

Title: Estimates of Gaming, Tuesday, February 29, 2000

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8:06 p.m.

[Mrs. Gordon in the chair]

### Subcommittee A – Gaming

Gordon, Judy, Chairman  
Severtson, Gary, Deputy Chairman  
Bonner, Bill  
Boutilier, Guy  
Burgener, Jocelyn  
Cao, Wayne  
Cardinal, Mike

Ducharme, Denis  
Dunford, Clint  
Friedel, Gary  
Hierath, Ron  
Jacques, Wayne  
Johnson, LeRoy  
Klapstein, Albert

Lougheed, Rob  
Marz, Richard  
Pannu, Raj  
Sapers, Howard  
Smith, Murray  
Wickman, Percy

THE CHAIRMAN: Good evening. I'm going to call the committee to order.

Before we start, if we can possibly just establish a few ground rules. Basically we're here for, give or take, close to or a little bit over two hours. We can do it the same way that it's done in the Assembly and allow someone to speak for 20 minutes and then sort of back and forth. If you wish to make it less time so that more people can speak, that's all right with the chair. I'm at your discretion as to how you want to work this. Very quickly, is there any feedback at all? I don't want to take the time debating that.

I will have the minister lead off with his estimates.

MR. SMITH: Madam Chairman, alternate questions or you're going to call it as you see it?

THE CHAIRMAN: Well, I think we'll do it the same way we tend to do it in the Assembly, with alternate questions, if there are questions on both sides.

MR. SMITH: Great. Thanks.

THE CHAIRMAN: Go ahead, hon. minister.

MR. SMITH: Thank you very much, Madam Chairman. It gives me great pleasure this evening to appear in Committee of Supply for the purpose of discussing for the first time in the history of Alberta and, I guess, for the first time in the history of Canada a business plan that covers gambling activities in Alberta as well as Alberta liquor revenues.

The real challenge of this department is being able to strike the right balance between choice and responsibility when it comes to gambling and when it comes to safe and responsible consumption of alcohol. I know that there may be the odd thrust into the Alberta lottery fund, but as members all know, there is an ample discussion time of two days, I believe, for those as well. However, if you do want to take time, we'll do the best we can with the tools we have. Of course, for anything that you need in terms of preparing for more information, you can visit our web site at [www.gaming.gov.ab.ca](http://www.gaming.gov.ab.ca).

So I look forward to an enjoyable two hours of listening to keen, incisive analysis of a business that generates \$1.3 billion in revenue and has a bottom line of about \$1.22 billion in net profit. Having said that, I will conclude my remarks, Madam Chairman.

THE CHAIRMAN: I'll call on the hon. Member for Edmonton-Rutherford, who I believe is the Gaming critic.

MR. WICKMAN: Thank you, Madam Chairman. I just have a very,

very quick opening comment. Then I have a series of questions, and I would hope the minister can make note of the questions and sort of respond to them after I've had my opportunity to ask these questions. I understand that if I ask one question and wait for an answer, I would basically give up my turn, so I'm going to ask a series of questions. You might want to make note as I go through.

I just want to say that I recall one day the Premier saying that within five years Alberta could be a provincial tax-free province. I just hope that the reference wasn't being made that in five years from now we can be the northern Nevada, relying on gambling taxes rather than on any other form of personal income tax.

Now, I want to start off by looking at this review that the minister announced some time ago. The announcement was made, but those of us in opposition never got a copy of any terms of reference, so I'd like a copy of the terms of reference. I'd like to know what the terms of reference are all about and the time frame. I'm not certain about the time frame because it talked in terms of a review until next summer. Did it mean this coming summer or next summer, as per the next calendar year?

Furthermore, in the review my understanding is that there was no option provided for public hearings. I'd like to know why the minister doesn't pursue a similar process that we saw a number of years ago that you chaired, Madam Chairman, and that is sort of having a committee that went across the province, heard from organizations, heard from individuals, and as a result of that, a number of recommendations came forward that represented the feelings of Albertans and also represented the feelings of those groups that made presentations during those public hearings. I did have the opportunity to attend one or two of them.

My understanding of this particular review is that it's sort of in-house, that it doesn't allow for that, although there was reference made, according to one of the newspaper articles, that stakeholders would be consulted. Now, stakeholders I assume would refer to people like the hotel industry, nonprofit casinos, and so on and so forth but not the average, typical Albertan who goes there and gambles or the one that becomes addicted as a result of the accessibility of VLTs.

Some of the specifics when I look at the review. Will the review actually consider an option that seems to be very, very popular throughout the province, according to recent polls and polls that were even done during the plebiscite thing, the option of restricting gambling activities to the nonprofit casinos? That was not a question on the plebiscite. Now, the latest poll done in conjunction with a national poll indicated, if I recall correctly, that something like roughly 70 percent of Canadians in western Canada preferred that particular option of restricting gambling to nonprofit casinos. I think in Canada it was 67 percent, in western Canada 72 percent, and in Alberta something like 70 percent. That's always been my perception. If that question were asked of Albertans, 70 percent of Albertans would respond and say that as a compromise, as a viable option, as a viable alternative we would like to see the gambling

activities restricted to nonprofit casinos. I'd like to know if the review is going to look at that particular option.

In this very same room here a number of months ago a number of the members that are here now along with myself and the minister and you, Madam Chairman, heard a presentation by the Hotel Association – maybe not the Hotel Association, maybe an offspring of the Hotel Association – that advocated the concept of mini casinos in conjunction with the hotels, with at least some of the hotels. I want to know if that particular concept has been pursued, if that's going to be part of the review. I would hope myself that it's not part of the review, that that idea has been chucked.

Also, we heard a great deal of requests, demands, whatever, from bingos that would like to see gambling activities expanded within the bingo halls to include various forms of electronic gambling. In other words, if we open the playing field up totally, I don't think there would be any end to how far those with a vested interest would want to push the availability of gambling in this province. I think we would, in fact, become another Nevada of the north. I would hope that the review doesn't consider things that were rumoured at one time such as the possibility of a Vegas-type casino in Banff to accommodate the tourists that come from outside of the province. I wouldn't want to see that go ahead.

While the review is on, my understanding is that all further expansion of gambling activities has been frozen. I assume that refers to the slot machines in the nonprofit casinos with the exception of that thousand or so that were put in at the last minute. When I look at the budget, the numbers reflect that we're not going to see a massive increase in the amounts of revenue achieved from the slot machines in the casinos.

Now, on addiction. When I look at the figures here, I see the \$1.5 million designated to the research institute, and I'd like to know exactly where that is at right now. I do know one of the members on the board, Vic Justik. The former minister was accommodating enough to put him on at my request. Mr. Justik is himself an addicted gambler, who I'm sure Mr. Lougheed would be familiar with. He operated the Pots & Pans in Fort Saskatchewan before he became hooked on his own machine. He did make a presentation in conjunction with the Canadian foundation of gamblers here in this particular room as well.

Now, the \$1.5 million is there. I see a figure for the Alberta Alcohol and Drug Abuse Commission, \$33,320,000. The way I read it, the '98-99 actual, which doesn't really make sense to me, is \$3,048,000. I'm not sure why we have a jump from \$3,048,000 to \$33,320,000 going to AADAC. There must be a rationale to that. What portion of that is actually earmarked toward the addiction caused by gambling versus the use of alcohol? I think it's a figure of roughly \$3.1 million, but I can't find it anywhere in the budget.

I wonder if the minister has ever looked at the concept that is used in Texas. In Texas they earmark 2 percent of all net gambling proceeds for addiction problems. As gambling expands, of course the availability of dollars expands for that particular problem, because the more that is gambled, traditionally the greater the addiction problem is going to be. In the dollars that go to AADAC or in the dollars that are earmarked specifically for gambling addiction, I'm not clear as to how that is split. I know the bulk of it goes to AADAC, but I believe some goes to the Canadian Foundation on Compulsive Gambling in Alberta and to a couple of other groups as well.

8:16

One more question on addiction. What types of steps is the ministry taking to try and discourage or prevent the growing gambling addiction that is occurring amongst young people? We see

that happening just like we see the increasing numbers of young people becoming addicted to the use of tobacco, which is very disheartening. I believe the same situation is occurring with gambling, particularly in activities like pro sports and that.

Now, on the distribution of dollars, the gaming summit made it very, very clear. Their recommendation was that gambling proceeds should be used for community purposes, not public community purposes but community purposes. When I look through the budget, I guess the one that really sticks out like a sore thumb is where we have, if I recall correctly, a distribution of half a million dollars going to the international and intergovernmental tariffs department. I'm not sure if that's to accommodate the two new facilities they're talking about in Britain. I believe the other one was in Mexico or somewhere in South America. International marketing: \$500,000.

We go through the whole budget and see the amounts of dollars that are transferred. I asked this question of the former minister, Steve West, last year. His own department had received \$5 million at that time from the lottery fund. Health receives a great bulk of it, of course, Infrastructure receives a great bulk of it, and it goes on and on. To me those aren't community-based organizations. The dollars that go to CFEP are community based, but the ones that go to the lottery boards – and I looked at the distribution of the Edmonton lottery funds, for example. A great portion of those dollars, possibly even more than half of them, were turned around and funneled to other civic departments like the library, parks and recreation, and so on, areas that would traditionally be covered by tax dollars.

There are many organizations out there that had applied, like the Edmonton Telephone Historical Information Centre Foundation. They were turned down, a very viable organization. I believe that the Crystal Kids, that the Premier's dad is involved in, haven't received any dollars, but I may be wrong on this one.

MR. SMITH: They got \$10,000.

MR. WICKMAN: They did receive some. Good that they received some. Those are the types of organizations that I see the gaming summit referring to when they talked in terms of dollars going to community-based organizations.

Now, the court actions. The Fort McMurray-Wood Buffalo one has gone on now it must be almost three years. I think it will be three years this June, and those machines are still humming away. It's the same with the activities going on in Lacombe. There was an article in the Red Deer *Advocate* very recently where the advocates in Lacombe were questioning as to who is going to cover those legal costs that they incur as a result of the fight being put up by the hotel industry. The hotel industry, of course, has nothing to lose, because as they continue the court action, the dollars keep rolling in, more than sufficient dollars to cover the legal costs, but those that initiate the fight and the petitions and such don't have that. They can't dip into those VLT profits to cover their legal costs. Has the minister ever considered providing some of those lottery dollars to make for a more level playing field when it comes to the court actions?

The tendering process for the VLTs. I've always been not in the dark but not sure if all those machines are coming from Canada, from Alberta, or if the bulk of them still come from the United States, like they did originally.

My last point, which is also a part of the department but is overlooked, is the alcohol aspect of the ministry. Two questions come to mind here. One I call a threat to the small family liquor outlet that could be faced if the large stores – Superstore and IGA have been pushing for years for the right to sell liquor within their existing facilities, like we see in the United States. In Las Vegas it's

very common. If you go into Lucky's, there's an area sectioned off which is for the availability of liquor.

Now, the disadvantage to the small guy is that the small guy can't afford to run loss leaders. If you go to the small guy, you buy liquor. If you go to Superstore, you buy groceries as well. So if they can entice the shopper in there by advertising rum and whiskey, whatever, at a much lower price, getting them in there to buy their groceries at the same time, of course they're going to do it. So I'd like to know: is there any consideration being given to allow the sale of alcoholic products in existing facilities that cater to the grocery industry?

My last question on the sale of alcohol. I've heard some concern being expressed again by the small guy that there may be special provisions set up to allow the bigger guys that may own a chain – like there's one that owns about six different outlets – to buy on a volume basis. Buying on a volume basis would allow them to buy the minimum that would be allowed to purchase a particular product, meaning that the small guy couldn't buy that product because he couldn't buy in that same volume. So those that own more than one outlet or a number of outlets could buy some type of specialty brands that you'd have to go there for and that you couldn't just go to the corner liquor outlet for. Of course, if you're going to go down to one particular liquor store to pick up some specialty bottle, you're probably going to turn around and buy all the alcohol you're going to buy at that particular one.

So those are the questions I'm going to ask for now. I would hope that the minister could respond to at least some of them and those that he can't respond to tonight I understand, and I wouldn't mind, like I did last year with the former minister, receiving responses in writing as time went on.

Thank you, Madam Chairman.

THE CHAIRMAN: Thank you, hon. member.

I will just remind members present that the lottery fund estimates will be discussed and voted on separately from the rest of the Department of Gaming. There is time set aside for that.

Hon. minister, do you wish to respond?

MR. SMITH: No. Go ahead. Let's continue, please.

THE CHAIRMAN: Okay. I would also remind people that there is coffee and juice at the back.

Who would like to go next? The hon. Member for Edmonton-Glenora.

MR. SAPERS: I don't want to be greedy. Aren't there any questions from the government side?

THE CHAIRMAN: Go ahead, Edmonton-Glenora.

MR. SAPERS: All right. First of all, some questions about the performance measures in the business plan for your department, Mr. Minister. If I counted right, there are five, not a real ambitious start, I don't think. I'm just wondering whether you think you can capture all of the responsibilities of your department in the five measures that are proposed in the business plan.

Because of the change, I guess, in the organization of the department I note that many of the results and targets are to be announced. There are no comparative results because they weren't there in the past. That's fair enough. But a couple of them are specifically compliance measures with legislation and regulation, and that seems to me to be a little superficial or at least something that could be captured all in one performance measure. I guess Albertans would

expect that your department would comply with existing legislation and regulations.

Do you want me to wait?

8:26

MR. SMITH: No. Keep going. I'm multitasking.

MR. SAPERS: I guess I have some suggestions for performance measures for the \$1.3 billion in revenue and then all the expenses that are made as a result of what your department does, maybe some department measures around the net economic impact of gaming activity in Alberta. I've seen various estimates that range from 3 to 1 to 7 to 1 cost ratios in terms of social impacts of gaming activity in communities. I don't know which of that research is good or bad, but I'm certain that it would be of interest to you and the people in your department to figure out whether there's a real net benefit to communities for the billion dollars plus worth of gaming activity that takes place. I think developing a performance measure around that might be a prudent and responsible thing to do.

Also, what about volunteer involvement? There was a lot of controversy, you know, around some proposed changes to do with the utilization of volunteers in community-held bingos. Certainly there's lots of speculation. I don't know how many casinos you volunteer at, but every time I go to the ones that I volunteer at, people are telling me about all of the changes that are taking place. There's this sense that volunteers are being squeezed out of charitable casinos. I wouldn't mind seeing some performance measures or targets around volunteer utilization and involvement in gaming activities in the province.

My colleague mentioned the gaming research, and I do have some specific questions about the \$1.5 million, but I'm wondering why there aren't any performance measures specific to that. What is the research going to be looking at? Is there a schedule of research? Obviously, you can't do all the research you'd want to do with that amount of money in one given year, so how are you setting priorities for that, and what are your expectations in terms of outcomes?

I'm also wondering why there are no performance measures that would take a look at the impact on other charitable activities. I know lots of fund-raisers that work for lots of organizations, and they tell me that they're in a real competitive environment and that their biggest competitors are scratch tickets and casinos and bingos, that a lot of disposable income that people have is being used up in that way, and it's making their task of raising money for their charitable organizations, whether they be religious or sports or cultural, a lot more difficult. So perhaps some attention being paid to some performance measures and targets around government policy and initiatives and how they impact on those charitable activities would be useful. I would certainly appreciate your comments on that.

When I take a look at your estimates directly, the first question I have is the gaming research, which is program 2. It's the same amount of money this year as last year, yet there's growth in gaming. I seem to recall some relationship being drawn between the amount of gaming activity and revenue generated and the amount of money that would be made available for research. Now, I may just be daydreaming – maybe that was just wishful thinking – but I do seem to recall your predecessor making some comment to that regard and that the first year's funding was really just to get things started. So I'd like you to tell me a little bit about the decision-making process that led to a status quo item for gaming research this year, considering that we're reaching brand-new heights in terms of the take that the government receives.

Some other questions. I know that we're going to be dealing with the lottery fund separately, Mr. Minister, but maybe you could just

help me prepare for that debate by giving me your thoughts on these questions. Under other initiatives under Gaming I see that there's 11 and a half million dollars that's being allocated, and that's up from \$3.6 million. That's a huge miscellaneous category, and it's a huge increase. I'm just wondering, with that much additional money being funneled into other initiatives, why it isn't broken out. Or are there really that many other miscellaneous initiatives that are of relatively small individual amounts? If that's the explanation, fine, but I'd like to know because it's – what? – an \$8 million increase in the line item.

Perhaps this would be best in the lottery debates themselves, but I know that there's going to be a request coming for the 2005 Goodwill Games. Maybe the budget was printed too late to accommodate that. You had a hand in bringing that event to the city of Calgary. I'm wondering what your anticipation is for what budget year we may see whatever money that may be allocated, and I'm assuming it would come out of lotteries. If you could give us a hint as to what budget year you might expect that in.

Also, under Health and Wellness a number of questions, a number of concerns. I'll be brief, because again your answer may be to save that for the two days of lottery fund debates, but I hope not. In the Alberta wellness initiative we see a \$4.7 million allocation being budgeted. Would that be ongoing? Because the Alberta wellness initiative is. Is that going to be the total funding?

The other question I have to me is a much more troubling issue. I see the \$10.3 million being allocated for alternate compensation strategies. I take it that is money that will be used to pay professional fees to physicians for, you know, alternative remuneration situations, so those that are doing capitation or something else. So this is additional to the money that the Legislative Assembly will be asked to vote under Alberta Health and Wellness estimates for physician payments, which is going to be the better part of \$800 million all by itself. So I'm wondering about this. Again, is this onetime? How does this fit in with the Health and Wellness estimates, and on what basis can Albertans be assured that any of these strategies, which are being test-driven right now, will have a chance of being continued if their funding is dependent on gaming revenue? It seems to me this is probably not the best use for lottery fund payments.

I think I'll leave my questions there for now. I have some supplemental questions, particularly in the area of performance measures, but I would like an answer to some of those preliminary ones before we continue.

Thanks.

THE CHAIRMAN: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Yeah. There are some more points I want to go through in the business plan here. We look at Core Businesses.

The Ministry of Gaming carries out its responsibilities through four core businesses:

1. Administer the Alberta Lottery Fund with full public disclosure, and continue to support communities and charitable organizations.

Further on we see Goal:

To ensure lottery funds support charitable, non-profit, public and community-based initiatives through effective administration of the Alberta Lottery Fund.

Now, "public" somehow became part of that recommendation that came out of the gaming summit, as I mentioned earlier, but "public" was not part of the initial recommendation. I guess I'm still curious. It makes it difficult if the minister is going to hold off answering any

questions until the end. You know, I'm still curious as to when and why "public" was inserted into that recommendation.

We have as one of the key strategies, for example, "Use public consultation to obtain input on significant issues." Public consultation to me would involve going to more than the stakeholders, and as I pointed out earlier, in the existing review there was indication given that the public would in fact be consulted.

8:36

I'm also curious, Madam Chairman, about another aspect that has arisen over the last few months. There were discussions, as we're all aware, with the federal government about the possibility of providing financial assistance to hockey teams like the Edmonton Oilers and the Calgary Flames. I'm not sure, but I understand that there were even some discussions or some thought given to using lottery dollars as a bailout towards those teams. I'm not sure if those discussions ever went anyplace, because of course the federal minister kind of dropped that whole thing like a hot potato after two days of public outrage.

I don't blame the public, quite frankly, because the public has a difficult time trying to comprehend why players that are paid a million dollars a year, \$8 million a year, whatever, should be part of an industry or part of a team where in fact tax dollars or lottery dollars, whatever, are requested to be used to bail them out or to subsidize them. This is always the fear, that those proceeds would then go just to enhance further the salaries of hockey players or the profits of the owners of those particular teams.

We also have here under Key Strategies on page 116:

Gaming will review policies on the disposition of Alberta Lottery Fund proceeds, to ensure funds are being allocated according to policy and intended use.

Now, I'm not sure if that's supposed to mean that Gaming will review policies. I would have thought that Gaming would have set the policies, you know, finalized the policies rather than the other way around. For the Gaming ministry to review the policies and then leave it up to the Gaming and Liquor Commission to finalize is sort of backwards to me. I would think that it would be the other way around, that the recommendations should come from the Gaming and Liquor Commission and be approved by the ministry, approved by the Legislative Assembly, and so on.

On the same page under Key Strategies:

The Alberta Gaming and Liquor Commission . . . will administer the Alberta Lottery Fund, including the transfer of lottery fund disbursements to other government ministries.

Okay. "Will administer the Alberta Lottery Fund." Don't they do more than just administer it? Isn't it the ministry involved with the caucus or the cabinet that decides exactly how those dollars are being spent in terms of how much will go for Infrastructure, how much will go for Health and Wellness, and so on? Again, that leaves the impression that the commission is doing a great deal more than the ministry. If the commission has all that power, why is there even a ministry to oversee it?

Another area, too, Madam Chairman. And it was you yourself who brought forward a report not too long ago, a few months back, about the same time that – oh, what's that foundation called from out west there? Is it the Fraser?

MR. SAPERS: Canada West Foundation?

MR. WICKMAN: Canada West, yeah. Canada West came out with similar recommendations, and those recommendations talked in terms of further public consultation before any expansion, about the beefed-up security and that. Nothing ever seemed to happen from that report. If you notice, on the legislative Order Paper there is a

bill, Bill 208, that will advocate some of those recommendations, which I felt were quite frankly superb. I don't understand why they were ignored totally. At least from the public point of view it appears that they were ignored.

Then I go to the next page, 118, "Ensure the proceeds received from licensed gaming activities are only used for approved charitable or religious objectives or purposes." "Licensed gaming activities": I'm not sure if that's referring to the licensed gaming activities at the nonprofit casinos or if it's talking about any licensed gaming activity. If it's talking about any licensed gaming activity "only used for approved charitable or religious objectives or purposes," again there's no reference there to the dollars that are now being spent for public use. So there's a contradiction there, unless that applies just specifically to the nonprofit casinos. If that's the case, all the proceeds from those licensed gaming activities do not go to the nonprofit groups. My understanding is that 70 percent of the proceeds of the slot machines go into the government coffers, that they don't in fact go for these charitable or religious purposes. So either way you look at that particular one, there is a contradiction.

Also, on page 119, "Work with the Alberta Racing Corporation to determine the success of the racing renewal initiative." I have to admit that I do have one weakness when it comes to a sporting activity that is associated with gambling, and that's watching those horses run. I think that's one of the greatest sports going, whether you go out there to bet or not, just watching those horses come down that track towards the finish line. I recall I went out one afternoon to see Cam Allard's horse that was running in the United States. The only way I could see that race was to go out to the Northlands track and watch it on one of the big screens, because it was being brought in by pari-mutuel betting, or whatever it's called. Somebody phoned the *Sun* and accused me of being out there playing the slot machines, which I wasn't.

The racing industry has always been dear to my heart, and I recall the Premier even admitting at one time that he actually owned racehorses and that that was sort of one of his weaknesses, going out there and spending a bit too much money on the horses.

AN HON. MEMBER: That was Getty.

MR. WICKMAN: The current Premier also at one time owned a horse in Calgary, and he used to go out to the racetrack on a regular basis, according to one of his interviews he did with one of the newspapers. The former Premier too. In fact, I used to run across him quite often when I'd be out there watching the horse racing and watching some of his horses race.

The racing industry was in a great deal of trouble at one time, and I'm not sure now if it's a question of the racing industry still being somewhat in trouble and being subsidized by the slot machines that we see at Northlands, and I would imagine a similar amount at Stampede Park.

There have been some new initiatives taken that have helped the racing industry: the offtrack betting that we see at places like Billy Budd's. Again, another horse owned by Bob Giffin, Native Brass, I believe, was running in Toronto, and to see that horse race, I had to go to Billy Budd's to watch it on the screen. It was a joy to watch because that horse came charging in from the back of the pack and it just didn't quite make it. I didn't have any money on the horse. You didn't have to have any money on that horse just to watch it.

If the minister could sort of give an update as to what the state of the racing industry is, if the stakeholders are kind of satisfied that things are going well and if they've sort of gotten themselves out of the difficulties they had sometime ago. I'll stop for now and allow any other members that may have any comments or questions.

THE CHAIRMAN: The chair was allowing you a little leeway and latitude there, hon. member. I'm really glad you like horse racing. Have you got any tips?

MR. WICKMAN: It's all in the business plan.

THE CHAIRMAN: Who would like to go next? Edmonton-Glenora.

MR. SAPERS: Well, I don't have quite the same passion when I talk about horse racing as my colleague, but I do have a question about the commission. I know that the Auditor General in the past has raised some concerns about the horse racing industry in this province. There's another question I was going to ask you about performance measures. I did note that one of your strategies is to work with the corporation to determine the success of the initiative, but I'm also wondering whether you'll have a moment to reflect on some of the concerns that have been raised in the past through audit.

I also wanted to look at the Gaming and Liquor Commission and ask, first of all, about the role of the commission when it comes to the enforcement of the Tobacco Tax Act. Again, there are no performance measures, and I'm just wondering what the relationship is with Alberta Justice and also the joint federal/provincial and the interprovincial initiatives in terms of smuggling and whether or not there is an updated working paper from Treasury that looks at the tax policy in terms of the illegal sale of tobacco products in this province, particularly those tobacco products that are brought here for resale in neighbouring provinces.

8:46

The other issue with the Gaming and Liquor Commission has to do with, I guess, its oversight role with private liquor stores and the stories I've been told by liquor store owners that have to do with large retailers being able to monopolize certain product lines and using the provincial warehouse, in fact, as their warehouse. They make a deal with the vendor to buy a huge quantity, it's shipped out to the warehouse, held there, and then the retailers are able to sort of draw off that inventory. I'm wondering whether or not you can tell me if that's just a fictional account from these small businesspeople or if in fact that's happening. If it is, does it concern you?

I've also been told by some of these same retailers that there's been some ongoing investigations to do with activities from some of the brewery agents that violate Alberta regulations in terms of providing incentives to retailers to hold certain products and sell certain products, not necessarily discount them but incentives in terms of product placement and ordering and those kinds of things. I'm wondering if you could update us there and also comment on why there are no specific performance measures that have to do with those regulatory and enforcement functions of the commission.

The next question I have has to do with – and this may give you an opportunity to quite rightly take some positive credit for things. I notice in the budget itself in terms of the minister's office and the deputy minister's office and business and management policies that all of the operating expenses under ministry support, in fact, are pretty much status quo. Now, is that because there's really been no change in terms of staffing and activities, or is it because of the leanness of the ministry? I guess I just would have expected to see some increases, considering the increased level of gaming activity in the province and the suggestion that there may even be more, whether it be the sports lottery that my colleague was referring to or some other activity. There aren't many government departments where we see year to year for support services that it's pretty much a maintenance budget, so I'm just curious as to how you got there.

MR. WICKMAN: Let me go specifically to the budget then. One of the questions that I'd really like to get answered tonight, that I'd asked earlier, even if the minister could tell me afterwards: the amount of money that is spent towards fighting addiction. I do have a media interview in the morning, and that would be very accommodating if you could give it to me, because it is absolutely nowhere in the budget other than that bulk figure.

In the Gaming budget on page 174, a few points. The Alberta Gaming and Liquor Commission—Lottery Operations: \$54,639,000. On page 182, Ministry Income Statement, under the expense category Financial Assistance to Alberta Gaming and Liquor Commission: \$72,442,000. Now, for some reason those two figures don't jibe. I'm not sure if they're meant to jibe, and I'm not sure which figure is the actual figure. They don't jibe right on. Maybe they're not meant to jibe.

Also on page 174, the 2001 World Championships in Athletics, which we all support. People like Jack Agrios and Bob Steadward have to really, really be commended for the efforts they went to to bring those games here to Edmonton. The \$10 million: I don't think anyone's going to begrudge that particular expenditure because of the legacy left behind. I was there for the Universiade Games. I was there for the Commonwealth Games. I was on city council. It did a great deal for the city, not only in terms of putting it in the international spotlight but in the legacy it left behind in sporting facilities.

Here we have the 2001 World Championships in Athletics, \$10 million, but the previous year showed \$19 million. I'm not sure what the \$19 million would have been earmarked for. If I remember right, at the time that particular budget would have been prepared, the decision for the games would not have been made. I don't think the province would have fronted \$19 million in terms of the bid that was made for the games and that the Premier went over, and rightfully so, to help advocate for. The thing he didn't do was adjourn the House for four days, which he should have, but that's beside the point. He did go over. He did do his job, just like you did when you went to Lake Placid, I believe, in promoting the Goodwill Games. That's expected of cabinet ministers and the Premier as long as those dollars are spent wisely. See we can be positive at times too.

Under Gaming on page 174 again, other initiatives, \$11,525,000, a jump from last year's \$3,671,000. Now, for a category as loose as other initiatives that's a great deal of money without some type of breakdown. What exactly is other initiatives referring to? Is it money that hasn't been earmarked, that's kind of a contingency fund?

Then I go to the next page, page 175, Health and Wellness, and I point out the Alberta Alcohol and Drug Abuse Commission, \$33 million, again a dramatic increase from a few years back.

The alternate compensation strategies under Health and Wellness, \$10,350,000. I'm not familiar with that, and there's really no information on that. It sounds good: alternate compensation strategies. I don't know if that means to somehow compensate people for looking after themselves better thus preventing additional costs to the health care system.

We also see health care facilities under Infrastructure. There is no listing as to what facilities, unless that's going to come under the Infrastructure budget, which is quite possible. There is no listing as to what health care facilities that \$120 million involves.

The same with the school facilities. I recall reading an article in the paper where in Edmonton one school in particular that was rated as the third on the list of priorities by the school board received something like \$4 million for upgrades whereas the top one and the second one were overlooked. I know those are decisions made by

another ministry. Nevertheless, they are in this particular budget, and I would assume the minister would have some knowledge of them.

I saw under Learning, \$60 million, school technology upgrading. I would hope that we would see a good chunk of that \$60 million going to places like NAIT and of course SAIT as well. That's a form of postsecondary education that – it's a system I went through as an adult student. I also went to university, but I found that what I learned at NAIT could be a lot more practical in terms of going out into the working world. There'll always be an increasing demand for facilities like NAIT and SAIT. They broaden their base in that they are even an educational benefit to some of the Third World countries. They share their knowledge.

Under Municipal Affairs, Municipal 2000 sponsorship, \$12 million. Now, I should know what that one is, but I don't. I have no idea about \$12 million being spent on Municipal 2000 sponsorship.

I don't know again, Mr. Minister, exactly what your intended process is here this evening. I would have anticipated that we would have had answers to some of these questions in case they provoked other questions.

MR. SMITH: Is that it?

MR. WICKMAN: For now.

MR. SMITH: For now, of course.

Well, Madam Chairman, it's just been such a frenetic level of activity from the opposition that it's been difficult to butt in and actually provide answers. In going through the keen questioning and some of the drifting that has taken part in following what probably was a pretty exciting horse race and also knowing that the opposition would want to dwell even more keenly on the Alberta lottery fund estimates. The lottery fund was published in the *Edmonton Journal*, published here, and of course is totally available on [www.gaming.gov.ab.ca](http://www.gaming.gov.ab.ca). The usual full transparency and accountability is extant in those information sources.

8:56

I will try to pick off some of the more salient questions that came through, Madam Chairman, that the member can use for his media interview tomorrow morning.

The amount that will be spent for gaming addiction through AADAC for this fiscal year is \$3.4 million. The Alberta Gaming Research Council will spend \$1.5 million through a tripartite agreement with the University of Lethbridge, the University of Alberta, and of course the University of Calgary. That money is to be spent on research into gaming, the socioeconomic impacts and addiction impacts. There are a number of different topics.

One of the things about the council and secondarily the institute is that it was established in order to be at arm's length from government so that it can have its usual objectivity, its usual level of fairness, and its usual level of transparency.

We will respond to the many comments, the many questions, which we will of course go through with a very fine-tooth comb and go into real detail.

The gaming licensing policy review will really, as has been published in the media and as I've talked about in prior days, focus very much on licensing. As the member knows as the critic for this portfolio for a number of years, policy has evolved. There have been a number of VLT plebiscites held throughout Alberta. There are numerous surveys by the Canada West Foundation and others that have focused on what is occurring with gambling activities in Alberta as well as in the prairie provinces and throughout Canada.

The recommendations from the summit continue to be guidelines, and I think the press release that was issued shortly after clears up both the transparency of the lotto fund and its collection and its discharge of funds.

With respect to the question on court action, this is the second court action, as members know. The previous court action died with the passage of Bill 36. It would be my hope that that case would be expedited and put through the system with the usual alacrity and dispatch of the justice system.

The issue of liquor in grocery stores has been put forward by a group in Calgary and subsequently had follow-up media coverage. There is no specific proposal in front of the AGLC or the ministry at this time with respect to changing any regulations allowing food and liquor to be sold in large and major chain stores. As the keen critic knows from doing his homework, there are over 60 agency stores in Alberta that do already sell liquor and food in places like Lindbergh, Alberta, and Paradise Valley and all the dream stops in Alberta that really add to the fabric of Alberta. Beiseker comes to mind, Heisler, all the spots. So they're out there; they're working. There seems to be a modest increase in alcohol sales primarily due to population growth. Revenues, of course, still reflect the reduction in revenue given to the beer industry in years previous.

As anyone knows, in a competitive market regulations are always evolving. Circumstances are changing. A market by its own definition is one of dynamic action. So as the Member for Edmonton-Glenora brought up earlier, we are looking at ways of either taking a regulation that is unenforceable and unprosecutable and eliminating it or beefing up staff and inspection in order to sustain the regulatory capability of the commission but certainly not to have a regulation on the books that is neither enforceable nor able to have the commission discharge their normal course of duties.

I know there are more questions, Madam Chairman, and I just see by the precipitous leaning of the chairs that people are on the edge of those chairs waiting for those. We will continue to collect data and continue to be able to respond.

Of course, the member knows that the bingo review commissions are out. They're being consolidated at the commission, and they will be dealt with in due course.

Also, the terms of reference and time frame for the licensing policy review will be forthcoming. Stakeholders in the gaming industry include all those who do gamble, who do have a proprietary interest or have an ability to profit from the industry, so we will be as inclusive as possible. We don't visualize at this period the chartering of the Dash aircraft and moving throughout 50 or 60 places in Alberta.

A great deal of work has been done, ably chaired by the chair here tonight. The report has even been referred to as the old Gordon report, the tired old Gordon report, and perhaps the ever evolving, tired old Gordon report. It might be the revival of the tired old Gordon report.

What we have here is a business question that needs to be addressed. There are a number of issues that need to be reflected on. We are taking that business responsibility on. We want to ensure that there is a sense of business discipline in the industry, that there is a sense of regulatory discipline in the industry.

I think it's important to correct for the record the term nonprofit casino. The casinos do make a profit. There is no government money inside a casino in Alberta. The commissions from slot machines, casino gaming terminals are noted. They're published; they're open. The charities split their income with the casinos. The government is not involved.

This charitable model, which continues to be well received by Albertans, combined with bingo, raised well in excess of \$100

million for those charities over the past year. That charitable model is not intended to be changed. Volunteer participation continues to be welcome. Of course, because of the size and the growth in Alberta there continues to be growing amounts of charities as well.

Madam Chairman, in the interests of learning more about questions from the opposition and being able to respond to them as quickly as possible, I'll refrain from making further comments, and perhaps we can shed more light on even more introspective questions.

9:06

THE CHAIRMAN: Thank you, Mr. Minister.

I have had indication that Wetaskiwin-Camrose wishes to speak.

MR. JOHNSON: Thank you very much, Madam Chairman. Amongst the many comments that you've made relative to pages 174 and 175, I didn't hear any comments made about the Persons with Developmental Disabilities Foundation. I notice there that apparently this is the first year of a contribution to this foundation, which I believe was set up some time ago. I wonder if you could clarify for me if this indeed is a first-time contribution and if it's the intent that there would be yearly contributions to that particular foundation.

Just a little below that I notice federal nursing stations. I wonder if you could just clarify that. Is that a shared program, or what does this have to do with the federal government, if anything?

On the previous page under Gaming, community facility enhancement program, I notice \$25 million there. I know that's part of the total CFEP program. I'm just wondering where the other I believe \$50 million is. Maybe you could clarify that for me.

A little higher there, under Community Development, the Trans Canada Trail project. I know that's a new project, and the opening will be this summer, I believe, or this fall, whenever it is. I'm wondering if you could provide some more detail in terms of what that contribution to the trail project actually is.

My last comment, or question, relates to the Core Businesses on page 178. The second bullet says, "License, regulate and monitor liquor and gaming activities, as well as certain aspects of tobacco sales." Maybe you could just clarify for me that last part, "certain aspects of tobacco sales," just what that might include.

Madam Chairman, those are the only comments I really have.

MR. SMITH: The member clearly has by his great work in the Chamber indicated to us his concern over the consumption of tobacco by adolescents under the age of 18, and we applaud his work in doing that. I would be really invited to respond by saying that hundreds of millions of dollars will go into the enforcement equation so that we can go out and ticket those that are caught and prosecute them for smoking under 18, but unfortunately, Madam Chairman, I can't say that at this stage. But I do want to certainly recognize the contribution that the member has made in bringing forward the evils of smoking at a young age, and I think the attention that's being focused on it has been beneficial to all.

Many of the other questions the member talks about are related to the lotto fund, and as members of the opposition have also asked questions about the lotto fund, I am eager, eager, eager to respond to those in detail and in completeness, but I am reluctant, reluctant, reluctant to take time out from the valuable study of the ministry business plan and the ministry estimates themselves. So again watching everybody on that precipice of their chair, I might ask again that we would delay the response to the Alberta lottery fund questions until such time as it's dealt with under lottery fund estimates in the House.

THE CHAIRMAN: Edmonton-Glenora.

MR. SAPERS: Thank you. Mr. Minister, I asked some specific questions about performance measures in your business plans. Do you intend on answering those questions tonight?

MR. SMITH: I'll let him finish, and then I'll respond to them.

MR. SAPERS: Well, my response depends on yours, Mr. Minister, so I just want to know: are you going to answer those questions?

MR. SMITH: But if I respond, then you lose your turn. Doesn't he? So I was just kind of working on his behalf by not responding until after he's finished.

MR. SAPERS: I'll deal with the chair, Mr. Minister, if you answer my question.

THE CHAIRMAN: We have debate back and forth, hon. members.

MR. SAPERS: Well, it's committee. We can do as you allow.

THE CHAIRMAN: Well, why don't you ask some more questions? Then we will see if the hon. minister wishes to respond.

MR. SAPERS: I have to say that that's a bit unusual. Usually in committee that's exactly what we have, a to and fro. In fact, you've presided over many of those sessions, Madam Chairman.

MR. SMITH: Perhaps, Madam Chairman, I can help by responding to the hon. member's question, then going on to the next one. Perhaps.

THE CHAIRMAN: Probably that would be advisable.

MR. SAPERS: So "perhaps" is your answer.

MR. SMITH: Perhaps.

MR. SAPERS: I asked some specific questions about volunteers, research priorities, and economic impact of gaming on Alberta communities. Will you be answering those questions tonight?

MR. SMITH: Those are questions relating to the earlier question of performance measures with respect to specific activities in the community?

MR. SAPERS: Some of them were related to performance measures; some of them weren't.

MR. SMITH: Perhaps.

MR. SAPERS: How about the questions about the Alberta Gaming and Liquor Commission?

MR. SMITH: Many of those questions, Madam Chairman, we have already responded to as well. Of course, we also will be getting back in fuller and more complete detail in written form, as traditionally we have in estimates if I remember correctly. I would certainly indicate to the hon. member that absolutely no page will be left unturned, no question will be left unanswered. Every comment, no matter how minute, how detailed, how picayune, will be dealt with absolutely and fully in the spirit of disclosure and transparency, as have become the watchwords of this department.

MR. SAPERS: Mr. Minister, I'm not sure whether it impresses your colleagues or your staff to be so nonchalant and dismissive, but it doesn't impress me and it doesn't impress the people that elected me to represent their interests here. My concern is that once a year – well, we'll just have it recorded in *Hansard*, and you can read it. Once a year the department is expected to come and defend its estimates, and I expect that defence. I also expect that we get answers to questions before we're asked to vote on your department's estimates.

THE CHAIRMAN: Do you wish to go next, hon. Member for Edmonton-Rutherford?

MR. WICKMAN: Yes. There were some things that were raised as a result of the minister's remarks about trying to keep it within the Gaming ministry as opposed, say, to the lottery fund. When we look, it's under Gaming. Even in the index it's Gaming; it's all these different categories. I kind of hold that the ministry is ultimately responsible for any aspect of the Gaming and Liquor Commission, so anything that falls within any aspect of the lottery fund and the distribution of lotteries I think is fair game to be answered.

Now, we are into a new experience this year, because in the past, yes, we have had our two days of estimates for lotteries, and this is the first year, of course, that there's been a separate ministry for Gaming, so it becomes somewhat difficult to try and separate exactly what falls under Gaming versus what falls under the Alberta Gaming and Liquor Commission or lottery funds or however you want to call it. I think, Madam Chairman, you've been very, very fair in sort of allowing that discretion, because it is difficult to draw the line.

9:16

When I go through a budget like this, I do see some positives, and I want to just talk on a couple of the positives. One is the Wild Rose Foundation. I'm not sure how many of you have ever experienced the Wild Rose Foundation, but I've experienced it even in my former life involved with community groups. If we are going to have gambling proceeds in the province, that is one really, really good use. The current chairman, Krishan Joshee, has been chairman for some time, and most people around the table here I assume would know that he's done a very, very capable job. I've heard of many groups that have fallen between the cracks, that don't fall under any other program, which have gone to the Wild Rose Foundation and accessed dollars, and they've been appreciative of those dollars. So the Wild Rose Foundation works well, as do a number of the other foundations that may specialize in particular areas.

Another area that ended up being very, very satisfactory in the final outcome, although there were some real hurdles – of course, it was the former minister responsible – was the rigamarole with the bingo. The initial recommendation was made that a review committee was going to be established on bingo regulations. Meanwhile two weeks later it was announced that certain changes had already taken place even before that committee had met. We all heard the outcry from the various associations and individuals involved with bingos throughout the province, and there was a back flip done which should have been done at that particular time.

The committee, headed up by Sam Lieberman if I recall correctly, came out with I thought fantastic recommendations. We did have some difficulties with one or two of them: the one that allowed individuals under 18 to volunteer in certain types of bingo halls under certain limitations and such in terms of the amounts of revenue. I understand that in rural Alberta it's sort of a different situation than it is in urban Alberta. Nevertheless, that seems to have been accepted somewhat. There hasn't been a great deal of

controversy over it. So the way that bingo was handled and the end result was very, very good.

Now, when we talk in terms of this current review that's going on, I'm not certain I have the same confidence. The minister has said that stakeholders will include those that gamble, but then on the other hand he sort of indicated that we're not going to have public hearings in the 60-some communities where you may have held them in the last go-round. I wouldn't mind, quite frankly, seeing a Judy Gordon report sequel. I think it would be good. I think it would freshen up in today's environment, which has changed considerably.

Anyhow, Madam Chairman, the minister's got to tell us how these stakeholders who do gamble are going to participate. Is it going to be like the WCB review committee, where a questionnaire is being drafted up, where those interested respond to a questionnaire they find on the Internet or they pick up at their MLA constituency office or wherever? That may not be sufficient. That may not give ample opportunity. It may not be necessary to go to 60 communities to do it, but again I would think there would be wisdom in a Judy Gordon report sequel, as I call it, Mr. Minister, to head off in that same direction again.

Now, the court action you referred to. When that bill was introduced by the former minister, we were contacted by legal firms for municipalities like Wood Buffalo and that, and they told us in no uncertain terms that that piece of legislation isn't going to fly, that it's not going to be upheld in the courts. Now, that decision still, of course, has not been made, and we can't prejudge the courts. I really hope they are wrong. I am getting concerned with the amount of time it is taking. I don't see anything in the papers about it anymore. I followed the Wood Buffalo newspaper and the Internet hoping I'd see an article up there as to what is happening.

I don't know exactly if there's a strategy to deliberately stall things and allow the dollars to come or if the lawyers representing the hotel operators have some strategy that they're quite comfortable with and that in the end result they're going to win. If that is the case, if that is the outcome, then we're going to have to, I guess, again look at some legislation. We do have to respect the wishes of those municipalities and those individuals who voted in those particular plebiscites.

The last point I want to make at this particular time. This should be of concern to many of the members sitting here, particularly those that represent rural communities. We did a study a couple of years back looking at the amount of dollars that were contributed to specific municipalities – for example, Drayton Valley and so on – the amounts of dollars that were being given directly to those municipalities as a result of lottery grants like the CFEP and so forth and so on. We compared that to the amounts of dollars that were being taken out of those communities as a result of the VLTs, and the ratios were as high as 7 to 1. In other words, for every dollar they received, they were losing \$7 in the local economy.

I recall, Madam Chairman, one convention I went to. I believe it was the AUMA, or it may have been the AAMDC, but you were there. I recall quite a few of the delegates courting you and talking to you about VLTs and the concerns they had. I heard that in the hallways continuously, the drain that the VLTs were having in terms of the local economy and taking money out of the local economy, the money that was being shipped off to Edmonton that would otherwise be spent in that local economy. We know that in rural Alberta, particularly with the agriculture situation the way it is, just how difficult it is.

Again, Madam Chairman, I guess that reinforces to me the ultimate solution to this whole gambling situation we've gotten ourselves into over a number of years. I recognize that gambling isn't going to disappear. We have some form of gambling in

virtually every province in Canada right now. We do have some form of gambling in every province throughout the country. Ontario has approached it somewhat differently. Ontario is developing the model where they're going to have, again, the charitable-type concept, shared of course with the government, where there will be designated casinos. Thunder Bay will have one. It's being built right now. Windsor already has one. You're not going to see all these machines in all the hotels and in the bars. Again, I think the ultimate answer is to follow that lead. I believe B.C. has a similar situation where in fact the municipalities have the right to veto the casinos in their particular communities.

I think here in Alberta we moved very, very fast with gambling. I was first elected in 1989. It was shortly after that that the then minister, Ken Kowalski, the current Speaker, introduced VLTs as a test in southern Alberta. Three or four years later he proudly talked in terms of how \$25 million of gaming revenue, lottery revenues were going to go towards general revenue. This was after the CFEP program obligations and such. We look now at the amounts of dollars being transferred into general revenue that then is funneled to the various government departments. It has escalated. It is a big, big problem.

I commend the minister for having a review in place. I think that was the proper thing to do. Now it's a question of what comes out of that review: if it's just the status quo or a continuation of the expansion of gambling. It did frighten me somewhat when the Premier announced the Gaming ministry. That sort of sent the message to me that this was an industry unto itself, of more importance than elementary education, which was combined with advanced education.

9:26

Madam Chairman, those are some of the concerns I have. Alberta is very dear to me. I moved here from Ontario years and years ago, and I love Alberta. I don't want to see Alberta become a Las Vegas of the north. You know, there is a balance there that can be found, and that balance would take some boldness because it would turn off certain stakeholders. The hotel industry would not be happy at all about losing the VLTs. Many of them have argued that the VLTs are what keeps them going. Hotels were not originally built or purchased to become gambling centres. They were purchased for other reasons. As sympathetic as I may be to them, as I am to any business that struggles, I still don't see saying: okay, we're going to compensate by allowing you to have VLTs and have these hundreds of thousands of dollars a year rolling in. We don't do that for other industries, and I don't know why we should have to do it for the hotels.

Anyhow, I'll leave my comments at that point now because I know that other members are eager to speak on this.

THE CHAIRMAN: I certainly will allow for full involvement here or ample opportunity if anyone else wishes to ask some questions.

MR. SMITH: If I could just respond then, Madam Chairman, to a couple of the comments made by the member. Certainly we share common ground in our love for Alberta, whether you're from Ontario, as the member has pointed out, or were born and bred right here in Red Deer, Alberta. We do share this love for this province. We do share this feeling. Since 1993 there has been over \$30 billion more worth of economic activity occurring in this province. There are 3 million people here now. One-third of the product is exported, over \$33 billion. The GDP is fast approaching that of British Columbia's. We've generated enough economic activity to create another Saskatchewan, to create another Manitoba.

[Mr. Severtson in the chair]

This province is a success story. It's a success story because of what's happened in the private sector. It's a success story of people being able to work with a government that they're confident in. We'll continue to take those bold steps, as the member has pointed out, certainly the move to put a freeze on casino expansion until we were able to put ourselves in a better position to notice the evolution of gaming policy, that has changed over the years given the extra amount of research, given the extra amount of activity, given the growth of the province not only in this area but in other areas. In fact, the growth of the area has been so dramatic, Mr. Chairman, that the province's revenues from VLTs as a percentage of total revenues have actually decreased. There's growth in other areas of the market while there is not wild, unbridled growth in this particular market niche.

Of course, we work closely with the Hotel Association, which has always been a strong proponent of member interests, but also remembering that those hoteliers are resident in their own local communities. You would take a look at the progress reported by the group in Leduc, for example, that continue to recirculate some of their own revenues from their commissions in their community.

I think that loving this province is also committing to this province, and you find that citizens across this province will work hard. They work hard as volunteers. They work hard as individuals. We know that they put in more time per week than just about any other province in the dominion. We know that their average weekly earnings are exceeded only by that of Ontario, which is again a substantial move up from as low down as fourth in Canada over the last 10 years.

Of course, the department is very focused on ensuring compliance with a controlled substance such as alcohol, with ensuring that there's enforcement on serving intoxicated persons, serving minors, and the like. That's a very important part of our job. duties is one that I think the ministry does quite well.

So I'll continue on, Mr. Chairman, and look for more keen comments from those members who have pith and substance to add to the estimates discussion.

THE DEPUTY CHAIRMAN: Okay.  
Edmonton-Calder.

MR. WHITE: Thank you, Mr. Chairman. Just a few questions. They relate to the gaming research. Earlier you went through the partners, which is the who. You spoke to some of the what, but I really didn't get a sense of what they're set up to study. If the past has been any indication of government policy, I don't recall reliance on any study whatsoever. At least it wasn't noted in any of the literature that has been published on the matter, and it certainly isn't noted on or close to [gaming.gov.ab.ca](http://gaming.gov.ab.ca).

I was wondering where one would find the results of this second year of operation now, some \$3 million later, where we might find those results and whether in fact the government will be looking to that well-expended money, I suspect, on basic research on the psychology of gambling and all that falls from that, the addiction and the prevention of addiction. Putting the best light on gambling as a recreational activity has been the object of some exercise, of some research in the past, a great deal of it coming out of Nevada, of course.

Most recently there has been some very good study elsewhere, and I'm wondering what the relationship of that study is to this group and what reporting mechanisms they might have. Do they report by way of annual report? Do they report by way of production of

material? All of those questions can be answered later, I suspect, because it's not the kind of information that I would expect the minister to happen to have at his fingertips.

On to another area that concerned me at the time: all the announcements of the community lottery board grants. Not the dissemination of those grants but the administration of those grants. I recall it was with a great deal of consternation that the communities had the grants. They were responsible for the administrative costs, and whether in fact they still are or are not is a question I'd like to have answered if I might.

9:36

In your remarks earlier, gambling by way of percentage in the overall income of the province of Alberta has in fact decreased. Well, you didn't cite the reasons for that, but judging from that which I see, the revenue has gone up. So all one can do is assume that the other revenues, which we know, have gone up considerably. So to use gambling revenue, to try to paint it in that light could be construed by some as being misleading. I would not do that at all though. This member would not do that at all.

Finally, this title of Other Initiatives. I, too, would like to see prior to the full debate of lottery funds some sort of answer, in that \$8 million is a lot of loose change to have kicking around without any public accountability thus far. I've heard the minister talk over and over and over about the accountability of this government and the openness and the respect for those that generate these funds. Albertans would like to see those numbers. It's their money that's being expended, and I'm sure it will be forthcoming.

The last question I have is in the Resource Development area. I would assume that that program is now full and complete for the Department of Resource Development, but it can't just sort of end from \$8 million expenditures down to nil. Are you expenditures now completed, and the department will have to carry on the maintenance of the software program? Is it totally and complete such that it was a failure? What's the story there?

Thank you, Mr. Chairman, for your time, even though it might have been a little difficult to hear me over some of the din. The minister heard, I'm sure. He seemed to be listening as best I could tell.

MR. SMITH: Mr. Chairman, the minister always listens, and if he isn't available for quiet listening, he's certainly available for quiet reading afterwards.

The member's question with respect to the Gaming Research Council and the institute: they will be putting forth their own business plan at the institute level. They are a tripartite group of universities that will select the research projects and work in conjunction with the Gaming Research Council in quite an independent mode to be able to discharge the research undertakings.

THE DEPUTY CHAIRMAN: Edmonton-Rutherford.

MR. WICKMAN: Mr. Chairman, just my concluding comments, because we are getting on to a quarter to 10, and I assume we're going to go down to the general Assembly.

I appreciate the answers we have been given up to now, which are very, very limited. That doesn't concern me so much if the minister follows the same pattern as the former minister. The former minister provided me, within roughly two weeks, with written answers and, with the assistance of course of the officials of the ministry, provided a written response to every question I had asked and every question other members of this caucus had asked during the debate of the lottery estimates last year. This is the gaming estimates, but it's the same thing. I can understand that the minister is not in a position to answer every question that is asked tonight, but I would

certainly appreciate – and I would like some assurances from the minister – that all the questions we asked tonight will be considered and responded to to the best of his ability.

MR. SMITH: Mr. Chairman, I'm more than prepared to give those assurances.

MR. WICKMAN: Thank you.

THE DEPUTY CHAIRMAN: There's nobody else on my list of speakers, so if there's nobody else, would somebody make a motion that we adjourn committee A.

MR. MAR: I so move.

THE DEPUTY CHAIRMAN: We will adjourn and report to the Legislature. All in favour?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Okay. We're adjourned.

[The subcommittee adjourned at 9:40 p.m.]

