

8:34 a.m.

[Mr. White in the chair]

THE CHAIRMAN: Order please. Good morning, ladies and gentlemen. We have an agenda that has been circulated. Might we have a motion for acceptance of the agenda? Mr. Johnson. Is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: It's carried.

The minutes of the meeting of Wednesday, May 5, have been circulated. Are there any errors or omissions? Seeing none, is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Carried.

This morning we have the Hon. Stan Woloshyn, Minister of Public Works, Supply and Services, with us to brief us on the occurrences of the department for the year in question, the '97-98 fiscal year. Mr. Minister, it's traditional that you introduce your people, and then we'll have the assistant Auditor General introduce his. Then we'll have a 10-minute overview of the highlights of that period. If that's all right, commence anytime.

MR. WOLOSHYN: Thank you very much, Mr. Chairman, and good morning, folks. I'll go right to the introductions. Next to me, as most of you know, is my executive assistant, Denine Krieger. We have on my right-hand side my right-hand man, Paul Pellis, who's the acting Deputy Minister of Public Works, Supply and Services. Currently there's a process in place that at some point in time a deputy will be appointed. Just for the record, Paul doesn't want the job. I don't know why. Gregg Hook, next to Paul, property and supply management; Bob Smith, at the end of the row here, realty services. Next to him is Grant Chaney, information management and technology services. Gordon Shopland, executive director in human resources, is in the back there along with Jan Berkowski, director of communications.

We'll pass it over to the Auditor General, folks.

MR. SHANDRO: Thank you very much. On my right I have Ken Hoffman, assistant Auditor General who's got the responsibility for the department. As well, on his right is Doug McKenzie, a principal who directs the work of the projects in the department.

THE CHAIRMAN: Mr. Minister.

MR. WOLOSHYN: Thank you, Mr. Chairman. Now I would like to provide members of the committee with a brief overview of what Public Works, Supply and Services is all about. As you know, we are the central agency that supports government program delivery by providing accommodation, government-owned and leased facilities, and funding of construction and upgrading of capital infrastructures such as health facilities, water management structures, and so on. We also do a variety of cross-government services including procurement, air transportation, land management, information technology and communications, and these services are provided through our four business areas: property development, property and supply management, realty services, and information management and technology. And for the benefit of the Member for St. Albert, we also look at fish screens.

Property development is responsible for programs related to

capital infrastructures such as health care, major water management projects, and seniors' lodges as well as tenant improvements on owned and leased space. They work with our customer ministries, the boards, agencies, and other stakeholders to ensure that capital infrastructure for government is managed effectively.

Our property and supply management operates and maintains government-owned properties, administers lease space, and acts as a central procurement and surplus disposal agency for the government. This group also provides air transportation services to government.

Realty services acquires and negotiates contracts for lease space and looks after purchase of lands for most of the ministries. They also administer the sale of property surplus through government needs.

Information management and technology services provides leadership in managing information technology and telecommunications for government ministries. They operate the government computing centres, and they manage short telecommunication networks for cross-government voice data and mobile radio communication services. We also work with the office of the chief information officer to develop and integrate government technology plans and administer information management legislation and policies.

The 1997 actual expenditures for this department were \$535 million. Some of the highlights were as follows: \$98.7 million for constructing and upgrading health care facilities; \$20.2 million for upgrading seniors' lodges; \$27.5 million on constructing and upgrading water development projects; \$81.4 million for operating and maintaining approximately 2,500 owned and 270 leased buildings; \$71.1 million for leasing space for government departments, boards, and agencies; \$8.7 million spent on acquiring lands for the Edmonton/Calgary transportation and utility corridors and other lands required for government program use; \$7.5 million spent on information technology and telecommunications acquisitions, surplus disposals, and postal services; \$7.3 million on maintenance of government facilities; and \$20.5 million to provide accommodation to other ministries to enable their program deliveries.

Public works generates revenue by providing services to clients within the government. In 1997-98 we collected some \$55.5 million in revenues. Approximately \$29.2 million of this was the result of providing data processing, aircraft and postage metering services to government departments and agencies on a charge-back basis. In addition, \$11.7 million in revenue was generated from the rental of buildings and land.

As I mentioned, public works spent \$98.7 million for construction and upgrading of health care facilities. Work was completed on a few key health facility construction projects including the consolidation of the programs at three facilities in Calgary: the Peter Lougheed centre, Rockyview general hospital, and the Foothills medical centre. Total provincial support for these projects was \$30.6 million, \$32.8 million, and \$31.6 million respectively. Replacement of the 39-bed acute care hospital with a new facility in Slave Lake, a general hospital, was \$15.1 million. Renovations to relocate the community health programs at the Medicine Hat regional hospital had support of \$3 million.

Work also continued on the health facility construction projects, including the one most of you folks would be familiar with, the community health centre in northeast Edmonton. This was approximately \$8 million, and renovations to Capital Care Norwood in Edmonton were some \$15.1 million.

We also spent \$20.2 million upgrading seniors' lodges, and our seniors' lodge upgrading program continued on schedule. As you all know, this program is a very good one, providing both safer and more comfortable accommodation for Alberta senior citizens. We

also managed within this project locally funded projects on behalf of lodge foundations, thereby stretching their dollars. During '97-98 some \$3.9 million was spent by the lodges on these.

Water management projects. We spent \$27.5 million on constructing and upgrading water management projects this year to obviously look after very expensive infrastructure and in some ways to hopefully improve our climate for economic growth in rural Alberta. The work that continued on the four projects is as follows. A \$42 million project at Pine Coulee near Stavely is going to provide a long-term solution to water supply problems in the area. In '97-98 \$12.5 million was expended on that project.

We also began a \$47 million project at the St. Mary dam spillway replacement near Cardston. This was to replace the existing spillway that is undersized and unfortunately in very poor condition. In '97-98 \$10.8 million was spent there.

We also presented the environmental, social, and economic impact assessment for the proposed Little Bow water management project to the joint federal/provincial review panel. The purpose was to seek approval of the province's application to construct a dam and reservoir on the Little Bow River. The dam and reservoir will address the water quality and supply problems in the area by enlarging the existing Little Bow diversion canal at High River and by constructing a diversion on Mosquito Creek and the canal to Clear Lake. In 1997-98 \$3.2 million was expended on land acquisitions required for the project.

We also completed tender documents for the replacement of a 50-year-old East Arrowwood syphon on the Carseland/Bow River headworks. This system supplies water to some 215,000 acres of irrigated land in addition to eight communities and a lot of industries along the way. In 1997-98 some \$960,000 was spent on that particular effort.

Public Works played a major role in several information technology initiatives during this year, including the Imagis project and the year 2000 compliance. We lead the cross-government team which is overseeing the implementation of the Alberta government's integrated management information services, known as Imagis. This software will standardize financial and human resource systems and reduce duplication across government.

8:44

Public Works and the chief information officer have developed and overseen an action plan to ensure that critical government information systems are year 2000 compliant. Public Works and the CIO are continuing to work with individual ministries in the co-ordination and the communication of this particular project.

Under the seven goals Public Works set to support the government's business plans and establish the framework for the ministry's direction in '97-98, we realized a number of accomplishments. We achieved approximately \$860,000 in net annual savings in shared data network costs by using updated technology. This positioned Public Works to accommodate extra growth in telecommunication usage across government without major budget increases.

Government ministries realized savings of more than \$2.7 million in telecommunication services such as long-distance, Centrex, and 1-800 services as a result of our negotiating agreements that take advantage of volume discounts and reduced rates for deregulated telecommunication services in Canada.

Public Works also represented Alberta's interests in successful negotiations to extend open procurement obligations under the agreement on internal trade to Canada's MASH sector. This will provide significant new opportunities for Alberta suppliers and manufacturers. We also lead an interprovincial team which successfully tendered and implemented the use of MERX, which is a new internet-based electronic tendering system. MERX facilitates

the Alberta government's obligations under the agreement on internal trade, which supports openness and transparency in procurement practices.

In Public Works we continue to seek joint accommodation opportunities between provincial ministries and federal and municipal entities. Under the labour market development agreement Public Works worked closely with Advanced Education and Career Development and the federal government to establish shared accommodation to provide integrated services for employment seekers.

During the 1997-98 fiscal year Public Works increased a number of key measures as a major step in helping us to better assess our performance. In addition to our measure of client satisfaction, Public Works also uses a number of measures to evaluate the efficiency and cost-effectiveness of our operations.

We achieved our target for average operating costs per rental of square metre of owned space within the Public Works space inventory. With these targets we recognize that government departments must be accommodated while balancing appropriate standards, quantity, and costs.

We met our target for average energy consumption in owned facilities. Public Works recognizes the importance of minimizing the environmental impact of operations by reducing natural gas and power consumption while facilitating effective government program delivery and contributing to the government of Alberta action plan on climate change.

The property inventory, owned and leased, measure tracks the amount of property inventory held on behalf of the government of Alberta and reports on the successes of initiatives undertaken to consolidate government accommodation.

In anticipation of new government programs a decision to retain properties rather than dispose of them led to actual property inventory reductions and dispositions being less than budgeted. As a result, the actual performance for 1997-98 did not meet established performance targets but reflected business direction. Our four core businesses were challenged to stretch beyond what were considered comfortable performance targets. The purpose of these extremely ambitious goals was to encourage all of us to find new and better ways of doing business. Even though we did not meet all of our stretch targets, we still made significant progress as a result of challenging ourselves to achieve these higher levels of performance.

In conclusion, Mr. Chairman, I'd be pleased to try to answer any questions committee members might have. If not, I'll pass it on to staff, if that's acceptable to you folks. Thank you very much.

THE CHAIRMAN: Questions? Mr. Sapers.

MR. SAPERS: Good morning, Mr. Minister and staff, Auditor General and folks. Welcome, Corinne.

To start off, I want to ask a couple of questions out of the Auditor General's report regarding your department, Mr. Minister. I'll be referencing pages 186 through 188 in the '97-98 report of the Auditor General. The Auditor General makes a number of recommendations for alternate performance measures, including:

- capital project administrative . . . per square metre of constructed space, or per \$1 million of construction,
- operating costs in leased space,
- property management costs per square metre for contracted property managers compared with costs for property managed directly by [the department].

Recommendations talk about a computer processing services index, which would use a historical database for comparison, and

- Alberta Government Network voice and data telecommunication costs compared to the costs of equivalent services without . . . a dedicated network.

I'm wondering, Mr. Minister. Have you considered those recommendations, and if so, what was the outcome of your consideration? Are we going to see some of these new performance measures in place, and if not, why not?

MR. WOLOSHYN: Well, obviously we have the Auditor General doing reports to keep lifting the bar government departments aspire to meet. So it goes without question that obviously we pay very strong attention to these recommendations. For example, recommendation 38 in the report specifically stated that

the Ministry of Public Works, Supply and Services improve its reporting of performance measures to better demonstrate . . . cost-effectiveness.

We will explore the opportunities to develop new measures and benchmarks on an ongoing basis. That's just a standard practice. In addition, we work very closely within and outside government to ensure we're drawing the best possible, shall we say, support from inside and outside government.

With respect to our building programs and so on, we go down the road of trying to stretch a dollar as best we can. For example, you'll find that some health authorities will joint manage projects with others. They do it alone, and we basically do the support stuff and cut cheques. I indicated in my comments that we've sort of flattened out the disposal of surplus properties. There's a reason for that one. We were looking at where the government is going, and we didn't want to put ourselves in a position of disposing of inventory which we may need. We get creative, if you will, in going back to the property management end of it. The one that happens to come up quite frequently is this whole Westerra complex. Quite frankly, we tried to sell that property, if you will. It wasn't because of its configuration or what have you. It wasn't very attractive for the good dollar in the private market. The municipalities were approached. It was a little bit too big for them to handle. We also see that we need some space within the area for other government agencies. As time goes on, you'll see the quality of that building improved to suit the tenants, and the tenants will likely be government users as the need arises. So we're always looking for cost-effectiveness in the measurement of what we do.

MR. SAPERS: Okay. Let me be a little bit more specific in considering recommendation 38 in the AG's report. Can you tell me about departmental activity to develop performance measures that would measure specific cost-effectiveness in expenditure areas, not just capital projects but also property management and information technology services? Just be a little bit more specific if you can.

MR. WOLOSHYN: Well, let's see. Where can I go on this? We look at, for example, being specific. Operating costs is a very big one, whether it be on leased lands or our own. We track that very closely. I referred to costs of energy on the buildings. We do this in procurement of supplies. We've changed some of our procurement levels for departments, whether they go on their own. Again, that was for efficiencies within the whole area of telecommunications. As the market has become deregulated, we also took advantage of that and have got significant savings by going out to the marketplace, and this is a constant that we do on behalf of other governments.

Now what did we save? We saved a bundle of money across government for each department that plugged into it. Obviously, with the tight budgets we are facing, we do stretch every dollar. I'm not quite sure what you're getting at, hon. member, but we do the ongoing comparisons. Whether it be in the procurement, whether it be anything, we continually strive for, if you will, the best bang for the buck.

8:54

THE CHAIRMAN: We'll have to move on here.

MR. SAPERS: I was just going to offer to clarify for the minister, Mr. Chairman.

THE CHAIRMAN: We have lots of time and there aren't many people, so you'll get your second shot at it, if you will.

Mrs. O'Neill, please, followed by Ms Blakeman.

MRS. O'NEILL: Thank you, Mr. Chairman. Good morning, Mr. Minister and staff and AG. And welcome back, Corinne. It's nice to have you.

I'm going to make reference to your annual report, pages 71 to 77, but most specifically as it relates to Y2K and the Imagis project. I know you've been working on it and you have worked on it in the past year. You speak of a revolving fund with respect to it. How is your budget impacted with respect to other departments and their role, or do you carry in your budget the full weight of the financial expenditures for making government, quote, unquote, Y2K compliant?

MR. WOLOSHYN: The individual departments are responsible for their own costs in making it compliant through the CIO's office and a couple of committees that are established there. Therein we do the co-ordinating and the tracking. It was indicated in a news release not too long ago that we're very well on track with it. For example, there is a steering committee of deputy ministers, and this co-ordinates it right across the government. In addition to that, each individual ministry is responsible to and with their extended stakeholders. For example, the Y2K compliance issue to do with health authorities is not a Public Works effort. That becomes the Department of Health working with the RHAs to ensure that goes, and as you know, there's been a considerable amount of money put into that one which, on the one hand, has ensured the Y2K compliance. On the other hand, it's also done a pretty good, I think – I hope – update of a lot of the equipment we rely on at the computer end of it, if you will, through the health authorities to ensure they are compliant. So it's had its pluses there.

Within the government itself, I believe we're at some 80 percent plus compliance, and our hope is that by September we'll be completely finished. A lot of the compliance comes up, for example, with building systems that we're looking at. We may be replacing systems a little bit earlier, say a year or so, than we normally would on an ongoing maintenance basis, but if we do that, it's just one step ahead and makes sure the lights come on and the heat is on and whatnot for our own buildings. This is pretty much going on across the board. Quite frankly, through the CIO's office Alberta has been acknowledged as a leader across the country for being way ahead in terms of having first identified the issue, put together a structure to monitor the issue, and then ensuring the actual problem is being tackled both within and outside government and goes well beyond Public Works. For example, the disaster services people are involved quite heavily through their end of it.

There is a very high degree of co-operation and communication between the government agencies and the private sector. For example, utility companies are one of the big ones that people are very conscious of. You know, I'm quite pleased to say I personally am very comfortable that the only thing that will happen in the year 2000, when it's midnight in this province, is your alarm might be a little louder because you were sleeping a little lighter worrying about the elevators in downtown Edmonton not going up and down.

MRS. O'NEILL: Thank you. That's all.

THE CHAIRMAN: If your elevators are going up and down, you're okay? Good.

MRS. O'NEILL: Then I will ask a second question, since you prompted it. That is with respect to – I'm looking on page 73 of your report, your contribution to Imagis in schedule 3. For 1997 actual and 1998 actual, would that be the sum and substance of the contribution? I sense you're saying that you've also facilitated through personpower a number of the efforts as well, but would this be the notated amount?

MR. WOLOSHYN: You mean for . . .

MRS. O'NEILL: In total.

MR. WOLOSHYN: For Y2K or for Imagis?

MRS. O'NEILL: What does this reference most specifically?

MR. WOLOSHYN: Paul, you get to have this one.

MR. PELLIS: The development of the Imagis project is being delivered to contracted private-sector resources in addition to a large number of government staff from various departments. What that figure represents is the contribution from other government departments as a result of their seconded resources.

THE CHAIRMAN: Ms Blakeman, followed by Mr. Yankowsky.

MS BLAKEMAN: Thank you. Welcome to the minister and his staff, and welcome again to the Auditor General's staff. Do we have anyone in the gallery today? No. Okay, I won't welcome them.

My questions are on realty services, and I'll refer you to page 38 of the Public Works, Supply and Services annual report for '97-98. I notice that one of the goals and the key activities to match the goal was around the Edmonton/Calgary utility corridor. So my question is: could the minister elaborate on this division's management of the land acquisition issues, particularly as it relates to the expropriation agreements for Edmonton and Calgary around the transportation and utility corridors?

MR. WOLOSHYN: Could you be a little more specific? Is there some specific thing you want me to comment on, or do you want a general answer?

MS BLAKEMAN: Where are you with the expropriations around this?

MR. WOLOSHYN: Well, we're not expropriating land, to begin with. I think that should be made clear. We haven't done any expropriations as such.

MS BLAKEMAN: Excuse me. It says "outstanding expropriation agreements" right in your annual report.

MR. WOLOSHYN: They're referring to . . .

MS BLAKEMAN: Oh, those expropriation agreements.

MR. WOLOSHYN: No, no, no. It's not those. I believe the reference is to something called a section 30. What a section 30 is: when the government came in to buy your property, a price was established which was not accepted by the buyer as a final fair price. The government would then cut a cheque with the seller's agreement

for the value; say it was \$1.5 million, although the seller felt it was worth much more. The section 30 agreement was an agreement whereby the seller and the government would go to the Land Compensation Board to determine if in fact that was a fair price. If it was found to be a fair price, it was forgotten about. That's happened in some instances. If it was found to be not sufficient, then the government would end up paying the difference and also pay the legal costs.

Since I have become minister responsible, we have not entered into any of these so-called expropriations because – that's a wrong term, to call it an expropriation. Really, a better way is it's a disagreement on the final price, with a section 30 resolution. We go on the willing buyer/willing seller basis, and up to this point we're well over 90 percent of the land acquired in both ends.

I do believe we've got only – Bob, how many? – two, three, of those section 30s outstanding?

MR. SMITH: I believe there are about six left, Mr. Minister, and we're about 94 percent acquired for both.

MR. WOLOSHYN: Those section 30s were entered into before, and they do create their own set of nuances around them. Is that what you were referring to? Okay.

One or two of them would likely be in court at some point, because the unfortunate thing about a section 30 is that if the seller still doesn't like it, they have the option of going up the legal ladder. That's one of the reasons why we got away from it.

9:04

MS BLAKEMAN: Okay. Still on page 38, still on realty services. My supplemental question. I'm looking for further information on the completion of land purchases required for the Buffalo Lake stabilization project. Specifically, I'm wondering what the total cost incurred by the government was relative to concluding the agreements with the 55 landowners.

MR. WOLOSHYN: If one of the staff can dig up a total cost, that would be fine. There was a committee formed a few years ago when this whole project was started. That committee agreed, I believe, that they would have a standing offer price of \$830 per acre for the people around there. The 55 landowners in question agreed that they would accept that because that was a local committee that had come up with that price, and it seemed to be fair market value for the land. I must clarify that we did go ahead with some expropriations on this project. Okay? There are five or six under expropriation. Bob, how many in that?

MR. SMITH: We had a total of 12 properties that went to expropriation. Shortly after they were expropriated, we settled I believe three of those 12 properties.

MR. WOLOSHYN: So we have nine to settle yet in those expropriations, given that we were taking land in order to complete the project. I don't know how the remaining ones are going to shake out, but I would assume that they're going to work out in the end.

MR. SMITH: If I could clarify as well with respect to that. The issue with respect to Buffalo Lake and expropriation is a legal issue. There's a legal argument in terms of where the property owner's boundary stops because it bounds a water body. It's a legal principle called accretion, and the issue is: does somebody's property increase in size as the water boundary has shrunken back? Does it accrete across quarter section boundaries? Between ourselves and the landowners we weren't able to sort out that issue, and that is a basic principle that is going to be going to court to be sorted out.

THE CHAIRMAN: Thank you.

Mr. Yankowsky, followed by Mr. Sapers.

MR. YANKOWSKY: Thank you, Mr. Chairman, and good morning everyone. I don't really have a reference for this. It's kind of a general question or questions. Mr. Minister, you say that one of your measures is to reduce the inventory of government property. The explanation that you gave for not achieving your goal was that this measure was put in place when the government was downsizing, and now you say that the focus is on maintaining and reinvesting in existing facilities. Could you elaborate on what you mean and maybe even give us an example or examples when you talk of reinvesting in existing facilities?

MR. WOLOSHYN: When we started to downsize, we dealt with surplus properties as put on the market, if you will, by other departments and also some of our own. When we downsized government, obviously we had a lot of lease space left over, a lot of our own space, a lot of buildings, transportation yards that were deemed at the time to be surplus.

I'll give you a couple of examples of what's been happening and the reason for having a second look at what is really surplus. Westerra comes to mind. Everybody is familiar with that. With the Airdrie transportation building there was an arrangement struck with the town of Airdrie and Rocky View school board where they are going to make that transportation building into a school, and the city of Airdrie ended up buying at a reasonable price a bunch of land around us. At one time our for sale sign would have gone up, but because there was a school need – although it's extended from the government, that would be put into place.

There have been some other unique kinds of arrangements done. For example, in Fort McMurray we have a condominium arrangement on a provincial building whereby half of it was sold to the city of Fort McMurray. In the town of Oyen the same kind of thing was done. We're currently searching for appropriate space for the archives. At this point in time there isn't the desire or the money available to build a new archives building, so we'll be looking at our existing inventory before we sell anything off and see if we can match it up. So that's basically the route we're going.

This goes across the province. We always approach the local municipality to see if they have a need for the property, and interesting things happen. For example, I believe it's Edson. The forestry people have moved from their building into the vacated transportation building, and it seems to fit their needs better. Generally we just do a property juggle to see if we can meet needs with existing inventory, and if there isn't any need identified and we can't foresee one, then we put it up for sale, as opposed to what was started back in '93 when we had that huge inventory and the selling of it was entirely more so, I guess, to set a goal for selling property. Just a wild guess.

MR. YANKOWSKY: A supplementary, and that is in regards to the old Federal building just north of here. I understand that is part of the Public Works, Supply and Services buildings inventory. My question here is: are you maintaining that building properly so it stays in good condition? Maybe you could touch on any reinvestment plans that you may have for it.

MR. WOLOSHYN: We're keeping the heat on so that the building doesn't deteriorate.

MR. YANKOWSKY: How about the roof?

MR. WOLOSHYN: The roof didn't leak the last time checked. If it

does, we'll make sure that it doesn't, obviously, because the structure's integrity has to be maintained. We're very close, hopefully, to being extricated from the agreement that was set up with Prairie Land Corporation. As you know, that was largely made up of a fund contributed to by some 14 unions. These people had a look at the building and used the building as a reason not to proceed. However, the building didn't change from when the agreement was struck, and when they chose not to proceed, the end result, as you know – quite frankly, at the time they took it on the vacancy rate in Edmonton jumped. It probably wasn't a very economic project for them, and they walked from it, which then put us into a few differences of opinion on how things should be worked out. When that is resolved – because quite frankly when it's in dispute we have to be careful what we do with it because we could end up in a whole set of legal problems that we don't need. It's hopefully going to be resolved very soon.

We are currently looking at Government Centre lands and appropriate use of all the buildings there. This building, what's referred to as the Leg. Annex, the Terrace Building – a portion of the Terrace Building that is structurally unsound you may see coming down even this year.

MR. SAPERS: On purpose?

MR. WOLOSHYN: On purpose. We'll be removing it, may be better words. So you'll see that happening.

In the whole scheme of things we're going to try to get a private developer, hopefully, into the Federal building to work out – we may end up committing to some government usage there of the space. So if we can get some sort of direction on this whole area.

But there has been a lot of talk going on about the viability of the Leg. Annex. You folks who are on the second and third floors, when you have a windy, rainy day, you know what that building does, and in the wintertime the heat goes out. So I don't think you'd argue too much if we decided to either take it down or do a major, major fit around it, which would be the same as almost putting up a new building. So until we have a few of the directions and budget moneys in place – the Federal building at this point we hope will be developed. If it's not, I guess that's a discussion for another day, but the intention now is to develop it and develop it with hopefully a developer where we can do a lease-back commitment for long term to help out, and then the rest of it will likely be condominiumized.

MR. YANKOWSKY: Thank you very much.

THE CHAIRMAN: Mr. Sapers, followed by Mr. Johnson.

MR. SAPERS: Thank you. Mr. Minister, I'd like to ask you a couple of questions about the property and supply management division of your department. First, I want to reference your discussion on the use of fixed-wing aircraft, page 19 of your report. I'm wondering whether you've sharpened up the cost comparison and performance analysis that you do on, I guess, the cost benefit of maintaining that fleet of aircraft for the purpose of Executive Council transportation. Will you be providing a log of flights undertaken by members of Executive Council for '97-98?

9:14

MR. WOLOSHYN: We provide the logs every quarter. They're available every quarter; a quarter late, if you will. For example, the first quarter you'll get sometime in the third quarter. By doing it that way, we don't end up having to scramble fast to get it out. It's just a part of the day-to-day business efforts, and those are available in the public works building. Whoever is interested, all they have to do is ask, and they will be given a spot to look at it, and they can look

at them all. I suppose that if they want copies of some of it, they'll get it. If they want copies of all of it, they will pay for it. So the use of those where it applies to Executive Council, who uses it and where they go, is certainly there for the looking.

I want to make it very clear that those aircraft are not strictly, if you will, Executive Council's. The first priority on them is the movement of fire crews. That's the major reason we have a Dash 8. We do move it through the fire season. It's utilized rather extensively, and from time to time the smaller ones are used for that. Although we've got medical ambulances stationed around the province, if you have an emergency, that would take priority over that. Then we have executive travel and departmental use and committee use for the Leg. Assembly. Some of you folks have used the aircraft in some of your committee work.

We have over 100 airports that we fly into, I believe it is, in this province, and it's impossible to schedule air service to hit these. I don't want to be down on the charter service, but there isn't another operation that can compare with the level of maintenance which we provide and the quality and the training of the pilots. The aircraft that we fly, the Beeches, can be flown by single pilots, individual pilots, but we choose to maintain a two-man crew for safety reasons, and there are a lot of good reasons for that. The unfortunate accident that happened back in 1982 or '84, I believe, was a charter that was going up, and that was when one of the previous members of this Legislature was killed. It had only one pilot on it in bad weather. Not a good plan.

With respect to the costing of it, if you do a direct cost without doing all the infrastructure costs in there, our costs are extremely low. If you do the costing of it, as you know, capitalizing your facilities and whatnot, we are very, very comparative with the so-called private sector. So for us to go out on a charter basis – first of all, you have to remember that one of the big things is having them available and having them go virtually wherever you want. Although they're extremely cost effective, if you take, for example, going even out of province, they are a lot cheaper than having, say, six or eight people going on an airline. Actually, you save a bundle by going that way. We had a good look at this back in June of 1996 when we did a thorough review. They are extremely good.

I personally would like to see us expand back into the rotary wing fleet, the helicopters, that were with the government back in the early '90s, that were disposed of. They were ancient craft and high maintenance. They've got some new craft on the market now that are a lot more efficient, are very good and would be good for spotting and whatnot for our fire services, but that's something that we do along the way. As you are likely aware, we also have four fixed-wing water bombers. They call them ducks, those 215s. Those are owned by the government. We have a significant parts inventory for those. Those are old planes, but they're very good planes. We've also entered into an arrangement to lease a couple more or have them available through the air spray services in Red Deer that maintain them for us and look after them. They also made available two more for use in the Virginia Hills fire. That was a big, hopefully never repeated one. In answer to your question of are they cost-effective: very much so, right across the board. That's been looked at all around.

The usage of it. I'd like to see, quite frankly, the fixed wing expanded some more. We encourage the use of it, especially for all-party committees and things like that, to get around the province sufficiently. Are manifests available? Yes. There's nothing to hide there. You will see sometimes – and this has happened – where there will only be a single passenger. Sometimes you'll see a full load, but there's always a reason for it.

That's about it.

MR. SAPERS: Thanks. I appreciate that. I appreciate the answer.

Staying with property management, page 25 of your report, a question about operating costs per square metre of owned space. I note that there was in excess of a \$2 per square metre increase. In 1996-97 the cost was reported as \$42.55 per square metre. In '97-98 it's reported as \$44.64. I wonder if you could explain that, and in your answer please indicate what comparisons, if any, have been undertaken to compare the increase in the operating costs with operating costs in the private sector.

MR. WOLOSHTYN: You really have to be very careful where you compare. Right within government inventory the cost of operating the building that your office is in, with the leak-out of heat, will be far different than a new building downtown. There are other parts that factor into it, some fixed costs like taxes and whatnot. So the actual operating cost of – are you looking at the heat and lights? The lights would be the same, if you will, for the most part. The heating could vary, the air-conditioning, if you have an air-conditioned building or you don't, the state of the building. So that's pretty hard to do.

We do a running comparison, if you will, with it. These are not strange figures. For most of our buildings, as you know, we have the maintenance. The caretaking services are contracted out; it's not our forces. That was done a few years ago. We do maintain this building and the annex and some others, which will always be under our direct staff for a variety of good reasons.

A good portion of that increase was that after the '93-94 clamp-down on spending, we were concerned that our buildings were deteriorating. So some of that would show up in operating costs. This would be like, for example, did you get new rugs in your offices? I don't know; I'm just throwing this out to you. That would be a part. If you go into the offices of this building, you'll see that the old hardwood floors that were covered up are showing up. Now, for that you might be seeing a blip in the operating costs here, but there's a time when you start to replace and upgrade to ensure that your building stays up to standard. Part of that cost is in there, Howard. We're starting to put money back into our buildings to ensure that they're maintained at an acceptable level.

THE CHAIRMAN: Mr. Johnson, followed by Ms Blakeman.

MR. JOHNSON: Thank you, Mr. Chairman. Good morning, Mr. Minister, and others. My questions have pretty well been covered, but I did want to follow up on the hon. Member for Edmonton-Glenora's questions regarding air transportation as described on page 19, particularly in relation to environmental disasters. I thought you did an excellent job, Mr. Minister, of answering the questions in this regard and expounding on them. But just to carry it one step further in relation to the water bombers, could you give me some idea of how much they were used in '97-98 in relation to other years, their condition, and your plans maybe for replacement if necessary?

9:24

MR. WOLOSHTYN: Off the top of my head I can't tell you that, but we would be glad to get you the information. I just can't tell you the comparisons for hours used, I don't think. Oh, just a minute.

I've got one. I'm sorry. My apologies, hon. member. I guess in 1997 it was sort of a quiet year. We had 385 hours logged on these things as compared to last year's 1,605 hours. So that somewhat answers, I believe, your question there.

In terms of replacement: at the moment, no, the reason being that if you read – I believe one of the newspapers had an article where the manufacturer of these aircraft had one on display in Edmonton over the weekend. The cost of that airplane is \$27 million for one airplane. The 385 hours that we had was between four airplanes.

Now, that's a nice, fancy airplane. It's very much up to date. It's pressurized; it's far better for pilot comfort. It's more powerful, which means that you can scoop water off a shorter lake. But for the kind of investment, say, to replace our fleet with four of those, we're looking at well over \$100 million to have them sitting parked for the vast majority of time. And I like to see them parked, because when they're parked that means we're not burning up our resource.

The other drawback with these airplanes – and we've had a look at this – is that they don't have a secondary use. They're not suited as freighters. They're not suited for loading up and taking off on water, believe it or not. They're not designed for taking off on water. They are designed to scoop water out of a lake but to take off and land on a hard strip.

There were a couple of used ones available that were the same as ours. We have a good parts inventory, so we have an arrangement where we'll now have six at our disposal. So are we going to replace the existing ones with new ones? No. Will we add to the fleet? We didn't necessarily want to keep it, because the other part about these water bombers is that there's a lot of co-operation going on. This is where the new ones would fit in. Our water bombers have helped out in California. This is a well-kept secret. They pay us for it. They've helped out as far east, I believe, as Ontario in their fires there, but to ferry the plane over there at about 10,000 feet in bad weather is a little bit of a chore. The new ones that are pressurized, with turbos, go over the weather like the others. So from that aspect we wouldn't mind having a couple out as loaners, but certainly we couldn't justify the cost of new ones at this point in time.

MR. JOHNSON: Thank you.

THE CHAIRMAN: Ms Blakeman, followed by Mr. Lougheed.

MS BLAKEMAN: Right. I have specific questions about some of the buildings that are managed. The controversy around the Provincial Archives arose last summer, but I'm looking at the '97-98 fiscal year. My question is: what plans, what assessments, what studies, what anticipations were done in this fiscal year regarding a new location for the Provincial Archives?

MR. WOLOSHYN: I'll have to go a little on memory. Don't forget that we respond to other departments' needs, so we don't go relocating archives until Community Development, who's responsible for that, tells us. Within Community Development we procure a certain amount of money that we can expend on that department, the same as other departments. They have to prioritize within that in what they want to do with some of this.

With respect to the archives specifically, I would suggest that the group that operates it, the archives people themselves, have been requesting a new facility from the government for at least 10 years. The Minister of Community Development and I have made it a bit of our project to try to relocate them for the sanctity of the records, if you will, because we have some records in the centre at the Provincial Museum site and others at the record centre on 142 Street.

What we would like to do is get a facility that's properly climatologically controlled within it to make sure that things like microfilm and all these other things that are in there are kept in safe storage and also to find a site where they could grow. If you look at the current location of the museum, that's a very restricted site. You've been there; you know it. And if you want to preserve Government House, then you can't expand on the museum. You can go up or down but really can't go out sideways. There's no real reason why the archives have to be attached to the museum or to any other place. They could be located stand-alone almost anywhere.

To be very frank with you, our first priority for a municipal location has been and continues to be Edmonton, for no good reason other than from the heart, if you will, because you could locate them anywhere. We're currently working on trying to find some existing buildings and inventory if it's more cost-effective. Hopefully we'll have something more definitive within a month or two to announce or to say where we're going with this so the folks in the archives can say: this is going to be our home. Really what we're looking for is a suitable building – a new building is extremely expensive – and on a site that they could expand on.

Now, if they had moved, for example, to Stony Plain, they could have been there forever and they would never have filled that building up. Then you'd have to find a compatible tenant to be with them. And the cost, quite frankly, of bringing that building up to a standard of climate control that we felt would be suitable for the archives just became prohibitive, and that's the major reason why it wasn't out there.

MS BLAKEMAN: Thank you. My second question is around Beaver House, which is situated in downtown Edmonton. So again in the fiscal year that we're examining – sorry. Let me back up a bit. A lot of the offices for those involved in the arts and cultural branch of Community Development were in the CN Tower and also in Beaver House. I don't think there's anybody left in Beaver House now. I'm wondering: in this fiscal year were there any plans or considerations given to the future uses of Beaver House or making it available to the arts hab project, perhaps, or anything?

MR. WOLOSHYN: Well, Beaver House. What can I say about Beaver House? There are people in there. It's not vacant. Folks come and go in there, basically charitables, if you will. We don't get a rent return on it. What are we going to do with Beaver House? To be very honest with you, I don't know. That is an honest answer. At this point in time I don't know.

MS BLAKEMAN: I could suggest something.

MR. WOLOSHYN: Oh, I'm sure you can, and I'd be very willing to entertain your suggestions. That's because quite frankly I don't know what we can do with it.

MS BLAKEMAN: Great. I'll send you a letter.

MR. WOLOSHYN: Yeah. I'd look forward to receiving it, because if you can get something where it doesn't kill my budget and groups benefit, I don't have a problem.

THE CHAIRMAN: Mr. Lougheed.

MR. LOUGHEED: Thanks, Mr. Chairman. The growth summit talked about the importance of government establishing partnerships, and you talked about a couple. Perhaps you might consider that one with the Federal Building a partnership; I'm not sure. Can you elaborate on any other kind of partnerships that your department has developed and talk about those?

MR. WOLOSHYN: Yes. I hope to see us doing more of this partnering. One of the ones that comes to mind quite quickly is the Alberta Research Council in Calgary, where it was financed, built, and maintained by the private sector, and we do have the option to purchase it. I believe it's at the end of a 20-year. So it's not out of our control. That building could become a part of our inventory if we so choose.

We do have another one in Lacombe, which I had the privilege of

touring this summer at the opening. There's a cost sharing there with the Alberta Barley Commission on that research facility. The other thing, as I indicated in my comments, is that we've got quite a few federal/provincial offices being cost shared. That's another level of partnership.

The other one that we've done too – I did reference both Fort McMurray and Oyen. I think it's significant that with condominium arrangements they buy their portion of the building. You're fully aware of what a condominium arrangement is. Those are about the only two that I can think of where a local municipality has had a need for a building we've had, wanted to own it, and we facilitated. That becomes, if you will, a cost sharing.

We're also looking at – and this hasn't come to fruition yet; the Member for Wetaskiwin-Camrose would know. We may be entering into an arrangement with the private sector on a similar thing as with the Research Council to house a whole host of aircraft that were donated to the government by Mr. Reynolds. So we're looking at that and seeing how we can work that one. Quite frankly, as you know, we don't have the capital to go out, but a lot of these arrangements are beneficial both to the owner of the buildings, if you will, and to the government.

9:34

It is not that new. We've had over the last 20 years or so a few buildings around the province where developers have built to specifications for departments in exchange for a 15- or a 20-year lease. We're getting out of those long-term leases, quite frankly. We're not going down that road too far other than, for example, the Research Council, or we could end up with the building. So, yeah, we're looking at them, and hopefully we can expand that into other areas.

MR. LOUGHEED: A different kind of partnership question here. Transportation and utility corridors are mentioned in a few different places. With respect to those corridors, if a private company goes in with a gas line or a pipeline or something, what does the government, your department get back for that, and who determines the route that the pipeline would follow? Is it some mutual agreement? Looking down the road, how does it impact future development there?

MR. WOLOSHTYN: I don't want to sound like I'm tossing the question off, but public works doesn't get involved in the determination of where the lines go. We did try to buy sufficient land along the transportation routes to have also a utility corridor, and you've seen that put to some use. The obvious ones are the pipelines. Generally it's Environment that sets or approves the routes, and to be very honest with you, I don't know who they pay compensation to, whether it would be the municipality through which it goes if it's our quarter or whether the government would receive it. I don't know.

I believe there's one situation that's either in your constituency or very close to it where a landowner – we're still talking to the gentleman, again, on a willing buyer/willing seller basis. His land became a part of the utility corridor. Now, he has chosen to make arrangements with various companies to have these pipelines go through his property, and he gets compensated for it. We are still interested at a fair price in having that particular part within the corridor. That particular part: I believe you're familiar with the one I'm referring to. There's sort of a little bit of a chink in there. We don't really need it as such. We're never going to expropriate it from him. The pipelines, as they're put into property – you're familiar with that – you can't virtually stop them. He has, I would hope, been compensated quite fairly by the companies for the various lines that he has in there. If at some point in time he is

willing to sell it, then that would complete our utility corridor through there. But Environment does set the routes for them. We don't.

THE CHAIRMAN: Mr. Sapers, followed by Mr. Klapstein.

MR. SAPERS: Thank you. If I go back and talk about the blip in operating costs to determine whether or not there's been a projection, that would be considered my first question; wouldn't it?

THE CHAIRMAN: That would be.

MR. SAPERS: But I could ask the minister with that in mind to maybe write me about that without asking that question, Mr. Chairman?

THE CHAIRMAN: It's up to the minister. The minister may or may not respond to a nonquestion.

MR. SAPERS: What I will ask you about, Mr. Minister: in your annual report there's reference to the Pine Ridge tree nursery. I believe it's on page 55 of your annual report. I'm looking for an explanation of how the impairment of value was treated. The generally accepted accounting principles would suggest that the impairment should be booked in the year that it's recognized. Can you explain why the \$12.4 million provision for impairment was recognized as an expense in '97-98 instead of in '96-97?

MR. WOLOSHTYN: I'll let somebody who knows answer that.

MR. PELLIS: Basically the issue there is the government's intent of disposing of that facility. How certain was the government that that facility was going to be disposed of to the private sector through a lease arrangement? The Auditor General is of the opinion that there was a very high degree of certainty in '96-97 that the government was going to outsource the operation of the Pine Ridge Forest Nursery. We did not necessarily agree, because if the proposals that came in were not acceptable to government, we fully intended on continuing to operate that facility. Now, in hindsight, we did get an offer that we deemed to be acceptable, and we ended up entering into the lease agreement, which resulted in the impairment.

The question is: were we certain in '96-97 that we were going to go ahead and outsource that facility? I would suggest that the answer to that would be no. It was dependent upon getting an acceptable offer. That is why we chose to record the impairment in '97-98, the year that we actually signed the agreement, as opposed to '96-97, when we were out there looking to see if there was interest. That is the reason that we, I guess, agreed to disagree relative to the year that we reflect the impairment of the asset.

In '96-97 all we were doing was going out there to the market to see if we had somebody who was prepared to give us what we considered to be an acceptable offer. In the event that no acceptable offer was received, we were prepared as a government to continue to operate that facility. In '97-98, that's the year we actually signed the lease agreement.

MR. SAPERS: In '97-98, then, did you actually do a cost-benefit analysis to determine that the offer – how can I put this? The offer that you ultimately accepted was an offer that the department was aware of the previous year, so if you weren't sure that you were going to . . .

MR. PELLIS: No. During '96-97 the proposals were on the street, if you like.

MR. SAPERS: Right. And it was during that time period that you weren't certain you were going to outsource.

MR. PELLIS: Correct. If a deal came in that we believed was not acceptable, did not meet our objectives, we were prepared to not accept any deal and simply continue to operate the facility.

MR. SAPERS: So what cost-benefit analysis did you do that led to the deal being concluded in '97-98 that called for the booking of the \$12.4 million provision?

MR. PELLIS: Well, the analysis boiled down to: what was the best deal that was offered to us? We did this in conjunction with the Department of Environmental Protection. The agreement was that we believed that that was the best deal we could get. We believed that it was an acceptable deal, and we chose to accept it. What you've got is a lot of infrastructure that was built up in the early years that basically was on the books at net book value. That is the reason for the draw. What we did was basically match the future stream of lease payments that we were getting from the person who took over the facility compared to the net book value of the property that was sitting on our books.

MR. SAPERS: Okay.

MR. PELLIS: Basically we got the best deal we thought we could get, and in conjunction with Environmental Protection, who was operating the facility, there was a joint agreement that it was an acceptable offer, and we decided to proceed.

THE CHAIRMAN: All right. Mr. Klapstein, followed by Ms Blakeman.

MR. KLAPSTEIN: Expenditures for the Little Bow River project, Carseland-Bow River headworks system, and St. Mary headworks system were lower than budgeted, while the expenditures for the Pine Coulee project were higher than the previous year. Can you explain this?

MR. WOLOSHYN: Yeah. The reason for the lower ones was that the amount of work done didn't go as fast as on the Little Bow project, didn't go according to what we had anticipated. Obviously, if you don't spend the money, it doesn't reflect in the budget. The opposite is true with respect to Pine Coulee. The reason we didn't go ahead with Little Bow: obviously it was still trying to get the regulatory process into place, and those expenditures reflected primarily, I believe, land acquisitions as well as a large degree of planning.

The increase in the Pine Coulee project is simply because of the construction. The project went ahead a little quicker in that year than we had anticipated by some \$7 million or \$8 million.

MR. KLAPSTEIN: Thank you.

9:44

THE CHAIRMAN: Ms Blakeman.

MS BLAKEMAN: Right. My reference: page 119, the statement of revenues, expenses, and retained earnings. I'm wondering if the minister can explain why the employee severance costs were budgeted to increase by 89 percent between '96-97 and '97-98 but actually increased by 250 percent in that period of time. I mean, wow.

MR. WOLOSHYN: Where are you?

MS BLAKEMAN: Page 119, under operating expenses: employee severance costs. It was expected that they would increase by 89 percent between the actual of '97 and the budget of '98, but the actual of '98 shows they increased by 250 percent.

MR. WOLOSHYN: I'll ask my staff to correct me if I'm wrong.

The department at that time had a voluntary, if you will, severance package for people who chose to leave, and depending on a few criteria, they qualified for a buyout, for lack of a better term. Obviously, more people took the package than we would have anticipated. If you look at the real numbers, we're talking probably in the neighbourhood of half a dozen or so staff extra, if you look at the 90 some odd thousand dollars difference in it. I don't know exactly what it would be. We guessed that a certain number of employees would have taken packages, voluntarily leaving, and as it happened, a few more did.

Basically, what it was – rather than being miserable to the employees who wanted to go off in different directions, we felt as a department that we would accommodate their wishes while the program was on, albeit not reflected, and again at a little higher cost. More people left.

MS BLAKEMAN: Okay.

MR. WOLOSHYN: I think I said that there was a set of criteria. Please don't ask me what they are. We'll give them to you if you ask another time. I don't have them off the top of my head.

It wasn't just anyone who came up. There was a criteria they had to meet in order to qualify for the severance packages, and if they met these criteria, we chose to honour those packages, as opposed to cutting it off because the money ran out.

MS BLAKEMAN: Okay. Under the same page, 119, data processing costs were estimated at \$669,000 for this year. Actual operating expenses were \$3.927 million. Could the minister explain that?

MR. WOLOSHYN: No, but my assistant deputy might be able to.

MR. CHANEY: It's really a matter of accounting. Again, just to be clear, this is in the revolving fund. This is where we collect charges from the various departments. This is also related to the Imagis project, the operating costs for Imagis. So we collect the costs here, and they distribute it to the other departments. These costs were already voted within the individual departments, so we were running it through the revolving fund at that time. The reason why it has now gone down is because we no longer do that.

MR. PELLIS: Can I . . .

MR. WOLOSHYN: Please go ahead and supplement, Paul.

MR. PELLIS: I think a question was asked before about a figure of about \$2.4 million for Imagis costs. I think the Member for St. Albert asked a question about that. What that figure represents is essentially the contribution of ministries, of their staff. If ministry X seconds two or three staff to the Imagis project, that ministry still picks up the cost of those staff.

What that increase represents is recognizing those costs as an Imagis cost even though they're budgeted by another ministry and not by the department of public works. That's why you're seeing such a big increase. The Auditor General has asked that we ensure that we fully reflect the cost of the Imagis project, not just the cost of consulting resources. We also should reflect the cost of seconded resources from other departments, but those departments are still

essentially paying the salaries of those people. So what you've got here is a bookkeeping entry, if you like, to recognize the cost other ministries are picking up as a result of their staff being seconded to the Imagis project, which is why it's so much higher than budget because those budgets are sitting in the other ministries.

MR. SAPERS: Following up on that question, I just want to make sure I understand that the Imagis project – there must have been a baseline budget for personnel whether they be seconded staff or departmental staff. So the fact that the actual varies so much from the projection even though it's not your department's budget must have come about as a result of a shift, and the shift must have been either inaccurate projection for personnel for the time and people it would take to do Imagis or an expansion of the project. Could you explain which of those two resulted?

MR. PELLIS: Actually it was neither. When we started the Imagis initiative, we went to ministries and said: "We've got two options to deliver this project. Option one is 100 percent contract resources. Option two is a blend of contract resources and government staff." The reason we chose to go with option two was twofold: number one, to keep the cost down, but also number two, equally important, is that an individual who has worked on the Imagis project goes back to that department with an excellent skills set, understanding the functionality of the systems and being able to go back and say, "Folks, this is how we can now do things better because of the project." We had the option as well of taking the budgeted dollars the individual ministries had for those staff and putting them here, and there would have been no variance. We chose not to do that. So it was planned right from the start that the project was going to be delivered through a combination of contract resources and seconded resources. We knew that right up front. It was not unplanned.

MR. SAPERS: Okay. Still dealing with information management but shifting gears to the Auditor General's report, the AG has a discussion on pages 29 and 30 of the office of the chief information officer. I'm particularly concerned about the interface between government and suppliers to government regarding year 2000 issues. The Auditor General points out that

government chief information officers lacked information about the progress Provincial agencies have made to address the [Y2K] problem. . . . The ministry chief information officers also lacked complete information about the preparedness of Alberta businesses who provide services to the government.

The AG goes on to recommend that the office of the chief information officer work with the minister, chief information offices, and relevant government organizations to identify remaining Y2K risks and that plans be developed to mitigate these risks. What steps has the office of the chief information officer taken to ensure that ministry chiefs have complete information about the preparedness of Alberta businesses who provide goods or services to government?

MR. WOLOSHYN: Well, as I indicated in comments earlier, we've got that deputy's group. Those recommendations, when they were put forward by the Auditor General, were very valid recommendations which we would have followed regardless of whether they were or not. But you have to remember that in this particular year we were just into getting the Y2K under control. There is not only with our government but right across the country all sorts of interfacing, whether it be the military, the police, the private sector. You just name it; it's there. This has evolved largely since '96-97, because we just got serious about the Y2K, if you will, in '96. So I would have to say to you that the recommendations that were put forward by the Auditor General have all been met.

Really, if you look at what's happening now as far as the govern-

ment is concerned, we are never one hundred percent certain of anything, but we are very, very comfortable that Y2K is under control in any area where we have a direct influence. You must appreciate that we cannot direct the private sector what to do. But I must say that the private sector has been very co-operative in both trying to access information as well as sharing what they're doing. So in Alberta, you know, we may have a glitch somewhere, but I personally don't feel it's going to be a big news item, if you will.

Go ahead, Grant.

9:54

MR. CHANEY: Just to specifically address some of those things. There was a project office set up within PWSS, with the direction of the CIO's office involved. We do have a web site where every particular Y2K co-ordinator right across government can go and find out about the status of very specific packages and things like that so they don't have to reinvent the wheel and find out these things for themselves.

Back in this time frame I was part of the Department of Advanced Education and Career Development, and one of the things the project office was telling us to do was to examine very carefully each one of our business partners. In that particular department we had relationships with banks and things like that through student loan programs, and of course that was done. So very specifically the Auditor General's recommendations were addressed through the project office and through each of the Y2K co-ordinators right across government, which are still meeting on a regular basis in terms of addressing this particular issue. I think the key here and the spirit of the recommendations was that, you know, let's not all reinvent this particular wheel; if there's information to be shared and we can consolidate, we should. And we did that.

THE CHAIRMAN: A Supplementary? No.

Ladies and gentlemen, we've completed our series of questions. There is no further business to conduct. The next meeting is Wednesday, the 19th, with the Hon. Lorne Taylor, minister of science, research, and information technology. We may or may not be here. [interjection] No, no, the House may not be sitting actually. No shuffle or anything else referred to, or the state of your health, for that matter.

Thank you very kindly, Mr. Minister, for your full and complete answers, and if we don't meet, committee, have a good break.

We have an opening for a motion to adjourn. So moved, Mr. Lougheed.

MR. WOLOSHYN: And thank you very much. To the committee, I found this to be an excellent exchange. I do appreciate your frankness in the questions, and we hope we gave you the right answers.

THE CHAIRMAN: Thank you.

Mr. Minister, just a last reminder before we take the vote. If you do have further information for the committee, could you send it through the secretary and we could disseminate it?

MR. WOLOSHYN: If there's anything else.

THE CHAIRMAN: If there is. Perfect. Great.

The motion is accepted. Is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: It's carried. We stand adjourned.

[The committee adjourned at 9:57 a.m.]