

### Standing Committee on Public Accounts

8:30 a.m.

[Chairman: Mrs. Abdurahman]

THE CHAIRMAN: I would like to call the Public Accounts Standing Committee to order. The first item of business is the approval of the agenda. Moved by Debby Carlson. All in favour, say aye. Any nays? Carried unanimously.

It's my pleasure to welcome the Hon. Gary Mar, Minister of Community Development, with his staff and also once again our Auditor General, Peter Valentine, with his staff. At this time I would ask the hon. minister if he'd like to introduce his staff, and Peter likewise, and then we'll have opening comments from you.

MR. MAR: Madam Chairman and members of the committee, to my immediate left is my deputy minister, Julian Nowicki; to the left of him is Rai Batra, our chief financial officer, and Gary Braeuer, also from our department.

MR. VALENTINE: Good morning, Madam Chairman. On my left is Nick Shandro, Assistant Auditor General with responsibilities for the Department of Community Development, and on my right is Mohan Aggarwal, who is a principal in the office and has direct responsibilities for that department.

THE CHAIRMAN: Thank you and welcome to everyone.

Hon. minister, if you'd like to start with your opening comments.

MR. MAR: Thank you, Madam Chairman. It's a great pleasure for me to be here today before this standing-room-only crowd and advise you of the following. Nineteen ninety-four, ninety-five was a very challenging year for the department. The Department of Community Development was only a year old, and we were just getting acquainted with such diverse responsibilities as human rights, arts and culture, sports and recreation, historic sites and resources, libraries, and seniors. At the same time, we had very ambitious goals in our business plan, and we were starting up the new Alberta seniors' benefit program. I'm very proud of the accomplishments we achieved in that fiscal year. By doing business more effectively and more efficiently and less expensively, we helped meet the provincial government's overall goals of balancing the provincial budget and delivering quality core services at an affordable cost. I must say that a great deal of credit goes to my deputy minister, Julian Nowicki, and all the people that work in our department who helped make this happen.

I'll refer members to pages 51 and 52 in our public accounts with respect to expenditure and revenue. We can see that we were underexpended by \$486,000 in program 2 and \$287,000 in program 4. Those underexpenditures were more than offset by the overexpenditures in programs 1, 3, and 5. Most of the overexpenditures were a result of restructuring. As an example, in programs 1 and 3 we moved FTEs and paid out severance packages for abolished positions. In program 5 the overexpenditure was for start-up and administration costs of the Alberta seniors' benefit program. I'm pleased to point out that even after major reallocations to program 5 and thousands more for restructuring, we still managed to save another \$21,000 in program 2 and \$19,000 in program 4. That kind of good management is why even with restructuring, even with reallocating staff and money, my department in all programs managed to meet so many of its goals for 1994-95 as outlined in our business plan.

Some of the results include providing \$12.3 million in operating grants to 256 library boards, including seven regional library systems across the province. Alberta's public libraries loaned more than 26

million items in 1994-95. Our attendance targets for festivals and art galleries were 3 million visits. In fact, in 1994-95 attendance at arts and cultural festivals was 5.9 million. It was 2.08 million at festivals, performing arts, and galleries. We wanted to see 410,000 young people participate in recreational and sports activities and organizations. More than half a million got involved. The number of assisted community development projects more than doubled in 1994-95 from 300 to 647. We were aiming for 450 projects by 1996-97. We met our 1996-97 target of 450 assisted heritage projects in 1994-95.

Staff in our 10 field offices around the province held 3,349 training sessions to help communities on subjects like organizational governance and leadership and volunteer development. The client satisfaction with these services was 97 percent, which surpassed our goal of 85 percent. Out-of-province visitation to Alberta's historical facilities was up 6 percent over the previous year of 1993-94 to 48 percent of our total visits. Visits to the Royal Tyrrell Museum were up 12 percent to 445,989, and 138,000 students used our programs and services, surpassing our stated goal of 105,000.

Just to briefly conclude, I can say without hesitation or reservation that I'm very proud of these achievements and all our achievements in 1994-95 for the Department of Community Development. Even in a year when we had other challenges, these accomplishments were noteworthy. In a year in which we went through major restructuring – where we cut staff, where we cut expenses and started up a major program – I think my staff did extraordinarily well. I feel that the results justify the expenditures noted herein.

THE CHAIRMAN: Thank you, hon. minister, for that concise opening statement.

Mike Percy.

DR. PERCY: Thanks. Madam Chairman, Mr. Minister, Auditor General, staff, my question will come from volume 3 of the public accounts. It would be page 45, note 7, grant expenditure, the Alberta multiculturalism fund.

MR. MAR: I'm sorry. What page?

DR. PERCY: Page 45.

MR. MAR: Thank you.

THE CHAIRMAN: Where on the page are you?

DR. PERCY: Note 7, and then participation in the heritage languages. The question there on the expenditure of \$219,000 is: were any studies or reviews undertaken in the fiscal year '94-95 assessing the importance of those expenditures to the continuing offering of the heritage language programs?

MR. MAR: No.

MS CARLSON: It's going to be a long morning.

DR. PERCY: You get a lot of questions in this way though.

Also looking at note 7, I note in the partnership projects that the budget was \$550,000; the actual was \$739,000. Could you tell me why the actual exceeded? Were there unanticipated undertakings, or did some partnerships go over cost and there were tied-in expenditures for the multiculturalism fund?

MR. MAR: I'll have to take that question under advisement. I'll check into that. We'll try to find it.

THE CHAIRMAN: Thank you.  
Barry McFarland.

MR. McFARLAND: Thank you. Good morning, Mr. Minister, Auditor General, and everyone else. If we seem a little lethargic, those of us back here were here till 1:30.

THE CHAIRMAN: I thought you looked all bright-eyed and bushy-tailed, to be quite frank with you.

MR. McFARLAND: It might look that way, but I don't feel that way inside.

DR. PERCY: What do you think of lawyers?

THE CHAIRMAN: Barry, would you like to proceed, please?

MR. McFARLAND: I certainly will. I didn't know what Mike asked me. That was the only thing.

On public accounts, volume 2, Mr. Minister, reference 3.0.7, page 51, I'm referring to the Ukrainian Cultural Heritage Village, which had a budget of \$741,000 and spent \$1.271 million in 1994-95. Can you account for the overexpenditure of \$530,000, about 72 percent, when you were talking earlier about savings with the restructuring?

MR. MAR: The short answer to that question is that it relates to STEP, the summer temporary employment program, previously operated through the Department of Advanced Education and Career Development. Typically at the Ukrainian Village we have depended on that STEP program to provide staffing for each of the 32 historic buildings that are on the site. As the government's summer employment programs were phased out, it became necessary to find alternative resources. Rather than close the summer services at the Ukrainian Cultural Heritage Village, we employed people through contract services for summer staff, and as a result we had to absorb the cost of those contracts.

**8:40**

MR. McFARLAND: On the same page, references 3.0.2 and 3.0.4, the Provincial Museum and Head-Smashed-In Buffalo Jump both show overexpenditures of \$96,000 and \$28,000 respectively. What's the rationale there? The same thing?

MR. MAR: At Head-Smashed-In Buffalo Jump it was the same thing. It related to summer temporary employment programs and contract services that we engaged as a result of the loss or the phasing out of STEP.

With respect to the Provincial Museum, the \$96,000 overexpenditure at the PMA was a result of severance costs due to restructuring the facility: a different reason for the overexpenditure in that area.

MR. McFARLAND: Thank you.

THE CHAIRMAN: Thank you, Barry. Thank you, Mr. Minister.  
Debby Carlson.

MS CARLSON: Thank you, Madam Chairman. Good morning, everyone. My questions are on volume 2, page 52, the Alberta seniors' benefit. Mr. Minister, you gave us just a brief overview of this being set-up costs. Could you provide some more detail in terms of what you did for that money that had not originally been built into your budget?

MR. MAR: I'm not sure if I'm on the right page here.

MS CARLSON: Oh, sorry. Page 52 at the bottom.

MR. MAR: Program 5. Sorry. You were referring to . . .

MS CARLSON: The Alberta seniors' benefit, 5.0.1.

MR. MAR: Well, there was an overexpenditure there of \$311,000, which in my view is not a particularly material amount of overexpenditure, it being .3 percent of the total authorized, which was . . .

MS CARLSON: I think we're talking about a different figure. I have \$177,000 expended with . . .

MR. MAR: Oh, on the capital. I'm sorry. I was looking at 5.0.1 on the operating expenditure. If you're referring to the capital, I'm sorry. The \$177,000 that was overexpended in that area related to the purchase of electronic data processing equipment required for the new program. What was done to accommodate that \$177,000 was an intralegder transfer that was processed for \$178,000 that came from program 3.

THE CHAIRMAN: Supplementary.

MS CARLSON: Yeah. Could you expand, please, on the equipment that you bought and the purpose for it and how it was projected to have a need in the area?

MR. MAR: Well, the number of seniors in the province of Alberta totals approximately 270,000 people. As a result, we processed over 200,000 applications, and we required the equipment necessary to process that large number of applications.

THE CHAIRMAN: Thank you, hon. minister.  
Jocelyn Burgener.

MRS. BURGNER: Thank you. Good morning. I'd like to refer to volume 2, page 52, the Alberta seniors' benefit. Gary, I know you mentioned it a little bit earlier in your comments, but I just want to look at line 5.0.1. We have an understanding of a substantial supplementary estimate of over \$113.5 million, yet the ASB was overexpended by \$311,000. I think it would be really helpful for the public to understand what accounted for the overexpenditure.

THE CHAIRMAN: I think you're being asked the same question again, hon. minister.

MR. MAR: Right. Well, as I said earlier, I don't view the \$311,000 as being a particularly material amount, but I agree with the question that we should make that explanation. The ASB program was implemented on July 1 of 1994, and at the time of requesting the supplementary estimate, we had only six months' experience with the program. Our experience was in fact that 7,000 more seniors qualified to receive benefits than we anticipated. A number of seniors applied after the start-up of the program and/or some time was needed to secure all the necessary information resulting in retroactive payments that we made back to the start of the program on July 1, 1994. In supplies and services the desire was to provide seniors with access to accurate and current information, and that required additional resources for the seniors' information line. That 1-800 line received between 2,000 and 3,000 calls a day during the initial introduction of the program and, since that time,

approximately 500 calls a day over the last four months of the budget year.

THE CHAIRMAN: Supplementary, Jocelyn.

MRS. BURGNER: Thanks. Not to belabour the issue, do you have a breakdown on the overtime staff costs for the period of the implementation of ASB up to March 31, '95? The reason I ask the question is that I think this program, if I may, Madam Chairman . . .

THE CHAIRMAN: I would like them to answer the question you asked, Jocelyn.

MRS. BURGNER: No problem.

THE CHAIRMAN: Thank you.

MR. MAR: I don't have that here. We can certainly undertake to try and find it. But I don't know . . .

MRS. BURGNER: I can't tell you why I want it. I'll tell you later.

THE CHAIRMAN: Well, I can allow for clarification, but I don't want to get into dialogue.

MRS. BURGNER: The clarification, Madam Chairman, was that I think it's important to put in the record that this is a unique program and for the public to understand what it takes to initiate something and deal with the demographics, so the issue is not . . .

THE CHAIRMAN: Jocelyn, the minister is here to explain the program. The members of Public Accounts are here to ask questions. Clarification is one thing, but explaining a program is something quite different.

MRS. BURGNER: Thank you for that direction, Madam Chairman. I'm sure the public will be delighted to know what my thinking is.

THE CHAIRMAN: Thank you.  
Moving on, Terry Kirkland.

MR. KIRKLAND: Thanks, Madam Chairman. Good morning, Mr. Minister, Mr. Auditor General. I'm looking in volume 3, page 29, under the Alberta Foundation for the Arts balance sheet. I'm looking under short-term investments, the second item under that on that balance sheet in '94 showing \$599,000 and in '95 reduced to \$50,000. I was looking at the note, attempting to come to my own understanding of why there would be such a loss, but I'm afraid the note didn't explain it as well as I'd hoped it would. Can you provide some clarification on that considerable reduction as far as short-term investment is concerned?

MR. MAR: The decrease in short-term investments is owing to more investments that have matured and less investments maturing.

MR. KIRKLAND: When we look at the following page, page 30, Alberta Foundation for the Arts, statement of revenue and expenditure, I'm looking at promotion in '94 of \$203,000, an actual expenditure in '95 of \$4,425. I wonder what has been off-loaded or what promotion has been reduced to accommodate such tremendous savings there as far as promotion is concerned.

MR. MAR: The reason for that reduction was because of the termination of the investing in art video series production, which you

may have seen on television with Leslie Nielson. That was a total amount of \$115,575. That was the result of the termination of that program.

THE CHAIRMAN: Thank you, hon. minister.  
David Coutts.

**8:50**

MR. COUTTS: Thank you, Madam Chairman. Good morning, Mr. Minister, Mr. Auditor General, and staff. My questions this morning are going to centre around museums. I'd like to look at volume 2 of public accounts, particularly page 54, under the heading of revenue. I'd like to look specifically at transfers from the government of Canada. I notice that the national museum's core funding has decreased from the 1993-94 level of \$187,000 to the '94-95 level of \$127,000. That would represent about a 30 percent decrease, I believe, and I'm just wondering why this happened.

MR. MAR: The federal government reduced its core funding grant programs to nonfederal museums, and that was reflected in our reduced grant in 1994-95. These funds have been used by the Provincial Museum of Alberta to assist in the support of public programs, but the reduction is simply part of the overall federal reduction of spending in this same area.

THE CHAIRMAN: Thank you.  
Supplementary, David.

MR. COUTTS: Thank you. On that same page, Mr. Minister, under revenue, I also note that the revenue from the Jubilee auditoria has increased from the '93-94 amount and that revenue for the recreation development fees has been reduced to zero for '94-95. What are the reasons for these fluctuations?

MR. MAR: The increase in revenue from the Jubilee auditoria is as a result of being able to attract more bookings in the '94-95 year than in the previous year that resulted in higher earnings in fees and services. Most particularly two productions, the *Phantom of the Opera* and *Joseph and the Amazing Technicolor Dreamcoat*, represented significant revenue earnings.

Recreation development fees received in 1993-94 represented fees paid to the province for the use of facilities at the Blue Lake Centre near Hinton. That centre's operations have now been privatized, and as a consequence they are no longer included in the government's accounts, resulting in the difference, a zero revenue, expressed in the year 1994-95.

THE CHAIRMAN: Thank you, hon. minister.  
Mike Percy.

DR. PERCY: Thank you, Madam Chairman. Mr. Minister, my question, again from volume 3, involves a little jumping around. The issue is cash management by the Alberta multiculturalism fund, page 43, the Glenbow institute, page 59, and one other that I had in here, page 53. The issue is that there appears to be a diversity of mix. Some hold significant amounts of cash. The Alberta multiculturalism fund: \$914,000 in cash. You look at Alberta sport, recreation, parks, and wildlife and it's \$7,860,000 in cash and short-term investments. If you look at the Glenbow, it's cash and deposits. My question is: does the department have a strategy in place in order to maximize the return on short-term liquid assets, and is that applied consistently across these types of entities for which your department is responsible?

MR. MAR: I'll refer that question to Mr. Batra.

MR. BATRA: Very short-term investments we normally try to put into the CCITF – that's the consolidated cash investment trust fund of the government of Alberta – in which we believe the returns are far higher than leaving them in the bank because there are no banking costs. For anything beyond 90 days, we try to go into GICs or some other instruments we can get. For anything longer than that, we normally go into long-term investments. We have not entered the stock market at all because these are public funds, so they are invested into fairly secure instruments.

DR. PERCY: To follow up on that. When I see these different headings – cash and deposits, cash, and the other one on 59 – they're all one and the same? Some refer to investments, some refer just to cash, and some refer to cash and deposits. There doesn't appear to be a similar strategy, because some appear to be very top heavy in cash and . . .

MR. BATRA: Ordinarily, I guess, we'd have different votes and they try to make their own decisions in terms of their investments. I can look into it further and see what it actually involves and respond back to you folks on it.

THE CHAIRMAN: You could do it through Diane, the administrative assistant.

MR. BATRA: Yes.

DR. PERCY: Could I just clarify that?

THE CHAIRMAN: A clarification.

DR. PERCY: Yeah. The specific issue, then, is: is there a consistent strategy in place that is supervised by your department to ensure maximum returns to cash balances for the entities under your control?

THE CHAIRMAN: Thank you. I think that was clear enough. Does the Auditor General's department have any comments?

MR. VALENTINE: No, I have no comments.

THE CHAIRMAN: Thank you.  
Richard Magnus.

MR. MAGNUS: Good morning, gentlemen. On page 30 in volume 3, the second bullet under expenditure, you've got an expenditure of \$21,500 and the budget was \$25,500. The question is: you spent \$482,000. It's a quarter of the way down from the top under expenditure.

MR. MAR: The increase in other grant expenditures was the result mainly of a \$450,000 special grant awarded to the Edmonton Opera Association. A donation in the amount of \$500,000 was received by the Alberta Foundation for the Arts, and the donor expressed his wish that the funds be utilized for the advancement and presentation of opera in the city of Edmonton. A further \$50,000 was released in '95-96 after the Edmonton Opera Association met the conditions set out by the AFA board of directors. So it was money that had come in by way of a donation, and it had been granted out immediately to the Edmonton Opera Association.

MR. MAGNUS: The expenditure on promotion has fallen from

\$203,358 in '93-94 to \$4,425 in '94-95. Why is this?

MR. MAR: Part of that is a result of a question by Mr. Kirkland that I answered earlier. The decrease in spending on promotion of arts programs is partly as a result of the termination of the *Investing in Art* video series but also the merger of the *Arts Bridge* newsletter with another publication, which resulted in some savings as well.

MR. MAGNUS: Thanks.

THE CHAIRMAN: Thank you, hon. minister.  
David Coutts.

MR. MAGNUS: I have another supplement.

THE CHAIRMAN: I think you had the one that you're allowed now under the rules.

David. No, I'm sorry. I'm going backwards and forwards here. Wakey wakey.  
Debby Carlson.

MS CARLSON: Thank you. I thought they were getting an extra turn for some specific reason.

My question is again in volume 2, page 52, and on program 4.0.4, advice on women's and seniors' issues. Mr. Minister, can you tell us exactly what performance indicators you focus on to determine whether you get value for the dollars expended in this program?

MR. MAR: With respect to all our programs, we do have some benchmarking of numbers where we seek to establish the value of programs. As an example, we would look at the number of girls that are involved in the program that's referred to as Stepping Stones, which is a program under this particular reference where women who are in nontraditional occupations visit schoolgirls and talk about their nontraditional occupations. We would look at the number of girls who would participate in something like that. It's very difficult sometimes to assess the value of a program in the short term, because it would be virtually impossible to track the number of girls who are influenced by the Stepping Stones program over the long term. But we certainly do record some numbers with respect to participation in those types of programs.

**9:00**

THE CHAIRMAN: Supplementary, Debby.

MS CARLSON: Thank you. That seems a bit vague. I'm wondering: if you've got goals clearly identified for a program area, there would be some type of performance measurement you would be using to ensure that the objectives were met or exceeded. Is that it?

MR. MAR: Well, participation numbers are probably the most objective one we can use. Other types of benchmarks would be more subjective, but our participation numbers are the most objective.

THE CHAIRMAN: Thank you, hon. minister.  
It's now your turn, David.

MR. COUTTS: Oh, already.

THE CHAIRMAN: Yes.

MR. COUTTS: Thank you, Madam Chairman. Mr. Minister, I'm

looking at cultural facilities and historic resources, particularly on pages 51 and 52 of volume 2. More importantly, I'm kind of keying in on the capital investment for cultural facilities and the historic resources, particularly on page 52. I notice that although there are some small overexpenditures, there are some large underexpenditures. I'm wondering what may have happened to account for those kinds of expenditures.

MR. MAR: Well, in restructuring the ministry, clearly there were some areas that had greater needs for capital funds, such as computer equipment and printers, and others which did not require such equipment. Let me see if I can find some examples for you. On page 52, reference 3.0.1, program support, \$5,000 was overexpended owing to the replacement of EDP equipment; in 3.0.2, the Provincial Museum, \$1,000 was overexpended owing to the conversion rate on foreign exchange; in 3.0.3, Royal Tyrrell Museum, \$22,000 was underexpended and an intraledger fund transfer was processed for \$20,000 to 5.0.1, which is the Alberta seniors' benefit. In 3.0.5, the Reynolds-Alberta Museum, \$31,000 was underexpended, and again an intraledger fund transfer was processed for \$31,000 to 5.0.1, the Alberta seniors' benefit. In 3.0.7, the Ukrainian Cultural Heritage Village, \$20,000 was underexpended, and again an intraledger fund transfer was processed for \$19,000 to the Alberta seniors' benefit. In 3.0.8, archives and other historic sites, \$4,000 was underexpended and an intraledger transfer for that amount was processed to exchange capital funds for operating funds from 5.0.1. In 3.0.9, \$107,000 was underexpended, and again an intraledger fund transfer was processed for \$100,000 to the Alberta seniors' benefit. All of that money was applied to 5.0.1 to purchase electronic data processing equipment for the seniors' program that we referred to earlier today.

THE CHAIRMAN: Supplementary, David.

MR. COUTTS: Okay. That makes my supplementary a little difficult, Madam Chairman, but I'm going to try it anyway. When it comes to the cost of operating provincial museums and historic sites, I notice in the last few years some of the admission fees and revenue generated from these sites is basically self-generated through friends of the various sites. I'm just wondering: do any of those dollars generated from admissions go into your account, into your department?

MR. BATRA: None, sir. They are spent locally for the betterment of those institutions.

MR. COUTTS: Thank you very much. Thank you, Madam Chairman.

MR. MAR: Just on the subject of self-generated revenues, if you look at our historic facilities throughout the province, the total expenditures that are covered by self-generated revenues would be approximately 15 percent, and we hope to move that to 20 percent of the total cost of the operations of those facilities. Now, that may not seem like a great deal, but the national Canadian average for cost recovery programs in museums is under 5 percent. So we've gone a long way towards helping make our facilities a great deal more self-sufficient.

THE CHAIRMAN: Thank you, hon. minister.  
Terry Kirkland.

MR. KIRKLAND: Thank you, Madam Chairman. Mr. Minister, page 32 of volume 3, the Alberta Foundation for the Arts, note 4.

MR. MAR: Page 32?

MR. KIRKLAND: That's correct. Under administration costs there, it states: "Certain salary costs, estimated to be approximately \$435,000." As I looked at that, I was curious. Why is it that the department can only estimate the administration costs of this particular program, and why would it be paid out of general revenues as opposed to the foundation itself?

MR. MAR: The reason for that is because these items include costs from not only the AFA but also Alberta Community Development, the arts and cultural industry section which provides the administrative support to the foundation, and Alberta Public Works, Supply and Services which provides accommodations and building maintenance and utilities. So it is a managerial accounting decision that makes some allocations.

MR. KIRKLAND: My supplementary would be on the same page, moving down to investments and bonds under the province of Alberta. I see in '94 there was a \$50,000 investment in those bonds, and I show nothing in '95. Are those bonds still accruing interest, or in fact have they been sold?

MR. MAR: I'll ask Mr. Batra.

MR. BATRA: They've been cashed.

MR. KIRKLAND: And the value of them: where would that show up in the accounts?

MR. BATRA: It would show up in the accounts realized, but it's not an investment at that stage in that year.

**9:10**

THE CHAIRMAN: Thank you.  
Richard Magnus.

MR. MAGNUS: Thank you, Madam Chairman. Volume 2, page 203 indicates the outlays of the capital projects division of the Alberta heritage savings trust fund. Under the heading for the Department of Community Development, the amounts expended on urban park development are indicated, and the accumulated amounts expended at the start of the year were over \$127 million. Given the large figure and given that it received \$4 million in 1994 and '95, what's the purpose of the urban park development fund, and how was the \$4 million used?

MR. MAR: The purpose of the urban park development program was the establishment of significant areas of open space to provide easy access for urban populations to natural environments and the development of those areas for outdoor recreation. Anybody who has been to places like Spruce Grove or Camrose or Lethbridge or Grande Prairie will have seen the good work that has been done under this program. The \$4 million expenditure consisted of \$3,876,976 for grants to nine urban municipalities and \$123,000 for program delivery. The amounts were provided to municipalities as follows: Airdrie, \$325,000; Camrose, \$159,100; Fort McMurray, \$1 million; Fort Saskatchewan, \$311,722; Leduc, \$185,074; St. Albert, \$606,303; Spruce Grove, \$170,727; Strathcona county, \$1 million; and Wetaskiwin, \$119,050.

THE CHAIRMAN: Thank you, hon. minister.  
Supplementary, Richard?

MR. MAGNUS: No, thanks.

THE CHAIRMAN: Okay. Thank you.  
Peter Sekulic.

MR. SEKULIC: Thank you, Madam Chairman. Mr. Minister, referring to page 54 of volume 2 of the public accounts, specifically what I'm referring to is fees, permits, and licences. The revenues page always interests me, seeing we don't have a revenue problem. I'm looking at 1994. In the recreation development fees there was \$94,000 collected, and in '95 there's just a dash and it went to zero. I'm curious when I see that sort of thing. Did that component go into a different department, or was that just scratched and there weren't any recreation development fees in '95?

MR. MAR: That was a question that was referred to earlier, I think, by one of your colleagues. It was with respect to the closure of the Blue Lake Centre near Hinton. Previously the provincial government operated a leadership centre out of Blue Lake, and that centre has been privatized now. Accordingly, their revenues don't show up on government books.

THE CHAIRMAN: I apologize for repeat questions, Mr. Minister. Obviously some people are not quite awake yet.  
Peter.

MR. SEKULIC: Thank you, Madam Chairman. I appreciate your apology on my behalf.

THE CHAIRMAN: I'm not just referring to the present member.

MR. SEKULIC: I was kept here last night till 2 in the morning by some of my colleagues, but I am sound awake, Madam Chairman, thank you.

My next question is on the next line item, the other revenue under fees, permits, and licences, where we've had an increase of 30 some thousand dollars. I'm curious whether that's a result of increased use of facilities or just a reflection of increase in fees, permits, and licence costs.

MR. MAR: That increase of \$33,000 is a result of the Alberta film censorship board classifying more videos and films than in previous years. There is a fee associated with the classification of those films for showing in public cinemas throughout the province, and more films came in to be classified. But to the best of my recollection, there was no increase in the fee, just an increase in the number of films being classified.

THE CHAIRMAN: Thank you, hon. minister.  
Julius Yankowsky.

MR. YANKOWSKY: Thank you, Madam Chairman. Good morning, Mr. Minister, Auditor General, and staff. My question is found in volume 2, page 51, and the reference number is 2.2.3. That's in public accounts. Under this program reference titled community recreation development grants, I notice that the initial budgeted amount was \$249,000, yet only \$13,000 or about 5 percent was spent. My question is: what was the reason for this program overbudgeting?

MR. MAR: The community recreation development grant, the reference being referred to, is a discretionary grant that provides funds to assist in the delivery of leadership training and community development. Partway through the budget year a spending freeze was placed on the grants so that part of the grants could be used as

potential support for anticipated overexpenditures in other areas of the department. As a result of the freeze on the spending, only the \$13,000 that you referred to was actually spent in that particular CRD grant in the '94-95 year.

THE CHAIRMAN: Supplementary, Julius.

MR. YANKOWSKY: Thank you. On that same page, reference 1.0.3, we see that finance and administration was overspent by \$90,000. Why did this occur?

MR. MAR: The overexpenditure was a result of restructuring within the department after the budget was approved. There were two FTEs, one from community services and from individuals' rights and citizenship services. Their manpower dollars were transferred to the area responsible for the ministry's business and financial planning. Intraledger transfers, which are no longer presented in public accounts, were processed in the amount of \$95,000 as a result of this restructuring, thereby leaving a small net surplus of about \$5,600.

THE CHAIRMAN: Thank you, hon. minister.  
Mike Percy.

DR. PERCY: Thank you, Madam Chairman. Mr. Minister, my question relates to the consistency of criteria employed by the department in supervising various boards. Again to volume 3, a little bit of a jump about, on page 35 you see that board honoraria for the Alberta Foundation for the Arts is \$27,000. You jump to page 45, the multiculturalism fund, and you see that the chairman of the board receives nothing; other board members, \$7,300. You then jump to page 56, which would be for the Alberta Sport, Recreation, Parks and Wildlife Foundation. There you see no payment to board members, a modest payment to the chairman of the board. Then the Glenbow-Alberta Institute: you see again 14 board members, no payment. My question really is – I know there's a grid, and I know where you can fit in the grid. Is there a consistent application across the rules of the game, or does each board set up its own rules? What does your department do to ensure consistency?

THE CHAIRMAN: Hon. minister.

MR. MAR: Thank you. There's consistency now, because in '94-95 I terminated all honoraria to board members of agencies falling within the responsibility of Community Development. The only things covered now are travel costs and things like that. Some of the references that you made were prior to the consistent application of no payment of honoraria at all, with the exception of chairs of those agencies.

**9:20**

DR. PERCY: My final question relates to the Alberta Foundation for the Arts, page 31. That would be changes in financial position. I'm just curious about the donation of artworks. I see the big leap up from \$76,000 to \$291,000. When I compare that to the assets side, it looks almost as though there was a jump from a base of \$566,857. So there was, you know, a substantial jump in donations. How were they valued, I guess, for tax receipt purposes, and why the big jump?

MR. BATRA: I put the increases primarily due to not only the donations, but we also buy art. We have an art bank, and we spend money from the AFA funds to purchase works of art.

DR. PERCY: Yeah. I was referring specifically to the artworks donated.

MR. BATRA: Between '94 and '95?

DR. PERCY: Yeah, and the increase of . . .

MR. BATRA: Roughly, \$214,000?

DR. PERCY: Yeah, which is substantial relative to the base.

MR. MAR: We'll have to return to deal with an answer on that.

THE CHAIRMAN: Notwithstanding, we'll go through Diane with these.

MR. MAR: Understood.

THE CHAIRMAN: Do any members have further questions?  
Debby Carlson.

MS CARLSON: Thank you. I'd like to do a follow-up to my question before on volume 2, page 52, program 4.0.4, advice on women's and seniors' issues. Previously you talked about the performance indicators, Mr. Minister, being some subjective benchmarks and some that you actually track in terms of participation. Could you table those for us, please?

THE CHAIRMAN: Staff member, I'm sorry. You're Gary?

MR. BRAEUER: Yes. Thank you. The performance measures that exist for that particular programming area exist at the management level. Those reports are not regularly given to the minister because they do not fit within the business plan, as we've published it, in '94-95. So that reporting is available, but it's what we call management measures. Offhand, in that particular area there could be, I believe, 10 or 12 measures actually utilized by management to track the attendance in their programming, and they also track a survey in a survey format response of people who have attended their various projects.

Now, the minister did refer to Stepping Stones, and I know there is information available around Stepping Stones.

MR. MAR: Having said that, we can table that information.

MS CARLSON: Thank you. I appreciate that.

On the same page, down to 4.0.3, the Human Rights Commission, I have the same question. What are the performance indicators, and would you be prepared to table them?

MR. MAR: We can table that as well. One of the key indicators we use is satisfaction of people who go through the process, and we can advise that the satisfaction level is very high for individuals who go through the program. It's contained within the annual report on page 52. Our target is – the majority of Albertans support the minister's efforts to protect human rights and respond to concerns. The measure we use is the public's perception of the Human Rights Commission's ability to deal with protecting their rights. The result in '94-95 was that about 80 percent of Albertans expressed confidence in Alberta's human rights protection.

THE CHAIRMAN: Thank you. Thank you, Debby.

The Auditor General had some comments related to the previous question that Mike asked.

MR. VALENTINE: With respect to part of Dr. Percy's question, I can tell you that our audit activities include audit procedures

designed in situations where the donation is received by an agent of the Crown and a review of the rules relating to the tax receipts and the reporting to Revenue Canada. Those rules require a certain level of expertise in the evaluation process depending on the value of the item donated. If we were not happy with that part of the activities of the Alberta Foundation for the Arts, we would have had a comment to make in the Auditor General's report, and we had none.

THE CHAIRMAN: Thank you, Auditor General.  
Any other questions? Terry.

MR. KIRKLAND: Mr. Minister, I'll take you to page 50 of volume 3 and note 6. Looking at that, there's an expenditure listed under there, downsizing and voluntary severance packages, of \$253,000. I wondered how many full-time or FTEs that would represent. How many packages would that be?

MR. MAR: The downsizing in that area went from 37 to 28, and that would result in nine FTEs. If that's not correct, we'll get back to you through Diane.

MR. KIRKLAND: Okay. Thanks.

THE CHAIRMAN: Supplementary, Terry.

MR. KIRKLAND: My supplemental question would take you to page 74 under note 9.

MR. MAR: I'll refer Mr. Kirkland to page 51 of volume 3. The actual number went from 33 FTEs to 25.5. So that represents seven and half FTEs, not nine.

I'm sorry. Your . . .

MR. KIRKLAND: My supplementary originates from page 74, the same volume, note 9.

MR. MAR: Note 9?

MR. KIRKLAND: That's correct. I'm looking at that note. It indicates that there is really a \$415,000 expenditure to Moser Management Limited, the former executive director of one of the foundations here. I guess I'm a little offended by the fact that you have an executive director that then goes into a consulting process to wind up one organization and blend it into another. My question would be: what sort of services would he undertake that in fact the existing employees couldn't have handled themselves in that case?

MR. NOWICKI: Moser Management was contracted by the previous recreation, parks, and wildlife foundation to provide all the administrative services for the foundation. So rather than the foundation hiring individual staff, they contracted with one individual who, in turn, provided all the services as one lump contract. That particular contract was terminated March 31, 1994. He went on a temporary contract until the merger occurred, and he is no longer on staff with the Sport, Recreation, Parks and Wildlife Foundation.

THE CHAIRMAN: Any further questions?  
Richard.

MR. MAGNUS: I move adjournment, Madam Chairman.

THE CHAIRMAN: Well, I'll finish the agenda, if you don't mind. If there's nothing under Other Business, if the Legislature is still

sitting next Wednesday, we'll have the Hon. Murray Smith, Economic Development and Tourism, before us.

I'll now accept Richard's motion of adjournment. But before we do adjourn, hon. minister and staff, I appreciate very much your appearing before us this morning and appreciate the written answers to some questions going through Diane. Once again to the Auditor General, Peter Valentine, and staff, thank you.

[The committee adjourned at 9:30 a.m.]