

Date: 92/10/29

Standing Committee on the Alberta Heritage Savings Trust Fund Act

2:04 p.m.

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call the meeting to order to welcome the Minister of Tourism, Parks and Recreation with his department officials. We appreciate your coming before our committee, hopefully to give us a brief overview of the projects funded to your department from the Alberta heritage savings trust fund. Then we will entertain questions from the committee.

For the benefit of the committee, appropriate questions would be on the municipal recreation/tourism areas project -- that's the only one that received recent funding -- the urban parks program, and the Capital City recreation park.

Mr. Minister, if you'd care to give some opening remarks. Prior to doing that perhaps you could introduce your department people to the committee.

MR. SPARROW: Thank you, Mr. Chairman, and good afternoon, ladies and gentlemen. It's nice to be before the committee. This is the first time this minister has ever come before your committee, and I'm looking forward to the challenges.

With me today I am fortunate to have Peter Crerar, our acting deputy minister, right beside me; Barry Manchak, the manager of outdoor recreation facility programs; Fred Wilton, the senior facility consultant, outdoor recreation facility programs; next to him, Bob Turner, the director of finance and planning and administration; and Patty Walker, financial planning and monitoring.

We are very proud of what you've done with your funds by giving us the opportunity to help create a better life-style for a lot of Albertans with these programs. My ministry is involved with two programs currently that receive funding from the heritage trust fund: as you mentioned, Mr. Chairman, the municipal recreation/tourism areas program we're just winding down, and we're well into phase 2 of the urban parks program.

Over the last six years the municipal recreation/tourism areas, or MRTA, program, as we commonly call it, has invested some \$13 million in developing tourism and recreation facilities in all parts of the province. The program also offers these projects an annual operating grant of 20 percent of the original MRTA grant over the next 25 years, but these operating funds come from our general revenue fund. In the 1991-92 fiscal year 18 areas such as some municipal golf courses and campgrounds received MRTA assistance. The success of the MRTA program relies on the innovation and the participation of municipalities throughout the province, and the province benefits from a very significant leveraging because most of these sites were developed with local groups investing their time and sweat and effort to enhance the program to get leverage from it. Because the MRTA program is a partnership between the government and the grass-roots communities, Albertans are now enjoying some 274 new or improved tourism and recreation facilities because of the support of this program. Over the years it has done a very good job for a lot of communities and all Albertans as they are good destination points for people that live in the cities.

The other heritage savings trust fund project that my ministry is proud of is the urban parks program, phase 2. I'm sure you're all familiar with it. I'll take a minute to talk about it before I get into questions. The second phase of the program started three years ago as a means of supporting the development of park space in 11 major

centres around Alberta. In '91-92, \$8.7 million in heritage funds was directed to the development of these 11 projects and another \$150,000 was spent administering the program. Phase 2 spans 10 years, with a total of \$82.2 million in funding available to it. The five sites developed in phase 1 of the project were very well received, and we expect the same from phase 2 developments. These new park spaces will add primarily to the quality of the life-styles of all Albertans. In fact, both the MRTA and urban parks program provide a better quality of life for our citizens and leave legacies for future generations to enjoy, which is the mandate of the heritage fund commitment.

I know committee members are familiar with both programs, so I'll get right to your questions, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Questions from the committee? The Member for Edmonton-Calder.

MS MJOLSNESS: Thank you, Mr. Chairman. Welcome to the minister and his colleagues.

I will start here right off the bat. I'd like to explore the urban parks development funding a bit, if I may. I just have some general questions to start off this afternoon. I'm interested in knowing which cities under phase 2 have applied for the funding. It says they're eligible, and it lists the cities that are eligible for the funding. I'm not quite sure . . .

MR. SPARROW: All the cities that have applied have received funding to date this year, except Edmonton. With Edmonton there's just some paperwork; we know it's coming in. There's a delay in their application, but they will be receiving funds this year also. So all the cities that are in the program are in the process.

MS MJOLSNESS: Okay. Thank you.

MR. SPARROW: If you're interested, I could give you the total amounts per city. Would you be interested in the current amount for each city?

MS MJOLSNESS: Sure.

MR. SPARROW: Airdrie, \$114,345.50; Calgary, \$205,000; Camrose, \$1,057,435; Edmonton, \$713,750. Fort McMurray is well ahead in construction, and it's at \$2,033,105. Fort Saskatchewan, \$239,211; Leduc, \$1,702,317; St. Albert, \$988,464; Spruce Grove, \$586,082; Strathcona County/Sherwood Park, \$625,289; and Wetaskiwin, \$400,000, for a 1991-92 total of \$8,665,000.

MS MJOLSNESS: Okay. I think parks are very important for any city to have. I've been in many cities across the province and they've got some beautiful parks. I always feel there are never enough, however. I'm just curious to know in terms of how much money is allocated per city: do they put in proposals to the government? How does that process work?

MR. SPARROW: First off, Mr. Chairman, they have to do a plan. The plan is approved by the city council, then submitted to us. Then on each phase they ask for a portion of the funds, and they apply for that on an annual basis. Over the 10-year period that amount of money is guaranteed to them. In the early stages of the program it's very little. The curve is just hitting a peak now, and near the end of the program it will drop off again. So they can receive what they need each year, but they're encouraged to not request all their funds in one year. They get most of what they ask for each year though.

MS MJOLSNESS: The program will end in 1999. I'm just wondering, then: at that point in time will this program be totally discontinued, or are there plans to carry it on into the future? Have you thought that far ahead?

MR. SPARROW: That primarily would be based on this committee's decisions on how they spend their heritage dollars, if any, in the future. A prime source of funds comes from your committee, and we could definitely put a plug in.

Mr. Chairman, is it okay if I put a plug in to the committee for more funds? We have a park in northern Alberta that really needs development. Lakeland has the opportunity, maybe not in the next twelve months but in 1993-94, for real development for northern Albertans. We would like to see you keep that in mind before the end of the program if available funds are there.

2:14

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey, followed by Westlock-Sturgeon.

MR. JONSON: Thank you, Mr. Chairman, and good afternoon to our guests. Just a question by way of some additional statistical information. In terms of the urban parks development program, I think I understand the statistics here and the ones you gave, Mr. Minister. Is there any operating component provided for in the urban parks program similar to that of the MRTA program?

MR. SPARROW: Yes, there is. It is 3 percent of the capital funds excluding the cost of land acquisitions, but that only runs for five years, and at that time it would be reviewed again. The operating costs are addressed by the municipality that has the park. We try to encourage and work very hard in planning to try to have them develop parks so they can operate on a self-sufficient basis where possible. In phase 1 of the parks program, several communities were very effective in picking and choosing the type of product they built in their park which would create the least operating cost and allow tourists and local people to spend money when they're in the park to generate funds to operate it. So it is possible to design your parks on an operational self-sufficiency basis, and we encourage it in every community to try to eliminate that long-term problem we had several years ago. It was a real necessity because we designed parks and did not look at revenue generation within parks as being an opportunity, and we're doing that now.

MR. JONSON: Would it therefore be correct to say that the overall commitment to date under the MRTA program for that type of development is \$14 million and we'd be incurring an operating expense there of about 2 and a half million dollars per year and, with respect to the urban parks development program, the \$100 million to date is in the report and we'd be spending another \$3 million per year?

MR. SPARROW: Just a minute. We can find that figure for you. About \$3.8 million in operating for the MRTA will go on over numerous years. We're tied to that commitment.

On the urban parks program, it's unknown as yet because nobody has applied for it. It hasn't started and most likely won't start until they have completed their park, because they'd draw down 3 percent of the majority of the money, and that five-year period most likely will be after they've finished their park. So we haven't spent any operating dollars on any of the phase 2 parks. On the phase 1 parks, it's a contractual commitment of a percentage of the capital. It was

5 percent of the capital component not counting land acquisition, and that was not renewed with phase 2.

MR. JONSON: Okay. My final question, then, is with respect to -- since it's been raised here -- the Lakeland park development. What is the financing structure for it right now? What are the commitments that have been made? As I understand it, it's all over in general revenue. Mr. Minister, you have made the pitch for another park to be funded out of the heritage savings trust fund. What is the financing regime for that since it isn't coming out of here and you've mentioned it?

MR. SPARROW: At the present time we're just in the planning stages, the community involvement stages. We've gone through a massive process to get the park and recreation area set up, and the departments are all working with local groups and user groups to finalize what should be done. So very few funds have been spent other than planning funds. There is no designated fund in our A-base or in the heritage fund to develop the park as yet. We will try to accommodate some of it in our A-base, but we have very little capital. With the cutbacks over the years, very little capital is spent on park development, and the majority of our funds is for looking at maintenance upkeep and modernization of existing facilities. So if we develop new parks in the future, we've got to find funding for them.

We hope to develop, as we are encouraging the municipalities, identifying within a park area those economic opportunities that could be built by others and developed by others and go out for the request for proposals. We're doing that now in Fish Creek in Calgary, and there was a very good response to the project. Hopefully we'll have a lot better quality product down there for Calgarians and Albertans by allowing the private sector to develop through a lease basis. Numerous areas here in the city of Edmonton in their long-term plans could look at a similar thing.

We definitely will be considering that concept in our planning for Lakeland and will try to come back to you or the government for those types of funds for development of quality-of-life needs within the park that can't be financed through the private sector and/or others. If you can give us any ideas on revenue generation like special lottery funds to go toward park developments -- if you could convince that committee to send some our way, we sure could accommodate them.

MR. CHAIRMAN: The Member for Westlock-Sturgeon, followed by Bow Valley.

MR. TAYLOR: Thank you, Mr. Chairman. My first question: does this fund cover the capital cost of making over rural homes for bed and breakfast? Is this part of the program? It isn't?

MR. SPARROW: No. We don't have any costs for bed and breakfast there. If they do receive any funds, it's through a program called the community tourism action program in another section of our department. That's administered by TIAALTA, and decisions are made at the community level on what they do with their funds that are set aside for each municipality. So it's a different program totally.

MR. TAYLOR: My second question is . . . I'm sorry.

MR. SPARROW: It's a lottery funded program.

MR. TAYLOR: Yes.

The second question is with regard to the projects themselves when you fund a park or recreation facility here. Is the organization that receives the funds allowed to charge the public? If they are allowed to charge the public, is there any limit?

MR. SPARROW: Within the urban parks program, that is left up to the municipality. They are allowed and encouraged to at least try to accommodate their ongoing operating costs and eliminate that ongoing cost they have, because it is a municipal responsibility.

MR. TAYLOR: Yes. I can see that municipalities -- and of course I may be mistaken here. Are not some of these grants, though, to service clubs and organizations? That means that they could actually use them, if necessary, to have funds so high that they could generate funds for other projects. I was just wondering if there is any monitoring to see that the charge is never higher than the cost of operating and it's not used as a tax-raising thing to do something else.

MR. SPARROW: You're referring to the MRTA program. Yes, a lot of service clubs and local non-profit groups are involved. They are encouraged to charge, if they've built a campground, for instance, at least reasonable and equal to what the province is charging to try and get uniformity in the marketplace. Most of them charge just over the \$5 or a minimum charge, and they're monitored on an annual basis through one of our consultants. They have to give us financial statements of what they do with the operating grant we give them. If anything gets out of hand, I'm sure that consultant will be back to try to correct it.

2:24

MR. CHAIRMAN: Thank you.

The Member for Bow Valley, followed by Edmonton-Meadowlark.

MR. MUSGROVE: Mr. Chairman, I'd like to get back to the urban parks program. My first question is: is there any restriction on the size of a municipality that can apply for the urban parks program?

MR. SPARROW: Yes. When the program came out, it was announced that the limit was those cities above 10,000 in population. That covered all of the cities in the province that did not receive phase 1 programs. The phase 1 group was eliminated because they already had the program delivered to them. Previous to that program we did the Capital City program here in Edmonton and we did Fish Creek provincial park in Calgary. This phase 2 gives the city of Edmonton \$15 million over the 10 years to expand their parks and gives the city of Calgary \$15 million. So very specifically, those 11 communities above 10,000 were targeted.

[Mr. Jonson in the Chair]

MR. MUSGROVE: Now, I have to assume that the cities that received phase 1 then were ineligible for phase 2.

MR. SPARROW: Yes.

MR. MUSGROVE: I noticed the city of Medicine Hat was not involved in this one, and I do know that they were involved in phase 1. Is that the reason they were not included in this program?

MR. SPARROW: That's right. The phase 1 cities were eliminated from the phase 2 program.

MR. MUSGROVE: Another supplementary. Is there any basis of maximum by population, or is it based on the need within a certain municipality?

MR. SPARROW: I wasn't here at the time to make those decisions, Mr. Chairman. I think it was based on trying to get an equality to the cities above the 10,000 population area, and it was based on so much per capita in those cities. So each city is different, but it's based on their population primarily, like a lot of other government programs.

MR. DEPUTY CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you. Mr. Chairman, I note in the annual report on page 35 that the statement is made with respect to the municipal recreation/tourism areas program that with the assistance of this program, rural communities have been able to improve local recreation opportunities and increase tourism.

I wonder whether the minister has studies that indicate the magnitude of the increase in tourism.

MR. SPARROW: Not any specific studies tied just to that program. On a project-by-project basis we do have reports of what they have, but an overall study has not been done.

MR. MITCHELL: What support does the minister have for that particular statement so that we would know that in fact we're getting a reasonable return on this kind of program?

MR. SPARROW: Basically, their major source of information is through our staff and our consultant that visits the sites and monitors the program, from the communities through letters and support for the program, also through the MLAs that had the programs in their area. It's been very successful according to all that I've read since becoming the new minister of the department, but no specific studies have been done on this issue.

MR. MITCHELL: That causes me some concern when I see a statement this specific, a statement which clearly defends this program. I wonder whether the minister could provide committee members with some of that documentation so that we could see how it is that this evaluation is made.

MR. SPARROW: We could do that. In the files we do have letters and other things that show specific sites or municipalities that are happy -- that's the only monitoring -- and a report from our staff.

MR. DEPUTY CHAIRMAN: Further supplementary?

MR. MITCHELL: I wonder whether there's any indication of what the nature of these tourism improvements are. Is it tourism from within Alberta, or have these programs also led to increased tourism from outside of Alberta; that is, people coming into Alberta?

MR. SPARROW: The intent of the program originally was primarily to improve the quality of life-styles of Albertans and targeted the traveling Albertan and the resident Albertan that lived in that community. It's a plus for them if they get international tourism, but the majority definitely would be in Alberta. In the case of where they built campgrounds, that definitely was used by tourists in all markets, whether it's fly and drive or whether it's motor homers. Primarily the majority is Albertans and Alberta use.

MR. MITCHELL: On page 37 of the . . .

MR. DEPUTY CHAIRMAN: I think you've had your three questions, hon. member.

MR. MITCHELL: I thought that nobody else . . . I've had four.

MR. DEPUTY CHAIRMAN: Well, it's my ears, perhaps, but there are a number . . . Pardon?

MR. MITCHELL: Can I get back on the list then?

MR. DEPUTY CHAIRMAN: Certainly.

MR. MITCHELL: Thank you. Sorry.

MR. DEPUTY CHAIRMAN: The Member for Stony Plain, followed by the Member for Wainwright.

MR. WOLOSHYN: Thank you very much, Mr. Chairman. Welcome to the entourage of people from tourism, including the minister.

With the MRTA grants you're quite clear you're supposed to improve local recreation -- that's where you get your golf courses, I guess, coming under it -- as well as hopefully enhance tourism. I don't have a difficulty at all with that. The problem I have is: how much latitude are you prepared to give in assessing eligibility for a particular program? What I'm referring to is, very specifically -- and the minister has been there, I know -- the Multicultural Centre in Stony Plain, which partly fits this criteria, but once you get to the outdoor aspect, it doesn't. Is there thought given to being a little bit more flexible in grant applications of a special case?

MR. SPARROW: That has taken place in the past, but the program has totally been funded. Every project that's been approved is there, and we've got requests for funds for numerous projects throughout the province now that can't be handled.

They did in that case receive some funding. I don't know what the total amount was, but maybe we could pull it out of the records. Could you find that project? They did get some. If anybody knows anyplace where they could get some more funds, they're adding a major kitchen because our health authorities are saying that they're too successful in their operation, and they're feeding too many people with too small a kitchen. It's a nice, healthy place to be in, but it's going to cost them money to expand. Yes, they did receive \$50,000 through the program, and we're working with them now in their business plan to try to expand. It's a very excellent facility out there. If anybody wants a good home-cooked meal and you guys have got two hours to really enjoy it, that's where you should go.

MR. WOLOSHYN: Well, I guess I can take the initiative, Mr. Minister. We will jointly invite them out, because I think in this particular project we're on the same side. We'd like to see it go and see them improve. You are obviously correct with the health board's desire for different facilities.

MR. SPARROW: I would suggest you move your meeting out there so that you could get all the members educated in it, because it's an exciting project.

UNIDENTIFIED SPEAKER: Where is he talking about?

MR. WOLOSHYN: That's at Stony Plain.

The other. With your urban park program one of the concerns that I have is that each city that enters into the program becomes focused on one project. I don't care what the size of the city is; it really is quite immaterial. You'll find Airdrie's got their creek project, and Spruce Grove has got their walkways and whatnot. The concern I have is that these urban municipalities perhaps lean a little bit too much on the urban park development hope. What I'm alluding to: is there some direction from planning assistance or even in the granting process to get the cities to set aside other areas within the city for the future for parks specifically? You know, the funds aren't there to develop everything at once. The difficulty I have is that most municipalities start looking at things like schoolgrounds as a park area, and we have a river valley developed or a particular ravine as in the case of Spruce Grove. Using Spruce Grove as the example, they're at a perfect place in their history to set aside some raw land for a future development, whether it be 10 or 15 or 20 years down the road. I for one would like to see if they're going to be able to access these kinds of grants, especially with the fact that the other is a 10-year commitment, that there be a commitment on the part of the municipality to at least plan for, shall we say, an expansion of the park beyond its own little area; for example, in Edmonton the Capital City park.

2:34

MR. SPARROW: Yes, the land acquisition is a major cost in any park development, and the cities have had a lot of excess parkland in most cases that needed development. The majority of these funds we're targeting at their immediate uses rather than looking at long term. I know that in the case of the city of Edmonton they do have a lot of land that could be developed, and they've got a massive request in for future funds for development, not for land acquisition; they've already done the land acquisition side. Most communities spend most of their money on development rather than acquisition, although some of them have got caught like you suggested: didn't have it and they went out and acquired it. That's left up to local decision, to the municipalities.

They're encouraged primarily to look at the total overall design so that it is not too costly to operate. We encourage them to look at everything they put in that park before they build it, with reference to operating costs. Red Deer has done an excellent example of where they've actually turned their park into a good revenue generator, and I would say that it is costing nothing to operate because the revenue generation is there. They decided that was a criterion when they designed the park, that least operating maintenance be a criterion and revenue generation be a criterion. So they've got a good park that perpetually will have operating dollars generated for it.

MR. WOLOSHYN: Thank you. My final question is with respect to Fish Creek. Is the heritage savings portion of the involvement of that completed, and if so what is the total cost? Your comments that you alluded to earlier in your opening remarks were that you were encouraging the private sector to somehow get involved in that, and it just leads me to believe -- has the heritage savings trust fund portion been completed?

MR. SPARROW: Yes, it has. The \$17 million set aside has been spent. The city and ourselves have been working diligently, though, to work in the development of more trails, a bridge across the river, plus an 18-hole golf course. That was put out to the private sector for proposals. We've received numerous proposals, and we're working our way through the decision-making process with proponents.

MR. DEPUTY CHAIRMAN: The Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman, and good afternoon to the minister and his department.

Kananaskis Country I see doesn't have any spent dollars this year in the annual report. Kananaskis Country has always been fairly dear to my heart, the golf course that's there and the proposed development of the Evan-Thomas area for another golf course. I believe they did some of the environmental impact studies on that proposed project. Could you bring us up to date on that, please?

MR. SPARROW: Yes. Originally there were two sites being looked at in Kananaskis, planned for two 36-hole golf courses I understand. One was built by us, and the proponents came forward with a request for another 18-hole golf course on the second site. They did the EIA studies. They were asked to go in front of the new Natural Resources Conservation Board. They did so and had numerous intervenors. Just recently the decision from the board came down with conditions for development and approved their development. Hopefully, by spring they will be into the construction phase.

Unfortunately, they've run into a problem. It was just in the paper recently where one of the native groups in the area has under civic law tried to challenge the board ruling after they did receive the approval. We'll have to go through that process, which is holding it up. It looks like they're scheduled to go into construction next year with no government funding. They haven't made a request for any, and we don't anticipate there would be funds available if they did.

MR. FISCHER: Thank you. Last year I believe that our minister of the day mentioned that there were a bit over 70,000 rounds of golf on the existing course. Is there a big demand for this new course? How do we stand this year compared to last year or the year before? Is this course now being utilized to the maximum?

[Mr. Ady in the Chair]

MR. SPARROW: Very definitely it is, but I don't have any figures. Unfortunately this year, knowing the weather problems you Calgarians had, Kananaskis had the same wet June and early July, and they had the same snowfall in the middle of August. That cut back the number of rounds of golf on a lot of golf courses. As far as the demand, it definitely is there. When we completed the studies in the Bow-Canmore corridor, they showed that we immediately could handle at least four more 18-hole golf courses, with projection of another four or five within a short time frame.

Golf is becoming very definitely a tourism product, which we've not been able to sell. In '88 we could not find any open space on any golf courses in Edmonton or Calgary for tourists because it was all being utilized by their members and/or their members' families. We've been concentrating on development and promotion of golf courses throughout the province because that demand is so high by the users. We're finally getting a lot of progress there. From '88 to the fall of 1991, 56 new golf courses opened up in the province. They all have a lot of rounds of golf being played on them, and we're not getting any complaints from existing golf courses because they're all full too. So the sport is really rapidly growing. Projections are it will continue to.

There's a misnomer that this government has put a lot of money into golf courses. We haven't. Your MRTA program put a little bit of money into some of the municipal golf courses that were expanding throughout the province, and the community facility enhancement program put some money into municipal golf courses

throughout the province but not into any private-sector operated golf courses.

MR. FISCHER: Thank you. My final supplementary then would be: has the chairman of our committee made any special arrangements to expose this committee to the golf course down there now for further exploration and to see how it's working well?

MR. SPARROW: I think you've got a good suggestion. This committee, this province, has a big investment in Kananaskis. If you haven't seen it, there's no better way to see it than on the backside of a golf cart driving around the golf course. At least part of your tour should be that. If the committee wishes to have a full tour, we could accommodate you.

2:44

MR. CHAIRMAN: Thank you, Mr. Minister. I'm sure that the minister will pick up our green fees.

We recognize the Member for Edmonton-Meadowlark.

MR. MITCHELL: I'm sure that the Member for Wainwright would also like to try some of those remote camping areas into which he'd have to hike and tent in the elements. That would be an equally useful tour for us, I'm sure.

My first question relates to the Kananaskis Country development. I wonder whether the minister could indicate to us what return the province is receiving on the golf course and on the land that was provided for the construction of the hotels.

MR. SPARROW: On the golf course, a new contract was struck with them about a year ago. It is based on a percentage of gross sales. We receive some \$450,000 to \$500,000 per year on the average as Crown revenue.

I don't have at my fingertips the revenue from the hotels as far as the rental side of it, but we have to look at what a tourism facility does for the region, for the province. Whether it's a museum, a golf course, or what it is, the spin-off benefits are big in magnitude in comparison to the revenue on site. That's true with the Drumheller museum; it doesn't break even, but it does massively create a lot of spending by tourists in total in the city of Drumheller, for instance. The attractions that are built in Kananaskis -- because you don't have a charge for the trails, it does bring people, and those people using those trails and campgrounds and golf courses definitely do spend money in the region and in the province. It's a big generator for the tourism industry to have those types of facilities.

Sometimes we have a problem getting a grasp of why a government should spend money on an infrastructure like that, but if you don't have that infrastructure, you can't continue to grow with the tourism industry. It's a very competitive industry worldwide, and Kananaskis is definitely a worldwide attraction that can intrigue people to come just to see it let alone play the golf course, live in the hotel, or use the facilities. The wisdom in doing it years ago, when the heritage fund had the money, was a very wise move by my predecessors, because we're seeing the fruits day in and day out in an international tourism increase. It definitely is a worldwide attraction.

MR. MITCHELL: When is the current management contract for the golf course up, and what are the procedures for tendering its renewal?

MR. SPARROW: The second contract was negotiated with them about a year ago by my predecessor. I believe it's a five-year contract, and the revenue stream from it basically is based strictly on

a gross percentage of sales: the more money they bring in on a gross basis, the more we make. In all cases with our contracts in all of our parks, because we encourage the proponents to make improvements during the life of the contract, if they've been working, whether leasing a campground or running a golf course, the quality of their service and the amount of spending they put into the facility to improve the quality of the service is definitely looked at prior to going out for proposals. We have campgrounds being operated where the local proponents are building with their own money buildings that we can't afford to build in order to improve the service, and we encourage that.

MR. MITCHELL: There are those who are concerned that the ecological reserves program is stalled. Would it facilitate that program if heritage savings trust fund money were made available to it?

MR. SPARROW: No, it's not stalled. I have expanded the committee and extended the life of the advisory council and have made a commitment to expand the program.

We are presently working on three ecological reserves. We've just created Egg Island and announced it a few weeks ago. So now we're down to two of the original that are left, and in both cases they're in southern Alberta. They're being perfectly managed, according to what I find, by the existing ranchers in the way the department and all of us think they should be managed. It's a matter of having the management committee set up and doing a good management plan before we etch them in stone in the Legislature. I think that's one area where we've gone wrong in our style of management. Rather than creating the thing and then sitting down and seeing how we're going to manage it, you set up a management plan of how you're going to manage it and then create it, and you've got the co-operation and goodwill of those lessees and tenants. We're trying that approach on these last two so that they do participate in a better way than thinking they're being forced into it. We hope that committee then can look at several others that are being considered.

We're doing a protected areas paper with all the departments of government and working very diligently on a program towards looking at the year 2000 and the protected spaces. We'd like to do something that is made for Alberta and not just assumed as being what the guidelines should be from some group of outsiders. I think you'll be quite happy with the paper. I'm just about ready to put it out to the general public as a draft to have input. I did, in confidence, give it to one group, and they came back and said it far exceeds what really the endangered spaces program was trying to shoot for. We've added the tourism element to every one of them. We look at the economics of everything we do and the people usage of everything we do and not just at protecting or freezing land on the basis of freezing, because even on ecological reserves, Mr. Chairman, there are people uses. People like to go and see them and use them. You know, it's a very restrictive type of use for the public, but every one of our areas, whether it's a park or a wilderness area, is a tourism opportunity for Albertans. We're trying to show that balance in everything we do.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. A short one. In picking the projects submitted by the communities represented by organizations such as local service groups and civic officials -- I'm quoting out of the report -- we seem to go around the CRC committees in each one of those towns. They have their own community recreation. By doing so, I think that we're setting our

own priorities in Edmonton rather than out in the community. Why don't all these applications have to be vetted through the local group first before they come in here?

MR. SPARROW: Actually, they're all done in co-operation with the municipality. Whether they as a municipality use their recreation board's advice is their decision. Definitely the program is open for groups to come forward. We didn't specify that it had to be done by the municipality or that they would do them all. We wanted to make sure that the nonprofit sector in our communities had the opportunity to access it and to run it, and by doing that, you try to stay away from increasing municipal operating costs in the long term. That primarily was prior to my day. As minister I haven't seen an application, and we don't have any funds to look at, so it's a problem that some 725 decisions were made in the past. They've been made, and how they've been made, I guess, is history. If we have an expansion of the program, if that opportunity is there, we should maybe look at how to administer it differently.

2:54

MR. TAYLOR: I like your answer, the point that you might be looking at different ways, because I do believe the local recreation boards, the school boards, and everyone else had been overlooked in setting the priorities.

With that, that's all.

MR. CHAIRMAN: That concludes the list of questions that I have from the committee. We appreciate the minister and his department people coming before the committee, the information that they've given.

The committee will convene tomorrow at 9 a.m., when the hon. minister responsible for Seniors will appear before the committee. Mark your calendars 9 a.m., not the usual 10.

We'll recognize the Member for Wainwright with a motion for adjournment. All in favour? The meeting stands adjourned.

[The committee adjourned at 2:55 p.m.]