

Standing Committee on The Alberta Heritage Savings Trust Fund Act

Thursday, September 4, 1980

Chairman: Mr. Payne

1:05 p.m.

MR CHAIRMAN: Ladies and gentlemen, I'd like to bring to order this meeting of the select committee. Mr. Notley will be returning to the Chamber shortly, as will two other members of the committee. But we will be under some severe time constraints later in the afternoon, so even though we are missing some of our members, I think it would be a good idea to proceed.

Therefore, Mr. Trynchy, on behalf of the committee, I would like to thank you and your departmental officials for joining us today. Perhaps, Mr. Trynchy, you could begin by introducing to the members of the committee those departmental officials you have with you. Following that, if you care, perhaps you could make some preliminary comments about the department.

MR TRYNCHY: Thank you, Mr. Chairman. On my far right is Jim Potten, Assistant Deputy Minister of Parks; to my immediate right, Tom Drinkwater, Deputy Minister. To my left is the managing director of Kananaskis, Ed Marshall; next to him is Bob Mitton, the planning director of Kananaskis Country. Behind me is my executive assistant, Terry Archer. That's all the staff we have with us.

Mr. Chairman, seeing as this is my first trip to such a special group, I didn't have any comments. I'd just like to say that we have two exciting programs that we're really pleased with, Kananaskis and Fish Creek parks. We're open to questions. Hopefully we'll have the answers you're looking for.

MR CHAIRMAN: Thank you, Mr. Trynchy. I just might mention to members of the committee that the relevant page references in the annual report are 10 and 11, the capital projects division, and then page 27, statement d, and finally pages 34 and 35, schedule 3 of the capital projects division investments. With that, I would certainly invite any questions on behalf of the members of the committee.

MR BORSTAD: I wonder if we might have the total amount expended to date on Capital City and Fish Creek. I haven't had a chance to read it because I've just had it handed to me. Also, when will they be completed? Last year the committee recommended that the other small centres and municipalities in the province have some program for them. I was wondering if you might comment on where that stands and if those recommendations have been considered at all at this point.

MR TRYNCHY: Mr. Chairman, in response I'll start with Fish Creek Park. Construction commenced in 1976; the projected capital cost is around \$16 million. This year's budget was \$6.43 million, and we hope to have it completed in 1981-82, with a further budget of \$2.77 million. In regard to Capital City Park, if my memory is correct, the total cost was approximately \$35 million; with the opening of Strathcona Science Park this year, that portion of it is completed. We have one outstanding position with Strathcona; we're asking for bids and submissions to operate the ski hill, and hopefully that will be under way and completed by this fall. The third question I think was in regard to your recommendation; as I read it, a recommendation in

establishing parks similar to those in Edmonton and Calgary in other centres in the province. It is under consideration, and I hope to be coming forward in the near future with a package that will be presented to Executive Council and caucus.

MR R CLARK: I'm sure the gentlemen from the department will be disappointed if we don't give them a chance to expound on how we're using that money at Kananaskis. Could we start, perhaps, by getting an update as to where we are, how much money we've spent, what the total cost is going to be?

MR TRYNCHY: Mr. Chairman, Kananaskis was commenced a few years ago. Our first year's budget in '78-79 was \$15 million. That year we expended \$12,071,000. In 1979-80, our second year's budget was \$24,316,000; \$23,201,000 was expended. In 1980-81, the budget was \$41,922,000; we don't know just what the expenditures will be. I understand we will not expend the total \$41 million. I hope to have that report in the fall sitting when I present the budget for this year. So the total budget so far has been \$81 million, and expended 12 and 23, plus this year's . . . The total cost to carry on is something we don't have finalized yet, but I hope to have it when I seek the House's approval of my budget this fall.

MR R CLARK: Mr. Minister, though, I'm sure, within reasonable range, you or your officials can give us a figure as to how much has been spent to date. The report here indicates that total investment to the end of '78. Well, the end of the previous year was some \$35 million. How much has been allocated for expenditure this year?

MR TRYNCHY: \$41,922,000.

MR R CLARK: Mr. Minister, do I read that then to be about \$76 million that's either been spent or been approved to be spent?

MR TRYNCHY: That would be correct. I don't think the \$72 million -- or \$35 million that's already been spent to March 31, 1980. Our budget for '80-81 is \$41 million; of that, we're probably in the \$30 million range of funds expended so far. So if you add 30 to that, it's about \$75 million.

MR R CLARK: Okay. Assuming we've spent \$75 million to date, how much more before the project is finished?

MR TRYNCHY: We're working on that now, as I mentioned previously. I hope to have that figure at the fall session.

MR R CLARK: Mr. Minister, I'm sure before the officials of the department went to the government, there was some ballpark figure. Now I don't have right with me the figures from when the program was announced. I could go back and get them, but certainly you, sir, or one of the officials, would have some kind of ballpark figure that was announced for Kananaskis Country when it was first announced, some two years ago. I'd be interested in knowing what that figure was, if it can be recalled. And then . . . Do we have the figure?

MR TRYNCHY: Yes. You mean the original figure? The original figure was \$40 million.

MR R CLARK: So we're at \$75 million now, are we? And how much more, Mr. Minister? Are we looking at another \$25 million before it's finished?

MR TRYNCHY: That could be a ballpark figure, if that's what you're looking for.

MR R CLARK: I appreciate that we're asking for estimates here, but we're looking then at \$100 million for the total project. Is that a reasonable estimate now?

MR TRYNCHY: Mr. Chairman, we must remember that when the original \$40 million estimate was made, it did not include any budgeting for roads. My information is that the road budget alone will be in the neighborhood of \$100 million to \$120 million. That would be over and above the estimate of \$40 million, plus all the other things we're doing that were not included. If you'll recall, the first budget included an 18-hole golf course, which has now been expanded to 36, and a number of other items.

MR R CLARK: Mr. Minister, then, could you give us a figure -- let's take the \$40 million that was initially targeted. Then let's add the \$120 million that you now tell us has been approved, or is a figure for roads. Are there any other major additions that we should add on, so we get some kind of feel for what the total overall package is going to be? We're now looking at about \$160 million, aren't we?

MR TRYNCHY: Well, we've added quite a bit since the original budget. The special user facility is something new, which will increase our estimates by probably \$11 million. We've added a number of more campgrounds and day use areas; we've expanded the trail program. I've mentioned roads. We expanded the golf course from an estimated \$3 million to over \$6 million; regional utilities have gone up somewhat because of inflation; the fish and wildlife improvement program will be expanded considerably over what was estimated. Just to give you an example, when it was announced, the program included some \$500,000 for fish and wildlife improvement; that's over \$4 million now. But those figures aren't exact. Like you say, they're ballpark figures. But that's where the expansion is.

MR R CLARK: Mr. Minister, I'm not used to dealing with these big figures. But are we being told now that initially when it was announced we were talking of \$40 million; but when it was announced, it wasn't made clear that the road program wasn't included in that. I think we're being told today -- and please correct me if I'm wrong -- that the \$40 million has gone up, likely doubled; then we have another \$120 million that we're going to need for roads, just in Kananaskis Country. I don't want to be unfair, but what was marketed to us initially was \$40 million. Are we now looking at \$160 million to \$180 million for this project?

MR TRYNCHY: Well, if you include roads, you're probably right on, yes.

MR R CLARK: So it's gone from \$40 million to \$160 million or \$180 million in the course of about three years. When do we plan to have it finished?

MR TRYNCHY: Well, maybe we should get back to the \$40 million. It hasn't gone from \$40 million to \$180 million or \$120 million, because you're looking at new projects and new additions. The project that was announced has increased slightly, but when you consider roads, which were never included -- you can't consider something that was announced and has now escalated, because it wasn't there.

MR R CLARK: Surely the government knew it had to have roads there to get to the place, for people to get around inside Kananaskis Country. I was out there not long ago, and I could see a lot of money had been spent on roads. I'd just look at it very simply and recall the \$40 million that was initially announced. I gave the government credit for including roads, for recognizing roads were going to have to be built. I don't generally give the government too much credit, but I did on that occasion. So if we include the roads and the things that have been added, and add those things -- assuming that we didn't know we were going to have to have roads, and we've added some things since then -- it's gone from \$40 million to \$160 million or \$180 million.

MR TRYNCHY: Well, that's where we are right now, but as I've mentioned, come fall session, I hope to have the total package that'll outline where we've gone from the first announcement, to the total commitment we expect we'll need to have this completed by the fall of 1982. That's our scheduled completion date that you asked about.

MR R CLARK: Two more questions, Mr. Chairman. Are there any other extras that we're considering now, or are we in a position to say all the things that -- and I appreciate that people come along with what appears to be a good idea -- but are there any other extras that the department is considering right now, or is the package finished, Mr. Minister, from the standpoint of facilities?

MR TRYNCHY: I hope to present a completed package in October when the House convenes, or whenever it does. When I ask for the budget for 1981-82, I hope to lay before the House the total package of what we've done, where we're going, and what will be there when it's completed.

MR R CLARK: So I take from that answer that there may be a few odds and ends as far as extras that the department is still considering, that will be finalized before October 15 or shortly after, when the minister makes his presentation to the committee.

MR TRYNCHY: Yes, that could happen. As a matter of fact, we could consider some more additions to our special user facilities, which I think we don't have enough of. So I think we could consider a number of things, and I hope to be able to come forward and lay out the package at the fall session.

MR R CLARK: Just one last area. I'm sure in the department's long-range planning, when it started Kananaskis Country, it had given some thoughts as to what the operating costs would be. I don't have the announcement in front of me, but once again, what were the projected operating costs at that time, on a yearly basis?

MR TRYNCHY: As I recall, Mr. Chairman, there was no operating figure in the announcement. The operating budget for this year was approximately \$8.6 million. But I don't recall an operating budget in the first announcement. I've read it, and didn't see it in there.

MR R CLARK: I stand to be corrected, then. I don't have the announcement in front of me. But surely the department had some estimates at that time for a \$40 million project. Did the department have estimates at that time as to what the operating costs would be? Logically, the next question of course would be, we've had the cost go from \$40 million to \$160 million or \$180 million; what's happened to the operating costs? And of course, if we've built \$120 million worth of roads, that's got to be part of this thing. What are we looking at now, as far as operating costs are concerned?

MR TRYNCHY: Mr. Chairman, as I mentioned, the operating costs for 1980-81 are \$8.6 million. When it's completed, we would envision the operating costs to be in the neighborhood of \$10 million a year in 1982.

MR R CLARK: We're looking at about \$10 million a year for operating costs?

MR TRYNCHY: That's right.

MR R CLARK: I don't think we ever got an answer to the question on whether the department did initial projections and what those projections were as far as operating costs, back in the good old days when it was a \$40 million project.

MR TRYNCHY: I haven't seen any projected costs at that time, so I'm not aware of any.

MR R CLARK: Mr. Chairman, would it be possible to ask the minister to check in the department and see if there were projections like that, and to see if we could get the information?

MR CHAIRMAN: I don't have any serious objection to the question. I do have some growing reservations about prolonged discussions on operating budgets, which really ought not be the focus of the attention of this group. Need I remind all committee members, of course, that investments out of the capital investments or capital projects division expended by the department are in the capital, not the operating area. With that proviso, I have no serious objection to the question.

MR TRYNCHY: I'll go back and get that to the committee in the next . . . I might even get it today if I can get back to the department and see if that was projected. I have never seen it. I don't think it was there. If it's there, I'll get it to you, Mr. Chairman.

MR NOTLEY: Mr. Chairman, I wonder if I could go back to the capital costs again. Mr. Minister, my arithmetic may be wrong; it has this as a somewhat higher amount. As of March 31, we have spent \$35,272,000. You indicate the budget for this year is \$41 million. If I am correct, you indicated a ballpark figure of another \$25 million to complete it. Is that correct? And then \$120 million for roads. So what we're really talking about is \$221 million. Just so there's no misunderstanding. If I'm incorrect in those figures, please correct me.

MR TRYNCHY: No, I don't think those are the figures I was using. I would say . . .

MR NOTLEY: Just so we're clear. We'll go over them then.

MR TRYNCHY: The total budget -- and we don't have that yet; you know, I can't give you what we expect it to cost, because we're just working on it. We hope to have that by this fall, but to my knowledge, from the information I've been studying and looking at, it's not \$220 million.

MR NOTLEY: We've spent \$35 million. You indicated to Mr. Clark that the estimate was \$41 million for this year, and then in answer . . .

MR TRYNCHY: That's just the budget. The \$41 million is just the budget; we will have expended about \$30 million.

MR NOTLEY: Okay. Then you estimate another \$25 million as a ballpark figure to finish it.

MR TRYNCHY: Yes.

MR NOTLEY: So we're looking at \$90 million, plus \$120 million for roads: \$210 million. Would that be . . . ?

MR TRYNCHY: You could be in there, yes.

MR NOTLEY: I guess the question I would have to ask the minister, Mr. Chairman . . . I look at the Capital City Recreation Park, a park that was developed in Edmonton and yet was very close to being on budget. Yet we have this absolutely incredible escalation in the case of Kananaskis. It seems to me that that indicates there wasn't sufficient planning in the conceptual design of the thing; otherwise there have been some sweeping changes beyond the original conceptual design. Because we have been fairly close to being on budget, and I gather we're even close to being on budget with this park to the north of Legislature. But here we go from an announcement of \$40 million, which was announced as a very major investment, an excellent facility, and now we find we're at \$210 million. That seems rather dramatically out of character with the other projects the department has been involved in, and I think we have to know the limitations in the original conceptual design of this, that we're that far out.

MR TRYNCHY: Mr. Chairman, I don't believe we're that far out. If we would have stayed with the original estimate, the original program, the original design, we'd be right close on. As I mentioned before, we've had a number of additions to what was planned. The \$40 million that was originally planned was just part of what we're doing. As I mentioned, we've expanded the golf course from 18 holes and \$3 million to \$6 million and 36 holes. So when you take in all the expanded programs we've initiated, we're not that far out. As a matter of fact, I don't know if you were here last fall when I presented the report to the Legislature -- and I can go back in *Hansard*. Most of the things we had done were on budget and on schedule. That hasn't changed very much since. But you're right on, we have expanded programs. So we're not talking about a \$40 million program any more; we're talking of a program of many more dollars.

MR NOTLEY: But I think the point is that when the announcement was made, Mr. Chairman and Mr. Minister, the announcement was made of a concept, Kananaskis Country. A dollar figure was given. Presumably, the department would have given a tremendous amount of thought to that \$40 million concept -- and obviously has, in other major projects. The Capital City Park is a clear example. But here we suddenly find not just some additions . . . The minister mentioned an addition that's been made to Capital City Park; fine. But additions of such a sweeping nature that what was \$40 million is now \$210 million.

MR TRYNCHY: Mr. Chairman, with all due respect, when you take roads that weren't in the original estimate at all, you can't consider that part of the program.

MR NOTLEY: Mr. Chairman and Mr. Minister, I don't want to argue, but is the minister telling us that when the original statement was made, the \$40 million did not include the roads; that the roads were an extra package, and at that stage, we didn't know what they would be? Do we have any estimate at that

stage? Did anybody in the government have any estimate on what the roads would cost?

MR TRYNCHY: I don't believe we did have an estimate.

MR NOTLEY: So we went into this project without a cost/benefit study, without any idea what the roads would cost, with a \$40 million budget that has now turned into \$210 million.

MR TRYNCHY: I don't believe the figure of \$210 million is accurate, because as you look at the \$35 million that's expended, the transportation portion of that is \$17 million. So that's included in it. So if you take the \$17 million off the total package, you're way down below the . . .

MR NOTLEY: We'll take that off, but I think you'd agree, Mr. Minister, that there's been an increase, probably larger than in any other project I can remember -- in terms of percentages, not actual dollars. I don't think there's been a project I can recall, in my years in the House or yours, where there has been this kind of sweeping change between the original announcement and what we get as a final figure.

MR TRYNCHY: Mr. Chairman, if you have a \$40 million package and you do \$40 million worth of construction, that's what you have. But when you increase the program double, if you double everything in size, good common sense tells me that that should cost double the amount. And that's what we've done. We've taken the program and expanded it, not because no thought was given to it, but because the need is there. We have our citizens' advisory meetings, and the response we've gotten from the public has asked us that what we're doing is great, only we have to do more of it. So we've expanded most of our programs. And in expanding your programs, of course, you expand the total budget. And that's what happened.

MR NOTLEY: Mr. Chairman, just one further question.

MR CHAIRMAN: Excuse me, Mr. Notley. Reluctant as I am to put any constraints on the discussions of this committee, there is now a certain repetitive quality to this line of questioning. The same question and the same answer have now been made three times. I wonder if we could add a new dimension to the debate by adding to or extending the question.

MR NOTLEY: The specific request I would make to the minister, Mr. Chairman . . .

The minister has indicated that there has been an increase. He has outlined that the golf course has been doubled, and that cost \$3 million. I wonder, Mr. Chairman, for the purposes of useful committee study, if we could have a complete list of all the changes, and an itemization of what the projected costs are, so that we can look at this intelligently.

MR TRYNCHY: Mr. Chairman, I hope to have that projected cost and a new sheet, but that won't be ready until the House sits in October, when I come forward with my budget for 1981-82. I wasn't aware that that type of information was necessary now, because I thought we were discussing what had been expended to date, and that's what I've come with. But that package will be available. It'll be done here in the House. I'm sure that you'll have ample time to debate the issue then, and I'll supply it. But I don't think I'll have it that soon, because it's not complete. But I will present it to all members just as quickly as I have it.

MR CHAIRMAN: The Chair is certainly supportive of the minister's response to that request for projected capital costs.

MR NOTLEY: Mr. Chairman, I would simply say that it is extremely difficult for us to view this kind of commitment from the heritage trust fund as a committee, unless we have a very clear idea of why the costs have escalated so substantially. In order to do that intelligently, we have to have a comparison of the original estimates and where the additions were made. There must have been some estimates for roads. I can't imagine, Mr. Chairman, that there wouldn't have been estimates for roads in a park of this size. It would obviously have been in some other department, but it must be someplace. So really, I'm somewhat at a loss here. Until we have this information, it is very difficult to seriously evaluate the program.

MR CHAIRMAN: If I could, Mr. Minister. I'm sensitive to the comments made by the Member for Spirit River-Fairview. By the same token, the committee does have at its disposal, in the annual report for 1979-80, those capital expenditures made during that fiscal period. As well, the committee has at its disposal or can obtain similar information for prior years, both from the estimates and previous reports of the heritage fund. So to that extent, such comparative judgments certainly are possible. As to whether a comparative judgment can be made based on projected capital costs, I have to accept the minister's response that that statistical or financial information is being assembled and will be brought forward, not only to the members of this committee, but to the entire House, at what I would regard perhaps as a more appropriate forum.

MR NOTLEY: I hesitate to differ with you, Mr. Chairman, but I think our mandate as a watchdog committee clearly is to review and judge and make recommendations and assess whether or not the investments have been made in accordance with the spirit of the Act. And before the Legislature this fall considers the appropriation under the capital works division dealing with further investment in the Kananaskis project, it seems to me that we as a committee have to satisfy ourselves that the information we have is accurate, and that we can make a judgment on what has in fact been done. Now, setting aside the \$25 million ballpark figure, which I am willing to recognize is not -- the minister may not have that available. We must, it seems to me, Mr. Chairman, have information in the department now on what the costs are of the projects that have already been authorized beyond the original concept. Because we've already spent substantial amounts and committed substantial amounts more beyond the original concept. We must already have that information. I can't imagine, Mr. Minister, that you would be going ahead without it. It seems to me that that's the kind of information we should get back to the committee before we prepare our report.

MR TRYNCHY: Mr. Chairman, maybe we could start back at the beginning. The original budget, the original program announced was \$40 million. In that was \$10 million for roads. It was \$4.6 million for buildings, \$10 million for campgrounds, \$6 million for trails, \$10 million for roads, \$3 million for a golf course, \$4 million for regional utilities, \$500,000 for fish and wildlife improvements, and \$100,000 for the Ribbon Creek alpine village planning. That was in there. But in addition to that, the road budget is an extra \$104 million, for a total road program of \$114 million. Now we can provide what we have done since last year, in our budget. We can provide the information on what has been expended to date; what we've done last year and this year. We can get those figures for the members. Sure, we can do that.



MR KNAAK: Mr. Chairman, I guess I was on a bit of a point of order, but I won't . . . I was just surprised at the two members in the opposition being so surprised at the expenditure, when in fact they approved this expenditure last fall in the session of the House. The whole Legislature approved the annual expenditure, and the minister fully explained that the program was expanding.

MR R CLARK: \$220 million?

MR KNAAK: Exactly. That was all explained. If you would check *Hansard*, I think you would see that you approved that or were absent during that whole sitting at that period.

MR R CLARK: You're wrong again.

MR KNAAK: Well, we'll see. But from the point of view of this watchdog committee, the Member for Spirit River-Fairview again showed surprise on all these things, and I see why. He was probably not aware of the discussions that occurred in the fall when the capital projects division was approved by the Legislature, and the expanded programs were explained. So in terms of the watchdog part, there are surely two aspects to it. When the capital project division expenditures are approved in the fall, the whole Legislature is the watchdog. We in the subsequent year assure that that expenditure is in accordance with the authority of the Legislature. And there's no reason to be surprised, since the expenditures were approved by the whole Legislature.

MR PAHL: Mr. Chairman, I was really on the point that has sort of been agreed to. I appreciate the minister's being forthright with his answers. There are grounds in the course of the committee . . . Perhaps I will look at the expenditures that have been approved to date and have an appreciation once more of the add-ons, the extras. As a committee member, I would hear whether we're dealing with extras or overruns. If they're overruns, I think we have a responsibility to ask why, and I think the minister would appreciate the opportunity to explain them. If we're dealing with extras, so be it. I think we have to realize that if you're building a road in the Rocky Mountains, it's quite a different matter from building it in Edmonton. These are the sorts of things that I think, without going forward, we could quite quickly go backward and have some appreciation of how the thing has expanded.

MR R CLARK: Milt, the location hasn't changed. Kananaskis is still there.

MR CHAIRMAN: Mr. Minister, it's my assumption that the undertaking you've already given to this committee would address the distinction raised by Mr. Pahl. Am I correct in that assumption?

MR TRYNCHY: Yes, Mr. Chairman. I only want to go back to last fall when I presented my budget of \$41 million to the House. I explained from start to finish what we were doing, why it was expanded, and where we were going. I received no questions, no debate on the issue. That was spelled out. I have that information here. I didn't bring the information on what has happened since then until now, because I didn't think that was what the committee was looking for. I expect to have that report ready for the House this fall. I have said that in my estimates. And I recall the Leader of the Opposition suggesting to me that I was sneaking something through, because I stood in my place across the way and said that Kananaskis will be presented and the total cost will be there. I included in my talk that the cost will be considerably

higher because we are putting in new programs and some inflation. I will live with that, and expect to get back to the House with that.

MR R CLARK: Five times is somewhat better than inflation. You know better than that.

MR TRYNCHY: But certainly, Mr. Chairman, what they are asking for is not unreasonable, and if they will bear with me until the fall sitting when I come back with the budget, we'll have every cent there that we've expended to date, where we're going, and why.

MR NOTLEY: Mr. Chairman, following Mr. Pahl's suggestion, I really think that the request for that additional information . . . If the minister can supply it, we as a committee should have an opportunity to review it. I think the point that is made is: are there additions or are there overruns? And if there are, the minister should have an opportunity to come before the committee. I would like to suggest that when the minister supplies that information, we review it. And if it's appropriate that the minister should come back, then we invite him to come back. And I'm sure he would like to take the opportunity to come back. So that before we make our report as a watchdog committee we've had an opportunity to go over the information that has been presented to us. Because you see, we have to present our report before we can even deal with the estimates this fall, and that's the way in which it's to be dealt with. To be fair to everybody, it seems to me that we should get that information, and on the basis of that information, we should decide whether we wish to have the minister back.

MR CHAIRMAN: I wonder if I could exercise my prerogative as Chairman, Mr. Minister. I want to be clear on what information it is that we are soliciting from the minister. I'll repeat my earlier observation about our interests being limited to those capital projects that are funded from the heritage fund. As well, I would like to remind the members of the amendment to The Alberta Heritage Savings Trust Fund Act, Bill 77, which added this phrase -- and perhaps I could read 13(3) and then add the amendment and then come back at the subject. After the reference to the annual report being presented to the committee and the reference to this committee preparing a report, this is the description of the report that we'll prepare: "concerning the investments of the Trust Fund which may contain any recommendations of the Committee concerning those investments". To me that implies past history. And the amendment: "or any alternative investments". That is to say, the report prepared by this committee in the fall and tabled in this House will address itself or comprise recommendations which will relate to investments made in the past year, or alternative investments that the committee feels to recommend. Now my lingering question is: do our terms of reference, either before or after the amendment, give rise to or support for a request to a minister of the Crown for his projected estimates for the ensuing year, which are still in the process of computation and assembly? That is the question I would welcome comment on.

I have three or four hands. Perhaps I could start with Mr. Knaak and then Mr. Notley.

MR KNAAK: I'm going to speak to that and the collateral point that touches on that. The Legislative Assembly, which is paramount and certainly has a lot more authority than the subcommittee of it, approved a budget of \$41 million for this department. The minister has just told us that he's only spent \$30 million and does not envisage spending all of the remaining \$11 million. Clearly, as far as a watchdog committee goes, the minister is within the

budget, and in terms of the approval of the Legislative Assembly, there's nothing left to watch with respect to that item, because it has been approved by the Legislative Assembly. It seems this committee cannot go beyond into the approval of the legislative committee on that \$41 million, because the members opposite, who are raising the question, in fact approved that budget.

In terms of the terms of reference, the way I envisage it now is that the amendment is in fact a replacement of a former section. It now authoritatively sets out the authority or the parameters of this committee. I think this committee, having been instructed by the Legislature as recently as last fall that these are its guidelines, must confine itself to those guidelines. The committee is envisaged to check, to watch, to question the investments of the various ministers and departments that were authorized by the Legislature from the year before, and perhaps even going back a ways. But it is the function of the whole Assembly in the fall to examine and question future expenditure when the minister comes down with the budget. It's not for this committee to usurp the function of the whole Legislature. And the Legislature as a whole becomes the watchdog of the capital division when the budget is proposed in the fall for those investments. So I must say that the watchdog aspect of this committee is to assure that the investments authorized by the Legislature were in fact complied with. In other words, it's an historical kind of assessment.

MR NOTLEY: Mr. Chairman, I thought for a moment Mr. Knaak was going to do an end run around this, either looking into the future or looking into the past. I can agree with his last statement, but because I agree with his last statement, I differ with his first set of observations. Because the Legislature approved the capital works budget last fall does not mean that we have no right to question how that money was in fact spent. Whether it's under budget or over budget is irrelevant. We not only have a right to question how that money was invested; we have a duty to question how it was invested. And if there are overruns or additions in certain areas, it is perfectly within our purview to assess those overruns or additions within the budget. That being the case, the information I requested was not to ask the minister to 'guesstimate' on what may be added in the future, but to bring us the information -- which he's agreed to do -- on the estimates they already have. That is clearly consistent with our watchdog function. With great respect, there would be no point in having a watchdog committee, Mr. Chairman, if we didn't have the clear responsibility to look into it. And just because it may be slightly under the total amount we authorized doesn't mean it's *carte blanche*. I mean, if you were to take that argument, there'd be no point having a Public Accounts committee, because you could say, well, the Legislature authorized that money, and it was \$2 million or \$3 million under budget, so we won't go into the judgment of it from a Public Accounts point of view. Nobody would even begin to accept that as a reasonable argument. Similarly, in this case, whether it's over or under the budget is beside the point. The point is that we have an obligation to look at how that money was invested, and whether it was invested prudently or not. We may have different opinions on whether it was invested prudently, but surely we can't really assess it until we get the information that the minister has already promised to provide us with. I say again, just so there's no misunderstanding, we're not talking about 'guesstimates' in the future. We're talking about the commitments that have already been made and the decisions and the budgets that have already been drafted. Then on that basis we're in a position to decide whether we wish to have the minister back for further discussion.

MR TRYNCHY: Mr. Chairman, can I ask a question? There's some confusion here. At least I'm confused. How do I present my estimates, my reports, when I'm in

the middle of a year? Are the members asking me to come back with what I'm doing this year or what's been completed? Is this committee interested in what I'm doing currently or at the year end of last year, because it just doesn't make sense that I'd have to report to this committee in the middle of a year. I can't get that information. But I can come back with anything they want at the end of our natural year. That's here and that's what we should be discussing. I don't think we should be discussing what's happening in the current year's budget when you still have until March 31, 1981, before the year ends. If that's the case, it's something different from what I've been accustomed to in this House for the last 10 years. So could I get some correction on that, or some idea of what we're asking for? I can see some difficulty in my trying to get to the committee a report on a year that's half completed, six months into the new year.

MR CHAIRMAN: Mr. Minister, I do appreciate the question. I understand the question, and I believe I have briefly indicated my own feelings on the matter. But before elaborating on my feelings, I would welcome some further comment by some members of the committee who may not yet have spoken to the question.

MR R CLARK: Mr. Chairman, I'm reacting directly to the minister's question. Mr. Minister, far be it from me to pass a legal opinion, but legally, sir, I suspect that you're right that you have a responsibility to account to this committee as of the end of last year. But I think you'd be well advised, Mr. Minister, to follow the action of most of your colleagues, when they make as much information available to the committee as is possible. For example, this morning the Minister of Housing and Public Works told the committee that this year, as a result of new programs initiated, Alberta Housing Corporation and Alberta Home Mortgage Corporation are involved in virtually half the housing starts in Alberta, as a result of the initiatives taken this year. But I think legally the door could be shut off -- and I'm not suggesting in any way that that's the intention, Mr. Minister. I would hope that the minister would be in a position to be able to share with the committee basically, legally what has to be done, from previous years, but level with the committee on what's happened this year. Because I would hope that there may be some areas that the committee can make recommendations in to enable the minister to come to grips to problems, if there are any, with regard to the work being done. From my own point of view, I want to make it very clear, Mr. Chairman, to the minister and members of the committee, that -- and I don't want to get involved in the legal niceties of the thing -- it seems to me what we're really talking about here is a project that, when it was sold to the Legislature initially, was going to cost \$40 million. I don't know why it's escalated so much; there may be good reasons or not. I may have been neglecting my responsibility to be in the House, and I may not have been. But the fact is that we've seen that kind of escalation, and if this committee doesn't comment on it in this report, then it seems pretty obvious that this becomes . . . At least that's a judgment the committee has to make a decision on; you know, how do we feel about that kind of thing happening? I suspect we have different views within the committee. That's why, from my point of view as legislator and a member of the committee, I think it's important we know why this has changed so much.

MR PAHL: Mr. Chairman, I quite agree with the minister's frustration, and I think Mr. Clark quite accurately reflected the position of the minister. I would be perfectly content -- and I thought my original suggestion was to this effect -- that we really look at our terms of reference and look at the picture up to March 31, 1980. Surely, within the context of the total

expenditure to date of \$35.3 million, as opposed to the earlier estimate, we as a committee can learn and get an appreciation of what's extra, what's additional, and where the project went, without trying to ask the minister to do impossible things at mid year or crystal ball ahead. I think the committee's responsibilities will be well served by seeing the variances that have shown themselves in the period of time with the year ending March 31, 1980. I feel I could satisfy myself, as a committee member, as to whether we're talking about expanded programs and services for Albertans or a management problem or whatever. I suspect that if the minister dusted off some information he's already presented to the total House and to the Public Accounts committee, we could probably assure ourselves that our function has been well served, simply by reviewing this and giving ourselves that assurance that we understand what's happening and it's an appropriate response.

MR KNAAK: Mr. Chairman, I just wanted to clarify this question of escalation. I guess the point I was trying to make was missed. There's no escalation in costs when in fact the Legislative Assembly as a whole approves new and expanded projects in an annual budget. This is exactly what's happened here with Kananaskis Country. Every year the project is reevaluated, and the Legislature as a whole, including opposition members, has approved the expanded program. There's no escalation. It's just an improvement of the project.

MR NOTLEY: You don't know that, do you?

MR CHAIRMAN: Any further comments? Did you wish to make a comment, Mr. Minister? Otherwise I am prepared to try to bring this discussion to a consensus, for your benefit.

MR TRYNCHY: I understand what they're after. Your committee would wish to have a report on what has escalated for the year end, March 31, 1980.

MR R CLARK: Recognizing that you're doing that of your own volition.

MR TRYNCHY: In *Hansard* last fall I outlined specifically all the programs, where they were, on budget, expanded, and what have you. I could do that again. I want to say again, Mr. Chairman, that I'll have this, but I don't believe I can get it in time, before this committee adjourns. If I'd have known that's what you wanted, we could have had it, but that isn't my understanding. When I looked at your committee's function, you were to ask me questions on the last year end and March 31, 1980 -- it's not completed yet. So that's where we are. I'll get the information to you, Mr. Chairman, and you can distribute it. I'll have a full package for all members in the House in October or November, whenever we convene.

MR CHAIRMAN: I'm sure that's agreeable to the committee.

HON. MEMBERS: Agreed.

MR CHAIRMAN: Any further questions for the minister? Mr. Minister, on behalf of my colleagues in this committee, I would like to thank you for this very pleasant after-lunch chat. *laughter* I would also like to thank your departmental officials for the time they've taken away from their departmental duties to be with us here today. We'll look forward to the receipt of the information you have kindly offered to provide. Thank you.

MR TRYNCHY: Thank you, Mr. Chairman, I'm glad that you're thorough, and I commend your committee for being as aggressive as you are. I can assure you you'll have your answers.

MR CHAIRMAN: Before our midday adjournment, I circulated a copy of a letter received from Mrs. Hunt of Kinuso, Alberta. Were any members here now not there when I did so? Does everyone have a copy of this letter from Kinuso? As members will be aware, two weeks ago I received a request from the Local Land Development Committee in Kinuso, Alberta, with a suggestion that this committee make the equivalent of a field trip to Kinuso to look at the Frost Hill reforestation project. Mr. Notley, if my memory serves me correctly, prior to adjournment you had suggested you might, at midday, attempt to reach Mrs. Hunt, so you could bring us up to date on whether this request is still feasible.

MR NOTLEY: Mr. Chairman, for several members who might not have been here this morning, on the 15th of August I attended a meeting held in Kinuso with respect to the Frost Hill reforestation project. Subsequently a meeting was held between officials and local farmers. The gist of that controversy surrounded a reforestation project funded by the heritage trust fund. It involved a very contentious land use question, as to whether this land should be used for reforestation or whether substantial amounts of it should be used for homesteading. In a sense, the reforestation is a direct responsibility of the committee because we did approve the funds, but we've also made recommendations on several occasions concerning homesteading. So really both areas surfaced at the meeting.

I thought I would call Mrs. Hunt because there had been a meeting with the officials. The minister, Mr. Miller, alluded to that meeting, you may recall. I felt it would be appropriate to call Mrs. Hunt because this was written before the meeting took place and before our last meeting of the committee, to decide whether or not the invitation still stood and whether or not they wished us to come. She strongly advised my office that yes, the invitation in fact did stand, that, while there was an agreement with respect to a small part of the Frost Hill project, the major project is still a matter of concern to people in the area, and the land use conflict between agricultural use and reforestation is still very much a concern; and that she wished her invitation to stand. So that's where the matter now sits.

MR CHAIRMAN: Thank you, Mr. Notley, for bringing us up to date. On the assumption that committee members have had an opportunity to read that letter, I would appreciate a discussion of the committee's perceptions of its implications and the feasibility of making such a trip.

MRS FYFE: Mr. Chairman, I guess it's appropriate that we discuss this, as we've had other suggestions that this committee meet with various groups looking for approval or disapproval of the spending of various funds. It's a very basic policy related to the function of our committee.

MR CHAIRMAN: Mrs. Fyfe, pardon one interruption. I would like to make a very important distinction between this letter and perhaps the Airdrie field trip that was made two years ago, and the Medicine Hat solar research proposal and other such proposals, the latter being an idea, a new suggestion for possible investment or expenditure from the fund, as opposed to the Airdrie trip or this Frost Hill reforestation project suggestion, which relates to past or ongoing projects being funded from the heritage fund. I think it's an important distinction.

With that interruption, please continue.

MRS FYFE: Thank you. I appreciate the comments you made on the distinction of whether we move into areas that have not been funded previously, or whether it's a review of projects that have been. Nevertheless, I think there is a basic principle that we have to determine this afternoon, related to how this committee reviews and evaluates spending within the fund. I think this committee does not approve projects *per se*, whether they're ideas or whether it is building of hospitals, or whatever. We are not approving; our mandate is to review the report and to review the fund. While I appreciate the concern of Mrs. Hunt and the committee she represents, I do not think this is the appropriate route to go, to have this committee to meet or to view the project. If we were looking at a project, whatever it was, as an example of something that perhaps could broaden the horizons and understandings of the fund, that would be a different matter and would probably fall into a classification that is certainly different from meeting with specific groups.

So I think Mrs. Hunt and the committee she represents does have access to the appropriate body that has approved this project, and that body is not this committee. I personally could not support this committee's going to Kinuso or meeting with the Local Land Development Committee.

MR NOTLEY: Mr. Chairman, just a couple of observations on the matter. In 1978, the committee travelled to Airdrie. We examined the Alberta Housing trailer park project there. I think all the arguments that Mrs. Fyfe has quite well put could have been made with respect to that particular field trip too, because the residents could very well have contacted Alberta Housing, the Department of Housing; in other words, there were the normal departmental and corporation avenues that could have been followed. But we as a committee decided in 1978 that, (a), the matter dealt with whether funds which we were obliged to be watchdogs over were spent efficiently and, (b), because that was our obligation, a field trip would be necessary in order to satisfy ourselves. By satisfying ourselves, it wasn't just a case of hearing the minister's or officials' point of view, which we did, but also to listen to complaints of local people who were the beneficiaries of this heritage trust fund investment.

Mr. Chairman, I think there are two questions here. The first is the principle involved. I think it is very important, as a matter of principle, that from time to time, where investments have been made and there are complaints about the efficiency or the direction of those investments, we undertake field trips, where we are invited, to listen to the people. We as a committee, quite properly, listen to the minister and to officials of the department, and that's as it should be. But from time to time in our watchdog role, I don't think it is inconsistent -- indeed, I think it is part of our watchdog role -- that we listen to the citizens.

As to whether or not this particular project fits the definition, I would argue that, yes, it does. We're talking about a project which is still under way, but a project where there had been planning and an investment of some heritage trust money, ultimately in the project but initially in the planning stage. We have received the invitation from the group. I would think there are several ways the committee could look at it. As we did in the case of Airdrie, we could all go down, or perhaps look at the idea of a subcommittee. But it does seem to me, Mr. Chairman, that the principle of responding to invitations is quite consistent with our role as a watchdog committee.

MR APPLEBY: Mr. Chairman, in reading this letter, to me one of the key phrases is "if the project is allowed to continue." I have some concerns about that particular phrase, because it would seem to me that if somebody is making a presentation like this letter requesting the committee to view this project, they would have elaborated on what their concerns are. Had they elaborated on

those concerns, it would give us as a committee the opportunity to, if we wished, following along the suggestion of the Member for Spirit River-Fairview to play the watchdog role in seeing if these funds are being efficiently, then question the responsible ministers when they come before this committee. If their concern is in the matter of public lands, we would question the minister responsible for that. If their concern is regarding the method in which the reforestation is being carried out, we would question the minister responsible for that. But the letter itself is a very, very sketchy document, and to me it doesn't give us much information to be able to base a decision on in this respect.

The approval for the program "maintaining our forests" was for re-establishing forests in areas where, for various reasons, fires or industrial clearing -- I think the other one is recreational uses, and there may be others -- have caused areas to be deforested. Certainly if there is a problem, either as far as the land use is concerned or the future use for forestry is concerned, it seems to me these concerns should be sent to the departments and ministers responsible. I wouldn't see that our position and function are to go out and make a judgment on something like that, certainly not at this stage anyway. If we were not satisfied with the responses we got to the questions after we had received more detailed information than this, then perhaps we would have some benefit from such a visit. But at this time I can't see the value of it.

MR BORSTAD: Could I just ask a question for clarification. I missed the first session, when Mr. Miller was here. It was my understanding that the land the people are concerned about, or portions of it, has been removed from reforestation. I think reforestation of renewable resources and farming are probably one of the two most important things in the province right now. It was my understanding that that land had been taken out and, you might say, was being considered for homestead land. Is that right or wrong?

MR NOTLEY: Mr. Borstad, that's the reason I thought it would be appropriate, so we didn't get into a wild goose chase, to get back to Mrs. Hunt. If it was fine with the people that the matter was redundant, there would be no point in discussing it as a committee. I think what happened is that the agreement was with respect to a thousand acres where the original work of reforestation was under way, and that would carry on. There was to be additional study of the rest of the land, so the rest of the land would not automatically go for homesteading. I think the concern of people in the area that prompted the meeting in the first place was the conflict between reforestation and homesteading in the entire area. It's my understanding that, while they appreciate the sort of Mexican standoff that took place at the meeting before our last heritage in that the whole thing wasn't going to be done, they still have very serious concerns about the reforestation project that they would like to present to the committee. So as a consequence, Mrs. Hunt has indicated she would like the invitation to stand.

MR PAHL: Mr. Chairman, I thought the hon. Member for Spirit River-Fairview made a good argument for the necessity for the committee, at some point in time, to take investigative field trips. I thought there was perhaps some confusion in his explanation with respect to a watchdog role versus an ombudsman's role. In listening to his argument, and I listened carefully, I still didn't hear from the member of this committee who obviously has the most information on this situation -- and upon this morning's discussion, it seems to me that a lot of it hinged on talking to the spokesperson of this group. He has indicated that she still wants to see us, and I can appreciate her continued interest in something that is obviously important.



area. But I haven't really heard from Mr. Notley whether he in fact recommends that we go and on what basis. Is it a watchdog function or an ombudsman's role? Could we perhaps more profitably spend our time with respect to the principles and direction of the fund, rather than redressing perhaps what is very, very specific and probably quite a technical decision that obviously the information hasn't been made on. I would appreciate if Mr. Notley would elaborate.

MR NOTLEY: Mr. Chairman, I have no difficulty elaborating. Yes, I think we should go. For the sake of clarification of the committee, I would move that we accept the invitation. The question of how that is accepted, whether by the entire committee or by a subcommittee, is a matter which I would leave up to committee members. First of all, I should make it clear that -- just in case there is any lingering feeling that this is a political set-up, it really isn't. As far as I know, people up there have no commitment to the political party that I represent.

MR CHAIRMAN: Perish the thought.

MR NOTLEY: Perish the thought. So what we have is a very contentious issue of land use. The reason I thought it would be appropriate to get back to Mrs. Hunt is that the local people had had a meeting with the minister on the Frost Hill question. It turns out that, while the meeting stopped the entire area from being put in the reforestation project, there is still a very strong concern in the area about the ongoing reforestation program in a part of the province that the local people allege and argue is suitable for agricultural purposes. So you have the conflict, Mr. Pahl, between those people who want it as a reforestation project and those people who want it as homestead sale land. They have a complaint about a heritage trust fund investment that is now partially under way. They have invited us as a committee, or a subcommittee of the committee, to come out and review that for ourselves. That's where it sits.

MR R CLARK: Mr. Chairman, I would just make two quick comments. I think as a matter of practice for the committee that after we make a decision on this matter, from here on we would be very wise as a committee to do any field trips we're going to do in June and July or the latter part of May, when the session is over, so we don't get field trips involved in the period of time when you're trying to get a report together, Mr. Chairman. As a committee it would be wise for us to make a decision of practice, if we want to put it that way, that the committee adopt the practice that any field trips we're going to take will be during that period of the year.

Having said that, and recognizing that we don't have that practice to date and haven't had it to date, as I recall this is the one and only request we've had for us to go and visit in an area. If it would move the discussion along, I would move that a committee made up of the Chairman, the Member for Grande Prairie, and the Member for Spirit River-Fairview contact these folks, visit the site, and come back to the committee -- if that will move it along. But I want it clearly understood by you, Mr. Chairman, and by all members of the committee that, from my point of view, I think we would be very wise to adopt from here on the practice of doing any field trips we're going to do during the period of time before we start to have our committee hearings and write our report, rather than during.

MR KNAAK: Mr. Chairman, I am still questioning the practicality of the committee taking field trips. It's true that this committee is a type of watchdog committee with respect to investments of the trust fund. On the

other hand, the whole Legislature is a watchdog committee when we sit in Committee of the Whole approving budgets. To me the principle suggesting that the Committee of the Whole take a field trip is no different from the select committee taking a field trip. Can you imagine the potential for field trips for the Committee of the Whole in relation to expenditures being approved by that committee?

The tradition, the way I understand it, other than that one field trip, which I don't think binds me as a new member -- I do like to listen to the people and like to be responsive to them, but I think it's impractical for us as a committee to respond to the varied requests that will probably come in if we make it a practice for the committee to view projects funded by the trust fund. To me funding by the capital portion of the trust fund isn't very different, in a conceptual sense, from some of the funding that the Legislature does. I just can't see why the same process can't be followed by individuals when it relates to investments of the trust fund as is followed by individuals who have concerns about other government programs.

So I would suggest that, notwithstanding any precedent, it should be an extremely, extremely rare situation that we consider a field trip of this committee, just as rare as a field trip of the Committee of the Whole Legislature would be.

MR BORSTAD: Mr. Chairman, I would have to support Mr. Appleby's comments. It seems to me that this is not a matter for this committee but for the MLA from the area and the department. It's a conflict of land use, and it should be handled there.

MR CHAIRMAN: Obviously we don't have much of a consensus with the seven members who are here, but let me summarize the discussion. Mrs. Fyfe initiated the discussion, indicating that she couldn't support either the principle or the specific request. Mr. Notley made comments as to the general principle of field trips, for which he was supportive, and then spoke to the specific invitation and was also supported. Later in the debate it was Mr. Notley who made a motion that we accept the invitation and that he would leave it up to the committee to determine how that could be discharged, either by the entire committee or by a subcommittee. Mr. Appleby summarized his concerns about the sketchiness of the details in this brief letter and felt it was difficult to make any kind of judgment with this inadequacy. Mr. Pahl implied support for Mr. Notley's comments on the principle, but requested some additional information from the Member for Spirit River-Fairview as to the circumstances that gave rise to this invitation under discussion. It was at that point that Mr. Notley made his motion. That was followed by Mr. Clark, who expressed his concerns about the matter of practice and suggested that any field trips in the future should be undertaken, perhaps at comparatively quieter times, i.e. June or July; then made a similar motion to Mr. Notley's, but got specific as to the subcommittee, I believe to be made up of the committee Chairman and Mr. Notley. Mr. Knaak indicated very guarded support for the question of field trips and that his support might be advanced only on extremely rare occasions.

With that summary of the debate, I will call for expression from the committee on the motion from Mr. Clark, which is that a subcommittee be struck, comprising the Chairman, Mr. Notley, and Mr. Borstad, to visit the Kinuso reforestation area and report back to the committee. Those in favor of this motion, could I see an expression by a raised hand? Mr. Clark and Mr. Notley. Those opposed? The remaining five. The motion does not carry.

In six minutes we'll be joined by the Minister of Energy and Natural Resources. I suspect that is not enough time for us to discuss the Medicine

Hat solar research proposal. Would the committee agree to my deferring our discussion on that particular matter until the next occasion when we meet?

HON MEMBERS: Agreed.

MR CHAIRMAN: Would the committee care to adjourn for five or six minutes?

HON MEMBERS: Agreed.

*The meeting adjourned at 2:26 p.m.*