

Standing Committee on Public Accounts

Wednesday, May 18, 1983

Chairman: Mr. Martin

10 a.m.

MR. CHAIRMAN: I'd like to call the meeting to order. First of all, I believe the minutes have been circulated. Are there any errors or omissions?

MR. STEVENS: Mr. Chairman, I'd like to correct the spelling of my name on page 2.

MR. CHAIRMAN: Is your name spelled incorrectly? Okay. We wouldn't want that to happen, so we'll look after that. Any other errors or omissions?

MR. NELSON: I'll move adoption.

MR. CHAIRMAN: It's been moved they be adopted. All those agreed? Opposed? Carried.

To begin with, I would like to finish off what we were doing the last day. We'll finish section 2.8. Then I believe there is some information to come back from questions of Mr. Gogo and Mr. Stevens. We'll come to that after. Mr. Stevens, I had you down as wanting to speak on section 2.8.

MR. STEVENS: Mr. Chairman, it's perhaps difficult now to reflect on where we were. If I am correct, Mr. Rogers, you indicated that it was your belief, as indicated in section 2.8, that more measurements should be established for determining the effectiveness of programs. That's where we left off last week. Am I correct? That's the recommendation.

MR. ROGERS: Yes.

MR. STEVENS: The question I want to pose is this: measuring effectiveness in a government as opposed to, say, the private sector producing and selling chairs or whatever other factors can be measured, or in trying to determine that the balance sheet shows a profit as opposed to a loss -- there are many ways of measuring those achievements, successes or failures, in the private sector. It's very, very simply done: satisfied customers, profit, return to shareholders, lower turnover, and so on. It's very difficult to measure the success or failure of a program that does not create new chairs or new automobiles but is intended to provide a service or a program.

My concern would be in knowing more about where governments have established such measurement techniques. The ones I'm familiar with, in the federal government particularly, end up creating a number of new public service appointments or appointments to the Auditor General's office, or doing what the national energy program did to Alberta and to Canada. It established engineers and accountants counting oil but not involved in finding it. I'm concerned that the recommendation, without some idea of the concept and what it means, would leave the impression that this is a very easy thing to do in the public sector.

I'd like to have more examples of where it has been done. I know of many examples where it has failed. I would like to know where it is successful. If you have some ideas about the how, what, where, why, and so on, I think the committee should have some ideas of that. Too long an explanation may be required; you may want to provide the committee with some ideas or concepts.

But just simply to say, measure effectiveness -- you could say the voters measure the effectiveness. That's one very simple measurement every four or five years.

MR. ROGERS: First of all, Mr. Chairman, I agree fully that there's no simple, single answer. In the private sector, you do have the bottom line and, as you say, there are other indicators that can be used to judge whether an enterprise in the private sector has been successful and effective. This is a problem to which there is no easy answer when you are dealing with the public sector, the main purpose of which is to provide services to people and to manage the affairs of government.

There is a great deal of research, thinking, if you will, going on; not just in Canada but throughout -- I was going to say, the western world, but it's really throughout the world. There is an organization of auditors which usually includes the auditors of countries as opposed, in this case, to a province, that is trying to come to grips with this. They met recently in the Philippines. This has been part of an ongoing thing. They have been giving courses to nations in Africa and so on and so forth. But I'm not convinced in my own mind that what is being disseminated, shall we say, is really the answer.

The reason for this recommendation is to suggest that the government and the administration in Alberta look at this very carefully and very seriously with a view to trying to come up with answers that can help the Legislative Assembly look at what has been achieved with the funds they have provided to the administration to get a better feel for how the moneys are being spent and what is being achieved through the spending of those moneys. I suggest that this sort of information can only be produced by government. I don't think it correct that anybody, including the Auditor General, be in the position of, in effect, passing judgment or determining the effectiveness of government administration. I think the Auditor's proper role is to audit the systems that are in place within the government to measure or get some feel for the effectiveness. I don't think they're capable of precise measurement. In some programs, it's simply impossible to measure. But I feel that thought should at least be given to that whole process.

It is quite new. If you look at ongoing history, it is a product well within the last decade. I think anything that can give a better view of how or what moneys are spent should be helpful to the oversight and monitoring role which is inherent in the system that the Legislative Assembly has. I'm not in favor of the kind of approach that has been taken specifically in Ottawa, that involves a large number of people in the evaluation position. I think it can be less formal, less structured than that, and yet still be successful.

This is a very large subject to answer right off the top. I would like to come back to this committee, perhaps in the fall session, with some thoughts on paper which would perhaps go into more detail as to what has happened in other jurisdictions. I would then be happy to discuss these with the committee. I don't think I should deal with that just from memory. Mr. Chairman, if that is deemed adequate, I would like to come back.

MR. MARTIN: I'll follow up on that suggestion that in the fall session we come back with a more detailed analysis of the question. I take it that that would be agreeable to everybody here?

HON. MEMBERS: Agreed.

MR. STEVENS: I appreciate that, Mr. Rogers, because I'm sure all of us know how difficult it is, yet we want to be able to be part of the success story,

as would all Legislative Assembly members, for the responsibility and expenditure of funds.

In your assessment -- and these are just some notes that I've made; I don't recollect all the options. Perhaps some programs would benefit by strengthening management by objectives, MBO. I hope we still have some good MBO people with us. Some might be strengthened by program planning budgeting, zero-based budgeting. There are so many names and theories and all sorts of opportunities for us. Perhaps you might even comment on -- and it may be in here; maybe we're talking about this -- the Auditor General, the Ombudsman, and other tools the Legislative Assembly has to examine what's happening and to get a handle on it. Maybe there are other theories all our managers out there are using. In your assessment, I think it would be helpful, from my point of view anyway, if you could identify if there are areas or techniques we as a Legislature should be indicating to our officials: head this way, simply because of the rising costs of government and the people's ability to pay at the end.

Thank you.

MR. ROGERS: Just one comment on that. I think that there have been a number of instances of governments embracing a technique and then trying to make that technique do everything for all people. It doesn't work that way. I think perhaps the answer is the selective use of these techniques, depending on the program.

MR. R. MOORE: Mr. Rogers, throughout your report you stress the use of quantitative information. Is this the right emphasis to place on a lot of programs such as, say, social services, education, or human relations counselling? Do you feel that quantitative information can be applied in these areas?

MR. ROGERS: Along the lines of my last comment, I think it has a place in certain programs but not in others. I think it would be inappropriate in some programs. But, for instance, in the Housing Corporation where they are building houses, I think that knowledge of the number of houses planned to be built in a year, and then at the end of the year how many were actually built and the cost per house, is additional, quantitative information that would be helpful in decision-making.

MR. R. MOORE: A supplementary, Mr. Chairman, to follow up on these reports. We see a lot more emphasis placed on specific, in-depth reports. I'm concerned about a cost factor. Once you go into these in-depth reports, it's a costly venture, especially when we take into consideration that a lot of this information is available from many sources within government and the departments. It's already there, already accumulated. Yet in your report, I read that you feel there's a need for more specific, in-depth reports. Do you think we can justify the cost that would be involved for the amount of information we would gather?

MR. ROGERS: If the information doesn't generate the opportunity to make savings or change direction, if you will, in the development of government programs -- in other words, is not worth anything -- then I'm the first to agree that they shouldn't be produced. But if that information is available in government departments and agencies, all I'm saying is that I think it should be made available in the proper form to the members of this House.

MR. CHAIRMAN: Do you have any further questions on section 2.8? Seeing there are none, we'll move back. I believe there is some specific information with

regard to questions Mr. Gogo and Mr. Stevens raised. I take it you have handouts on this?

MR. ROGERS: Mr. Chairman, I have this in written form. It deals with the question:

Why must the Auditor General express a reservation of opinion on the financial statements of The Canadian Association of Youth Orchestras, and how can such reservations be avoided in future?

While I did deal with this verbally, I think the written answer goes a little beyond the verbal response in that it points out that the significant proportion of the revenue, 79 per cent, was from donations which, by their very nature, are not susceptible to complete audit verification. For instance, there is no way that you can anticipate the reasonableness of the amount included as donations and, as I said earlier, it is standard practice in any organization which derives a significant portion of its revenue from donations that the Auditor does have a reservation of opinion. This is not a criticism of the organization being audited, neither is it a criticism of the staff or the records. It simply relates to the nature of the revenue that is not susceptible to audit.

Our experience in all these instances has been that the people concerned fully appreciated the reason for the reservation. It isn't the kind of reservation of opinion that creates disturbance, if you will, in the eyes of the people responsible. You see that they contain the paragraph

In common with many charitable organizations, the Association and Society derive part of their revenue from corporations, foundations and individuals in the form of donations which are not susceptible to complete audit verification. Accordingly, my verification of revenue from this source was limited to accounting for the amounts recorded in the accounts of the Association and Society. In other words, we accounted for all amounts for which they issued receipts. Certainly the reservation of opinion does not apply to those; it only applies to the possibility. As auditors, we have to recognize the possibility of donations being received and no official receipts issued. That is the one item.

MR. CHAIRMAN: Maybe we'll just stop there and then come back. Are there specific questions on the first answer?

MR. STEVENS: Mr. Chairman, I appreciate the additional information, and I think it was given verbally at the last meeting. I again indicate that it seems to me to be a negative way of reporting a positive event. That's all I was trying to say. I now understand better why an auditor must do that. I wish the additional information in today's material was somehow part of the report, but I'm not going to make an issue of it. I now appreciate and understand why it has to be said that way.

MR. ROGERS: Mr. Chairman, I will take that under advisement. When we are preparing the next report, we will no doubt have a number of the same types of reservations. We will take pains to give a fuller explanation.

MR. CHAIRMAN: Any further questions on this?

DR. CARTER: Mr. Chairman, through you to the Auditor General. I raise the question, is there any purpose in the Auditor General continuing to carry out the audit on behalf of the Canadian Association of Youth Orchestras? Can you get out of that and have your time directed to something else?

MR. ROGERS: Mr. Chairman, there are a number of these kinds of audits which, because the records are in effect part of the records of an institution -- in this case the Banff Centre -- that we are auditing in any event and they usually don't run to many hours when compared to the main institution, we have been requested by the institutions concerned to audit these while we are auditing the institution.

There would be a problem for someone else to do that audit. It is possible but, one, it is a very small audit for any firm to undertake, therefore the fees are quite low. The problem, though, is that in order to perform that audit, they would have to understand the system of the institution. The learning process alone would make it very difficult, I think, for them to even get an outside auditor. Therefore, more or less as a courtesy -- I am now speaking before the Auditor General Act was brought in in 1978 -- for many years the office has "picked up", if you will, those kinds of sub-audits in the course of auditing the main entity. Consequently, when the Auditor General Act came into force, we went to the committee with the names of these audits. They are on page 84 of the report.

The total time involved can be arrived at. I do have that information ready to present to the next meeting of the Standing Committee on Legislative Offices. As far as I'm concerned, it's a matter of practicality from the fact that perhaps we're the only viable auditors, if you will, in these situations because of the circumstances.

MR. CHAIRMAN: There don't seem to be any further questions, so we'll move on to the second part on the Auditor General and the second question.

MR. ROGERS: Mr. Chairman, I suspected there would be a definition somewhere of what was meant by the term "bank" that appears in the Trustee Act. While it's not in the Trustee Act itself, of course the Interpretation Act does identify what is meant by bank. It means "a bank to which the *Bank Act* (Canada) applies".

My understanding is that originally there were six or seven chartered banks. That was at a time when the Bank Act precluded other banking activities but, as you know, the Bank Act was amended. I believe that all banks, of which there are 60-odd operating in Canada at the present time, and even branches of foreign banks have to, in effect, get a charter to be involved in banking business in Canada. I hope that answer clarifies the situation.

Similarly, subsection 25(1)(x) of the Interpretation Act identifies a trust company as meaning "a trust company registered under the *Trust Companies Act*".

MR. CHAIRMAN: Are there any questions about that explanation? Seeing none, I believe we've come to the end of going through the report, unless there are any other things that you want to add.

MR. ROGERS: I am prepared, Mr. Chairman, to deal with the next section which gives an overview of the financial statements. In view of the fact that we've not had an opportunity to look at the public accounts, it might be appropriate, if the committee so wishes.

MR. CHAIRMAN: We'll just look at the last part of it. Do you want to make some introductory remarks about this?

MR. ROGERS: I would like to, Mr. Chairman, if only to point out that since 1978 the province has adopted a different approach to the preparation of its accounts and, in effect, has led other jurisdictions within Canada in that it has adopted a private-sector accounting approach, which is to consolidate all the accounts of the various entities involved -- the General Revenue Fund is

one, the heritage fund is another, and many other entities -- the accounts of which are in volume 1, the public accounts.

The consolidated statements include the revolving funds, regulated funds, provincial corporations, provincial committees and, on an equity basis, commercial enterprises. Consequently, when these are all brought together, they show a picture for the year and at the end of the year of the financial affairs of the province taken as a whole. As you know, this is common practice when you have related companies, parent companies and subsidiary companies, in the private sector. We have followed the same general approach. I think this leads to a better and more understandable method of reporting, as we see here. On page 60, in effect we see the summary of the consolidated net revenue and net assets of the province for the year ended March 31, 1982, and the reported assets, liabilities, and net assets at that date with comparative figures for 1981. I won't go into the figures, but any questions afterward could be considered. I point out that in looking at these figures, one has to take into account a number of factors, and these are in 3.2.3:

The consolidation excludes the financial statements of the Provincially owned universities, colleges, hospitals and related funds listed under subsection 4.1.3 of this report. This is because section 2(5) of the Financial Administration Act exempts these entities from inclusion in the Public Accounts of the Province.

Of course, their operation has a direct fiscal effect on the province's finances.

The second one is that it excludes Pacific Western Airlines Ltd. in which the government has an almost 100 per cent shareholding. Right now that company has retained earnings of some \$70 million, and that is not brought into the consolidation. Because this has been the practice with governments, the consolidated net assets also exclude the value of the province's land, buildings, equipment, fixtures, and furniture. This is because the province is not in the business of selling these assets. For instance, this building would not be readily marketable but some of the assets are, such as, office buildings, et cetera. They are not reflected in the financial statements, and that is long-standing practice in the public sector.

However, the exception to this is the case of the trading organizations: the Liquor Control Board, Alberta Terminals, and the others listed halfway down page 61. I also point out, as mentioned in subsection 2.5.2 of the report, which talks of the liability for pensions, that is not taken into account in the overview on page 60. These are not criticisms of the province and the way in which it prepares its financial statements. Rather, they are explanations to be considered in understanding what these statements show.

Mr. Chairman, to give a better overview, on the following pages there are a couple of charts relating to the revenue and expenditure showing the percentage on a per capita basis and, on the following page, a similar chart on non-renewable resource revenue.

MR. CHAIRMAN: Are there any questions? Seeing none, is there any more . . .

MR. ROGERS: Mr. Chairman, those are the accounts of the province. Subsequently, the rest of the section deals with the General Revenue Fund and some overview comments, both as to a different explanation of income tax, for instance, and also explanations of the major changes from one year to the next; that is, '80-81 to '81-82. There are some comments later in the section on the heritage trust fund.

Mr. Chairman, are there any questions on the rest of this section?

MR. CHAIRMAN: Are there any questions on the rest of the section?

MR. NELSON: Mr. Rogers, in section 3.3.11 -- I can't recall; we may have dealt with this very briefly. It relates to liabilities that were incurred without specific legislation. I notice it refers back to section 2.4.5, Expenditures in Excess of Authorized Limits, and the \$6.4 million. These expenditures were expended prior to any votes. How do we normally handle these things as far as putting either a stop to it or -- how can they be recognized as to why they would be expending this kind of money? For instance, in one department nearly \$5 million has been expended without any authorization. How do we get the departments not to incur these expenditures until such time as they have been approved in the proper manner?

MR. ROGERS: Perhaps I should go back first and contrast what used to happen under the old system, prior to 1978, with what has happened since then, and the reason for the inclusion of section 32(4) of the Financial Administration Act. Traditionally what occurred is that funds were authorized by the Legislative Assembly, and the only reporting was of expenditures that were paid. This was not to say there were not unpaid invoices in drawers awaiting the new year funds, so they could be paid out of the new year. The result was that the goods and services that were acquired within a fiscal year did not necessarily get reflected in the public accounts for that year.

In 1978, when we went to the accrual basis of accounting, which means that the cost of goods and services employed during a year should be reflected in that year, it meant that these unpaid invoices, if there were any, had to be reflected as an overexpenditure. But they are not illegal.

You'll notice I use the word "specific" legislative and executive authority. In effect, there is authority provided under 32(4) of the Financial Administration Act that recognizes that this kind of thing can happen. Although it is reflected as a payment of the old year, their funds for the new year are reduced. This is a quote from the Act to clarify:

if the authority available is insufficient [that is, in the old year] may be paid and charged against a supply vote or a Heritage Fund vote or that part of a regulated fund made up of payments under the authority of a supply vote, as the case may be, for the following fiscal year.

But they are shown as expenditures in the year in which the goods and services were obtained. What is left, of course, is a sort of monitoring, which I'm only a part of. The bulk of the monitoring takes place through Treasury.

I believe it is the right approach. Sometimes these overexpenditures are unavoidable. I don't think it is planned. When all the payments are brought together, they find that the amount expended is in excess of the funds available. In other words, the commitments had been entered into without the ability to know whether or not there would be the funds to make the payments when the bills came in. When we are talking of improving the time limits of reporting, which is another section in this report that we referred to last meeting, one of the improvements in the system has to be the recording, if you will, of these commitments at the time the commitment is made, so that at March 31 the books show how much you've expended in the year, as close as possible.

MR. NELSON: Mr. Chairman, I guess the difficulty I have is when you see a department, for example, nearly \$5 million over. Even though there's an explanation that suggests production assistance, which could be anything, I wonder if there's any method in which that is examined to ensure, first, that the money is well spent. Secondly, what check is there to ensure that moneys over and above those that are approved in the estimates are not expended in

such a fashion that it's going to impact the following year's budgets for the programs that need to be developed for the citizens of Alberta?

MR. ROGERS: Mr. Chairman, I don't have the facts on the \$5 million overexpenditure at my fingertips, except that I know I did receive representations from the department when they knew this was going to be in here. I would like to bring this back to the next meeting, if I could.

MR. NELSON: Mr. Chairman, specifically I would like to have a look at that one. I think it's important when you have a \$5 million overexpenditure. It may only be deemed to be a relatively small amount in the overall budget. At the same time, where we've got large overexpenditures in a given budget year I think we should have some explanation as to why that was happening.

Possibly at the same time, Mr. Rogers, if I might, there are two other ones that bother me. One is the \$807,000 and the other the \$536,000 in the Government Services and the Solicitor General. Maybe at the same time, we can have those.

MR. ROGERS: I'll do so.

MR. PAHL: Mr. Chairman, in the interests of the taxpayers' time and money, I wonder if we might be able to have that back as a written report. If there's a follow-up requirement, we could then ask the Auditor General to attend to it at a subsequent meeting. I sense we're probably winding down in terms of the Auditor General's presence here, at least for the short term.

MR. CHAIRMAN: Would that be acceptable to you, Mr. Nelson?

MR. NELSON: Certainly.

MR. CHAIRMAN: So your suggestion is that it be a written report on the specific matters that Mr. Nelson has brought up. Is everybody agreed with that?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Are there any further questions?

MR. STEVENS: Mr. Chairman, I'm not sure if you are going to go on to other things, which we should. Maybe I could indicate something on behalf of the members here. I have not discussed this with you or the members. I think all of us in the Assembly, when we receive the Auditor General's report each year, do not have the opportunity to say these comments that I feel each of us feels. I think the committee would want to commend the Auditor General and his staff for the quality of the work we receive, the professionalism of the team that is there, the conciseness and clarity of the report and, last but not least -- and perhaps my colleagues here in the Assembly will have other comments -- the working relationship that the staff of the Auditor General has with the government of Alberta employees throughout and with those agencies and corporations we just saw the list of, that I'm sure none of us knew -- the fact that the staff of the Auditor General not only has that working relationship but maintains an impartiality and a fair review. That's how I express my feelings about the report and how well done it has been.

MR. CHAIRMAN: I can assure you of the co-operation I have received as a new chairman who knew absolutely nothing about Public Accounts. Mr. Rogers is

teaching me a lot, and I really do appreciate that as the chairman of Public Accounts.

MR. ROGERS: All I can say, Mr. Chairman, is thank you to all of you.

MR. CHAIRMAN: The last item I have, unless there's some other business, would be to determine who we want called before us on Public Accounts. We're all guessing how long the spring session will go on, but I think it's probably going to go on at least a couple of weeks. I think we're fairly safe in that. As I look back to find out how it was handled after getting through the Auditor General's report, apparently there was agreement that opposition and government members would alternate requests to bring different departments or groups to Public Accounts.

I have a letter from the office of the Leader of the Official Opposition requesting for the next meeting to have the Alberta Opportunity Company as the first group to appear before Public Accounts. I've sent a memo off to Mr. Moore, which I hope you have, as the vice-chairman on who the government people would like to bring as their first person. Mr. Moore, did you have . .

MR. R. MOORE: Yes, Mr. Chairman, I received your memo, and we agree wholeheartedly that the opposition should have the first choice of what department is going to be examined here, and then alternate with the government through the course of the hearings. Therefore, the department you're picking, I understand from your opening statement, is Tourism and Small Business. We're prepared to go with a second choice . . .

MR. CHAIRMAN: I'll ask Mr. Notley to explain what he would like, because the letter came from him.

MR. NOTLEY: The specific thing, so there's no misunderstanding, would be the Minister of Tourism and Small Business and the Alberta Opportunity Company. It would not be fair to have all the officials of the department; there are many, many branches. The specific concerns -- and I've talked to Mr. Speaker about this -- would be with respect to the Alberta Opportunity Company, which I note is listed on page 82 of the Auditor General's report, under Tourism and Small Business.

So our proposal would be the Minister of Tourism and Small Business and officials of the Alberta Opportunity Company.

MR. CHAIRMAN: That would be the first session. Did you want to give us some lead time, or did you want to think about who you would like to bring in two weeks from now? Or do you have a proposal now? We could give them a little more lead time that way. It's up to you if you don't want to do it until next week.

MR. R. MOORE: Mr. Chairman, I'm having a little difficulty with the interpretation by the hon. Member for Spirit River-Fairview. I don't see how we can pick a segment of a department without looking at the department as a whole, because it interrelates. It's my understanding that you pick a department and look at it as a whole, rather than pick here and there. I'd like to hear the feelings of the committee here on that.

MR. NOTLEY: Mr. Chairman, I think that that matter should be set straight right off the bat. That is not the tradition at all. The very clear tradition of this Public Accounts Committee has been to alternate choices between the opposition and the government, not in terms of departments but in

terms of areas of interest, which may include particular branches of departments. I would just remind members of this Public Accounts that for a period of six or seven weeks, in 1976 I believe, we dealt specifically with the operations of the Alberta Export Agency.

It has always been our practice to have the minister there, of course, but there is no point in simply dealing with an entire department. If the government members want to deal with other aspects of an entire department on a supplementary basis when it comes to their designation, I have no objection to that. But the tradition has been very clear that we select areas of interest and study so we don't just take a scatter-gun approach and we can examine issues in some detail.

So I'd like to make it clear that the opposition recommendation for the first area of discussion is the minister, to be fair to him, and the officials of the Alberta Opportunity Company. If the government members want to come back and deal with other aspects of Tourism and Small Business, that's totally up to them. But I would be very insistent, as a member of this committee for the last 12 years, that we follow the traditions of the committee.

MR. CHAIRMAN: I'm just checking with Mr. Blain what the Leader of the Official Opposition . . . In the past, that has been the tradition. You could pick specific areas.

DR. CARTER: Mr. Chairman, far be it from me to quarrel with both the Leader of the Official Opposition and Mr. Blain, but in actual fact from '79 until '82 we were going by department rather than by specific areas of department. It's been interesting for me to listen to the comments of the Member for Spirit River-Fairview as to what the tradition was prior to '79. I think there is some confusion as to what the real tradition has been. Nevertheless, I don't quarrel with the designation of what's to be discussed next week.

I don't think we've worked on the theory of one week at a time, but one has been discussing the topic area until we ran out of questions to be asked. In that regard I would take the designation as being notice that we could ask any question in that total department, but we realize of course that the focus is going to be primarily with respect to the Alberta Opportunity Company.

As a final comment, I really don't think we should be bound to what I find to be an excessively narrow interpretation of what the history of the committee has been, as given to us this morning.

MR. NELSON: Mr. Chairman, certainly there's no difficulty with dealing with one area. But at the same time, as an example, I have an interest in the tourism area. I have an interest in the Olympics and the Universiade as far as the government's participation is concerned. I would not like to be limited to those particular areas while that department head or minister is present. I feel that I would like to pursue certain areas in that too. So I think I've put on notice that if the minister is here and we're asking questions of Alberta Opportunity Company, the opportunity may be there to ask questions relative to the whole department.

MR. NOTLEY: Mr. Chairman, let's go back and ask ourselves what in heaven's name the Public Accounts Committee is for. Public Accounts Committee is not to be given a sort of general summary of what a department is doing. We have that in the estimates. Public Accounts Committee is to examine in depth the operations of the government of Alberta, and that means looking at branches in considerable depth. It is totally up to the members as to what they choose, and no one is arguing that the government members may not wish to pursue the broader aspects of Tourism and Small Business. That is, as far as I'm concerned -- and I think I could speak for Mr. Speaker as well -- not our

concern. When we get to the government's choice, whatever area they wish to pursue is reasonable.

What is important, however, is that when we have the opposition choice, in fact we can make that specific enough so that we have a thorough examination of that particular branch. I might just point out to members that during the term of 1975 to 1979, there were several occasions when we went into individual branches in exhaustive detail. I'm just going by memory here, and perhaps Mr. Blain or Mr. Rogers can correct me if I'm wrong, but I believe on the Export Agency the bulk of the spring session in 1976 centred on a very thorough examination of that agency. I think it was a useful and important exercise of the Public Accounts Committee.

Mr. Chairman, the point I want to make is that it's not fair to the department to have everybody here, from the deputy minister to officials in tourism to the whole range of people. The request of the opposition is that we deal with the Alberta Opportunity Company and we have the officials of the Alberta Opportunity Company and the minister here. If the government members wish to ask the minister questions, it's up to them of course. But in terms of facilitating the arrangements so we have the appropriate officials here, it is the designation of the opposition that it be the Alberta Opportunity Company and the minister.

MR. R. MOORE: Mr. Chairman, I have no qualms or argument with the majority of statements made by the hon. Member for Spirit River-Fairview. We're in agreement that you have that choice. We're one hundred per cent for you on that area. We welcome the fact that you pick an area to review, and you certainly have that opportunity to do it within the framework of a department. You can take any portion of it and look at it; that is the idea.

But I would like to point out that when we agree as a committee -- it's my understanding that the opposition picks the first department and the government picks the second department -- you make those choices not on behalf of the opposition or on behalf of the government, but on the behalf of the committee, that the committee as a whole will study that particular area. I think we designate the department, and we let you pick a department. Then it's up to the committee as a whole to examine that and pick what areas they like within it, once they're here and the people are here for us to question and hear their comments.

MR. NOTLEY: Mr. Chairman, just on a point of order, that I would like to bring to the attention of members. I think we should be very careful in reviewing the minutes; the minutes where the general policy was followed came as a result of a good deal of discussion. The minutes say that the committee, following some discussion, agreed that the opposition members and the government members would alternate in choosing the subjects that would be studied, with the opposition making first choice. We're not talking about departments; we're talking about subjects. That was a very deliberate decision by the committee, because in fact the whole purpose of Public Accounts is to discuss subjects. That obviously means that we would want the minister there. But I refer members again, so we don't get into a situation where we're failing to understand what the designation of the opposition is for the meeting next week. Our designation is the subject of the Alberta Opportunity Company, with the minister.

MR. PAHL: Mr. Chairman, I think we're all really on the same topic here. I guess I would point out to Mr. Notley that when we deal with subjects, we deal with people responsible for those subjects, and that means the minister. Therefore that means he has a responsibility -- maybe we're into semantics, but he has a departmental responsibility. Therefore it's like love and

marriage, we're not going to have one without the other. I think the minister responsible in this case will duly note the interest of the committee in the areas and will, I'm sure, exercise good judgment in bringing to the committee meeting those people who can answer the areas of interest noted and, if you will, the subject noted. But I don't think we can ignore the fact that the minister responsible for the department and the subjects of interest is called. He brings with him those areas of expertise that he feels are of interest.

I would also like to suggest that the other department which government members had an interest in was Economic Development. Would it be appropriate to advise both ministers and certainly make an effort either to have Mr. Adair, his department, and AOC officials here next time if they're available, but if they weren't would we call Economic Development or would we cancel the meeting? I guess I would opt for the opportunity to have whichever minister is available and go on that basis.

MR. MUSGROVE: Mr. Chairman, pretty well all I had to offer to this has been said. I don't quarrel with bringing Tourism and Small Business in, specifically for Alberta Opportunity Company. However, I believe when we're dealing with one department of the government, we should continue to deal with it as long as we have questions on that department rather than perhaps calling them back later during the session on some other issue. I feel that once we have started on an issue with one department, we should question all the issues that we have with it, including government members.

MR. R. MOORE: Mr. Chairman, just for clarification. The hon. Member for Spirit River-Fairview referred to the minutes and the word "subjects". I feel that designating Tourism and Small Business doesn't limit or take away in any way, shape, or form from this committee's examination of the Alberta Opportunity Company. It doesn't limit the discussion; in fact, it broadens our base of inquiry into it. It complements what the hon. Member for Spirit River-Fairview is saying. He wants to look at a specific area. But with the department being examined, it broadens his base for that inquiry and certainly would improve his opportunity to gain satisfaction of whatever concerns he may have related to that department.

MR. NOTLEY: Mr. Chairman, I'd like to thank Mr. Moore for his help. However generous that offer may be, the purpose of the Public Accounts Committee is to look at areas of subject matter. It may well be that the Public Accounts Committee will want to delve into that area in a good deal of detail, as we did in 1976, for example. Certainly no one is arguing what the government members may designate. That's fair enough. Whatever hon. government members wish to designate in this committee is totally satisfactory with the opposition members.

The key thing is that we have a policy: we rotate subject matter. We do not want to get into a situation -- let's be perfectly frank about it -- where we have the Minister of Tourism and Small Business before this committee and he decides who he brings. The fact is that the Public Accounts Committee decides the subject matter. It is a courtesy to the minister that the minister is there. The minister should, for all practical reasons, be there. But in terms of deciding the area of examination, it is the committee that decides the area of examination. I would not want a situation to develop where we found that we had three opposition members on the committee asking questions about the Alberta Opportunity Company and government members deflecting the issue to other areas. If we want to deal with the other areas, fair enough. Let's deal with that at the appropriate time, when the Alberta Opportunity Company issue is properly reviewed by the committee.

The purpose of the committee is to examine in depth, and we cannot have a broad approach when we're asking for a specific area to be studied. I want to make it absolutely clear that the opposition request is for a specific area to be studied. We want the officials of the Alberta Opportunity Company here so they can testify; we want the minister here so he can testify.

MR. PAHL: Mr. Chairman, on behalf of my colleague responsible for the Department of Tourism and Small Business, I think I can commit him to appear before the committee with his officials. I think that satisfies the need and we go from there.

MR. CHAIRMAN: What we'll have the committee rule on is, the Leader of the Official Opposition is requesting that we have the Minister of Tourism and Small Business and officials of the Alberta Opportunity Company appear at the next session, on May 25. All those agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Against? The motion is passed.

MR. PAHL: Mr. Chairman, I think it has also been a practice of the committee to have some regard for availability. I assume that's implicit in what the committee agreed to. I'll certainly undertake to determine that very quickly.

MR. CHAIRMAN: I understand if there's a speaking engagement. In that case, if they were not available, is there a department that we'd have a backup on from the government members? Mr. Moore, do you have people you want as your first group to appear before the committee?

MR. R. MOORE: We would like Economic Development to be considered or the Solicitor General.

MR. CHAIRMAN: Economic Development first. Okay, I'll follow up on that then. Would the committee agree that the following week, as long as we're in session, would be Economic Development?

MR. NOTLEY: Mr. Chairman, the normal course has been to explore concerns in a subject area until those concerns are dealt with, and then we go on to the next area of concern. So it's conceivable that it might just be a week; it might be two weeks, and we go on to the next area of concern. We rotate concerns rather than getting ourselves caught in an arbitrary time frame.

MR. CHAIRMAN: Okay. I'll give them a tentative -- that they have been requested, and give them tentative dates then. Is that agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Any other business before we pack it up early? Would somebody like to move adjournment? It's been moved by Mr. Szwender, seconded by Mr. Paproski. Agreed?

HON. MEMBERS: Agreed.

The meeting adjourned at 11:08 a.m.