

Title: Wednesday, April 28, 2004 Public Accounts Committee

Date: 2004/04/28

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call this meeting to order, please. May I have approval of the agenda that has been circulated?

Ms Blakeman: Yes.

The Chair: Moved by Ms Blakeman that the agenda for the April 28, 2004, meeting be approved as distributed. All in favour?

Hon. Members: Agreed.

The Chair: Thank you.

Can I also have, please, approval of the minutes of the meeting? The minutes were circulated.

Mr. Goudreau: So moved.

The Chair: So moved by Hector Goudreau that the minutes for the Standing Committee on Public Accounts meeting held on April 21, 2004, be approved as distributed. All in favour? No one is opposed? Thank you.

It is my pleasure on behalf of all members of the Standing Committee on Public Accounts to welcome Mr. Stevens, Minister of Gaming, to our meeting this morning and, of course, the Auditor General. It has been a tradition to quickly go around and introduce ourselves for the benefit of the hon. minister's staff.

[The following members introduced themselves: Ms Blakeman, Mr. Goudreau, Mr. Hutton, Mrs. Jablonski, Mr. Ouellette, and Dr. Taft]

Mr. Stevens: Ron Stevens, MLA for Calgary-Glenmore, Minister of Gaming.

[The following departmental support staff introduced themselves: Ms Carlyle-Helms, Mr. Chorney, Mr. Crosby, Ms Lougheed, and Mr. Peterson]

[The following staff of the Auditor General's office introduced themselves: Mr. Dunn and Mr. Pradhan]

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

Mr. MacDonald: And Hugh MacDonald from Edmonton-Gold Bar.

The Chair: If you would like to proceed with a brief overview of your department, Mr. Stevens. Thank you.

Mr. Stevens: Well, thank you very much, and good morning to the chair and to the committee members, the Auditor General and staff. It's truly a pleasure to be here, and it's so much of a pleasure that we got here at 10 past 8 and found out that if you come at 10 past 8, you can be first here. Go, Flames, go.

I'm pleased to be here today to discuss the ministry's 2002-2003 annual report. The Ministry of Gaming had an extremely busy and eventful year, and I look forward to highlighting some of those achievements for you.

First of all, I'd just like to tell you that the folks that are with me today are key members of the executive team, and some of the questions that you ask I may well be referring to them for clarification

because there's a level of detail that truly I may learn from time to time, but with the passing of time the ability that I have to recall it at will becomes problematic. So I likely will be asking them to assist me as we go forward.

The Ministry of Gaming's annual report reflects the activities of several entities. They are, firstly, the Department of Gaming, which during this fiscal year was responsible for business management and policy, communications, and lottery funding programs, which includes the community facility enhancement program and the community initiatives program. Secondly, the Alberta Gaming and Liquor Commission, or AGLC, which regulates gaming and liquor activities in Alberta within the framework approved by the government as well as conducting and managing all electronic gaming activities in the province. Third, the Alberta Gaming Research Council, which is an advisory group that helps direct the research activities of the Alberta Gaming Research Institute. Lastly, the Alberta lottery fund. Gaming is also responsible for the Horse Racing Alberta Act, the Gaming and Liquor Act, and the gaming and liquor regulation.

The ministry vision is

a province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced service in its liquor and gaming industries.

The mission is "to ensure integrity and accountability in Alberta's gaming and liquor industries, and to achieve the maximum benefit for Albertans from gaming and liquor activities."

There are three core businesses in our 2002-2005 business plan, and the ministry's achievements for each of these businesses are included in the annual report. The first core business is to "develop provincial gaming and liquor legislation and policy and regulate the gaming and liquor industries in accordance with legislation and policy." We're committed to developing policies that strike the balance between choice and responsibility.

The second core business is to "manage the Alberta Lottery Fund and administer designated lottery-funded programs to support Alberta communities." The government's share of proceeds from VLTs, slot machines, and ticket lotteries are deposited into the Alberta lottery fund. From there lottery dollars are allocated to Gaming and Community Development for programs and foundations to support charitable and nonprofit groups across the province. In the 2002-2003 year lottery dollars were also allocated to 10 other ministries to support public and community-based initiatives.

The final core business is to "support leading-edge research on gaming and liquor issues in Alberta." Alberta is committed to being a key partner in supporting gaming and liquor-related research and demonstrates this commitment through fully funding the Alberta Gaming Research Institute and the Alberta Gaming Research Council through the Alberta lottery fund. The Alberta Alcohol and Drug Abuse Commission also received over \$47 million, or 84 per cent of their total funding, from the Alberta lottery fund for their addictions programs.

As a result of the gaming licensing policy review in 2002-2003, the ministry adopted seven guiding principles for gaming and liquor in Alberta. They are:

1. The integrity of gaming and liquor activities will be ensured.
2. Gaming and liquor policies will reflect a commitment to social responsibility.
3. Gaming and liquor policies will be supported by sound research and consultation with the public and stakeholders.
4. The collection and use of gaming and liquor revenue will be open and accountable.
5. Gaming activities will meet standards of quality to protect the

- integrity of gaming activities, provide gaming entertainment value to consumers and help to keep gaming dollars in Alberta.
6. Alberta's liquor industry will continue to be among the most progressive and competitive in the country and continue to lead the nation in terms of supply, distribution, pricing and customer service.
 7. The financial return to eligible groups from charitable gaming and from provincial lotteries is to be maximized for the benefit of Albertans.

We want to ensure that these principles continue to reflect Albertans' values, so they will be subject to ongoing review.

I'll take a few minutes now to give you an overview of some of the key achievements over this fiscal year. This year we've organized our annual report to reflect how these fit within each of our core businesses. The majority of our activities and achievements fall under our first core business, which deals with developing gaming and liquor legislation and policy as well as regulating both industries. One of our accomplishments from early in the fiscal year was the proclamation of the Gaming and Liquor Amendment Act in June 2002. The amendments were developed in consultation with stakeholders and not only clarify the roles and responsibilities of the AGLC and its licensees but also help the AGLC to carry out its role as a regulator more effectively.

For example, the AGLC's ability to conduct background checks into potential gaming facility licensees has been strengthened. This is part of our commitment to integrity. Those applicants with a criminal background or who otherwise would be a detriment to gaming will be prevented from becoming involved with gaming in Alberta. Other amendments deal with things like making it an offence for liquor or gaming facility licensees to allow an intoxicated person to gamble and providing fines against minors found in a casino or racing entertainment centre.

Another area of achievement under core business 1 is the continued implementation of recommendations that come from the gaming licensing policy review. The recommendations were developed after intensive consultation with stakeholders and the public, and they will ensure that any growth in gaming is carefully managed, controlled, and regulated.

8:40

The initiatives that I'm discussing today, such as Gaming's guiding principles, the casino licensing process, and charitable gaming licensing eligibility and use of proceeds, started their evolution with the gaming licensing policy review. To date the ministry has implemented 53 of the 61 government-approved recommendations. We continue to work towards implementing the remainder. Under the guidance of the licensing policy review the province's comprehensive eight-step licensing process for new casino facilities came into play. This includes both traditional and First Nations casino facilities. The casino licensing policies ensure that any growth in gaming is carefully managed and controlled as well as regulated.

For the purposes of defining specific areas of the province, the AGLC adopted boundaries as defined by Travel Alberta's tourism destination regions. Since 2003 the AGLC received 28 applications for casino facility licences, encompassing six tourism destination regions and including both traditional and First Nations applicants. Two of these applications have reached the final step of receiving a licence. These are proposals from Calgary and the Enoch Cree Nation. The status of all applications involved in the process can be found on the AGLC's web site at www.algc.gov.ab.ca.

First Nations casinos are one aspect of the First Nations gaming policy. Another is the First Nations development fund. Alberta Gaming continues to work with Community Development, Aborigi-

nal Affairs and Northern Development, Justice, Finance, and First Nations representatives to develop a framework for the First Nations development fund. The First Nations development fund will be available to all Alberta First Nations for social, community, and economic development, including health, education, and infrastructure projects.

In this fiscal year my ministry continued the government's commitment to listen to Albertans. We value the views of our stakeholders and held a number of consultations over the course of the year. For example, we completed a review of the province's liquor markup structure and related policies, leading to the implementation of the 27 recommendations that resulted.

As well, my colleague from Calgary-Cross worked very hard on a review of the province's gaming licensing eligibility and use of proceeds policies. Hundreds of groups were consulted across the province as part of this process, which resulted in 41 recommendations being accepted and implemented.

Other consultations included working with bingo stakeholders on changes to our bingo policies as well as with industry stakeholders on proposed service and facility standards involved with the delivery of provincial lotteries such as VLTs and slot machines. We of course continued to consult with the Alberta Alcohol and Drug Abuse Commission in continuing our commitment to be socially responsible in our gaming and liquor industries.

Still in the framework of listening to what Albertans have to say, my ministry responded to thousands of calls, letters, and e-mails about topics related to the gaming and liquor industries. We're committed to operating in a transparent and accountable fashion, and this is one of the best ways to keep Albertans up to date in a direct, timely manner.

The final area under our first core business deals with our efforts to strengthen the province's horse racing industry. This industry is more than just racing itself. It extends to breeders, trainers, grooms, and thousands of Albertans who work in and support the horse industry. In this regard a number of positive changes occurred over the last year. The Horse Racing Alberta Act was proclaimed in June 2002, giving the industry an even greater opportunity to manage and develop the business of horse breeding and racing in our province. An expanded board and the mandatory provision of three-year business plans with performance measures are just two of the ways in which the industry will be more accountable to Albertans. I have no doubt that we will continue to see positive changes as a result of our work over the last year.

Moving on to our second core business, managing the Alberta lottery fund and administering lottery-funded programs, I'm extremely proud of all that was accomplished in 2002-2003. The Alberta lottery fund is the government's share of net revenues from VLTs, slot machines, and ticket lotteries, and communities from one end of this great province to the other have benefited from lottery fund revenues. Alberta has a wide range of characteristics and is made up of people from all walks of life, from children to seniors, and a variety of nationalities. The Alberta lottery fund benefits them all. From building accessible playgrounds to improving community facilities to ensuring that Albertans across the province have access to broadband Internet connections, the Alberta lottery fund has been there.

One of the two lottery-funded programs administered by Alberta Gaming is the community facility enhancement program, or CFEP. CFEP provides matching grants to eligible groups to build, purchase, repair, renovate, or otherwise improve family and community wellness facilities. Twenty-five million dollars went to work in Alberta's communities in 2002-2003. Having seen some of the facilities first-hand and having heard from the groups involved, I know that CFEP is a valuable resource for the province.

The second lottery-funded program administered through Gaming is the community initiatives program, the newest member of the Alberta lottery fund family. Introduced in June 2002, the CIP program supports project-based initiatives in areas such as community services, seniors' services, libraries, arts and culture, sports, education, health, and recreation. Eligible groups across the province benefited to the tune of \$30 million through the CIP program last year and will continue to do so into the future.

One of the ways in which Albertans can keep up to date on how the Alberta lottery fund has benefited their communities is through the lottery fund's new web site at albertalotteryfund.ca. Visitors to the site can search for lottery fund recipients by community, group, or granting program or foundation and see exactly where lottery revenues go. The web site is part of the Alberta lottery fund awareness strategy launched last year to provide more information on how gaming proceeds are used to benefit Albertans across the province. Also included in the strategy are print materials, a portable display, and other products with which we plan to increase awareness of the Alberta lottery fund over the next several years.

Finally, we come to our achievements under core business 3, which deals with supporting "leading-edge research on gaming and liquor issues." Revenues from the Alberta lottery fund fully fund the Alberta Gaming Research Institute, which is tasked with supporting research into gaming. At the end of the year 30 research projects had been initiated since the time the institute was formed. The research projects deal with a range of topics covering things like social, cultural, and economic aspects of gaming. We are just entering the final year of our second three-year commitment to the AGRI, and in fiscal 2004-05 we will be evaluating the effectiveness of the program and whether or not to enter into another three-year contract with the institute.

My ministry also participated on the advisory committee for the AADAC youth experience survey, the results of which will give us new baseline research of junior and senior high school students' experiences with alcohol, drugs, tobacco, and gambling. The final report, which was released in June 2003, indicates that the youth in Alberta have experiences very similar to the youth in other provinces in jurisdictions where similar surveys have been undertaken.

The other key activity under core business 3 is the continuing fulfillment of our social responsibility in the gaming and liquor industries. We're committed to working with our partners within these industries to promote social responsibility in the sales, service, and consumption of liquor and in the delivery of and player participation in gaming activities.

Another of our partners in the area of social responsibility is AADAC. We work with AADAC to further develop and deliver the province's responsible gaming program, which requires gaming retailers to provide problem gambling awareness training for staff and have problem gambling awareness material available for their patrons.

We also worked further with the liquor industry to develop a new province-wide certification program for liquor industry staff, ensuring that those involved with serving liquor to the public will be trained under higher uniform standards.

We take our commitment to social responsibility very seriously and, in fact, have just recently created a social responsibility division within the AGLC which will help to bring an enhanced focus on all our social responsibility initiatives.

Now that I've covered our key activities and achievements, I'd like to spend just a few moments to share with you some of the financial highlights for this fiscal year.

Ministry revenues were \$1.6 billion, \$89 million more than last year and \$18 million lower than budget. The increase over the

previous year reflects the ongoing growth in gaming, though budget targets were not achieved due to slower than anticipated development of new casinos and lower liquor sales. However, we still provided almost \$1.1 billion to volunteer and public and community-based initiatives through the Alberta lottery fund as well as \$535 million in liquor revenues to the province's general revenues.

I'd like to note that more than \$47 million from the Alberta lottery fund was transferred to AADAC for its important programs. This included more than \$4.2 million that went towards problem gambling initiatives such as prevention and treatment programs and the 1-866 gambling help line.

8:50

Liquor revenue in 2002-2003 was \$535 million, an increase of \$46 million over the previous fiscal year.

Overall, ministry expenses were \$61 million higher than last year, reflecting the new community initiative program and the increased lottery funds available to other ministries. You'll find full financial details in your copy of the annual report.

The last topic I would like to cover is our performance measures. These are tied to our three core businesses and provide an indication of just how successful the 2002-2003 fiscal year was for Gaming. Performance measures from the AGLC's 2002-2005 business plan are also included in this section. Additional information about the AGLC and its key activities can be found in its annual report published under separate cover.

I've very proud of the results in this area as they indicate that both Gaming and the AGLC are meeting the needs and expectations of Albertans in general and our stakeholders specifically. Overall, 80 per cent of Albertans are satisfied with the conduct of the province's liquor industry, surpassing our target of 75 per cent. As well, 73 per cent of Albertans indicate satisfaction with the conduct of legal gaming entertainment, surpassing our target of 70 per cent.

The administrative costs of Gaming's lottery-funded programs continue to run well under 2 per cent, and 100 per cent of revenues from the Alberta lottery fund remain committed to charitable, nonprofit, public, and community-based initiatives.

Focusing on the AGLC, 98.5 per cent of licensees were found to be in compliance with legislation, regulation, and policy, well above the 87 per cent target. The percentage of licences and registrations approved within established timelines was 98.8 per cent, surpassing the 97 per cent target. AGLC also continued to achieve exceptional results in the area of client satisfaction, with ranges from 92 per cent to 98 per cent across the board.

We're continuing to exceed the high expectations we've set for ourselves, and I have every confidence that this will continue in future years. As with the financials, more details about the performance measures can be found in the annual report.

This concludes my presentation. It was another excellent year for Gaming and the AGLC, and I look forward to your questions and comments. Thank you.

The Chair: Thank you.

Mr. Dunn, please proceed.

Mr. Dunn: Thank you, Mr. Chairman. Our comments on this ministry in our current annual report start at page 125 and go through to 135. In this section we make two numbered and one unnumbered recommendations.

In recommendation 17 we recommend that the Alberta Gaming and Liquor Commission (AGLC) implement processes to ensure:

- gaming operators buy gaming supplies from registered suppliers.

- AGLC buys gaming terminals and gaming supplies only from registered suppliers.

In our findings we note that AGLC's inspection procedures were not checking that casinos purchase gaming supplies from registered suppliers. Also, we noted that AGLC acquired a substantial amount of gaming products from an unregistered supplier while the background check was still in progress. The background check did disclose the supplier was under police investigation in eastern Canada for allegedly selling illegal clone devices.

In recommendation 18 we recommend that AGLC improve its process "for timely monitoring of licensed groups' use of gaming proceeds." We note that AGLC reviews licensed groups' use of gaming proceeds but not promptly. We describe on page 130 of our report the backlog in the review of previously held casino and bingo events.

We also reviewed AGLC's contracting processes. In our unnumbered recommendation on page 131 we recommend that AGLC establish more comprehensive contracting policies, improve their monitoring of contractors, finalize contracts before services are provided, and require consultants to confirm that they do not have a conflict of interest. We note on page 132 a number of instances for improvement arising from our test review of contracts at AGLC.

We also followed up on our prior year's recommendations, all of which have been addressed. AGLC has implemented our recommendations concerning the development of a formal risk management process and also our recommendations concerning Horse Racing Alberta. The ministry established an appropriate accountability system with HRA and also is holding HRA accountable for the performance of the delegated responsibilities. AGLC has indicated that they will utilize the government's chief internal audit office to assist it in assessing the adequacy of its systems of internal control.

Those are my opening comments, and I and my staff will be pleased to answer any questions directed to us. Thank you.

The Chair: Thank you very much.

We'll proceed to questions quickly, and we'll start with Ms Blakeman, followed by Mr. Hutton. [interjection] If you would like to defer to Dr. Taft, you go right ahead. Please proceed.

Ms Blakeman: It's usually the first person in line but no problem.

I'm going to direct the minister's attention to numbered recommendation 17, which links to your core business 2, "license and regulate charitable gaming activities," and the discussion of that begins on page 57 of your annual report. This is the third year where a number of issues were raised with the Department of Gaming, and the department has endeavoured to meet all of the tests that have been brought before them. In this one in particular there were a number of things that the Auditor General has just detailed around the suppliers and following what the act requires, which was not followed.

My question is: why do we see such a long process of this department needing to adjust the way it's doing business? Is there a corporate culture here? Or is it years of operating at a smaller level while the department has moved well beyond that level, which you sometimes see in nonprofits if they continue to have all of their systems in place from when they were a million dollar operation and now they're a \$10 million operation? They don't keep up with things. So what is the issue in this department in that we've now had three years of very detailed concerns raised? What is going on? Why aren't the internal processes working here to keep you up to date?

Mr. Stevens: Well, I guess I wouldn't share your assessment of what

the Auditor General has been saying. I think we can talk, first of all, about this particular recommendation and what the facts were surrounding it. It will help give some understanding to it.

In this particular case, as I understand it, the Auditor General is citing an example of the AGLC paying funds, over \$11 million, to an unregistered gaming terminal distributor while the background check was in progress, and that's acknowledged. In this case the AGLC was acquiring terminals from a licensed supplier, IGT, the largest gaming terminal manufacturer in the world, through its Canadian distributor, Hi-Tech Gaming. The AGLC had a long-standing relationship with the distributor and considered the risk to be minimal. The AGLC now deals directly with licensed suppliers. In other words, IGT is now the direct contact; we've cut out the intermediary. The results of the police investigation of this distributor are not known at this particular point in time.

There was also another example that the Auditor General cited, which was the AGLC signing a \$2.3 million contract for an electronic bingo system, digi-bingo, which is currently in place here in the province, and making an \$821,000 advance payment before all background checks were complete. In this instance the system was being purchased from an Edmonton-based firm and was already in use in British Columbia. The AGLC considered any risk to be minimal.

So those are the two examples that gave rise to this, and from my perspective the explanations are appropriate as to why it happened. Having said that, the policy has been changed so that there won't be any need for an explanation in the future. I think that the Auditor General's recommendation in this area is valid, but it falls into the category of a tweak rather than a major adjustment. I think that the department has been functioning quite well in how it deals with these types of matters.

Ms Blakeman: Well, I guess that I find it more problematic and more than a tweak when we have the minister saying that there was a long relationship with a group and therefore it was considered to be of low risk. With that kind of an attitude, then I'm questioning whether due diligence was in fact being followed.

9:00

Mr. Stevens: The long relationship was with the licensed supplier, somebody that we knew well, somebody that we've dealt with since the beginning of time. The problem was with their Canadian distributor. We knew the people from whom we were acquiring the product. They were licensed in this jurisdiction. The problem arose not because of the manufacturer of the product – they were recognized here – but because they happened to have in their chain of supply a Canadian distributor. So the source of the product was most reliable; it was the intermediary in this particular case. In any event, that's the explanation. It's not as if, in that particular case, there wasn't a good, solid, long-term understanding of whom the AGLC was dealing with. It was that there was this one cog that was part of their distributor chain.

Once again, we acknowledge that the Auditor General's comments are appropriate and that the policies have changed so that it won't happen. Basically, we're going to deal directly with IGT, with whom, if we had done that in the first place, there wouldn't have been an issue, and we're just going to cut out dealing with the intermediaries.

The Chair: Thank you.

Mr. Hutton, followed by Dr. Taft.

Mr. Hutton: Thank you very much, Mr. Chairman. Pardon my

laryngitis. If I disappear and need to repeat myself, please just ask me to do so, Mr. Minister.

First of all, I'd like to thank the minister and his ministry for the work he does do. The community facility enhancement program and CIP have been most helpful. I think of two projects in my riding this last year, St. Vincent school and McQueen, where they got playgrounds, but also the Theatre Network. So thank you very much for the work you are doing with those programs, Mr. Minister.

I'd like to go to the Auditor General's report, though, with regard to my questions. It was recommended that the AGLC "develop a formal risk management process and provide the Board with a comprehensive risk assessment, including management's actions to manage the risks." Has a risk management process been developed?

Mr. Stevens: Well, the short answer to that is yes. The AGLC has established a formal risk management process in consultation with the board, the executive team, the leadership team of AGLC. The risks to the organization are identified annually, and the chance of occurrence and potential impact are assessed. Actions to mitigate the risks are identified and the likelihood and impact are reassessed, taking into account those actions.

I know I spoke to this point last year. I think it had been raised at that particular point in time. You might just find it of some interest what risks are currently identified that are evaluated for the purpose of this particular matter. They are organized crime, rise in illegal activities, negative public opinion, overexpansion of gaming, delay or failure of new casinos – that would include both traditional or First Nations – failure of electronic bingo, smoking bylaws, legal action against the government, loss of skills and knowledge, and major disaster.

The context, I guess, of these particular risks is the fact that the AGLC is a commercial enterprise, and in that regard it is unique within the government of Alberta.

Mr. Hutton: Thank you, Mr. Minister. You're so brilliant that you answered my supplemental as well.

Mr. Stevens: Wonderful.

The Chair: Thank you.

Dr. Taft, followed by Gary Masyk, please.

Dr. Taft: Thanks, Mr. Chairman. The annual report on pages 27, 28, and 29 refers to CFEP and CIP, as the minister did in his opening comments and as the preceding questioner did. These are of course programs of some interest to MLAs, and I would appreciate not only the minister's comments but the Auditor General's comments on this question. What is the normal and appropriate relationship between an MLA and these particular programs?

Mr. Stevens: CFEP has been around since the '80s. I think it was established in about '88, so we probably have now 14 or 15 years of experience. I can't speak to how it operated before my time as an elected official, but since I've been here, it seems to me that the process has been uniform. Members of the community who are not-for-profit societies make applications, and they are considered. Typically, within any given year we have a budget. I think that for this particular fiscal year it was \$25 million. Traditionally, there are more applications for the money than there is money, so some decisions have to be made somewhere along the line. Sometimes it's possible just simply to sort of slide them into the next year, if I can put it that way, so that they're dealt with in the next fiscal year, because our history has been that you can do that. There's always the next fiscal year for CFEP.

When we take a look at the applicants, we look for general support from the community. General support from the community includes among other things the position of MLAs in the area that this particular group comes from. I would say, as it relates to CIP, that a similar – perhaps I could say identical, but it's certainly similar – kind of relationship applies. I would also say, generally speaking, that MLAs are supportive of virtually all groups making applications. I don't think MLAs as a matter of course are anything other than supportive of volunteer groups from their communities. That's my general experience. There may be exceptions from time to time, but none stand out. People applaud volunteerism and want it to succeed.

Mr. Dunn: Picking up on your question, Dr. Taft, your question was, I believe: are we aware of any interference in the allocation of funds to that program at all by any . . .

Dr. Taft: No. My question was: what is the appropriate relationship between these programs and local MLAs?

Mr. Dunn: Okay. Well, hearing from the minister, we believe that these programs have been allocated to bona fide organizations. We're not aware – at least I'm personally not aware – of any association of those organizations with any MLAs. I would expect, though – and now here I am just going off the top of my head – that on occasion MLAs may have directed organizations to apply for some grants. They may have done that in the course of their contact with their constituency. But I'm not aware of that, of there being any specific direction being given to one organization or that because of an MLA's support for this organization, they should receive a grant process.

Mr. Stevens: May I comment further?

The Chair: Briefly, yes.

Mr. Stevens: I think the Auditor General makes a good point. I mean, what we try and do is get the word out that these particular programs are available. I think in government at this point in time the most flexible and accessible programs for the nonprofit sector, generally speaking, are the two found within Gaming, so I think it's important that MLAs know about them, have a good sense of how you access them. I would definitely expect MLAs, when it's appropriate, to tell people that they're there and to assist them. We certainly try and provide support to anybody, to any MLA who needs assistance in understanding the programs, getting forms, and so on and so forth. But the short of it is that MLAs across the board regardless of political affiliations seem to be supportive of these programs, and we receive letters of support in favour of certain groups that make application.

9:10

Dr. Taft: Thanks. Again, comments from either or both of you would be appreciated. I know that I, too, like other MLAs, have written letters supporting projects in my constituency, but it feels like there's an enormous distance between me as an MLA and these programs. I don't get a lot of information. I don't believe it's indicated to my office when funding may be being provided to the local community group. I have a sense, frankly, that government MLAs get more information. Is it appropriate for MLAs, for example, to meet with the managers of CFEP and CIP? Because I'd love the opportunity if it's appropriate.

Mr. Stevens: Our staff are available to meet with any members of

the public, including MLAs of any political affiliation, to discuss applications. So if you want to meet with members of Alberta Gaming relative to this, feel free.

Dr. Taft: I've tried, without success.

Mr. Stevens: Well, let me know.

Dr. Taft: Okay. All right; that's good to know.

Mr. Stevens: Candidly, if you want to sit down and talk about particular applications, have a face-to-face with somebody to talk about the programs, you know, to support a particular application, by all means. I'm surprised that there's an issue there.

The Chair: Thank you.

Mr. Masyk, followed by Ms Blakeman.

Mr. Masyk: Thank you. To the department. On page 22 of your report it mentions the First Nations development fund. Where will the dollars come from? Also, in the first sentence is "application process for new traditional or First Nations casinos." The conjunction between new and traditional: is that with respect to First Nations being the traditional? I mean, you can't have new and traditional, so I was wondering if traditional is traditional gaming or new traditional with respect to First Nations traditional.

Mr. Stevens: When we use the term "traditional or First Nations," when we are talking about traditional casinos, those would be existing casinos. They are charitable casinos in the truest sense of the word, where charities in our communities 183 or 182 times a year have an opportunity to get a licence to operate. A First Nations casino is not a traditional casino. So traditional is our traditional charitable model.

A First Nations casino differs in that while most of the rules associated with it are identical to a traditional casino, there is one First Nations charity that will receive the licence and will operate the casino 365 days a year. While I don't have that particular page in front of me at this moment, that is how we talk about it in Alberta Gaming, and that is how it should be read.

Mr. Masyk: Thanks. With respect to the dollars, where will they come from?

Mr. Stevens: For the First Nations development fund the dollars will come from the Alberta lottery fund. The commitment to Alberta First Nations that was part of our First Nations gaming policy that was announced in January of 2001 is that we would establish this fund. The deal essentially is that 40 per cent of the slot revenue will flow into and out of the Alberta lottery fund into the First Nations development fund. Three-quarters of those dollars will go to the host First Nation that generated the dollars, and 25 per cent will be left in the fund to be allocated to nonhost First Nations.

Mr. Masyk: Thank you.

The Chair: Ms Blakeman, followed by Mary Anne Jablonski from Red Deer-North.

Ms Blakeman: Thank you. On page 95 of the report, schedule 3, comparison of expenses directly incurred by element to authorized budget, vote 3.0.10, other initiatives. There are two parts to this. One, could we get some details, please, on what that was, those other

initiatives? Second, and as part of that, what were the performance measurements expected from that? What was it seeking to achieve? There's not much information available on that.

Mr. Stevens: I believe that "other initiatives" form part of our annual report someplace, so the detail of other initiatives is a matter of public record. Perhaps somebody can figure out, in the moments while I continue talking, where that might be.

The Chair: If you or your department officials would like, if you want to provide details in writing to all members of the committee through the clerk, you certainly can.

Mr. Stevens: Thank you for that, Mr. Chair. We will do that if we don't find it, but if we can answer it here, I'm happy to do that. I do have some folks with me that can look while I speak.

The other initiatives program would be sort of the third component in Alberta Gaming of Alberta lottery-funded dollars that are available for community work. It is a flexible program in the sense that it doesn't have the same rules and regulations of CIP and CFEP. It's not something that can be applied for, it doesn't have a maximum amount, and truly it allows us to do things that we wouldn't be able to do. A very good example of something that benefited, I believe, as a result of other initiatives is the Vertigo Theatre in Calgary. A substantial amount of money was being sought, and we ended up looking to this particular fund for a good portion of the dollars that went to Vertigo. It's that type of thing.

In this particular fiscal year – if somebody finds the list, I'd be able to comment on it, but it's those kinds of things. I can tell you that our communities like Calgary and Edmonton that have in the last two or three years had an opportunity to host Grey Cups have come and said: we need some funding for that. Out of this program we have provided funding to those two cities.

It's there for people to see. We enter into contracts with them to ensure that the money is spent and accounted for in the same fashion as it is accounted for in CFEP and CIP. We expect them to do that. The level of accountability is there, but we have flexibility relative to the amount subject only to the amount that happens to be allocated in any given fiscal year. When we get to our estimates this year, you'll find that there is a line for other initiatives once again.

Really, from my point of view, it allows us an opportunity to assist communities in Alberta, particular applicants or initiatives within Alberta, on a one-off basis that if we didn't have this program, we would have no ability in government to do. So it gives us some opportunity to do some good work at a larger level, typically speaking, than the other programs have allowed us to do, because CFEP typically and certainly in this fiscal year was limited to \$125,000, and CIP was \$75,000.

We'll provide further detail in writing.

Ms Blakeman: So it's not in the annual report. Okay.

I mean, this is a significant amount of money. Next to the CFEP grant at \$25 million and, well, the racing renewal at \$33 million, at \$10 million it comes off the page at you. So this is unallocated money coming into the year. As you come into the year with the budget, you don't seem to know. What I heard you say – and correct me if I'm wrong – is that this is money that's set aside for whatever project that comes up that the government decides they might be interested in funding. It doesn't seem to have particular parameters around groups applying for a specific project. You've mentioned that it doesn't have the same restrictions and requirements on it as the other two programs. It doesn't seem to have restrictions and requirements on it at all. So how do you measure the successfulness

of this project if you don't know what it is when you start into the year, it doesn't appear in your annual report at the end of the year, and it's available as the government or the minister sees fit to fund projects that come forward during the year that the government deems worthy?

9:20

Mr. Stevens: Well, I like to think that we apply the good judgment that we have within our department as the opportunities arise, as a general proposition.

Let me say this. There are certain commitments that are made from year to year. You might make a commitment that is funded out of here for a two- or three-year period. For example, starting a given fiscal year, we may have a commitment that we know about.

And let me say that when we don't have parameters, what I mean by that is that it's not a program you can apply to. We use the same accountability tests as we do in CFEP and CIP. If it's a large program, we want to ensure that this is not going to be a white elephant. If some group is coming forward asking for money to build a capital asset, we want to ensure that they have given consideration to how they are going to operate it.

So examples of groups that are receiving funding: Alpine Canada, the Canadian Hockey Association, McMahon Stadium Association, World Cup Triathlon Edmonton, the Alberta Special Olympics, Rotary Challenger Park in Calgary, Grey Cup Edmonton, culinary arts Alberta, the under-19 world soccer here in Edmonton, the Alberta Junior Hockey League, Vertigo Mystery Theatre, nanotechnology at the University of Alberta – you remember that a couple of years ago there was an announcement, and they needed funding to build something over there.

Unidentified Speaker: Something small.

Mr. Stevens: Something very small.

That gives you some idea of the groups. They in large measure are well-known public initiatives within our communities in Alberta. They typically are of an amount that is difficult to deal with in the programs that we currently have, and they are things that seem to be of high community value.

The Chair: Thank you.

Mary Anne Jablonski, followed by Dr. Taft.

Mrs. Jablonski: Thank you, Mr. Chair. Well, I have to say that there are many, many charitable organizations that are very grateful for the funding that comes through the programs within the AGLC. Just to name a few, in Red Deer we have the healing and hope project at our regional hospital; St. John Ambulance, expanding and teaching kids lots of good things; the Red Deer symphony; Navy League, to repair their sailboats; and of course our Boy Scout and Girl Guide camps have benefited from some of these funds. So they're very grateful, and I'm very thankful for these programs.

But one of the concerns that is brought to my attention frequently by constituents in Red Deer is the overabundance or the perceived overabundance of VLTs and casino establishments. On page 31 of the ministry's 2002-2003 annual report some initiatives are mentioned that show that the ministry is collaborating with partners to promote social responsibility. How is the ministry continuing to carry out and enhance responsible gaming programs?

Mr. Stevens: In 2001 we completed the licensing policy review, which established a continuation of the cap regarding VLTs at 6,000 but also established that there was to be an initiative to reduce the

number of locations by up to 15 per cent. That particular initiative has proceeded apace, and when I last saw some numbers associated with that that probably bear some general relationship to this fiscal year we're talking about, the number of actual VLT locations in the province had been reduced by some 12 per cent and was proceeding towards the 15 per cent number.

As it relates to casinos, we established an eight-stage process, and that eight-stage process has now been working its way through to where in my opening comments I indicated that there are two applications that are at stage 8. But what it does is build in certain responsible features, from my perspective.

First of all, the initiative is an initiative taken by the private sector. Somebody has to start the ball rolling, so to speak.

Secondly, there has to be a viable market for a new casino. An example of where the AGLC has received an application and determined that there isn't and as such has brought the application process to an end was in the Lethbridge area. So viability, if you will, a market for new casinos, is a consideration.

Another significant responsible aspect to that eight-stage process is the will of the community. When the consultation occurred initially, the material that was put before our municipalities indicated that the AGLC would like them to say yes or no to a new casino in their communities. The municipalities asked that an additional option be granted, namely that there could be a neutral or no position taken. So that was incorporated into the eight-stage program.

We have had communities that have by resolution said that they do not want casinos in their communities. We haven't had the issue in relation to an application, but communities have taken the initiative. Sherwood Park, or Strathcona County, has said no. Lloydminster has said no. So those are a couple of communities where no new casino would occur. With all of the applications that have gone forward, letters have gone to the communities and have said: what is your position? None of the communities that have actually received an application letter have said no. Some of them have said, yes, we would like a casino in our community, and some have taken the position that they're neutral.

So those are some of the features that we've incorporated.

Mrs. Jablonski: Thank you. I'm going to try and sneak two questions in here, but they're the same thing.

The Chair: Ms Blakeman does it all the time. You go right ahead.

Mrs. Jablonski: Thank you. I wonder if you can comment on whether or not there is a certain formula that may be used for different communities. For example, in Red Deer we have two casinos. Would you use a population formula for the next application that may or may not come up in the future? Is there some sort of population relation to the number of casinos that would be in a community? Then are you satisfied, Mr. Minister, that enough work is being done in the area of social responsibility?

Mr. Stevens: Let me address the latter first. Norm, you remember what the first one is, because by the time I finish, I may have forgotten.

I think social responsibility is in evolution. I don't think you can say at any given time that your work is done. In my opening comments I indicated to you that we have established for this fiscal year a social responsibility division where there will be a director and two staff working with that director whose sole task is the issue of social responsibility as it relates to gaming and liquor. That is not to say that we have not been doing it. We have been doing it, but we

have not had people whose sole purpose and task is the area of social responsibility. We have got to a point where we think that there is merit in highlighting the focus in those areas for both areas of the business that we're in.

9:30

Research with respect to alcohol addiction is now some decades old, and while I'm sure there's much still to learn, it's a relatively mature area. Gaming, on the other hand, is very new. As a result of our efforts in funding research in this province in a relatively short period of time – we're now in our sixth year – we get kudos for the initiative on a global level because we're doing so much more than almost anybody else anywhere is, but that doesn't mean to say that there isn't more to do.

The real issue with respect to the area of research, in my opinion, is that we need to have some understanding of the quality of research that we're expecting from our researchers. We need to have some ability to channel it so that it can be used for or at least considered for social public policy purposes. A lot of research, needless to say, is clinical. Clinical research has value, but it doesn't have obvious value to me, as a general proposition, in the area of developing public policy regarding gaming. So there is without doubt more to do.

We established some responsible gaming features in our VLTs when they were replaced, and it was in this fiscal year that we started that process. What impact did they have? You know, was it a good thing? Is there some value to the players? We've said that it will assist them in managing their time and money. There's an area where research can be done to determine the impact of those kinds of features. It would be of value to others. The nature of gaming is such that truly we are doing very, very well in Alberta with what we are doing compared to others, but we can do more.

Now, on the first question, regarding the approach of determining a market for casinos, I'm going to have Norm address that because he will be able to do that.

In general what we have done is establish the eight-stage process. It's out there; it applies to everybody. We've established a committee within the AGLC that is uniform and has been there for all applications. So the same people have reviewed all of the applications. We have had KPMG or . . .

Mr. Peterson: PricewaterhouseCoopers.

Mr. Stevens: I'm sorry; PricewaterhouseCoopers. Anyway, it's one of those big accounting-type groups that has a consultancy.

Dr. Taft: Not Arthur Andersen.

Mr. Stevens: But not Arthur Andersen. That's right; I suppose, going back to this year, it could have been. In any event, PricewaterhouseCoopers has been there from the get-go to provide oversight – I'll use that word – and due diligence relative to the appropriateness of the evaluation structure and the processes the group has gone through in evaluating each of the applications.

I can't speak directly to the technique that is being used for the viability of market, so, Norm, maybe you can elaborate on that.

Mr. Peterson: Yeah. The technique that's used is actually a very complex computer model. It's called a gravity model. It's well accepted and has been used in a number of locations, primarily dealing with a lot of the retail businesses. It's based on one really key assumption, and that's an estimated amount of spend per capita, and then it's based on population statistics in the surrounding areas.

It will look at the population within a mile, within two miles, within five miles, within 50 miles, and based on the drive distance it will determine how many times people will visit a particular location and how much of the spend they'll make at each particular visit. The population information that we use is based, I believe, on the 2001 census. So it is population based on an estimated spend, and it deals with individuals and how far they have to drive to a particular location that's being proposed.

Mrs. Jablonski: Thanks very much.

The Chair: Thank you.

Dr. Taft, followed by Mr. Ouellette.

Dr. Taft: Thanks. I'm looking at page 101 of your annual report. What I see on the revenue side is a decline in VLT revenues, if I'm reading this correctly, from 2002 to 2003 of about \$300 million roughly, maybe a 5 per cent drop, something like that. From casino gaming and electronic racing terminals, a very significant jump of \$1.6 billion or so, probably a 25 per cent increase there.

Each year when I see numbers like that, I'm struck with how huge the gambling industry is in Alberta. I know that that's gross and you net it out at the bottom of the page, but the gross indicates the scale of the economic activity, and it also indicates the long-term growth in gambling, which is significant.

So this is the opportunity to explore a little bit of a general issue. How far are we going to go in our society with gambling as an industry and as a source of revenue? At this scale of \$17 billion of economic activity, that would make it one of the very largest industries in Alberta. Are there limits to this? We're seeing major new casinos opening. What's the plan here?

Mr. Stevens: Well, there is going to be some practical market limit, without doubt. The approach that we have taken through the licensing policy review in 2001 is to establish some rules which were to guide us for a five-year period, and at the end of that, there was to be another review of the rules here in Alberta. I think we did that in 2001, so probably sometime in '05, '06, '07, somewhere in that time period, there's going to be another review of gaming rules in Alberta. What we've done over the past five years and the rules that we currently have will receive the same kind of scrutiny that we gave them in that '99 to 2001 period. There was a lot of work that was put into it. So we'll take a look at where we are and what the future holds.

As it relates to our current rules, I think they're very clear. The number of VLT machines is set at 6,000. The number of locations is to be reduced by about 15 per cent. Albertans told us that they wanted fewer locations. Albertans have indicated to us that their concern relative to gaming is more with the VLT type of location rather than what I would call a destination gaming area; in other words, a casino or racing entertainment centre.

So the eight-stage process that I've alluded to in one of the other answers was the approach that we were to take regarding going forward, where communities had an opportunity to say: no, we don't want it in our community. If that was the case, then that would rule the day. But there had to be a viability of market if the community said yes or they were neutral, and the integrity of the group going forward had to be solid because there's due diligence with respect to the operators, the owners, the financiers of the project. They had to have the ability to operate and manage and had to pass certain tests at a certain level in their business plan in order to go forward. It had to be of high standard. So that's the approach that we took.

What you've seen just recently is the result of that, with a number

of applications moving forward in communities that were either supportive or neutral, where the applications were of high standard. If the due diligence is fulfilled and the local communities give them the development permits that they need in the way of rezoning and so on, they will likely go forward.

What do I think? On a very personal level I think the applications that you see on the AGLC web site at this point in time once they are completed will govern the landscape for the most part for some time to come. The short of it is that our current proposal allows for somebody to come in, make application, and that process is followed. I think there's going to be a reasonable increase in new casinos in Alberta, and likely the hands will be dealt, so to speak.

9:40

Dr. Taft: That may be the right metaphor.

So given the growth here and given that the total revenue from gambling is basically double what we're spending in the provincial health budget and given your comments, is it the approach, then, to basically allow casinos and electronic racing terminals to keep growing until the market is saturated? Maybe that growth will be reached with the current applications, but in the long term we keep growing until the demand from applicants stops. Is that generally the approach?

Mr. Stevens: I've indicated what the approach is, and there's a number of aspects to the approach. There's the fact that somebody wants to start the process. There's the fact that there has to be a market. There's the fact that there has to be a community that is willing to have growth in its community.

I might say that this is all based on the charitable model and that there have to be charities that are willing to work in the casinos. Something that I haven't alluded to but is very much a fact is that charities want more access to charitable dollars from the casinos. They in fact say: we would like the waiting lists to be lower. What we say to them is that there's only one way that that can happen in a practical sense, and that is if there are more casinos. But there is a demand from a large portion of the charitable community for more access.

The Chair: Thank you.

Mr. Ouellette, followed by Ms Blakeman.

Mr. Ouellette: Thank you, Mr. Chair. Good morning, Mr. Minister.

Mr. Stevens: Good morning. It's good to see that the coffee has now kicked in.

Mr. Ouellette: I was very happy to hear that you were here 20 minutes early just chomping at the bit to give everybody all the information they needed. I think that has a lot to say about your character.

Mr. Stevens: Well, it means I can't read time.

Mr. Ouellette: Anyway, I'd like to say that I think all Albertans should be very thankful to have you and your ministry with all the wonderful things that your ministry allows charities and not-for-profit organizations to do for all Albertans in all communities and areas of Alberta.

On page 25 of your '02-03 annual report it discusses how the Alberta lottery fund is helping to strengthen the horse racing industry in Alberta. Why is the horse racing industry singled out as a recipient of Alberta lottery funds?

Mr. Stevens: In 1995-96 this government established the racing industry renewal initiative. In 2001-2002 we revisited that and enhanced it with amendments to the existing racing legislation to create Horse Racing Alberta.

The background with respect to racing, I guess, is that it's a long and colourful and storied part of Alberta history that fell on tougher times. Coming into the '90s, the industry told government that in their opinion the decline in handle and some of the other problems that were being experienced in terms of breeding and fan participation were attributable to the introduction of gaming. Without getting into that particular debate, that is a trend that I think can be seen across North America with respect to horse racing in many other jurisdictions. In Canada, Ontario would be notable. There are racinos, or in other words slot machines put at racetracks to assist the horse racing industry.

So in '95-96 this government said: we're prepared to assist you by allowing racing entertainment centres to be built at licensed racing facilities in the province, and a certain portion of the proceeds would go to racing in order to allow for an enhancement of that sport through increasing the capital at the parks, by increasing the purses, by introducing breeding programs, by introducing training programs for backstretch people and other programs for them and so on and so forth. So in general that is the history of Gaming's relationship with horse racing in Alberta.

Mr. Ouellette: How much money did the ministry provide to the industry in '02-03, and what was that funding used for?

Mr. Stevens: Well, in '02-03, \$33 million was provided through the Alberta lottery fund racing industry renewal grant, and it was generated at racing facilities in Edmonton, Calgary, Lethbridge, and Grande Prairie. Edmonton and Calgary are A tracks. Lethbridge and Grande Prairie are B tracks.

Horse Racing Alberta, as a result of our renewed initiative, provides a three-year business plan reporting to the Minister of Gaming and Albertans, and that business plan is tabled in the Legislature. Spending in the '02 fiscal period included operational and capital expenses of racetracks as well as purse enhancements.

Going forward, the three-year business plan will indicate where all of their revenue comes from, including revenue from this particular initiative, and how they're spending it. It does have performance indicators to measure how they're doing because what we have said to them is that we want to ensure that the money is well spent and that it is accomplishing the objectives that they have, which in general is the revitalization and enhancement of horse racing and horse racing related agricultural initiatives in the province.

Mr. Ouellette: I guess where I was going with that question was that I was wondering if, because all of the tracks are run by nonprofits, the money you give to the horse racing industry is actually used to help the nonprofits upgrade their tracks or their buildings or whatever they need there to help put on the races or to become a racetrack.

9:50

Mr. Stevens: The issue associated with capital improvements going forward is very much in the hands of Horse Racing Alberta. There's 15 per cent of the money that is used as part of this initiative that goes to the operator. So if you use Northlands as an example, as a result of having its racing entertainment centre, Northlands gets 15 per cent, but the bulk of the money goes to Horse Racing Alberta. It's that organization, which has representatives from the Northlands of the world, from each of the breeds, from all of the stakeholders,

if you will, in horse racing in Alberta, that determines where that money is best spent, and that is reflected in their business plan.

Mr. Ouellette: Thank you.

The Chair: Thank you, Mr. Stevens.

Ms Blakeman, please proceed. In light of the hour there have been members of this committee who have been very patient this morning waiting for their chance to ask a question, Mr. Cao and certainly Mr. Goudreau. So if you could ask both of your questions and, Mr. Stevens, if you and your staff could reply in writing through the committee clerk to the committee members, we would be very grateful, because Mr. Cao and Mr. Goudreau would also like their questions on the record and to get written responses.

Ms Blakeman: Okay. Thanks.

I'm going back to the "other initiatives" program. At one point I questioned the minister in question period about a Tory-only access to lottery funds, and the minister denied that and said that perhaps people were mistaken and didn't understand and referred me to this "other initiatives" program, so I'm interested in it.

So a program you can't apply to, there's no criteria, and it involves large amounts of money. There is no question that the nonprofit agencies certainly have a need for money and would be applying for it. What I'm interested in and what my two questions are around is government transparency and accountability with this particular fund. For the groups that you started to list off to me in the earlier question, what was the determining factor in them receiving funds in this fiscal year, and who decides? Is there a recommendation to the minister? Does the minister decide? Does the deputy minister decide? Who's the decision-making factor here?

Those are my two questions. Thank you.

The Chair: Thank you, Ms Blakeman.

Mr. Cao, please.

Mr. Cao: Thank you, Mr. Chair. Well, first of all, just from the broad brush, my constituents thank you very much for the matching grants that helped the communities a lot.

I have two questions here. One is on page 44 of your ministry's annual report. This indicated that 47 per cent of Albertans are aware of the many good works supported by the Alberta lottery funds. So my question is: what is the ministry doing to increase this awareness and ensure that the grants are legally and properly spent?

My second question is looking at page 80, which is revenue, from your annual report. I just looked at the numbers to generate the lottery fund. It creates a small percentage of addiction, so what has your department done to ensure that this won't grow and to assist those who have an addiction?

The Chair: Thank you.

Mr. Goudreau, please.

Mr. Goudreau: Thank you very much, Mr. Chairman. I want to

refer to the Auditor General's report, page 128, but before I ask my couple of questions, Mr. Minister, I just want to commend you and your staff for responding to the concerns of the Auditor General from previous years and certainly the actions that you have taken on them. I see that the Auditor General did indicate that you had responded to the recommendations there.

On page 128 it does indicate again that your department should implement a process for timely monitoring of licensed groups' use of gaming proceeds. Basically, what is the minister doing about that? Certainly, there is a backlog in terms of the review of all of the recipients of funds. What's going to happen in terms of the process to catch up on that particular backlog?

Thank you.

Mr. Stevens: Mr. Chairman, I'll be happy to provide answers in writing to the last three questioners.

The Chair: Thank you very much, Mr. Stevens and your staff. On behalf of all members of the committee I would like to thank you for your time and attention this morning, and I wish each and every one of you the very best in the next fiscal year.

That concludes this portion of our meeting. Under Other Business the chair on behalf of the committee would like to thank Mr. Dunn and his staff for their excellent presentation to those who could attend on Monday, April 26, the briefing that was so needed and so well done by the Auditor General and his staff. Thank you.

I would like to remind all members of the committee that the date of our next meeting is Wednesday, May 5, 2004, and we're meeting with the hon. Premier, Mr. Ralph Klein, president of Executive Council.

Mr. Dunn.

Mr. Dunn: On that subject if I could just remind the committee members that we have a section called Executive Council but we also have a section called Cross-Ministry. So I'd direct your attention to look at Cross-Ministry also because we direct recommendations to the Executive Council in Cross-Ministry in there. You'll want to look at both sections because Executive Council on its own is a very thin section. Cross-Ministry has many other areas around the use of procurement cards, internal audit, and many other issues that may be appropriate to raise at that time at that meeting.

Thank you.

The Chair: Thank you very much, Mr. Dunn.

If there's no other business, and seeing none, may I please have a motion to adjourn. Moved by Mr. Ouellette that the meeting be adjourned. All in favour?

Hon. Members: Agreed.

The Chair: Those opposed? Carried.

Thank you very much.

[The committee adjourned at 9:57 a.m.]