

8:30 a.m.

Wednesday, May 15, 1991

[Chairman: Mr. Pashak]

MR. CHAIRMAN: I'd like to call this morning's meeting of the Public Accounts Committee to order.

The first item of business on the agenda is to approve the minutes of the May 8, 1991, committee meeting. Would anyone care to move the adoption of those minutes? Moved by Mr. Bruseker. Are there any errors or omissions? Are you agreed, then, that we adopt the minutes as distributed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed. Is there any business arising out of those minutes that anyone would care to raise? Hearing none.

First of all, we have with us from the Auditor General's department Mr. Jim Hug, the assistant Auditor General, and Mr. Bob Winnick, the director of audits. This morning we have the pleasure of having with us the Hon. Dennis Anderson, the Minister of Consumer and Corporate Affairs. I'd say welcome to you, Dennis, and invite you to make any opening comments you'd choose to make. Perhaps you'd introduce the two people from your department who are with you this morning.

MR. ANDERSON: Thank you very much, Mr. Chairman. I'd like to introduce first Mr. Dave Hudson, our Acting Deputy Minister of Consumer and Corporate Affairs, and on my right-hand side Don Woytowich, the executive director of finance and administration from the department who has been with the department for a long time and has done an excellent job, I might say, of trying to keep us on course in this regard.

Mr. Chairman, I think it's quite appropriate that the committee today discuss the estimates of the '89-90 year, because that was the year we initiated many of the directions which you see coming to fruition in this particular period of time. In that year from a pure dollars-and-cents point we had a 17 percent increase over the previous year, bringing our budget to some \$18,894,000. The accounts show that we ended up with a 1 percent surplus, and that was despite some significant programs, which I'll talk about in a minute, which were not originally accounted for but which we accomplished through changing priorities and shifting allocations within votes themselves.

In that year one of the more substantial areas of concern and direction was with respect to the financial marketplace. We started the financial consumer task force to look at the marketplace itself and how we might best deal with it. That included experts from various areas and citizens who could tell us what was happening in what has been and still is a very rapidly changing marketplace. That particular task force and some other activity has resulted in the Financial Consumer Act, passed in 1990, which was the first of its kind in the country to require basic information to be given to consumers during a transaction between a buyer and seller of a financial product. It was the first Bill we've had in the Legislature written in plain, understandable language and requiring such in those documents when people go to make that transaction.

Since that time, as I say, in that budget year those allocations assisted us in reaching that conclusion. With the Bill, it was not easy to write, because we did have to find individuals able to distill the legal words to understandable form and to investigate how we best could proceed in an area that nobody had proceeded in before. So that's an important part of the development.

The Financial Planning Advisory Committee was also dealt with out of that year's budget allocation. The financial planning area is probably the most complicated addressed in the Financial Consumer Act. It is still an area that isn't implemented in it, which we hope to do next year, but it has to bring together all the various practitioners in the field and has to establish standards that are good enough to make sure consumers have the information they need and the assistance required and know who they're going to, but flexible enough to allow for everyone from the lawyers who might give advice on financial planning through to those with little formal education in the area. Some standards would apply to all.

In the financial marketplace area as well this year was a continuation of the dramatic changes that took place in the Securities Commission. Committee members will recall that the decision was made to reorganize the commission, have the chairman and board act as a semijudicial body separate from the investigative and administrative branch of the agency so as to keep clarity there between investigation and prosecution. We also were in the midst of bringing the Securities Commission up in its level of activity to deal with the fast-moving marketplace. Since the '88 budget, I think it was, Don, we have had a 71 percent increase, if you include this year in that commission's budget, overall in order to deal with a changing world. To do that there were many adjustments. One will see in these public accounts estimates for that particular year a number of adjustments and moves as we tried to go through hiring competent people and dealt with contracts for a period of time and shifted priorities as we evolved that up-to-date system.

That year we also went through the research and planning necessary to make some substantial changes to the Securities Act. At that time we initiated the laws with regard to insider trading and takeover bids and evolved there, for example, maximum fines of up to five years in jail or \$1 million in costs, the toughest in the country. Of course, this year we are proposing to expand that with a Bill now before the Assembly and build on that year's activity with respect to it by expanding the misleading activity definitions and by including futures trading and a series of other activities that we've discussed in second reading of that particular Bill. Again, this year was in some ways a base year for that continued development that you see coming to fruition now.

Another major area which we took significant steps in during the '88-89 budget year was in fact the partnership plan itself. The partnership plan I've spoke of several times in the Legislature, but it is a recognition on our part that we ourselves are unable to deal totally with the problems in the fast-moving marketplace and all the needs of consumers as they move along and change at this time in our history. In this particular budget year we made a number of decisions which bring the partnership plan into focus; in other words, trying to encourage industry and consumers to work with government in using all the resources available to police, to educate, to license, and to deal with the marketplace overall.

In that year we established and worked through the concept with the establishment of the insurance councils, delegated some authority to them in those areas I've mentioned, policing and education and so on, with us still holding the regulatory authority and, of course, the superintendent who continues to watch that field. That seems to be working very well. In addition, in the real estate field we delegated some authority, not to the full extent of insurance. We are looking at continuing that, with consumers added to the boards in dealing with that policing and that education. I should mention that overall direction was

given that year that we not only expend the public dollars we had been given by this Assembly in terms of consumer education and development of consumer awareness across the province but encourage, work with, and even plan together with industries, volunteer organizations, and consumers to expand that network very dramatically. That has happened through a whole variety of programs, everything from joint consumer education programs with CFCN television out of Lethbridge on through to just talking numerous companies into giving out tip sheets or adjusting their return policies or in other ways either educating or assisting the consumer through the partnership plan.

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Again, more formal on that, we took a look at the automotive industry, which we have always had a lot of complaints with regard to, and established the Automotive Working Committee consisting of industry representatives and consumers. I tabled - this was in this year we're discussing - not more than a couple of weeks ago the results of that working group's report. They're now just completing their public hearings on the report itself, again recommending a delegated authority in many respects - half consumers, half industry board - which would regulate and assist us in catching bad apples in the industry. A similar report with similar recommendations has come, again in the last few weeks, from the funeral services committee which was established during that particular budget year, once more part of the partnership program we initiated at that time.

A couple of other significant items in that budget year. We established the volunteer incorporations Act committee. That is one where we haven't moved as far. We've certainly received the report. It's my opinion that while the people who did the report did an excellent job, the problems in radically changing that system at this point outweigh the benefits and we have to do considerably more work in that area. But that was initiated in that year as well, as was the committee on residential tenancies to deal with the Landlord and Tenant Act. That committee, consisting of two consumers and two landlords and an independent chairman who studied the residential tenancies area, held meetings, public input sessions throughout the province, came up with the report that we tabled last year in the Legislature and has resulted in some changes in the Landlord and Tenant Amendment Act which is now before the Assembly again for discussion. So once more the expenditure for the budget estimates of that year is coming to fruition in this particular year.

Also in that year we established amidst our network of offices that are there - to try and assist in developing and encouraging the fulfillment of all the department's objectives throughout the province, we expanded those to include a small office in Camrose and a small one in downtown Edmonton to try and deal with the problems more directly. There was, as well, a significant emphasis in that budget on education. There was an education task force established, chaired by Sally Hall, a former national president of the Consumers' Association, and consisting of representatives nationally of many of the financial institutions as well as other consumers. That group has been instrumental in rewriting and significantly changing a lot of material to meet the current needs on consumer education. Those again have been implemented to a fair degree in this particular budget year.

So overall, Mr. Chairman, I would emphasize once more that I think in terms of managing the dollars that were given to the committee, coming in with a 1 percent surplus in that particular year despite the number of new initiatives we dealt with in the midst of it, there was reasonable management of those dollars.

I believe it was a turning point year for significantly moving in a direction of partnership, of control of our financial marketplace, and assurance that we were keeping up with the changing times and dealing with expanding our responsibilities and our mandate on education and other areas with respect to consumer activity.

With those comments, Mr. Chairman, we'd be happy to try and answer any questions committee members might have.

MR. CHAIRMAN: Well, thank you very much, hon. minister, for that quite comprehensive overview of your department's activities for that year in question. I'm sure members of the committee will find much in your remarks to ask questions about.

For members of the committee, I had a number of members who didn't get into question period last day. I've kept that list, and I'll begin there.

Mr. Cardinal.

MR. CARDINAL: Okay. Thank you. My question is on purchase of fixed assets. On page 3.28 of public accounts there is a significant expenditure for the purchase of fixed assets in vote 1 and very little for votes 2 and 3. Can the minister explain why votes 2 and 3 appear to be overlooked in this area?

MR. ANDERSON: Mr. Chairman, vote 1 would be the natural place for us to deal with fixed assets - that is, the central support services for the network overall in the province - so the base computer operations and so on would be located in vote 1. Votes 2 and 3 would be the program areas and the network of offices, which would have some demands, but few comparatively, for the need for that central support service.

MR. CARDINAL: Is that the reason why there's an overexpenditure, then, of \$7,051 in purchase of fixed assets for vote 4?

MR. ANDERSON: Well, vote 4 is a good point, Mr. Chairman. Vote 4 deals with the Securities Commission, and as I mentioned in my opening remarks, we were amidst changes taking place in that commission, moving from one organization to a much larger and more intricate organization. The data processing needs in that area have been great to keep up with the computer transfers available in the marketplace and the demands of that financial market in that regard. That's one challenge we constantly have in the financial marketplace: keeping up technologically as well as in terms of the capability of our staff with the changes in that marketplace.

MR. CARDINAL: Okay. Thank you.

MR. CHAIRMAN: Mr. Thurber.

MR. THURBER: Thank you, Mr. Chairman. Mr. Minister, vote 2.0.4 on page 3.29 shows that the three regional offices - the Red Deer regional office, the northern region, and the southern region - have expended more than their estimated amount. Could the minister please explain to the committee the nature of these additional expenditures?

MR. ANDERSON: Mr. Chairman, in those particular regional offices - and I should have mentioned this in my opening remarks - largely in this department, which has a comparatively small budget to other departments, any small shift in a manpower need adjusts the bottom-line percentages to a much

greater degree than in, say, my former department of Municipal Affairs. In these cases we also have had to deal with, as all departments with restricted budgets have on a year-by-year basis, the lack of manpower dollars to be able to fully pay for the staff. We have banked some positions in anticipation of meeting a more restricted budget circumstance. So in these areas there are some changes.

I'd ask Don Woytowich if he has any further comments on the specifics of those areas.

MR. WOYTOWICH: Basically that's it. It's for the most part in the Red Deer and northern regions. It's a manpower funding problem where we've needed to shuffle some resources between units within the vote to accommodate some of the more highly labour-intensive offices in that vote. The overexpenditure in the Lethbridge office was about \$2,000 and resulted more from a need to do some additional travel to establish some of our partnership contacts to alleviate the pressures of demand down the road.

MR. THURBER: Thank you. Is this going to be an ongoing kind of shuffle, or do you take measures to make sure they stay within their budgets in the future?

MR. ANDERSON: Well, we certainly take all measures to try and ensure that the different groups stay within the budget, but I would say once again that as a result of the small budget dollars comparatively, we shift and change where expenditures take place within the budget to try and meet those changing demands without going for special warrants or in other ways having problems with our budgets. I think that's the preferable way to go, and I expect we would always have those needs to some degree in our department, that we wouldn't be able to predict on dollar what's required in one office or another and we have to stay within the general vote allocation but will need to make changes within that from time to time.

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MR. THURBER: Does the department have any other office locations that provide regionalized services that are not included in vote 2, Consumer Services?

MR. ANDERSON: I think vote 2 deals with our traditional offices in Medicine Hat, Lethbridge, Red Deer, Calgary, Edmonton, Fort McMurray, Grande Prairie, and Peace River. We have additionally the two that I mentioned were established that year, the small Camrose office and the second Edmonton office in the downtown area, which is an experiment to see if we can serve people better right in the middle of that high-need, low-income part of the city.

MR. CHAIRMAN: Thank you.
Mr. Paszkowski.

MR. PASZKOWSKI: Thank you, Mr. Chairman. On page 3.29 of public accounts vote 1.0.8 states that \$1,283,070 was budgeted for the data processing needs of the departmental support services division. However, only \$1,172,174 was spent for those purposes in '89-90. Could the minister please outline why this underexpenditure occurred?

MR. ANDERSON: Yes, Mr. Chairman. Again, in that particular area we had to reassess the needs in light of the number of new directions we took, and the expenditures didn't

happen fully in the year anticipated; those data processing needs have continued to be there. Also in that time period we banked a director's position, which accounted for some \$42,000 of it, in order to deal with the manpower cost shortages that were there as we banked some other positions to make sure we were on budget at the end of the year. I think that's essentially the answer in that regard.

MR. PASZKOWSKI: My supplementary is: does this underexpenditure indicate the department data processing needs are going to be less for the new fiscal year than they were in '89-90?

MR. ANDERSON: I'd have to say no to that. The data processing needs of the department are something that will probably continue because of the activity in the securities area that I spoke of earlier - there's a constant need to keep right on top of the technological changes in the marketplace - but also in our own operations of the department we're trying to use technology to meet the needs of the consumer. We have that, of course, just through the normal computer operations, but aside, nonetheless a connected area technologically, we're trying to use things like the interactive phone systems to give consumers 24-hour-a-day access to information seven days a week. We initiated a partnership program of that sort in Calgary just recently, the first of its kind in the country, with the Consumers' Association and the Better Business Bureau and us all on one line, with information given to consumers as they call in. We're also looking at dealing with that process in our corporate registry to allow for more efficient dealings in terms of information given out there and people waiting in line for that kind of information. So technological evolution, particularly in this department, which has to keep on top of the marketplace and deal with such a wide variety of activities, will continue to be a budget item for us.

MR. PASZKOWSKI: Okay. My final question is: what additional equipment, if any, does your department need to keep your data processing capabilities at what is considered a desired level?

MR. ANDERSON: As I was mentioning, the microcomputers and other specific items we will need . . . In addition, there are various software needs for the computers in terms of adapting them as we move along. Again, Don Woytowich might be able to give you more specifics on that.

MR. WOYTOWICH: Mr. Chairman, in a department such as ours that is so regionalized, there is a great need to get into some of the new technologies of local and wide-area networks to make sure information is readily and easily accessible to our people in all parts of the province. Most of our acquisitions, the microcomputers and the software, will be to that end, to allow the communications on a provincewide basis.

MR. CHAIRMAN: Okay. Thank you.
Mr. Sigurdson.

MR. SIGURDSON: Thank you, Mr. Chairman. Mr. Minister, if I could direct your attention also to page 3.29, vote 1, and specifically reference 1.0.4, Personnel Services. You've got an expended amount of \$247,615, which is approximately \$50,000 more than the estimates. First, I'm wondering if you can tell me if this is for contractual services, and why the need for an increase?

MR. ANDERSON: Actually it's a good question, because in Personnel Services in most of our budget years, including this one, you find a significant increase. A lot of that is because of the very significant changes we've made in the department both in terms of before I was minister in the downsizing of it and since in reorganization to meet the partnership needs, the Securities Commission needs. So training of staff, finding the appropriate staff - securities area in particular but in others - has required us to expend some significant dollars in that area. In that year in particular we had all the changes I mentioned previously, and the need to adapt in a personnel sense was there.

In terms of contractual services, there was an overexpenditure of about \$24,000. Again, we contracted a fair bit with regard to the Securities Commission to get the expertise that was there. I think that was the primary area.

MR. SIGURDSON: If we could move down to vote 3 and again specifically reference 3.0.7, Co-operative Standards. We're all aware of the matter that's going on with Federated Co-ops in Edmonton, and you've got an underexpenditure there. I don't want to speculate, but a number of people, particularly the former board of directors of Federated Co-ops, have suggested that the Department of Consumer and Corporate Affairs wasn't doing its job with respect to co-operatives. Now, if this amount of money is underexpended, is that at all relative to their complaint?

MR. ANDERSON: The short answer, Mr. Chairman, is no, there would be no relationship whatsoever between this expenditure and Federated Co-ops. The concern of the Edmonton Co-op group about Federated Co-ops relates to their agreements within that co-operative family and a belief that we should be intimately involved with that. Just for the member's information, we have agreed to act as a facilitator in trying to bring those sides together and get a better understanding of where each of them is. But certainly the situation isn't as a result of any lack of or great amount of resources in the department and definitely wouldn't have applied to that particular year. Our department in that case is fulfilling the mandate it has but is not meeting all the needs that Edmonton Co-op feels are there, which they can pursue through legal means and again through co-operative means, which is where we're trying to help the best we can.

MR. SIGURDSON: And then finally . . .

9:00

MR. ANDERSON: Actually, I'm sorry, Mr. Chairman. I just should also mention that in terms of that vote that particular budget item doesn't entirely reflect the time or dollars we spend on co-ops. We do that as well through the regional offices in trying to make sure that in the regions they assist with co-ops.

MR. SIGURDSON: Okay.

Then, finally, just moving up that same column to reference 3.0.5., Credit Standards, a substantial increase over the estimated amount of \$130,000 and the expended amount of \$409,000. I hope that you can provide me with an explanation for this particular reference, please.

MR. ANDERSON: Yeah. That's almost entirely due to the Financial Consumers Act development that took place and the hiring of the experts in the area and the committee that looked through and dealt with that development. That was for us a

relatively expensive proposition but I think one that's worked well.

MR. CHAIRMAN: Mr. Bruseker.

MR. BRUSEKER: Thank you, Mr. Chairman. Welcome to the minister and his colleagues. Just a brief comment about the Financial Consumers Act. It's a bit of a sad commentary that you had difficulty finding people who could write English as opposed to legalese, but I applaud your efforts in that direction.

My first question deals with the Auditor General's report. Page 50 deals with Consumer and Corporate Affairs and talks about the superintendent of insurance. There's a recommendation in a management letter

that the Council seek to have the Superintendent . . . amend or obtain amendments so that the Council's activities [may] comply with those authorities.

My first question is: has that in fact occurred?

MR. ANDERSON: I don't have that particular report with me, but I'll let Don Woytowich deal with that specific.

MR. WOYTOWICH: That was the comment by the Auditor General's office, that the delegated authority to the Alberta Insurance Council didn't include some specific activities that they were conducting for the department. We have received a legal opinion now that perhaps a little more detail could have been included in the delegation order. We are reviewing that and will come in the end to be in line with the Auditor's comments on that.

MR. ANDERSON: I understand that in that area the Insurance Council, and for that matter our real estate delegation and what I expect to soon be similar circumstances in the automotive and funeral industries - we're going to take some period of adjustment. We're ploughing new ground there. There are different legal opinions on what our statutes allow us to do and don't. We expect we'll have to make some adjustments as we go through the system. Also, because of the new nature of the Financial Consumers Act, I would be surprised if we didn't have to make some adjustments down the road, not dealing with the Auditor General but probably in the legal application of it.

MR. BRUSEKER: My supplementary deals with the balance sheet of the Alberta Insurance Council found on pages 6.32 and 6.33 at the back of the main public accounts book. I notice that in note 1 it says:

the Council receives from the General Revenue Fund of the Province of Alberta an amount equal to 85% of the fees collected.

This is in note 1. Now, it seems to me to be silly to collect fees and then spend 85 percent of that fee on the administration and collection of that fee. So my question is: is there a move to either increase the fees and make the Insurance Council more worthwhile or abolish it altogether instead of having bureaucracy for bureaucracy's sake?

MR. ANDERSON: Mr. Chairman, a good question, but certainly 85 percent isn't spent in the administrative governing of that. What happens is that because of the Financial Administration Act that is in the province, rather than just take some of the fees from the Insurance Council for the overall governance and operation of it, 15 percent as revenue to the province, we were required to take all the revenue that came into the council and then give them back 85 percent. In fact, it's

a flow through of dollars that's made necessary by the Financial Administration Act.

MR. BRUSEKER: Okay.

My final question goes back to page 3.29 that has been referred to earlier, under Consumer Standards, vote 3.0.6, Registrations. I'm not sure if I even have the right spot. I'm wondering if those registrations deal with the registrations of charities and charitable organizations in particular and if there's going to be a change in tightening up of those companies that are trying to raise funds on behalf of charities in several cities. That has been a concern that I've heard expressed by a number of people.

MR. ANDERSON: This wouldn't be the area. This Registrations deals with corporate registrations largely.

However, in terms of the question, in the charities area we passed some regulations last January, I believe, which tightened up some of the rules by which charitable donations are collected overall and allowed more flexibility in some areas with the smaller, less active campaigns. We've also worked over the past two years with the city of Calgary in trying to make sure that the system they have in place is one in keeping with the needs of that city. I believe that's coming along quite well after some discussion on who was responsible for what areas.

MR. BRUSEKER: Was that in '91 or '90?

MR. ANDERSON: I think it started in '89, and then in '90 we spent a good part of the time with them. It was '91 before the final agreement was made with the city, if I remember.

MR. HUDSON: January 1990 was the proclamation of the amendments to the Public Contributions Act.

MR. CHAIRMAN: Okay. Thank you.
Mr. Jonson.

MR. JONSON: Yes. Good morning, Mr. Chairman. The question I have to the minister is perhaps unusual in that I'm going to ask about revenues rather than expenditures. I note that there is a considerable increase in the amount of revenue being collected from insurance companies. That's on 3.30 of the public accounts book. It's quite substantial, certainly far beyond inflationary increases and so on. Could the minister perhaps remind the committee or explain just what was the reason for this very substantial increase?

MR. ANDERSON: Mr. Chairman, that relates directly to the question Mr. Bruseker asked, inasmuch as we went from the system where the councils collected their fees from members and gave us the 15 percent to the system required through Treasury by the Financial Administration Act, to where we took all the dollars and then flowed through that 85 percent. Obviously, rather than collecting the 15 percent, we collected the total. The effect on the Treasury is essentially nil in that regard. I mean, there are changes from year to year but in terms of flowing it through, it's a bookkeeping change.

MR. JONSON: Well, perhaps this was already covered, then, Mr. Chairman, but is it the same phenomenon with respect to the real estate agents?

MR. ANDERSON: Same situation exactly.

MR. CHAIRMAN: Mr. Drobot.

MR. DROBOT: Thank you, Mr. Chairman. My question relates to Consumer Services on page 3.28 of public accounts, vote 2. Consumer Services received more funds than any other program, over 5 and a half million dollars. Could the minister inform the committee why so much money is allocated for this particular vote?

MR. ANDERSON: Mr. Chairman, that vote really is the basis of the operation of the department. Within it are the operational expenditures of all the regional offices which affect the adherence to the 34 pieces of legislation we are responsible for in the department. Those regional offices deal with everything from financial counseling to negotiations in the marketplace and advice to consumers in all parts of the province. That part of the department is really both the pulse and the way in which we deal with consumers on a day-to-day basis. I think it's appropriate that the large percentage of expenditures would happen there.

MR. DROBOT: Could you explain what types of services are available from regional offices funded by Consumer Services?

9:10

MR. ANDERSON: Some of those I've just alluded to, but everything from encouraging now the use of plain language in documents and the development of partnerships with businesses to try and deal with educational needs to keep people up to date on what they should be looking for in consumer information. The financial counseling end is an important one in many of our offices, where individuals who have either encountered financial difficulties or who needed financial advice are going to get that assistance from some of our counselors. A good deal of time is spent just answering consumer complaints and giving information; you know, "what should I look for in purchasing a car?" kind of information. While we're looking at automating some of that through the telephone system, as I mentioned earlier, there's still always a need for that live person to deal with the specifics of a circumstance.

There's also, in Calgary for example, corporate registry offices, and in other offices around the province a corporate registering activity that happens through it. The development of consumer corners would be another example. We have - I don't know what the number is now - 300?

MR. HUDSON: Just under 300.

MR. ANDERSON: About 300 consumer corners in the province. These are information centres which are in libraries and in other public buildings with basic information written in understandable form for consumers who might require that information, and the regional offices deal with placing those and keeping those up to date as well. So there are really the whole range of services the department is responsible for that are represented in the regional office areas.

MR. DROBOT: Mr. Chairman, I wonder if the minister could explain, then, what was the level of demand for services offered by the regional offices during '88-89.

MR. ANDERSON: Roughly between 130,000 and 140,000 different requests were made to the department in that year, inquiries for assistance or for information. There were some

19,000 family counseling contracts dealt with in the regions, and there are other activities such as licences that were given, some 19,000 of those. I think that 140,000 figure, roughly, is a telling one with regard to the great amount of consumer interest and activity that there is in those regional offices.

MR. CHAIRMAN: All right.
Mr. Gibeault.

MR. GIBEAULT: Mr. Chairman, if we could turn to page 3.30 of the public accounts book, it identifies a number of items under Fees, Permits and Licences revenue for the department. The third item there is Insurance Companies, which shows an increase of over 100 percent in 1990 over 1989. I wonder if the minister could explain that.

MR. ANDERSON: Essentially, Mr. Chairman, that's the same question as the Member for Ponoka-Rimbey asked in terms of the flow through. It's the requirement by the Financial Administration Act of taking the dollars that they collected into Treasury and giving back the 85 percent, so that jump is a change in that accounting process without effect on the budget.

MR. GIBEAULT: Okay, thank you. That also would be the same thing, then, under Real Estate Agents?

MR. ANDERSON: Exactly.

MR. GIBEAULT: Now, what does Other represent?

MR. ANDERSON: Pardon me?

MR. GIBEAULT: The last item, Other: what does that represent?

MR. ANDERSON: Other. That's revenue from various fees that are required. Collection agencies, orderly payment of debts program, debtors' assistance fees, mortgage brokers' licences, cemetery licences, tax discounters' licences: those kinds of overall fees.

MR. CHAIRMAN: Mrs. Laing.

MRS. B. LAING: Thank you. I'd like to also just take this few seconds to congratulate the minister and department for the many innovations they've incorporated over the past two years. I'd also like to thank them for the very efficient way that they have responded to my constituents' concerns in the past few months.

I'd like to turn now to page 3.30 of the public accounts. The statement of revenue for Consumer and Corporate Affairs indicates that approximately \$2.5 million in revenue was collected from the Alberta Securities Commission in 1989 and approximately \$2.8 million in 1990. Given that this is a large amount of revenue, can the minister please explain to the committee how the commission gains its revenue?

MR. ANDERSON: Essentially the commission gains its revenues through the fees charged for registration, filing of prospectus, takeover bid fees, and a variety of others, which companies are asked to pay as they go through the process required by the Securities Commission. Essentially those are the bases. There's a whole list of them: franchises, vetting of prospectuses, agency orders and rulings, exemptions from

prospectus. Those fees are required to meet the recommendation that companies essentially pay for the services given by the commission.

MRS. B. LAING: Thank you.

How does the commission regulate the marketplace?

MR. ANDERSON: Essentially through the Acts that it's responsible for, the Securities Act and the Franchises Act in particular, and obviously that's through the commission itself. Again, in splitting the agency and the board, the agency deals very much with the investigation part, the filing of prospectuses and dealing with that, watching the marketplace to deal with recommendations on cease-trade orders and other items that would try and ensure that there isn't an abuse of the marketplace or to at least ensure that there's fair information given to investors and potential investors. That would be the basis of the commission's operation.

MRS. B. LAING: Thank you.

What role do the board policies play in regulating the industry?

MR. ANDERSON: Board policies are an important part of the industry's regulation. We, of course, develop the general parameters here in the Legislature with the Securities Act, and I do, as well, talk about general policy direction with the commission. But in many respects the commission board itself is a semijudicial body. I don't get involved at all with its judgments in any way, with the decisions that they make on the individual companies. They develop individual policies within the parameters we give them in the Act to deal with changing market situations or to deal with how best they can get the information they require to make their decisions. Board policy development is important.

One other aspect of that that's really quite important now is dealing with other commissions on a national and international basis to try and make sure in this marketplace, where dollars cross boundaries very quickly and without a lot of adherence to political boundaries, that there is a common approach and one that will catch those who are abusing the marketplace and give the information to the various commissions that they require.

MR. CHAIRMAN: Okay. Mr. Severtson.

MR. SEVERTSON: Thank you, Mr. Chairman. On page 3.29 of the public accounts, vote 3.0.2, Real Estate Standards, shows a significant overexpenditure, somewhere in the neighbourhood of \$122,000, or around 60-some percent, from the year before. Could you please provide the committee with a brief explanation of the overexpenditure?

MR. ANDERSON: Yes, Mr. Chairman, that particular expenditure was largely to cover the costs and deal with the honorariums required by the residential tenancies commission, which we've referred to as the MacLachlan commission from time to time. Again, they investigated comparable landlord and tenant circumstances across the country. They didn't travel there but investigated those, and did travel throughout the province holding public input sessions to try and make sure that their recommendations were balanced in terms of what they recommended to us. That's resulted in the Landlord and Tenant Amendment Act, now before the Assembly for second reading.

9:20

MR. SEVERTSON: So it's just an underestimation of what that commission would cost?

MR. ANDERSON: Yes, it's one of those items, as I mentioned, that we had to adjust for within the budget itself as we determined a necessity and read the residential tenancies area that seemed to be one that required updating, required input, and that process for public participation that had some expenditure attached to it. So it is one area we didn't anticipate in the budget, but again we adjusted our budget overall to meet the need. Although there's an overexpenditure in this one, we still did come in with that 1 percent surplus overall in the budget.

MR. SEVERTSON: Yes. I'd have to compliment the minister and the department for the way you allocated resources during the year to avoid any special warrants. It's an admirable action. I'd like to see all departments that way.

Is there any other example of this type of activity in vote 3?

MR. ANDERSON: Such as the landlord and tenant?

MR. SEVERTSON: Yes.

MR. ANDERSON: Yes, vote 3 dealt pretty well with a lot of those new initiatives: the Automotive Working Committee's establishment, the Funeral Services Working Committee's establishment, the financial planners that I mentioned in the Financial Consumers Act. We had to adapt vote 3 a fair bit to accomplish those ends that have given us a good basis for information on how to keep the department and the government up to date on what's required in the marketplace today, particularly the partnership initiative.

MR. CHAIRMAN: Ms Calahasen.

MS CALAHASEN: Thank you, Mr. Chairman. Good morning, and how are you today?

Actually, my question has to do with the Business Corporations Act, page 3.30 under the public accounts. The revenue under the Business Corporations Act increased by 9.4 percent. Could the minister please tell us why this increase occurred?

MR. ANDERSON: Well, Mr. Chairman, that increase is largely as a result of the increase in business activity and the registrations that were there from that. It showed a fair bit of activity in registrations, and so the amount of dollars that were raised increased as a result.

MS CALAHASEN: You indicated that there is an increase in the corporate registry activity. Is that what you're talking about?

MR. ANDERSON: Yes.

MS CALAHASEN: What level of demand is there on the corporate registry services?

MR. ANDERSON: Well, roughly we have and maintain records on about 190,000 companies in Alberta. There's a very great pile of records and disks and computer files over there, if you went to see them, and always a challenge to keep up with. It's one area the automation is helping with significantly.

MS CALAHASEN: Thank goodness for modern technology, huh?

Does the minister expect, then, that the corporate registry will continue to collect revenues at about the same rate in the future?

MR. ANDERSON: Actually, I expect there'll be a significant increase in the revenues from that area, in part because activity continues to increase, but also this year we did increase the fees in many of the areas to try and make sure that the user-pay concept was again adhered to there and that the government received revenue in accordance with activity. Those fees are roughly in keeping with similar fees across the country, and we tried to bring them up to that level. So about a 37 percent increase in revenue is expected in that area.

MR. CHAIRMAN: Ms Laing.

MS M. LAING: Thank you. I would follow up on the answers given to Mr. Drobot. You said you had provided family counseling. What does that mean? As a psychologist, that has certain meanings to me. I'm wondering what it means for you and the department.

MR. ANDERSON: I think probably the meaning's a little different in terms of the application, although the service to the individual and state of mind of an individual probably are served well by both. We have under our jurisdiction the orderly payment of debts Act. Where people get into a difficult situation, rather than having them go through full bankruptcy, we try and assist them in paying their debts out, negotiating with the companies as well as with the person in debt to pay that out on an orderly basis and to manage their lives in such a way that they can continue to live and pay those out over time. That's the most concrete area of financial counseling for individuals. There's also overall assistance in that regard, and people would usually come to us before they would go through the bankruptcy proceedings, before it gets that desperate. So I think it's an important part of the function, but we don't get into the other areas which we're not qualified to with regards to family problems in the psychological/sociological sense.

MS M. LAING: Thank you for that answer. I guess I'm taken by the importance of some of the work you do, and I'm wondering if you have any public awareness campaigns to really communicate to the public at large the availability of, say, this family counseling program which probably saves no end of grief.

MR. ANDERSON: Yes, we have quite an extensive education program. The dollars we have for public communication are fairly minimal, but I believe we're maximizing those through the partnership program once more. We've long been working with agencies to try and make people aware through agencies of the services and programs provided. We've expanded that significantly in the last two years to try and bring in partners in education such as the one I mentioned, CFCN Television in Lethbridge, on development of programs, and very significant assistance from the *Street Cents* program on TV has been developed with the bankers' association, with other sponsorships that we try and encourage. Last year was really our first full concerted effort, and there were well over 100 companies in Alberta that we involved in Consumer Week. We used that as the kickoff, but it's a year-round program, and we're trying to do that to a greater extent.

The other main vehicle, I think, for the future will be this interactive phone service that I talked of that we've initiated in Calgary now with the Better Business Bureau and the Consumers' Association of Canada. All of us as partners will be advertising the line, and we hope to talk a lot of the media into participating in that advertising once we have it more on line. We're looking at the same thing in Edmonton probably in the next three or four months, and we hope to have more partners on the line at that time, perhaps the federal government and some other agencies that provide consumer information, so that that will become easily available.

I should mention that we kicked off the one in Calgary in a shopping centre where there's now a direct line that people shopping can pick up and go through to this and get, you know, the Consumers' Association or us or the Better Business Bureau and hear recorded messages on what to look for if they're buying a particular thing or get through to one of our operators at the department if they want more specific assistance. I hope that will become much more of the case where we're working with shopping centres now in the Calgary area to try and extend that network, and we will be trying to do the same thing here. It's a process that will take a bit of time but one that I've been very happy with: the response of other partners on the line and their involvement in it.

9:30

MS M. LAING: Well, I would suggest you also target MLA constituency offices.

My last question is: do you see any costs to the Automobile Insurance Board arising out of the Supreme Court decision?

MR. CARDINAL: I think that question's out of order, Mr. Chairman; both of them. They're general questions, not specifically to any vote.

MR. CHAIRMAN: Well, I'm prepared to allow some flexibility. I think there was a reference to a specific expenditure in that year. The minister's program is such that he's made a number of changes during that particular year, and I think the question was directed at a comment on those changes that arose out of those expenditures. So I think they're reasonable questions. Does the committee want to overrule me on that?

MR. ANDERSON: I'd be happy to answer, Mr. Chairman. In terms of the Automobile Insurance Board itself, it deals with the rates and the operation of insurance sort of semi arm's length from government, headed by Justice Wachowich. They're in the midst of a study at my request on how we operate insurance in the province, given the problems we've had with increasing accident rates and claims in Alberta and, therefore, the viability of insurance companies; also the potential for changes in Ontario where a lot of our insurance is written from and what effect that will have. We expect that report during the summer.

In direct answer to the question, the board itself probably won't have cost changes as a result of the court ruling. However, it will require significant changes in the insurance industry. It may be that the board has to spend some more time in dealing with those changes and that those costs will increase, but nothing I could put my finger on at the moment. No doubt the insurance area is one that we're going to have to talk about to a very great degree in terms of change over the next while. It's a changing area with some difficulties right at the moment and one where we have to make sure that the citizens have access to

reasonable cost insurance. We are looking at the options that are available there.

MR. CHAIRMAN: Thank you.

Mr. Clegg.

MR. CLEGG: Well, thank you, Mr. Chairman, and let me assure you that all members of this committee would certainly support you in your decisions.

Good morning, Mr. Minister and staff. Being that I've run a business all my life, on local government and now on provincial government it's always been my concern that a dollar saved is a dollar earned. I know that you did explain partly that there are transfers between different items in the votes, but in vote 4 on page 3.27 I see there's a transfer of \$163,500 from the Securities Commission Board to the Securities Commission Agency. Could you explain why these additional funds were requested?

MR. ANDERSON: Mr. Chairman, again in that year in particular the commission was changing quite dramatically. We were upgrading its ability to deal with the marketplace, extending the Calgary office operations, and overall trying to attract and bring in staff who would be capable of analyzing and investigating the marketplace. So we did have a need to bring a number of those people on in contract form as we were going through the hiring process and to consequently increase the expenses that were there. I should emphasize again: this was a period of rapid change, very difficult to predict the costs as we were going into a much different operation than we had been in in previous years.

MR. CLEGG: Thank you, Mr. Minister. I've always been concerned about overexpenditures in any item on any vote. I see that even though the \$163,500 was in fact transferred, it still showed an overexpenditure of \$46,357. Would you like to further comment, or does your last answer . . .

MR. ANDERSON: Mr. Chairman, I guess it is important to further comment that while we can generally predict the operations of the Securities Commission in any given year and try and allow for the regular investigations and hearings they would have, we can't predict the abnormal ones. While I'm not sure this speaks totally to that, it is the one part of the department that in any year might require considerable funds for a costly investigation. For example, the Matheson-Del Rio case cost significantly more than anybody had budgeted for to investigate properly and to go through the hearings properly. It was an unanticipated expenditure. We try to adjust as much as we can in the budget for that, but that isn't always an easy one to predict.

What I might say is that the changes that are recommended in the Securities Act now before the Assembly will allow the commission to recover costs of investigations on a scheduled fee basis from the companies found guilty of infractions or found contravening parts of the Act. I think that's fair, and it will also recover some of the costs to the Treasury. It won't be to the commission, so we won't get the money there, but to the Treasury.

MR. CLEGG: Well, thank you. My final supplementary. Even after the surplus of \$163,000-odd, even after that transfer from the Securities Commission Board, you still ended up with a \$72,793 surplus in that. Could you explain how come there was

more money budgeted, I guess is the word, than was used? Was not some work done there?

MR. ANDERSON: Yes. As I say, Mr. Chairman, it was an area where we were going through many changes. Probably the item that most specifically had us end up with that surplus was our move into consumer education: trying, in the securities area, to have that education extended. We didn't do some of what was planned until after we'd hired the staff able to do it, so it allowed dollars to free up in part of that budget year. On the other hand, our move to more partnership activity allowed the expenditure to be spread over others who were agreeing to extend that information out further. So that saved us a couple of dollars in the end as well.

MR. CHAIRMAN: Thank you.
Mr. Cardinal.

MR. CARDINAL: Thank you very much. For the benefit of the other committee members, I'll try and keep my questions to the '89-90 public accounts.

One question I had was on the overexpenditure on vote 3.0.2, Real Estate Standards, but that has been answered. The other one I have is on the same page. Vote 3.0.5, Credit Standards, is also overexpended \$278,554. What is the nature of this overexpenditure?

MR. ANDERSON: Mr. Chairman, once again that's one of the changes required to deal with the new program initiatives that evolved during that year. In particular, that was the financial planning advisory committee and the financial consumers review Act, both of those. Again, the honorariums and the costs of dealing with them were part of that vote.

MR. CARDINAL: Both votes 3.0.2, Real Estate Standards, and 3.0.5, Credit Standards, show a considerable overexpenditure. What steps have been taken to ensure that this is in line with future budget estimates?

MR. ANDERSON: Well, in the real estate standards area . . .

MR. CHAIRMAN: A point of order. Would you restate the question, please?

MR. CARDINAL: What steps have been taken to correct these overexpenditures in the future?

9-40

MR. CHAIRMAN: I think the committee's having some fun at the moment, hon. minister. If there was an overexpenditure in that year, perhaps you could just comment on why, and if changes or expenditures arose out of that in that year.

MR. ANDERSON: In terms of the overexpenditures I think they've been dealt with in the answers to previous questions. But to the real estate area, we've of course completed the MacLachlan report and also that flow-through issue, so there should be more stability in the future with respect to it. The same is true in that Consumer Standards area. We've completed the Financial Consumers Act. That doesn't mean, however, that we won't in this size of department have new initiatives that we put forward where we have to adjust and have an overexpenditure in one area. Nonetheless, our commitment is to keep within budget and to adjust in the priorities within the budget

itself or within the vote to meet those ends. So I don't expect those particular areas to have overexpenditures in the future, but we will have to make adjustments in the size of the department.

MR. CHAIRMAN: Mr. Sigurdson.

MR. SIGURDSON: Thank you. Mr. Minister, I'm just looking through all of the departmental votes, all of the reference numbers. I'm just wondering if you could point out to me if there is an area where consumer information officers are able to have some upgrading or in-servicing with respect to all of the changes that have taken place over the course of time. I don't see it anywhere in here unless it's under Consumer Information Development in 2.0.7, if that's part of the upgrading program for consumer information officers that are on staff.

MR. ANDERSON: More likely under the personnel branch, where you see significant dollars expended, and you'll find significant dollars comparatively in this year's budget as well. That's one of the main needs of that area, the training and continued training of staff and the reassignment and dealing with combined mechanisms. The point's well taken, because in our department, especially moving towards the partnership concept, there's a need to move from just answering the concerns to helping others understand how you deal with the concerns, where they are, how you can encourage that extended information, and in some cases counseling and licensing and so on. So it is true that our staff has been required to adjust very dramatically in the last few years and I think by and large has been very successful in doing that.

MR. SIGURDSON: I've had contact with some staff at the Edmonton regional office. They've advised that there hasn't been sufficient time or money made available for upgrading, and it's been a concern of theirs. I think that if you look in files, you'll see that I've addressed that concern to your office. I'm not sure if it was done at a time when you were minister of the office. I would hope that with the changes that have taken place in the department, further consideration will be given to that.

Supplementary, though, is that in all of the votes where you've got services - salaries, wages, and employee benefits - I'm wondering if you could provide us, sir, with a breakdown of how many of those employees are full-time departmental employees and how many are contractual employees that are hired through agencies that are out there providing temporary services. Have you any idea, or can you provide me with that at a later date?

MR. ANDERSON: I'd ask Mr. Woytowich to respond to that particular one. We have, of course, our permanent staff, and there are some people that have been on a contract basis for a long period of time. By and large, the contracts are with people on the Financial Consumers Act task forces or contracts in the securities area giving specific advice and some others. In terms of the actual numbers and percentages, I couldn't answer the question but would ask Don if he would.

MR. WOYTOWICH: Our full-time equivalent establishment is around the 300 mark. We do supplement that from time to time with contract individuals when we need specific skills or expertise that is not directly available to us within the department. It's not a practice of the department to enter into long-term contractual agreements with people. We do have a number of people whom we have had sit on boards and task forces that we enter into contractual agreements with to sit on the board and

provide them with an honorarium and travel expenses. But for day-to-day regular activity it is not the department's policy to contract work out if it can be handled internally at all and the resources are there.

MR. SIGURDSON: Okay. Good. Thank you. That answers all my questions.

MR. CHAIRMAN: Mr. Paszkowski.

MR. PASZKOWSKI: Thank you, Mr. Chairman. On page 3.28 referring to votes 1, 2, 3, and 4, I note under Departmental Support Services in salaries and wages that between the various votes there seems to be a variation of loss relative to money that was carried across. The numbers basically indicate good budgeting, and I want to compliment the department for coming as close as you have to break even on all of these. There seems to be a fair amount of inconsistency in either money retained or a loss, yet under Supplies and Services there seems to be a virtual carryover in all but one case. Is there an explanation for that? Because normally supplies should parallel salaries and wages fairly closely. If there's an overexpenditure in salaries and wages, that would normally mean that there's been more staff hired so you require more supplies and services. That consistency doesn't seem to be here. I was just wondering if there's an explanation for that.

MR. ANDERSON: If I understand the member's question, we have had to dip into Supplies and Services to supply some of the flexibility that's been required overall in making sure that that budget reached its end. So we have from time to time not utilized the full Supplies and Services budget but have utilized those dollars in trying to meet all of the other areas. Don, is that pretty well it?

MR. WOYTOWICH: Yes. Quite often what we've done, particularly in votes 3 and 1, is restrict the expenditures for Supplies and Services to ensure that we did have sufficient moneys to pay for deficits that we knew were going to occur in manpower in those votes. It's always easy to not buy some books or pens or something, but you have to pay the people, so quite often we'll restrict ourselves in Supplies and Services to make sure we can pay our staff.

MR. PASZKOWSKI: Well, I certainly want to compliment you on your ability to be able to budget as closely as you have. I think that's very commendable, and you should be complimented on that.

Do you anticipate an increase in staffing for the coming year, particularly in votes 1 and 3?

MR. ANDERSON: Increase in staffing?

MR. PASZKOWSKI: Yes.

MR. ANDERSON: We have in fact reduced our overall staff requirements considerably from that budget year by attrition. In terms of dealing with it, that hasn't affected the distribution of programs. Because of the increase in the partnership concept, we've been able to bring in more resources to the area. While there's no doubt one or two areas where we would like to have more yet, we have curtailed the number of actual staff positions that have been utilized. I would expect essentially that kind of level to be maintained over the years. You can never project

budgets, as members well know, and what will happen with them. In terms of the need, I would expect it to stay relatively stable if we can continue both by automation and by partnership to meet the increasing needs that are out there.

MR. PASZKOWSKI: Very good. Thank you, Mr. Chairman.

9:50

MR. CHAIRMAN: Thank you.
Mr. Thurber.

MR. THURBER: Thank you, Mr. Chairman. In view of the lateness of the hour, I'll try and keep my questions fairly brief, Mr. Minister. If you turn to page 3.29 and go to vote 1.0.1, this indicates an overexpenditure in the Minister's Office of some \$50,000. I wonder if you could explain that to the committee, please. It seems like a fairly large sum to be an overexpenditure in that particular office.

MR. ANDERSON: It is a relatively large sum. That was the year of change in terms of the ministers responsible for the department and the changes in salary levels of the staff for the ministers and in responsibilities. There were different responsibilities included with the previous minister that caused us some of that change. Some of it also is the chronic nonfunding - what you find, I'm sure, in every department you review - the chronic, only partial funding of increased manpower costs over the year. That goes throughout our votes in the department, not just with the Minister's Office. There wasn't any real change in either the number of staff or in terms of travel expenditures or other such items; that's been roughly the same. Particularly the change in ministers caused some adjustments there, and you will find some inconsistencies as well in other budget estimates which we're trying to correct for in this particular budget year by making sure the allocation meets the need of the staff funding level that's there. No increase in staff then, no increase now: no increase overall. There may be minor dollars but none in office equipment or in travel or anything of that sort.

MR. THURBER: I suspect, then, that these same arguments would apply to the Deputy Minister's Office, where there was a slightly smaller overexpenditure, but it still amounted to over \$40,000. You know, if that applies, then that shows the reason for the inconsistency there.

MR. ANDERSON: Some of that certainly does, in the manpower area. I'll let Mr. Hudson comment on why he spent that money there, though he wasn't the deputy at that point.

MR. HUDSON: Thank you, Mr. Minister. The major reason for the overexpenditure in that area was a commitment the previous fall by all ministers across Canada to start National Consumer Week. The first annual National Consumer Week across Canada was in April of 1990. The most significant component of the overexpenditure was developmental costs for this province to participate in that area. The smaller amount of that was an overexpenditure on salaries in that area, which we made up for in the total vote, but National Consumer Week was the big expenditure in that area.

MR. CHAIRMAN: Mr. Gibeault.

MR. GIBEAULT: Yes. To the minister. On pages 3.29 and 3.30 - if we can start maybe on page 3.30, you'll note that for

Insurance Companies the revenue is about \$1.2 million for the 1990 budget year. Then on the previous page it shows in votes 3.0.8 and 3.0.9 combined an expenditure of about \$1.1 million. In other words, they were almost equal between the costs of regulating insurance agencies and the fees that were collected. In the case, however, of the Real Estate Agents on page 3.30, there's \$131,000 of revenue, yet according to vote 3.0.2 on the preceding page, \$319,000 of expenditure. In other words, the public taxpayer was called on to put out an extra \$148,000 beyond what was taken in in terms of fees. I was wondering if the minister could tell us what factors went into his decision to allocate this kind of a public subsidy to real estate agents.

MR. ANDERSON: In fact, Mr. Chairman - and Mr. Woytowich may have some more specifics - that's the same situation as we've dealt with in previous questions, where we're going through this process of changing from, first, no council to an insurance council, and secondly, the council first collecting fees and giving us 15 percent and then being required, through the financial process, to give us everything and us giving them back the 85 percent. So in fact the taxpayer has not - please correct me if I'm wrong, Don - in any of these cases subsidized the situation at all. It's been a banking transaction, if you want.

MR. GIBEAULT: So you're telling us that the real estate agent's fees that were levied on them or by them fully covered the cost of administrating real estate in this one?

MR. ANDERSON: Yes.

MR. CHAIRMAN: Could I ask the member to yield on his two sops and just give Mr. Bruseker a chance to ask one question before we adjourn?

MR. BRUSEKER: Just on the bottom of page 3.29, I notice in vote 4 - and I'll put both of them into the same question - in 4.2.1. and 4.2.3 there were some substantial overexpenditures in those two votes. I wonder if the minister could comment on those two overexpenditures in 4.2.1. and 4.2.3.

MR. ANDERSON: Those were again Securities Commission changes. I would just remind the committee of the previous comments: that we were in the midst of changing and then upgrading the commission, trying to get new staff, and dealing with that in terms of 4.2 - was that one? No, 4.2.1 and 4.2.3. In 4.2.1 specifically there was \$130,000 and some overexpenditure; \$76,000 was in the manpower control group, which again speaks to that problem of trying to get capable staff, needing a contract for them for an interim period while you went through the hiring process for the commission. In 4.2.3, again a similar situation: salary settlements, the hiring of staff at a higher level than there were previously, that interim period while we were trying to adjust to the changes and adapt the board and commission identities separately.

MR. CHAIRMAN: Okay. I'd like to thank the hon. minister for coming before our committee today and thank the members of his department who accompanied him. I'm sure that most members appreciated the information you provided in response to their questions, and all certainly appreciated the attentiveness with which you answered the questions.

The next meeting will be June 5, at which time the Minister of Technology, Research and Telecommunications will be before the committee.

Mr. Moore.

MR. MOORE: I move that we adjourn.

MR. CHAIRMAN: We have a motion to adjourn. Are you agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed. We're adjourned.

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

