

Legislative Assembly of Alberta

Title: **Wednesday, March 22, 2000**

8:00 p.m.

Date: 00/03/22

[Mrs. Gordon in the chair]

head: Committee of Supply

[Mrs. Gordon in the chair]

THE DEPUTY CHAIRMAN: I'd like to call the committee to order.

head: Main Estimates 2000-2001

Offices of the Legislative Assembly

THE DEPUTY CHAIRMAN: The Member for Calgary-Buffalo.

MR. DICKSON: Yes. Speaking, as I understand it, to the estimates for the Legislative Assembly.

THE DEPUTY CHAIRMAN: Yes.

MR. DICKSON: Excellent. There was a question I had for the Minister of Health and Wellness. There was a matter that came up earlier today. I was interested in the response, and I wasn't able to hear the response.

I sit on the Standing Committee on Legislative Offices, and one of the things with respect to the budget that was dealt with was a budget for the Ombudsman. The budget has been set up with an expectation that the provincial Ombudsman will be hearing complaints, concerns with respect to different elements of the health sector. There was an anticipation that there would be budget implications in 2000-2001.

Now, we see some of that reflected in the budget, but we don't see any legislation that's going to accommodate that, Madam Chairman. I heard the Health and Wellness minister addressing a collateral but related point earlier today, but I'm afraid I haven't seen the Blues yet, and I didn't hear his comments. I'm inviting the Minister of Health and Wellness to clarify when he expects we will see legislation, when that legislation will be passed.

Madam Chairman, I'm receiving more than the usual number of frowns from the table. If I'm talking about the wrong item, I hope somebody will tell me.

THE DEPUTY CHAIRMAN: The chair would say, hon. member, that I am really wondering why you're asking the Minister of Health and Wellness about the office of the Ombudsman.

MR. DICKSON: The reason is that the Legislative Offices Committee, which supervises each of the legislative offices, received a budget submission for the Ombudsman, and it's included in here. Each of the legislative officer's budgets is included in these estimates we're dealing with tonight. I think that's accurate. One of the elements here, the budget for the Ombudsman, was built around the anticipation that there would be a legislative basis for the provincial Ombudsman, Mr. Sutton, to be able to investigate concerns that people have at the regional health authority level.

So we see the budget appropriation, but there's no legislative jurisdiction to be able to do that. We're now well into the spring session. I've seen no legislation that expands the authority of the Ombudsman. So, Madam Chairman, is it not a question, then, that we have a budget requisition that was based on a contingent expectation. If that contingency is not going to be realized, if we're not going to see the legislation, then shouldn't we know about it? That's

my question. It's quite innocent, and maybe we can have clarification. Maybe the Government House Leader has the answer.

Absent such legislation, then maybe we should have some question about the amount that's going to the Ombudsman. I'm happy to see the Ombudsman do his work, but he can't investigate things he doesn't have legislative authority to do. The current Ombudsman Act does not permit him to deal with concerns from regional health authorities. What happened to that legislation? When are we going to see it? If we're not going to see it, let the minister tell us so we can consider moving the appropriate amendment to the estimates.

I'll sit down for a moment to see if I get a response on this question. I know that my colleague from Edmonton-Norwood is also a member of the same committee, and I suspect she had the same understanding I did. That's the question, Madam Chairman. Hopefully, we'll get some resolution to that.

Thank you.

THE DEPUTY CHAIRMAN: Well, before the chairman comments on that, I would ask that I have unanimous consent so we can revert to Introduction of Guests.

[Unanimous consent granted]

head: Introduction of Guests

THE DEPUTY CHAIRMAN: The hon. Minister of Justice.

MR. HANCOCK: Thank you, Madam Chairman. It's my pleasure and honour tonight to introduce to you and through you to Members of the Legislative Assembly 15 Cubs and their Cub leaders: Akela Mrs. Shelly Olsen; Mrs. Christy Mulholland; Hati Mrs. Shelley Dubyk; Rakshaw Mrs. Elda Foote, and Bagheera Mr. Gleb Gladwin, all from the 176 Cub pack in my riding of Edmonton-Whitemud. They're seated in the members' gallery. I'd ask that they rise and receive the traditional warm welcome of this Assembly.

Offices of the Legislative Assembly (continued)

THE DEPUTY CHAIRMAN: Hon. member, the chair wishes to say something. This is very unusual tonight, that there are questions asked on the Legislative Assembly estimates. The Assembly – and you know perfectly well, hon. member – is independent from asking government ministers to deal with the Legislative Assembly. As well, if you have questions, you can direct them to the chairman of the Standing Committee on Legislative Offices. You know that as well.

MR. DICKSON: Madam Chairman, I may not have been clear. What I'm talking about is that there's an increase here from \$1.4 million to \$1.6 million. That is contingent on some things happening that have nothing to do with the Ombudsman and have everything to do with the Minister of Health and Wellness. So that's . . .

THE DEPUTY CHAIRMAN: Hon. member, as chairman of tonight's proceedings, I suggest that you take that up with the chairman of the standing committee that looks after Leg. Offices. As I said, the Assembly is very much independent from the government. So my question to you is: why are you doing it at this point in time instead of taking it up in the appropriate place with the appropriate person?

8:10

MR. DICKSON: I was hoping that the chairman of the Standing

Committee on Legislative Offices would be here to confirm, when we're dealing with the budget for this, that the expectation in terms of statutory reform in fact has been dealt with. I'm happy to get the clarification. This is the last clear chance, Madam Chairman. I'm happy to have the chairman of the Standing Committee on Legislative Offices answer the question.

We're now well past the halfway point of the spring legislative session. We have seen no legislation yet to expand the jurisdiction of the Ombudsman to deal with regional health authorities, yet the requisition that we're being asked to vote on tonight is a \$200,000 increase, plus or minus, in element 3.0.1. So I'm simply asking for an assurance I guess from the chairman of the committee that the legislation is coming forward in the spring session. If you won't let me ask the question of the minister, I'll ask the chairman of the committee to clarify that, please.

Thank you.

THE DEPUTY CHAIRMAN: Hon. Member for Calgary-Buffalo, this is very irregular, but I will recognize the Minister of Justice and Government House Leader.

MR. HANCOCK: Thank you, Madam Chairman. The hon. member should have raised questions with respect to the efficacy of health legislation at the time of reviewing the business plans for the department of health. The budget for the Legislative Assembly comes through the Members' Services Committee, and the normal practice and custom of this House is that Members' Services recommends the budget to the Assembly, and the Assembly passes it. Government members and Executive Council members are not in a position to defend the estimates of the Legislative Assembly. The hon. member knows that. Let's get on with the traditions of the House.

I might add that it's a common practice to do business plans based on what you anticipate happening. If the legislative framework necessary to bring something into fruition doesn't occur, it would be quite normal to lapse funds that were provided to encompass that.

THE DEPUTY CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Madam Chairman. I hesitate to get into this discussion, because I am not a member of the Members' Services Committee, but I would like to point out that the member indicated that there is no legislation that this Assembly has passed that affects the Ombudsman's office. In fact, this Legislature just recently passed the Health Professions Act, and the Health Professions Act has extensive involvement in the Ombudsman's office and in an appeal process involving all of the colleges.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you. I, too, am a member of the Standing Committee on Leg. Offices, and my understanding of the budget process and the budget that was approved for the Ombudsman's particular part was that it was based on new legislation coming forward so he could in fact have adequate resources to deal with that legislation. I think it's very fair, Madam Chairman, that we ask the question about when that legislation can be anticipated to come through. We have approved the budget for that. It is not an unreasonable question. So the issue still stands. I'm wondering if the minister of health can help us out here. It would be really easy. He just has to answer the question.

THE DEPUTY CHAIRMAN: All right. We're going to deal with the main estimates to do with the offices of the Legislative Assembly.

Agreed to:

Support to the Legislative Assembly	
Operating Expense	\$26,727,215
Office of the Auditor General	
Operating Expense and Capital Investment	\$14,638,551
Office of the Ombudsman	
Operating Expense	\$1,644,100
Office of the Chief Electoral Officer	
Operating Expense	\$10,678,270
Office of the Ethics Commissioner	
Operating Expense	\$215,030
Office of the Information and Privacy Commissioner	
Operating Expense	\$2,718,536

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

International and Intergovernmental Relations

THE DEPUTY CHAIRMAN: The hon. minister.

MRS. McCLELLAN: Thank you, Madam Chairman. I'm pleased to be here this evening to continue the discussion on the estimates of International and Intergovernmental Relations.

Our previous discussions on February 29 really focused on the ministry's role in leading the development of governmentwide strategies and policies for our relations with other governments within Canada and with governments around the world and with the aboriginal community. In addition, the goals, objectives, and performance measures of the ministry were discussed. My colleague the associate minister and I outlined our priorities for the year ahead as well.

We will continue to aggressively defend and promote Alberta's interests in our dealings with the federal government. We'll focus on implementing our framework for international strategies, expanding trade, and strengthening relations between government and aboriginal people.

The associate minister and I were pleased with the enthusiasm and the questions posed to us by the members during that debate. We were able to respond to many of those questions that evening, but there were a number of questions raised that we were unable to address that evening, so this afternoon I responded in writing to the hon. members who raised those questions. I also tabled my responses in the Legislature.

Edmonton-Ellerslie asked several questions on various subjects. Many of them we were able to deal with that evening, but for those that we weren't, questions related to trade, budget changes in the international section of the department, and the ministry's performance measures, I responded in writing.

8:20

The Member for Edmonton-Norwood was also very thorough in her questions. The questions we've responded to in the areas where she requested clarification were on the aboriginal policy framework, land claims litigation, other aboriginal issues, and how our ministry measures outcomes.

The Member for Edmonton-Riverview asked about Alberta's involvement in the World Trade Organization, polling data that the ministry utilizes for its performance measures, conflict of interest policies for Metis settlements, and the role of the ministry in planning for the needs of aboriginal children. Again, I tabled those responses as well as providing them to the member today. I apologize that they didn't come to you sooner than today. We had anticipated having them to you earlier in the week. However, I hope you had the opportunity to review them.

In closing, I want to again thank the hon. members for their thoughtful questions and comments. We'll take good notes, and if there are any questions tonight that we are unable to respond to, again we will respond in writing.

Thank you very much, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Buffalo. But, hon. member, the chairman would ask that you just sit a minute.

After what happened when I was in the chair yesterday, I'm going to ask for a vote on whether we will in fact use the 20-20 scenario as far as dealing with the votes on this particular department and the reporting of that department so that I don't get into the same thing as yesterday; that is, 20 minutes here and 20 minutes there.

I would ask that the committee vote on utilizing the agreement that is in place and that I referred to yesterday, if you happened to be in the House. All those in favour, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY CHAIRMAN: Opposed, please say no.

Thank you, hon. member. You may now rise.

MR. DICKSON: Thanks, Madam Chairman. I've got a question. It's in an area where I haven't seen the responses that the minister has provided to different people who had asked specific questions, so I'm inviting the minister to signal me if this is an area that's already been thoroughly covered. I find this department always the most difficult department to examine from a budget perspective because you're a facilitator, you're a conduit, you're a co-ordinator, and everything is sort of pieced out. All the substantive work is done by the different departments. I'm mindful of that before I walk into the pit.

My comment would be this. In the budget committees I have been part of, I've been particularly interested in information technology, leadership in terms of various information applications. I've been interested in the government's response to Bill C-6, which is currently just about finished in the House of Commons after coming back from the Senate. I'm interested in the way we respond to the European Union privacy directive that came into force in September. [interjection] Well, I'm still waiting for responses. So here's what I've got so far, Madam Minister. I'm looking for leadership, and I'm looking for who has responsibility in this sort of confusing process.

Now, I've been able to ask questions of the Minister of Innovation and Science, whatever that ministry is called these days. I think the chief information council is under his wing. The chief information council is focused in part on providing leadership – this is what I was told – in the area of information technology. Then we went to the Minister of Municipal Affairs. The FOIP unit, the Freedom of Information and Protection of Privacy Act application, is under that ministry. There's yet a third ministry that's involved. The Ministry of Government Services is also involved in information technology. What I try to pursue and I get no clear resolution of is what role each of the different departments play. Who is providing the ultimate

leadership in terms of privacy protection, the protection of Albertans' information in a world of increasing electronic technology?

You know, one would think that the perfect ministry would be this ministry because you deal with Ottawa, you deal with other provinces, and you co-ordinate things going on in other ministries. But that's not the advice I got when I talked to your colleague.

The minister is signaling me. She would make a great charades player. When she sends me signals across the chasm here between opposition and government, I usually know what she means. Her colleagues aren't always so clear. She'd be the person I'd want on my charades team.

My point is simply this. Madam Minister, what discussions have you had with your colleague the Minister of Municipal Affairs? What discussions have you had with your colleague the Minister of Government Services? I don't want to unfairly represent their positions, but my impression from speaking to both was that they were not looking to your ministry to provide leadership in this area, not just on Bill C-6, because that's a federal statute, but on how we comply as a jurisdiction with the European Union privacy directive, so that we don't forfeit and put at risk some \$18 million of trade in services and goods. I wonder if the minister could answer that.

Madam Chairman, I'd like to give the minister some of my time. In other words, I'm going to sit down, and I'd like to give the minister a chance to get up and answer me on what communications she's had with her two colleagues so that it's clear not just to me – I mean, I have an advantage. I'm in the House. I have a little better sense of what's going on than many of my constituents. I'm not sure that other Albertans see that. I wonder if the minister could help me understand the specific role that her department plays in this area of privacy protection and information technology. I'll sit down and give the minister a chance to respond.

MRS. McCLELLAN: I will attempt to respond in a brief way. The co-ordination of the activities around C-6 has been led by my ministry, working very closely with the Minister of Municipal Affairs, with the Minister of Government Services, and with . . . [interjection] For *Hansard*, the member is asking if I discussed this directly with the chief information council, and the answer to that would be no.

However, we have made representations to the federal government on C-6. We have made representation to the chair of the Senate committee to raise our concerns on behalf of Albertans with that particular piece of legislation. I'm recalling the details as I'm standing here. One of our primary concerns was the lack of time and consultation that was spent with us on this legislation and the fact that our businesspeople whom this would impact had not had an opportunity to be fully prepared for this legislation. So we have been involved in those discussions.

As I recall, the Minister of Municipal Affairs and I cosigned the letter certainly that went to the chair of the Senate committee. I believe, if I recall, that I also wrote to my counterpart the Hon. Stephane Dion on that, on the concern of interaction between the federal government and the province on an issue that impacted businesses and so on in our province. I would see no reason I wouldn't share with the hon. member the letter in particular that we wrote to the chair of the Senate committee to outline our concerns. I'd have no trouble doing that at all.

8:30

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Madam Chairman, it's always a treat to ask

questions of a minister who's as co-operative and forthright as this one. I appreciate the undertaking to make that material available.

Will the minister indicate why we have not done what the provinces of British Columbia, Saskatchewan, Manitoba, and Ontario have done, which is take this out to their citizens? In those provinces, for the very reason the minister mentioned, most small businesses, big business, maybe some of the big internationally trading businesses are conscious of the European Union, Bill C-6, and what's going on in other places. Most small businesses in my constituency, I suspect, have no idea about this.

Given the lack of awareness, will this minister commit to undertaking at least limited public hearings around this issue, as at least four other provinces already have? It doesn't have to simply be responding to Bill C-6. It's finding out what individuals and businesses would like to see in the area of privacy protection in the nongovernment area, in the private sector. So would the minister respond to that request, please?

MRS. McCLELLAN: Madam Chairman, again, I'm sorry that I don't have more of my notes with me on this particular area for the discussion this evening. There has been consultation with the business community. That's why we knew they were very concerned about this legislation. I would have to get the information for the hon. member as to how that was held, whether it was through associations or the chambers. I just don't have it in my mind at this moment, but I would be happy to share that.

We've made the representations. I'm afraid we haven't been heard, or we've been heard and there isn't going to be a change. However, I'm hoping that because of our interventions in this area, there will be a commitment to some time for this action that will affect our business community, that there will be some time for them to prepare for it, which is really what we were asking for.

I'll take his advice on public hearings and talk it over with my department or look at what vehicle would be the best to make sure that all our business community is informed. Quite often we do work through their associations, such as chambers and so on, because they have a very good network with their membership and the ability to take information out to them. So I'll take that advice on possible public hearings. The fact is that I'm not sure our interventions are going to have any effect. I haven't seen any changes.

The one effect I hope it does have is on the importance of the time that is required to make sure our business community and others that are affected by this have the time to prepare properly for it and make sure they know. I recall other initiatives that have come through – and I'll mention the GST, which was a good example – that sort of came about and people weren't prepared, and it's not a very helpful thing.

So thank you for that suggestion. We'll look at it.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks, Madam Chairman. My suggestion would be to the minister. You know, I think Manitoba was the first province to announce public hearings, and how clever, I thought. By holding the public hearings, it strengthens the provincial hand, because those same people who are being consulted and whose input is being solicited are also federal voters. You know, this isn't a case of the same taxpayer; it's also the same voter, the same constituent federally or provincially. You know, I may have a different perspective from some of the business community. I may want stronger legislation, and some would want weaker legislation, but

the notion of broadening the consultation, just giving people more information seems to me a no-lose proposition.

I'd offer this one caution. We went through Bill 40 in the fall, and that was a question where your colleague the Minister of Health and Wellness was talking about how extensive the consultation was. Yet we saw evidence of a large degree of concern. Certainly the people whose information was at risk had not been consulted; namely, Joe and Jane Albertan, Calgarian.

I'm hopeful, Madam Minister. I appreciate your openness to the suggestion, and I'd just offer the comment that holding public hearings is not a sort of one-way street. It actually strengthens the government's hand when you sit down with your colleagues in other areas.

Now, there was another concern, and I don't know whether it was addressed. I'd asked the minister: what specific role has her department played in the work that's being done by Minister Claudette Bradshaw around the homeless initiative? There has been a great deal of federal/provincial interaction around providing funding for those either homeless or at risk of being homeless. Curiously, I've never heard the Department of International and Intergovernmental Relations involved in any of those. I go to meetings in Calgary when federal Minister Claudette Bradshaw is in town, and I see the Member for Calgary-Bow. I wasn't sure who she was representing other than the government generally. Now I'm wondering what brief this ministry has on that issue and what role this ministry has played around that very important issue.

I'd remind the minister that in Calgary-Buffalo the single biggest concern continues to be affordable housing. I wouldn't extrapolate that to be a provincewide thing. It has a big parochial interest to me as well as a more general one.

MR. CARDINAL: No federal money. They cut it out.

MR. DICKSON: There is actually substantial federal money going in.

One of the minister's colleagues obviously has not been following what's gone on. The federal government is now providing substantial money, and they are providing it as the agencies on the ground wanted, which is without unreasonable strings attached. There's flexibility.

Anyway, I'll sit down to allow the minister a chance to respond.

MRS. McCLELLAN: Madam Chairman, I will tell the hon. member: very little involvement and a great deal of disappointment. This minister is the minister representing Alberta on the social union framework. I can tell you there was a great deal of disappointment that the homeless initiative rather skirted the social union framework in coming into play. The Minister of Community Development responsible for housing will certainly be the minister who'll be interacting with Minister Bradshaw on this initiative. But it was a source of disappointment to me and I think a source of disappointment to all ministers responsible for the social union framework that this indeed rather went around the framework, because it seems to me that this is very much a social issue. It is a natural for the social union framework, which all our Premiers and the Prime Minister signed. There was a great opportunity for us to work together.

However, I think the issue, as you pointed out, is a serious one. Having registered that disappointment, we now move ahead to make this initiative work. The work beyond the framework of the social union will be carried out by the Minister of Community Development working with other departments. I agree it's an issue that we need to deal with. The member for Calgary-Bow certainly did a lot of work, as the hon. member would know, on the task force in

Calgary leading up to the initiatives. I am just hopeful that this initiative will work with our community agencies that are trying to deal with this and we'll address it.

So having registered our displeasure at the manner in which it came about, the lack of meaningful consultation on the issue – I was at a social union ministers' framework when this initiative was announced. I didn't know anything about what was in the announcement until after it was concluded. As I say, I think that's been registered, our feeling that initiatives like this should be a natural for the social union framework. It was intended to ensure that we work together across Canada on social issues, and hopefully in the future we'll do that, but we put that behind us now and get on with the important work of dealing with the homeless in our communities wherever they are.

8:40

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Madam Chairman. I would appreciate approaching this debate this evening in the same type of format that the minister has afforded to the Member for Calgary-Buffalo.

I'm referencing the Auditor General's reports from both 1998-99 and 1997-98. In both of those last two years' reports, the Auditor General spoke about the relationship and payments made by the province to the Metis settlements. In the '98-99 report specifically the Auditor General raised reservations, in fact stated that "a significant risk facing the Ministry is whether these funds will achieve their intended purpose." These funds are referenced as being

a total of \$253 million in support of eight Metis settlements pursuant to the Metis Settlements Accord Implementation Act. Additional payments totaling \$80 million, plus certain matching payments to be determined, are also required by this legislation to be paid between 1999-2000 and 2006-2007.

Referencing that same report, the government responded to a concern raised by the Auditor General relative to the same area in '97-98, and the ministry committed that they would

assist the Metis Settlements in their efforts to utilize and improve business planning processes. The Transition Commission will also work with individual Settlements in establishing more performance measures which can be measured quantitatively.

My request, Madam Chairman. I'm wondering if the minister would update us on the progress in that area.

MRS. McCLELLAN: Yes, I'd be pleased to. In fact, we had a very thorough discussion of that in Public Accounts this morning because it was referenced that the Auditor General had raised this. The chair, Mr. Hardy, was there and was able to discuss this issue, as well as the associate minister.

There is a great deal of work being done in that area, the consultation with the settlements, working with them on the development of business plans, and I believe that almost all settlements have reached the goal of having business plans that are consistent so that when you look at them they're consistent over the eight settlements and looking at the accountability factor. There's been a great deal of work done by the settlements.

I think it's a process that will be a work in the making maybe throughout the rest of this year, but we're certainly pleased with the guidance we received from the Auditor General and the suggestions and advice he gave us on how to improve the accountability and how to put in place performance measures that, indeed, would record that the funding was actually meeting the goals it was intended for. I think we've had very good co-operation from the settlements and

from the commission. It is my hope, certainly my desire and, I know, the associate minister's, that in the next reporting function we will see a lot of progress made in that area.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Madam Chairman. I'm not sure if those business plans are publicly available or if they're in a form yet to be publicly available, but I think there would be interest, once the work is complete, in being able to examine those business plans. In future years it may even be appropriate that they be encompassed in some form in the government's annual report.

I'd like to turn now to the Get Ready Alberta: Strengthening the Alberta Advantage report that was released this year and specifically ask the minister about her department's involvement relative to two particular areas. There are goals identified throughout this document. On page 8, goal: "Alberta is a world leader in innovation, research, development and commercialization of new ideas." The report outlines a number of strategies that primarily focus on innovation and science, information and technology, the information and communications technology sector. I'm wondering if the ministry of intergovernmental affairs was involved in the development of those strategies and the subsequent ideas for actions.

I noted that there were specific ideas for action that related to creating an advantage by developing and adapting environmental technologies and marketing Alberta's expertise to the rest of the world, recruiting companies, creating centres of excellence, facilitating commercialization of research and new ideas. One of the issues small business entrepreneurs have spoken to me about is that it is not always the issue of acquiring support for the development of a new technology, but it would seem that there are greater barriers when it comes to marketing. Those types of issues are ones which I would assume the department of intergovernmental affairs might be involved in.

I have further questions relative to another goal in this report, but I'm wondering if the minister would be prepared to respond to that particular area at this time.

MRS. McCLELLAN: Sure. I can do that very quickly, Madam Chairman. We were a partner in the development of that paper. There were a number of key government departments, economic departments, that developed that. We were a participant.

However, the document that really deals with our department is the one that I tabled in the House early in the session called A Framework for Alberta's International Strategies. It outlines what our role is working in an international scene, and it really is in the area of: if there are identified barriers to commercialization, to export, to trade, then we are involved. The actual marketing and sales of an item are not in our purview. I would commend this to the hon. member's reading. On pages 2 and 3 it outlines what our role is: building relationships, working government to government if there are trade barriers that affect trade.

MRS. SLOAN: Thank you, Madam Chairman and Madam Minister. One of the things I'm not completely clear about, and it isn't really clear within the business plans of, say, science and technology, intergovernmental affairs, Economic Development, is that if there are trips, if you will, being planned that are intended to promote, as one example, goals in this document relative to research and technology – intergovernmental affairs might be planning trips to promote international relations. Does the taxpayer have any references within our business plan and budget process that assure

them that these types of initiatives are co-ordinated, are done in the most cost-effective manner? I don't have a sense in my examination of Economic Development, science and technology, and intergovernmental affairs that there is co-ordination in those departments to ensure that the taxpayer is getting the best possible use of their representatives and the most affordable trade trips.

8:50

One of the other goals referenced in this report is that Alberta is internationally recognized as a good place to invest and do business. Alberta businesses compete and succeed in a global marketplace.

Another issue that businessmen have raised to me is their increasing frustration with our aviation situation. While it has improved to some degree, Edmonton continues to be less accessible and less flexible in terms of departures, particularly to international destinations, than Calgary. I'm wondering if the hon. minister has had any involvement. The document I've referenced specifically talks about "an Alberta aviation strategy to improve air transportation for passengers and cargo." Has intergovernmental affairs been involved, and would the minister elaborate on that involvement?

Thank you.

MRS. McCLELLAN: The questions sort of pertain to a couple of ministries, but I will advise the hon. member that this ministry is responsible for the co-ordination of international travel. We do ensure, when travel is anticipated, that it is co-ordinated. Often when a minister travels to a country, they can deal with several areas, not only the one they might be specifically in. So that is a part of the responsibility we have, to ensure that there is an overall co-ordination of international travel.

I have had discussions with my colleagues from Economic Development and other economic departments, with Air Canada, our new soon to be single carrier, and raised that very issue with them, the importance of having access to good routes not just within Canada but certainly internationally. Actually, I would say that we had a very good meeting and that they are very aware of our interests. We pointed out to them that we're the third largest exporter in Canada and that having good international air access is incredibly important to us across this province. I felt quite assured from that discussion that they were very aware and were looking forward to continuing to work with us to provide good access to international routes for Alberta.

THE DEPUTY CHAIRMAN: All right. After considering the business plan and proposed estimates for the Department of International and Intergovernmental Relations, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:	
Operating Expense	\$24,221,000

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

head: Lottery Fund Estimates 2000-2001

THE DEPUTY CHAIRMAN: We'll now deal with the lottery estimates.

MR. SMITH: An excellent idea, Madam Chairman. Thank you so much. It gives me great pleasure to speak very briefly to the lottery fund estimates and also to be ably and capably assisted by my colleagues who use a great deal of the lottery funds for the benefit of all Albertans in communities throughout this fair land.

The creation of the current lottery fund is largely the confirmation and the result of the lotteries and gaming summit recommendation, specifically number 4, that stated "that gaming and lottery profits not be directed to the province's General Revenue Fund." The creation of the lottery fund in its current format provides Albertans with clear, transparent information on where lottery dollars go. The information is set out clearly in budget documents but, of course, is also available on the Alberta Gaming web site, and I'd encourage all members on a daily basis to visit that site at www.gaming.gov.ab.ca.

This year's lottery fund estimates clearly indicate that we have listened and listened carefully to the priorities of Albertans and have directed those funds in those appropriate directions. Of the funds' estimated budget of \$837 million, 88 percent is directed to thousands of public nonprofit community and charitable projects across Alberta. The remaining 12 percent goes to debt repayment, \$50 million into lottery programs, and AGLC operations, \$56 million. Sixty percent of the fund, Madam Chairman, provides specifically targeted support to the priority areas of health, education, and infrastructure.

One of the goals of the lottery fund and the Department of Gaming is to be open, clear, and transparent. Albertans clearly want to know where lottery moneys come from. We update our web site on a quarterly basis to clearly indicate the sources and the amount of lottery fund revenue.

Albertans also want to know where lottery dollars go. We provide that information, Madam Chairman, through this process, through annual reports, and of course on a continually updated web site. We're also completing development of a visual identity for the lottery fund, so Albertans clearly know, clearly identified and very open, where lottery dollars are being spent.

Albertans, Madam Chairman, and indeed all Canadians have clearly indicated in a recent report from the Canada West Foundation that they are comfortable with gaming, that they in fact see gaming as an issue of personal choice and that they prefer governments using gaming revenue as opposed to governments raising taxes. Clearly, gaming is a matter of choice, but it's so important that we balance that choice and we find the balance of responsibility. That is indeed the purpose of the department, to help strike a proper balance between responsibility and choice.

That is not to say, Madam Chairman, that gaming is not harmful to some. In fact, government, service groups, and industries recognize this and provide resources and programs to treat and educate. This includes lottery fund dollars provided to AADAC, the association for drug and alcohol-related addiction, for its problem gambling programs. The industry is also involved in problem gambling initiatives. As a matter of fact, I commend the industry for the work done by the Alberta Gaming Industry Association.

We also recognize that there's a lot we don't know about gaming, and knowing more through listening to stakeholders, customers, and people all across this fair land will help us better determine future public and industry policy. That's why we've set up – and you would know because you had a very, very strong influence in this, Madam Chairman – the Alberta Gaming Research Council. That's why the lottery fund is providing \$1.5 million . . .

THE DEPUTY CHAIRMAN: Hon. minister, this is getting difficult. I have to ask *Hansard* whether or not in fact they can hear this. *Hansard*, can you hear this? Hon. minister, they are saying no, they can't hear it.

MR. SMITH: Well, Madam Chairman, it will be my pleasure . . .

THE DEPUTY CHAIRMAN: Thank you.

MR. SMITH: . . . to be able to speak fairly clearly and loudly and enunciate the goals and the objectives of this organization as it benefits all Albertans. In fact, I would love to speak on this topic for a number of hours, not only minutes of the day.

We need to talk specifically, Madam Chairman, about the \$1.5 million per year that's going to the Alberta Gaming Research Institute, which is a consortium of the universities of Calgary, Alberta, and Lethbridge. There are three. Hmm. The institute with the guidance of the council will conduct research into the social and economic aspects of gambling.

I believe we've made great progress, Madam Chairman, in the allocation of lottery fund revenues. Cabinet colleagues were diligent to identify programs and projects that are important to Albertans and Alberta communities. In fact, if you look at health, infrastructure, education, you'll find that about 60 percent of the lottery fund is in these three important project areas that Albertans have said are very, very important and very, very vital to the future of this great province.

I can look back over the years, Madam Chairman, and quote one of the early democratic politicians who once said that

to give away money is an easy matter and in any man's power. But to decide to whom to give it, and how large and when, and for what purpose and how, is neither in every man's power nor an easy matter. Hence it is that such excellence is rare, praiseworthy and noble.

That was said a long time ago by Aristotle in another parliament, Madam Chairman, in Greece.

Madam Chairman, I know it's a noble undertaking. I know we have members looking to see where these funds go, how they go. I know they've been on their web sites most of the day. I know they're ready. We look forward to good debate, good answers, and I thank everybody in the House for their keen attention to this fund.

9:00

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

MR. WICKMAN: Thank you, Madam Chairman. I'm pleased to have the opportunity to open up on the lotteries. Let me first of all welcome the two guests that we have up there in the galleries. It's nice to see that we do have Albertans that are interested as to what happens with their tax dollars, and like all the other Albertans out there, I'm sure they're very, very concerned with Bill 11. But we're not here to talk about Bill 11, Madam Chairman, so I won't talk about Bill 11. I will say in my opening remarks that all my remarks will pertain to lotteries, and I know you think I go off track once and a while, but I'm not going to go off track. My comments are going to be restricted to lotteries.

When we look at lotteries, we first of all have to realize that we do have the commission there, but on top of the commission and ultimately responsible is the minister. So we can't just talk about the lotteries commission and leave the government per se out of it, because the government, of course, is responsible in the end when it comes to lottery dollars, how those dollars are spent, and how the dollars are distributed.

Madam Chairman, when I think back on my 11 years here since 1989, I've watched the history of the VLTs and the lotteries expand and develop into the cash cow and the interest that some members have had, which is basically nil, although there was a great deal of interest – we all remember those Samsonite personalized briefcases

being handed out to government members with the applications in there and that type of thing. That's all history, but what I've watched on the other side is that most members really have not paid that much attention to VLTs or gambling in the province. It hasn't been an area of interest in particular. There is an exception. There's one member on the government side who has paid a great deal of interest in terms of gambling activities within this province, who has what I would call a very sensible approach to gambling, from the point of view that gambling is more than a cash cow. There are problems associated with gambling, with lotteries, and that member has taken a number of occasions to point out some of those difficulties.

When the Premier in his good judgment – and it's up to the Premier to make those decisions as to who's responsible for what areas; who becomes the Minister of Gaming, for example. Member for Calgary-Varsity, don't take this as criticism. If he were in the Health and Wellness portfolio, he might make the greatest health minister in the world. He might unravel the crisis that is now occurring in Alberta in that particular area. In Environment he could turn out to be the greatest environmental protector Alberta has ever seen. But prior to his appointment as the minister responsible for gaming, I can't recall when he ever took any public interest in gaming activities within the province. That is not criticism; that is the perception I have of it.

When the Premier chose to appoint that member as the minister responsible for gaming, making it a full-fledged ministerial opportunity, rather than the other member I was referring to, who would have taken gambling in a much more sensible direction but probably not brought in the same amount of revenues, well, it signaled to me that what the Premier wanted was somebody to go in there who would milk the cow, who would see gaming as an activity that would raise as much money as possible. The Member for Calgary-Varsity was the chosen one. The Premier must have concluded that if anybody could suck blood from a rock, it's the Member for Calgary-Varsity, and he has taken an approach, I believe, where gaming is now a big, big industry in the province of Alberta. I think it's unfortunate that not enough attention has been paid to the other side of it.

So it's up to the opposition. Just like it is with Bill 11, it's up to the opposition to now become the watchdog and to try and make sure the government is on track. With the gambling I'm afraid they're not on track yet. There are still many, many concerns.

I want to talk about this annual report put out by the Gaming and Liquor Commission. I turn to page 2 – and this is very important stuff – the return to charities from charitable gaming. They talk about charitable gaming being bingos, casinos, raffles, and pull tickets. Then they say, Madam Chairman, to the minister: "none of the net proceeds from charitable gaming accrue to the Alberta Gaming and Liquor Commission." Now, the 70 percent that's pulled out of the slot machines that are in the charitable casinos doesn't go to the charitable organization hosting the casino; that goes to the commission or to the government, so that is not really a correct statement.

Then I look at the next column, where it talks about the video lottery operations. It talks in terms of the cap of 6,000. I can recall when that sensible member that I referred to earlier recommended a cap of 6,000 VLTs, but there was a mistake made, and the mistake made was that there was not a cap put on the slot machines in that same period of time. I realize there is a freeze on at the present time on expansion of gaming activities within the province; however, there is an increased number of slot machines that are available as compared to a few months back. I'm not sure what the current number is now of slot machines – well, let's call them casino gaming

terminals. We talk in terms of how the electronic racing games bring in \$13.3 million, with another \$9.3 million from the Sega race game activities and such. But for the slot machines I can't find a number as to how many are operating in the province of Alberta, and I'm kind of curious.

Then I go to the next page, Madam Chairman, and it talks about the summit. We all recall the summit that was held in Medicine Hat, the gaming summit, headed up by the former Ombudsman, Mr. Johnson. That particular summit made a number of recommendations, and the recommendations are all listed here. It says: "The Summit provided eight recommendations which the Government of Alberta has accepted, or accepted in principle." What I draw to your attention is number 4, that "gaming and lottery profits not be directed to the province's General Revenue Fund." Now, if I recall correctly – somebody correct me if I'm wrong – did not a portion of the profits go into general revenue in this year's budget? Was there not a portion going into the general revenue?

MR. WHITE: All of it is general revenue.

MR. WICKMAN: And then it goes to the various departments. Exactly. Possibly you should be the Minister of Gaming, Member for Edmonton-Calder. Good understanding.

Now we look at number 5, that "all gaming and lottery profits collected by the province be directed to supporting charitable or non-profit initiatives." Charitable or nonprofit initiatives. It says that the government of Alberta accepted these recommendations. Well, the government of Alberta did not – did not – accept recommendation 5, because all gaming and lottery profits are not being directed to supporting charitable or nonprofit initiatives. The bulk of it is being sent over to the health department, to education. In fact, I listened to our esteemed Premier on CHED radio. I even taped it for anyone who wants to hear what the Premier had to say.

I listened to the angry Albertans call about Bill 11, by the way, but that wasn't surprising. I anticipated that. But somebody called and said: why not direct the lottery dollars, the gambling dollars towards health care, towards health? The Premier turned around and said that the bulk of it goes there now, goes to health. Then he said: well, not all of it; some goes to learning and such. But on CHED radio on the *Dave Rutherford* program he made it very clear that dollars are going into departments like health and such, and you can't call those areas nonprofit initiatives.

Now, I've been asked – will you allow me to revert for a second to introductions?

9:10

THE DEPUTY CHAIRMAN: You wish to revert to Introduction of Guests? Is that what you're asking, hon. member?

MR. WICKMAN: Yes.

THE DEPUTY CHAIRMAN: Could I ask for unanimous consent of the committee to revert to Introduction of Guests?

[Unanimous consent granted]

head: Introduction of Guests

(reversion)

MR. WICKMAN: Madam Chairman, through you to Members of the Legislative Assembly I want to introduce two guests up in the galleries, Albert Tarrabain and Natasha Scheideman – pardon me if I have it wrong; the member's writing is a bit rough – from Duffield. That's out there by the Stony Plain area. I remember that. If you'll stand and receive the warm welcome of members of the Assembly.

head: Lottery Fund Estimates 2000-2001

(continued)

MR. WICKMAN: Now, trying to get my train of thought back here, the Premier made it very, very clear to me on CHED radio that they are not complying with that recommendation by the gaming summit. Then I go to page 17 and look at the financial statements. Again, the minister did respond in writing to a number of the questions that I asked earlier, and I appreciate that, Mr. Minister. There are some additional ones here.

When I look at the operating expenses, I see the salaries from '98 to '99 going up from \$16,554,000 to \$19,009,000. Now, that's an increase of \$2.5 million in salaries and benefits, which seems extremely high considering there's a review on and we're not supposed to be having an expansion of gaming activities. The other one that strikes me as a bit strange, a bit high, is that I find under travel an increase from \$1,023,000 to \$1,387,000, which is an increase of \$364,000, which I think is a sizable increase. So if the minister could explain that.

Then I go over to page 23, where it talks in terms of the ticket lottery operations, and it lists the various types of scratch tickets and the sporting tickets like Sports Select and such: Western, 6/49, Special Event, Pogo. Pogo: pay for one and you get one free. Quite a bit of money is raised even from a little operation like the pull tickets.

I was speaking to a group of Boy Scouts prior to coming here; that's the reason I didn't get here at 8 o'clock. They were interested in gambling in Alberta, and I asked the question as to whether it's a problem that they think some of their older peers are facing. They say that it's not unusual for guys they know who are under 18 to get somebody that's 18 years of age to go and buy them in particular the Sports Select type of tickets where they can gamble on things like the outcome of a hockey game or a football game or a basketball game.

Now, I'm not sure if the minister in his wisdom in addressing the addiction problems is paying real special heed to those young people that may enjoy the spirit of gambling, because from there the next step, of course, is sort of to graduate to the VLTs in the bars. So it becomes sort of like a training ground for them, and I don't think it's a great training ground because it can go on to cost them for life.

Just some other comments I want to make. There's one other area in here that strikes me as strange that talks in terms of the plebiscites: "In conjunction with civic elections, 36 municipalities representing 70 percent of the provincial population, held VLT plebiscites." Now, we all know that and we know the outcome of those plebiscites, but we also know – and I've said it before and I'll say it again, because I can see so many members paying such close attention to what I'm saying here that they're going to want to hear it again – that the difficulty with the plebiscites is that they did not give the electorate the opportunity for what I consider the other viable option, restricting the gambling to the charitable model, the nonprofit casinos; in other words, allow people to gamble in gambling centres like the charitable casinos, not in the bars, where you're mixing a great deal of booze with the gambling. That's where innocent people get hooked on gambling who don't intend to gamble or had no thought of gambling prior to going to the bar.

The VLTs have quieted down. I'm not saying that the damage has been reduced. Maybe some increased emphasis on the addiction problem has helped, but on the other hand what it could be is sort of a false sense of security. People may have sort of shrugged their shoulders and said: "Well, we've had votes. The government doesn't listen, just like they're not listening on Bill 11. They're not going to listen to us anyhow, so no matter what we think of the

VLTs, why bother squawking? Who cares? Who pays attention to what we want? They're going to leave them in the bars whether we like it or not." So that could be the problem as to why we're not seeing the numbers of complaints about VLTs that we were seeing before. The same types of problems aren't being pointed out.

[Mr. Shariff in the chair]

Although when I read in the paper, I often wonder – we had this case. Some of you may have read about a good friend of many of us – myself, the Member for Edmonton-Calder, and others here – from the Italian supermarket, Spinelli's operation, where \$75,000 had been taken improperly by one of the employees, who was charged. The first thought that came to my mind was: aha, a gambling addiction. But in that case I was wrong. Teresa Spinelli, in making a victim's statement, pointed out that it was not due to an addiction. So in that case I was wrong, but so often I read about some internal theft, and the first thought that goes through my mind is: I'll bet you that person has a gambling problem.

Once in a while my wife will be reading the obituary column. She may be looking for my name; I'm not sure. She'll say: lookit; it doesn't say where to send donations; I bet that person committed suicide because of gambling. We have seen that happen. We've actually seen it publicized in the paper. Relatives have said that kinfolk have committed suicide because of their addiction to gambling. We can't of course get those people to testify, but relatives are of the opinion that that's what caused somebody to jump off a balcony in Calgary, for example. I believe that does happen, Mr. Minister. It's a very, very serious problem.

Now, there are other members here that are anxious to speak. I've spoken for almost 20 minutes, and I've had the chance to speak on a number of occasions before on lotteries and gaming. There are others that are anxious to go, so I'm going to conclude on that note, and let the next one take it. Thank you.

THE ACTING CHAIRMAN: The hon. minister.

MR. SMITH: Thank you, Mr. Chairman. Through careful examination, attentive listening, and trying to analyze, we do detect one or two, perhaps even three questions that were asked in the long discussion by the member who's been involved with this subject for a longer period of time than I have. It's interesting, Mr. Chairman. Magicians always illustrate by illusion. I think we've seen here that we have politicians illustrating by delusion.

As a matter of fact, Mr. Chairman, when I was carefully listening to debate from the chair, I was rummaging through the numerous letters of support for this government on Bill 11. As a matter of fact, in that broad ream of support letters, I did find something that was quite interesting and that I think applies appropriately to this discussion. It's actually a copy of a letter to the *Calgary Herald* on the 22nd of March, and it's headed up Bar the Liberals. Well, of course, democracy wouldn't allow that. It says:

Allan Rock's excursion to Calgary to speak to most of Alberta's Liberals . . .

There were about 14 there.

. . . brings to mind an observation of American commentator, P.J. O'Rourke. He has written that giving money and power to politicians is like giving whiskey and car keys to teenage boys.

9:20

In fact, when I was reading through this ream of support letters for Bill 11, Mr. Chairman, this letter leapt out at me. It talks about: "Here in Canada, rather than whiskey," which this department is also responsible for, "we give our federal government 'Liberal Boondog-

gle Lite.'" Well, I suggest that these kissin' cousins, these very close relations – I know that because the Member for Calgary-Buffalo was actually within 10 feet of the guy who brought you the airbus, the guy who brought you gun control, and the guy who said that the file is closed on hep C: Mr. Allan Rock, the hon. Minister of Health from Ottawa. He was right there. He was within six feet of the hon. Member for Calgary-Buffalo.

The letter goes on, Mr. Chairman. It says:

Like its beer namesake, substantially more volume is required to produce the good feelings that quaffers crave.

I'm sure here he's referring to another member who came to Calgary, the Hon. Jane Stewart. Probably sat within 10 feet of the Member for Calgary-Buffalo there too. As a matter of fact, they'll all be sitting together tomorrow night when they're in Calgary. So it's boondoggle lite and boondoggle regular and boondoggle dark, and they're all going to be there together.

The final paragraph:

But, after ingesting huge quantities of Boondoggle Lite and passing it through the system, Liberals are wont to deposit what little remains on the heads of the electorate.

I would submit to you that that's a Liberal credo that runs across Canada.

Mr. Chairman, I know that the member wanted to talk about Bill 11, and I would like to talk about Bill 11, but the House wants to focus on the importance of lottery estimates tonight. When the member talked about for-profit, two-tiered health care, he actually referred to the government as a for-profit government. Well, we all know that programs and services in this organization are not for profit. They're nonprofit. The department estimates are critical.

We would like to go on and on with the trail. First the member talked about looking after big business, expanding an industry, and in fact he then went on to refer to the freeze – the freeze – the fences that are on casinos and expansion of any type of gaming facility in Alberta until there's a gaming policy framework, a licensing policy framework that stakeholders understand, that the public understands, that cities and communities – the Red Deers, the Medicine Hats, the Grande Prairies of the world – can easily fit into, very transparent, very open, as clear in disclosure as our web site.

Firstly, the member from over by the Derrick golf club, Edmonton-Rutherford, says: he's sucking the cash cow; he's milking the lottery fund through gambling and its pervasive movement into Alberta. Then the next thing he says is: what a good move he made; he put a freeze on it. Well, thank you, I think.

He goes on to talk about the lottery fund and the fact that we are going against the general recommendation because about 4 percent of the lottery fund goes to debt repayment, and 96 percent, the balance, the huge balance of this fund – oh, I'm sorry; about 1 percent, \$50 million, is scheduled for debt repayment. The balance is going into programs and services that benefit every Albertan, Albertans in Fort McMurray, the fastest expanding city in Canada today. Mr. Chairman, we know that this is happening.

He then says that we're going against the recommendation. Well, while he's saying that we're going against that recommendation of the gaming summit, which he feels is exceedingly, exceedingly important to the fiscal management of this lottery fund, he also has a motion on the floor, Motion 516.

Mr. Wickman proposes the following motion:

Be it resolved that the Legislative Assembly urge the Government to eliminate the Lottery Fund, with all lottery revenues deposited into the General Revenue Fund.

That's the individual that is against the recommendations of the lottery fund summit from Medicine Hat. It's the Liberals again: I want to be on this side of the issue; I want to be on that side of the issue. They don't know what side to come through.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Mr. Chairman. I have two questions at this time in the lottery fund debate. The first one obviously is concerning the use of lottery fund money to repair the roofs, in this case the rotting roofs, of community halls and homes throughout Alberta. Now, I've looked through the lottery fund estimates, and I can't find what measures have been taken to fund this program. Last summer, I believe, in Crossfield there was definitely money put forward to repair the roof on the community hall.

I would like to know how many dollars have been used for this purpose and, Mr. Chairman, are going to be used in the future. It seems to me quite unfair that lottery fund dollars can be used to repair some roofs while the government, on the other hand, forces homeowners, good, hardworking Albertans, to the court system to seek compensation for this scandal. I don't have to go to Ottawa to find a scandal. I can go across the floor, and I can go up and down the row. Another scandal, of course, would be Bill 11 and the boondoggle that's turned out to be.

Also, I have a question for the hon. minister, and this goes back to the gaming summit. If he could confirm this for me regarding the lottery fund, I would be very grateful. Apparently it was discussed in the corridors in Medicine Hat. It's this idea of a lottery, not so much a lottery but a means of raising revenue for minor hockey, for the Calgary Flames, and as I understand it, also for the Edmonton Oilers. As it was explained to me and as it was discussed at the gaming summit, there is to be a lottery developed in this province, and the proceeds of this lottery – and it's up to the individual. The individual has a choice of whether they want to purchase this lottery and support hockey. They have the choice, as it was explained to me. If a person goes to the 7-Eleven and they want to exercise their choice to purchase a lottery ticket, the proceeds of this lottery, as I understand it, are to be divided between minor hockey, the Calgary Flames Hockey Club, and the Edmonton Oilers hockey club.

Now, I just listened with a great deal of interest as this was described to me, and I would be very curious if the minister and his department have any plans for introducing such a lottery for hockey in this province.

Thank you, Mr. Chairman.

MR. SMITH: Well, again I actually thank the Member for Edmonton-Gold Bar for the good question on the Alberta sport prize bond. In fact, Mr. Chairman, I was not minister at the gaming summit, but this is something that has been bandied about, not in hallways but in good, normal business circumstances, with the Department of Gaming.

There has been about \$250,000 spent over the last two years to examine the business viability of a prize bond lottery that would allow individuals, good-standing individuals, people with disposable income such as the member, who I know has been a very successful businessman – actually, he's a good entrepreneur. A good entrepreneur, Mr. Chairman. In total, total reverse ideology to what he espouses here in the House, that is a good entrepreneur. That's a man who believes in entrepreneurial success, and he's practised it, and he would have the disposable income to buy a bond from this organization.

This money would be deposited into a fund, and the interest and the investments made from that fund would be spent on prizes and to professional sports teams in a manner that they may or may not deem fit and appropriate. It's up to that private-sector organization to develop it, determine the viability of it, market it, sell it, determine the distribution of it.

9:30

It would be regulated by the Alberta government, if it would be headquartered in Alberta, but it would not be run per se by the Alberta government. I have only seen two pages of the study, hon. member. Those two pages indicate that the numbers, the critical mass in Alberta is not sufficient. Even though we've had a burgeoning economy, even though we've had \$30 billion worth of new economic activity over the seven years, even though we have a 4.9 percent unemployment rate, even though we've seen tremendous amounts of people move to this fair province, have seen an increase of 300,000 people over the last seven years – I mean, it attests not only to this government but mostly to the people it represents.

What that means is that this would probably be best served economically – and I know how he appreciates the bottom line. The bottom line says that this should be expanded outside Alberta and perhaps be inclusive of all NHL teams. That is in the private-sector domain. It is up to them to take it forward. I repeat: the government is not entertaining at this point any move to an Alberta sport prize bond.

That was a good question, and I thought it was a question that deserved a clear answer. I know that the member sometimes sees bogeymen behind the doors, sees cronies getting together to conspire. As a matter of fact, I think he even said in *Hansard* that this government conspires by leaking scoops to the soon-to-be-departed Don Martin, from Alberta, with scoops to the *Calgary Herald*. So in fact we might even be in league with those evil newspapermen from the *Calgary Herald*. Mr. Chairman, that is only something the member reported in *Hansard*, but I know he wanted a clean, succinct answer to the Alberta sport prize bond.

Now, he also talked about what I've come to dearly remember him for, a topic close to the member's heart, one that he's looked out on from many roofs throughout the great vistas of this province, and it's about pine shakes. It's about pine shakes in two community centres, and it said to me that the member wants to know more. The member wants to know more. I thought: we need an expert. We need a person from this government who's able to talk about the creation of this, the person who's helped guide gambling development in this province, a person who's helped put the brakes on gambling development in this province, a person who's got a good heart, a clean conscience, occupies important chairs in the legislative offices, and is the first chair of the Community Lottery Board Secretariat. I would ask the Member for Lacombe-Stettler to clearly enunciate the roles, duties, and costs as they pertain to these estimates of the community lottery boards.

THE ACTING CHAIRMAN: The hon. Member for Lacombe-Stettler.

MRS. GORDON: Thank you very much, Mr. Chairman. I do want to talk a little bit about the community lottery boards and answer the hon. Member for Edmonton-Gold Bar's question.

This is year two of the community lottery board program, and I believe it's been a good program. That's what Albertans are telling me. One of the things with this program is that there's a great deal of flexibility allowed. The boards themselves are able to decide who in fact should have funding within their communities. This is not decided at the provincial level. There's no interference whatsoever from the government of Alberta. Boards themselves can make a decision on what is the priority of their people and what serves the benefit of the community at large. If those are the guidelines, you would have to agree that that would be a good program.

As well, the members on the community lottery boards are decided by the municipalities. The government of Alberta does not interfere whatsoever in board appointment decisions. This is something that

the municipalities advertise for and the municipalities in the regional community lottery boards make the decision on. So if a person in this Assembly or someone else doesn't like a certain project that has been funded by the community lottery board, they would actually have to take that decision up with that particular board, because they have made the decision. Many of the boards worked very, very hard over the last two years to put in place board guidelines.

Also, another requirement in the program is that all these dollars must be accounted for to the public. So once granting has taken place, they buy advertisements in the paper, and they must definitely say exactly where all their money has gone. The community at large is well aware of projects that have been funded. If an applicant is turned down, they are certainly entitled to make another pitch the following granting cycle.

To date it seems to have worked very well. In the two years I've been involved in this program, I have only heard of two complaints. Both the minister and I receive a number of letters from very, very happy recipients of lottery funds.

Over the next couple of weeks several of the chairs of the community lottery boards will be getting together to talk and network about what has worked well in their communities with the program so that one community board can learn from the other what in fact is working for some of them. So the wheel doesn't have to be reinvented. They can actually take something home with them and make it work in their own communities. That is about all.

As far as the funding of community roofs, there were two communities that were funded. This was a decision made at the local community for what they thought was a local need. I'm very proud because there wasn't any government interference in that decision, even though that particular issue was talked about a lot in question period and during debate in the House. The people on that board in conjunction with community needs made the decision.

Thank you.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Mr. Chairman. I'm pleased this evening to rise and offer my thoughts relative to the lottery fund estimates. I'd appreciate it, if the hon. minister is willing, if we can have a bit of a dialogue in my 20 minutes. That would be preferable to me.

[Mrs. Gordon in the chair]

I have to indicate that in addition to my duties in the House in the last year, Madam Chairman, I've had the experience – I won't call it the privilege – of working in both bingo halls and casinos for our children's elementary school, for hockey fund-raising and lacrosse fund-raising, and I've got a couple of observations relative to those experiences.

Firstly, the reliance this government is placing on families to work these types of functions, if you will, to work bingos and casinos to provide for primary essential funding of education is, in my opinion, misguided and shortsighted. My casino shift was from 9 at night till 3 in the morning, and the bingo shifts have run from 5 in the afternoon till midnight. You have the occasion to talk to people about their thoughts relative to this whole initiative by government. I think that when it comes to sports and recreation most people take a bit of a different view, but the reliance on lottery funds for the provision of essential supports and curriculum aids and technology in our school system I would suggest the majority of people do not support.

Now, we have also had cause to discuss while we're in particularly the bingo environments how unhealthy those environments are

to the individuals working in them. I contemplated, prior to doing my last shift, what kind of response I would get if I went into the hall with an oxygen mask strapped to my face and an oxygen tank. I can tell you that after the seven-odd hours of working in that bingo hall, you absolutely cannot get home fast enough to remove the stench in your clothing and hair from cigarette smoke.

9:40

I think there is also evidence that those people who perhaps are not as economically fortunate as others do an increased number of bingos because it helps pay for their child's registration in hockey. They're being subjected to that health risk through the inhalation of smoke. When you see how your clothing absorbs it and your hair absorbs it, I shudder to think about the amount of secondhand smoke that is inhaled during those long shifts in the bingo hall.

My primary question to the minister is: will he consider making bingo halls nonsmoking? If you are going to expect families to work these as a fundamental requirement to enable their children to get a good education and participate in organized sports, I would like to see the government take the initiative to make bingo halls and casinos nonsmoking.

At that point, Madam Chairman, I will sit down and hope that the minister will respond. Thank you.

THE DEPUTY CHAIRMAN: The hon. minister.

MR. SMITH: Thank you very much, Madam Chairman. The member raises a number of good points, points that are fundamentally imbued in Alberta society. One of those is hockey. One of those events that we're faced with a lot is the idea of funding for professional sport franchises. Just as the Calgary Flames have a Saddledome Foundation, that puts money from their revenues back into the community, so does the Alberta lottery fund. Hockey is changing, and I think that's part of a bigger sign that Alberta society is changing as well. In fact, the fastest growing sport in Alberta today is soccer in terms of registration from men and women. I think the terrific job the Canadian team did in Los Angeles winning the Columbia Cup is going to really strike another blow for hockey.

One of the other big parts about hockey is that it's expensive. Hockey is an expensive sport to have children in, and with that comes a responsibility for community, for parents, for coaches, and in some cases for the individuals themselves. In fact, this lottery fund does support amateur hockey. There's a wonderful program in there for athletic scholarships. There are programs in there that support the Alberta Junior Hockey League. There are programs in here that support hockey and the very fibre of Alberta throughout the province.

Also, charities benefit from the structure, as a matter of fact a much complimented structure. Again, when I go through newspaper articles and I'm sifting through those that support Bill 11, I find the odd column that also supports clearly the charitable model of gaming in Alberta and how it's been relatively scandal free, how the government has been able to work in co-operation and conjunction with its partners, the charity partners and the private-sector casino owners.

That then brings us to the next step, which is the charities, the private bingo halls, and the issue of smoking and secondhand smoke. I know how offensive it can be to some and how other people can be indifferent to it. I have been very fortunate over my last 25 years and as the children grew up. I have worked those bingo halls for the Notre Dame Alumni Association. I have worked casinos for the Calgary Old Timers Hockey Association. I have worked casinos for the synchronized swim club of Alberta. I've worked casinos for Notre Dame as well. In fact, Madam Chairman, the only way I could get out of working those was in fact to become elected and

therefore be in a conflict of interest and not be able to go in there. So I have declined from volunteering since assuming this portfolio, and I would recommend that maybe the member might even want to consider that option for her own personal health, to talk about having elected office.

I know it's difficult. I know it's difficult when you get home late at night and it's difficult when you throw clothes away. I know it's difficult when you get through the end of a two-day casino. Your charity has netted somewhere in the neighbourhood of \$40,000 to \$50,000. You're tired, you're worn out, you stink, and you think: why am I doing this?

Well, \$40,000 over a two-day event, Madam Chairman, is roughly what is raised from doing 80,000 to 100,000 car washes. Now, I know the member would have wrinkled hands, cold ears from being outside, and although you would be breathing fresh air, you'd be washing cars every day for 365 days a year at the rate of 3,000 a day in order to get to that level.

With the member's professional background and her commitment to health care in Alberta, I know she is going to move from this Legislature this evening after having talked to me and put pen to paper – and actually when I think of the phrase, immediately the face of the Member for Calgary-Buffalo comes together, writing notes as Allan Rock speaks 10 feet from him, being close at the dinner tomorrow night. It just comes to mind as an aside. But I know the Member for Edmonton-Riverview will be putting pen to paper to talk to the private-sector operators, to talk to the charities, and to talk to the municipalities. I think your own experience, Madam Chairman, would indicate that you would see the smoking issue as being one of a municipal jurisdiction. There's the private-sector operator of the bingo hall, there's the charity that's involved, there are individuals, and there's the municipality, and that's where the debate is going to take place.

There are a number of bingo halls. There are a number of areas where there are no-smoking rooms. My mother only goes to the no-smoking part of the bingo halls, and she's 92. As a matter of fact, she went to the smoking part from probably age 70 to 90, and she says she's a little slower now that she's 90 to 92. But, you know, I think she's been able to move through that. I'm very proud of my mother. In fact, I learned to play bingo at my mother's knee, Madam Chairman, and it was a big part of Alberta.

AN HON. MEMBER: In a church basement?

MR. SMITH: No, it wasn't in a church basement, as you bring up. It was at the Elks hall, and then from the Elks hall I can remember going to a drive-in bingo in Stettler, Alberta. Of course, that's in your constituency, Madam Chairman. At that time you would drive to Stettler, a considerable drive from Red Deer, and you would park your car beside the drive-in speaker. They would call the numbers over the speaker. It was called a drive-in bingo, and you won cars. It was a darn big event in Alberta in those days. I just see members now wanting to spring to their feet because they're getting memories of this great land, of growing up in this province. As a matter of fact, bingo, as the Member for Calgary-Buffalo clearly gesticulates, is a part of his heritage too.

MR. DICKSON: Drumheller.

MR. SMITH: Growing up in Drumheller, home of the Drumheller Miners, a hockey team that raised money through car washes, through lotteries, through beer tubs. Probably played against the Hanna Hornets. Who is to say? There was a guy out of Drumheller by the name of Tony Kollman. Let me tell you, could he play hockey. He'd raise money through a number of events that were

available to him in those days. Again they were low-key, small money events. Today charities throughout this fair land, throughout Alberta, raise \$40,000 to \$50,000 from one casino event. That then gives them the opportunity to work at whatever their charities are really designated to do, Madam Chairman.

I know there are others wanting to share in the debate, there's more that needs to be addressed, so I'm actually going to sit down now, Madam Chairman. And I know there are more questions from the member.

9:50

MRS. SLOAN: The only conclusion I can draw from what the minister has just said is that maybe after I work the bingos I should go to the car wash to remove the stench. I didn't hear him commit tonight that he would consider making the bingo halls nonsmoking, as B.C. has done, and I'll continue to dialogue with the minister on that basis.

I'd like to reference the Auditor General's report and recommendations that were made to this ministry in the last published report that we have. I did not see encompassed in the business plan reference to these, so I'd like to ask the minister to give us an update. The Auditor General recommended in his 1998-99 report that "management controls over the issuance of gaming licences be strengthened." He further recommended that

the management of the Alberta Gaming and Liquor Commission provide the Board of the Commission with regular assessments of the operating effectiveness of controls over the issuance of gaming licences.

In the same context the Auditor General also spoke about the issue of the Alberta Gaming and Liquor Commission eligibility criteria, and he goes on to expand at some length about the "standards and procedures to mitigate risks." I would appreciate it if the minister would talk a bit about the developments and improvements that have been made within those standards and procedures in the last fiscal year.

Further, he highlighted the fact that

work plans and stated business objectives for the licensing function were not supported by measurable targets and indicators. The business planning process would be improved if business objectives were linked to deliverables and outcomes for the gaming licensing division.

The results of monitoring performance against targets should form part of the accountability reporting by management to the Board.

Now, as I look at the business plan for Alberta Gaming, I see goals and I see strategies. I do see measures and targets referenced on pages 117, 118, and 119, but there isn't a great deal of elaboration on those, and I would like to have more details as to how the department plans to measure. I'll just give an example. The first measure you cite is that

liquor and gaming activities are conducted in accordance with legislation, regulation and policy. Compliance will be monitored by inspection of liquor and gaming activities.

... compliance rates relate to the first inspections after initial licensing. Following these [investigations] the compliance rate is expected to be 100%.

But you don't indicate how many of the licensed entities are in fact meeting that requirement, if you follow me. Your measure is basically saying that after the initial inspection the compliance rate is expected to be 100 percent. So how many are in fact meeting that target?

I recall seeing in here that you actually talk about one of your key strategies being to

investigate alleged violations of the Gaming and Liquor Act and Regulation ... policies, conduct inspections and audits of gaming and liquor licencees.

But there's no information about how many investigations have been

conducted in the last fiscal year, what were the results of those investigations, and what recommendations have been implemented to increase compliance.

Those are my questions in this set, Madam Chairman.

THE DEPUTY CHAIRMAN: The Minister of Gaming.

MR. SMITH: Thanks, Madam Chairman. Because the member's questions are important and I do want to address them as best I can immediately, I'm going to ask for some latitude from you. These questions are relating to the business plan of the Ministry of Gaming, and those estimates did take place two weeks ago and were approved. As a matter of fact, if I remember, so were the lottery fund estimates approved, but that was actually struck from the record. We want the number of hours clearly on the record. It's a big fund, and it's important to have it put there.

I am going to move towards the exact side that the member talks about when she talks about, first, the Auditor General and his report of 1998-99, when this was not a ministry. The Auditor General started to bring up good points about a business that needs to have a clear definition of policy, rules, regulation, and enforcement. Those comments were a fundamental part, I'm sure, of the creation of the ministry. That was also the direct response that we moved to when we developed these performance measures in the 2000 business plan, the very first business plan of the Ministry of Gaming, that said: how can we measure effective performance of our employees?

In fact, what was happening before: we'd have some liquor inspectors that worked 24 hours a day, virtually. They did a lot of their work in the evening. They didn't know how many places they were going to. They didn't know what to expect when they got there. Then they would waste time by the way they followed up. So what we did put into the business plan was a specific target. We thought that the number of inspectors that were there, hon. member, would be able to go through at least 3,000 establishments a year. Now, that is a 25 percent increase from what they were visiting the year before. Then we said, when you follow up, you either get 100 percent compliance or you go to the next step of further fines, further prosecutions.

It was a difficult wording of a business plan performance measurement, and I'm glad you picked up on it. What we want from those individuals is 100 percent compliance, and from that, it then allows us to have expectations of our staff, a clear expectation and one that's out there in the marketplace with the over 8,000 class A, B, and C licences that exist today. There are also, hon. member, the class D licences, where the liquor stores are, but they have a different inspection criteria.

Certainly the end goal of the game, Madam Chairman, is in fact 100 percent compliance. If you take a look at a process we're working on now – the critic, the Member for Edmonton-Rutherford, referred to it – and striking a blow for freer enterprise, although still some regulated enterprise with inducements and exclusivity, that was finding a way to be able to detect an infraction. Once you could detect an infraction, you could enforce it.

I think that the work done, the inspection by the Member for Edmonton-Riverview on the estimates and on the business plans themselves, has been very good. In fact, as my colleague for Vermilion-Lloydminster points out, there are no more government liquor stores either on the books or around for inspection. Their rate is zero, because there aren't any. There is now a thriving industry of over 800 liquor stores, 2,500 employees. Wages are up. You know, they're organizing and managing themselves in a marketplace, Madam Chairman. What's important is that the government has become more efficient because it spends less for every dollar of

markup it obtains in the liquor business. In fact, this process of disposal of government assets has put \$65 million, about 10 percent of this year's lottery fund, into the bank accounts of Albertans through the process.

10:00

I digress, Madam Chairman. Enthusiasm is unbridled when it comes to speaking about lottery estimates and its ability to benefit Albertans and its ability to go throughout the province, to be widely distributed, to be used by everybody in such a way that there will be time tomorrow to do this. I can't wait till tomorrow. I can't wait for us to deal with the business of the House with alacrity, with dispatch, and then to move the lottery estimates for Thursday. Therefore, it is a reluctant pleasure for me to ask that we adjourn debate tonight.

Thank you and thanks to all members for the opportunity to speak on a fund so important to all Albertans.

[Motion to adjourn debate carried]

THE DEPUTY CHAIRMAN: The hon. Government House Leader.

MR. HANCOCK: Thank you, Madam Chairman. It's my pleasure to move that the Committee of Supply now rise and report the estimates of the Legislative Assembly, the estimates of International and Intergovernmental Relations, report progress on the estimates of the lottery fund, and beg leave to sit again.

[Motion carried]

[Mrs. Gordon in the chair]

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-McCall.

MR. SHARIFF: Madam Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2001, for the following department and for the offices of the Legislative Assembly:

Department of International and Intergovernmental Relations: operating expense, \$24,221,000.

Support to the Legislative Assembly: operating expenses, \$26,727,215.

Office of the Auditor General: operating expense and capital investments, \$14,638,551.

Office of the Ombudsman: operating expense, \$1,644,100.

Office of the Chief Electoral Officer: operating expense, \$10,678,270.

Office of the Ethics Commissioner: operating expense, \$215,030.

Office of the Information and Privacy Commissioner: operating expense, \$2,718,536.

Madam Speaker, the Committee of Supply has also had under consideration certain resolutions of the lottery fund for the fiscal year ending March 31, 2001, reports progress thereon, and requests leave to sit again.

THE DEPUTY CHAIRMAN: Does the committee concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? So ordered.

[At 10:06 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

