CHAIRMAN: Mr. Minister, I want to thank you and your officials and officials from the Auditor General's department for appearing this morning. We enjoyed your overview and your excellent replies, and thank you all for taking the time out to appear this morning.

We'll now proceed to committee business.

MR. KOWALSKI: Thank you very much. I appreciate the questions, and I hope that the members appreciated the answers as well. If there are additional questions the committee would like answered, just send them along.

MR. DEPUTY CHAIRMAN: I'm glad you assured them. There were several names left on the list. I know your office is always open to the members, and you will entertain any questions they have as follow-up. Thank you.

Now, two members indicated they had business they wanted to bring before us this morning. The Member for Calgary-Foothills has her hand up.

MRS. BLACK: Yes, Mr. Chairman. I received through the mail yesterday a notification of a meeting for Thursday, May 24, with regards to the Public Accounts Committee reviewing the

Guidelines for Public Accounts Committees in Canada. Unfortunately, the Electoral Boundaries Committee is a select committee, and we are meeting at the same time as this meeting. It takes in Mr. Bruseker and Mr. Cardinal and myself. We have to be at Electoral Boundaries. We cannot be at this meeting on the 24th. I think we would all agree that the Electoral Boundaries is going to have to take precedence over this meeting. So I just wanted to put you on notice that we would not be able to attend and suggest that we look at something else, because we certainly cannot change our Electoral Boundaries meeting for this.

MR. SEVERTSON: On the same matter, Mr. Chairman, I got the same notice, and I've got an ag caucus committee meeting which is bringing people in from all over Alberta. I think we have at least six members that are supposed to attend that meeting. We have actually two groups coming in. We have to split our caucus up into two groups to meet with two different groups on that particular day at 5:30, so I feel we should . . .

MR. DEPUTY CHAIRMAN: Well, that doesn't leave very many, if we accommodate them.
The Member for Clover Bar.

MR. GESELL: On the same point, Mr. Chairman, we've made some other commitments. I do not recall discussing this particular meeting in this committee. There was no date established. I would suggest that perhaps the chairman and the vice-chairman should discuss this matter and come up with a date that might be suitable where it does not conflict with other standing committees or other commitments that have already been made by members. I find the document – I think we need to discuss it. I think there are some very critical, important parts in there, and I have some very strong reservations about some of them. I do definitely want the opportunity to discuss it, but I do not find Thursday, May 24, at 5:45 to be a time I will be able to attend, and it concerns me. I would ask that that meeting be changed, and I would ask that the chairman and vice-chairman take that initiative to do that.

MR. DEPUTY CHAIRMAN: Drayton Valley, please.

MR. THURBER: Mr. Chairman, it was my understanding when we had these discussions before, along this line about fitting in other meetings, that yourself as vice-chairman and the chairman would probably get together and try and arrive at a mutually satisfactory time. I'd like to see that process continued, because none of us were informed or asked if we had an available time on Thursday night or anything. It's already been mentioned that most of us already have other commitments at the time, and I would rather see that process take place: for yourself and the chairman to get together and contact us on an individual basis to try and find out when we can fit it into our schedule.

MR. DEPUTY CHAIRMAN: Calgary-Millican.

MR. SHRAKE: Mr. Chairman, it's basically the same thing that's been said. All of us here during this particular period of time when the Legislature is in session have a lot of meetings. We are busy, and to just arbitrarily schedule one . . . In my case I, too, have meetings, and also that's the morning that we have our caucus meeting out at Government House. To get back here and make it to this meeting – I don't know if I would be able to make it, yet I feel it's a very important meeting.

I don't know if we have a motion on the floor at this point or not, and I don't know if it would be appropriate to make a motion, but I do think something as important as this, you know, that's been discussed – we should have a time when all members can be there. We normally have this meeting regularly scheduled Wednesday morning at 8:30, and so we all adapt our daily planner books. Half of us here really live by our daily planner books. To suddenly throw one on Thursday at 12:30 – I don't think any of us here have free days that we can just say, "Well, we've got nothing better to do." We all schedule ahead. We all are busy during session. So I don't know if you would accept a motion or if you need a motion or just a consensus here. This is not a convenient time, this particular date. I don't think a meeting should be thrown like that until the members of this committee have all been basically polled to find out, can we be there? Because we don't want to have a meeting and have a handful there suddenly making a decision and speaking for the entire committee. That would be a very unfair thing to do, and I think it's not a courteous thing to do. It's not a courtesy to members.

MRS. BLACK: Mr. Chairman, I was just wondering: could you consult with the chairman and look at alternative methods? May I make a suggestion that as far as the report goes – it's quite interesting reading, as Mr. Gesell has said – maybe we could make a submission to the Chair of our thoughts on the report? It appears as if we're all in different syncs as far as time frames right now, and possibly we could make a submission to the Chair and have that circulated at a later time. Could I make a motion to that affect?

MR. DEPUTY CHAIRMAN: Have we a seconder, then? We're running out of time. You heard the motion. Basically, the forerunner to it, the 24th date, is not acceptable. I think that's pretty agreeable and pretty evident here. So the Member for Calgary-Foothills has made a motion that rather than try and find a date suitable to everybody, we make submissions directly to the chairman on your comments and suggestions and recommendations related to that report. Any discussion? All those in favour? Opposed? It's carried. I'm sure the chairman will take note of the minutes and go accordingly.

MRS. BLACK: I move that we adjourn.

MR. DEPUTY CHAIRMAN: Before we take Calgary-Foothills' move for adjournment, the next meeting is May 23, and the Minister of Agriculture, the Hon. Ernie Isley, will appear before us.

MR. GESELL: Before we adjourn, Mr. Chairman, could I say that somewhere in the agenda I would appreciate an item to discuss the presentations that are being made by the ministers and the duration of time we allocate to them. If that could be another item on the agenda that we discuss at some future meeting, I think it's important to do that.

MR. DEPUTY CHAIRMAN: The suggestion is that we take it out on Wednesday morning. When we have a slated date, we'll set aside a half hour to discuss it. That's well taken, and we'll draw that to the chairman's attention.

We now stand adjourned.

[The committee adjourned at 9:58 a.m.]