

Legislative Assembly of Alberta

Title: **Monday, May 14, 2001**

8:00 p.m.

Date: 01/05/14

head: Committee of Supply

[Mr. Shariff in the chair]

THE DEPUTY CHAIRMAN: We'll call the committee to order. Would everyone please take your seats?

head: Main Estimates 2001-02

Finance

THE DEPUTY CHAIRMAN: The hon. Minister of Finance.

MRS. NELSON: Thank you very much, Mr. Chairman. I'm very pleased to be here to present the Ministry of Finance's budget for 2001-2002.

Mr. Chairman, with us in the members' gallery we have some officials from the Ministry of Finance, and I'd like to introduce them, if I might, to committee members. We have our deputy minister, Peter Kruselnicki, who is with us. Many of you have met him through Public Accounts. We have Bonnie Lovelace, who's our senior financial officer. Richard Shelast is the director of budgets, along with my executive assistant, Tim Wade. I'd ask them to all rise and receive the warm welcome of the Assembly.

I might say, Mr. Chairman, that if hon. members have questions throughout the course of the term, these are the people to contact to get answers on the financial structure not only within the ministry but questions of finance throughout the government. They work very hard across government departments and would certainly either get you information or be able to steer you in the right direction.

Mr. Chairman, Budget 2001-2002 reflects the split that has taken place from the former Treasury Department. Before we hear from the members opposite, I'd like to give the Assembly a brief fiscal overview.

If you'll refer to your budget documents, Alberta Finance's deficit for 2001-2002 is projected to be \$410 million, which represents a reduction of \$210 million, or 33.3 percent, from fiscal 2000-2001. Much of the improvement to the ministry's bottom line is attributed to the shrinking debt load. The reason for an operating deficit is because the Department of Finance is responsible for the debt servicing costs for the government's accumulated debt.

The department's 2001-2002 revenue is projected to be \$80 million, about 9 percent lower than 2000-2001 because of a reduction of \$122 million in the estimated contributions from the lottery fund and a \$49 million reduction in the Alberta Municipal Financing Corporation investment income. This is partially offset by an \$87 million increase in investment income on surplus funds earmarked for debt retirement.

The 2001-2002 revenue has increased by \$104 million, or 15 percent, from the 2000-2001 budget primary numbers due to a \$107 million increase in debt retirement investment income and a \$37 million increase in net profit of Alberta Treasury Branches. This is partially offset by a \$45 million decrease in Alberta Municipal Financing Corporation's investment income.

The program expense for the Department of Finance is expected to decline by \$39 million, or 7.6 percent, from the 2000-2001 preliminary actuals. As a result, expenses are down \$290 million from the 2000-2001 preliminary actuals, primarily due to debt servicing costs. It should be noted, Mr. Chairman, that the \$290 million is partially offset by corresponding decreases in revenues.

The department's voted program expense has increased by \$1 million, or 5.1 percent, over 2000-2001. I ask hon. members to note that major Treasury revenues like taxes and the heritage trust fund have been moved to the Revenue ministry from this ministry. As a result, 2001-2002 revenue for the Department of Finance is projected to be \$80 million lower than 2000-2001 preliminary actuals. Also, ministry capital investment has increased by \$3.2 million over 2000-01 preliminary actuals.

I'd now like to outline some of the details of the estimates for the Department of Finance's 2001-2002 budget. Program 1 expense. The minister's office estimates increased by \$107,000. This is mainly due to the former Provincial Treasurer's office being divided equally between Finance and Revenue as part of government restructuring. The deputy minister's office estimates also increased by \$153,000. This reflects a lower comparable base budget resulting from the former Deputy Provincial Treasurer's office being divided between Finance and Revenue. The increased funding has been largely offset by a reduction in the department's capital budget.

Our corporate services operating expenses increased \$264,000 over 2000-2001 due to salary adjustments, upgrades to computers, and an increase in manpower costs due to the termination of the shared service agreement with Human Resources and Employment. Our capital investment of \$125,000 is for the purchase of two computer servers and system management development tools. The communications funding increase of \$75,000 is primarily due to the production of two budgets in one fiscal year.

Program 2 expense. The operating expense of the office of budget and management increased by \$9,000 over 2000-2001 but decreased by \$47,000 over 2000-2001 budget. Even though we have an increase in salary adjustments, we were offset by reductions in special projects and advertising for the new tax plan. The financial management operating expense increase of \$460,000 is largely due to salary adjustments. Capital investment of \$350,000 is for the development of a new pensions benefit information system and for network servers and software.

Overall the ministry has decreased its full-time equivalent employment by four.* After factoring out transfers of 32 full-time equivalents to the Alberta Corporate Service Centre, the Department of Finance alone has a reduction of six full-time equivalents. This is due to the termination of the shared service arrangement with Human Resources and Employment. Alberta Pensions Administration has increased its FTEs by nine in order to backfill for staff assigned to the development of their new pension administration system. The Alberta Insurance Council has an increase of one due to increasing appeals activities.

Mr. Chairman, this is really a very quick overview of Alberta Finance's budget estimates for the fiscal year 2001-2002. I do look forward to comments from the members opposite, and I will make the same commitment other ministers have, that if we don't get the opportunity to answer the questions this evening, we certainly will be back to you very quickly with full written explanations of your questions.

I welcome comments and questions from the opposition. Thank you.

THE DEPUTY CHAIRMAN: The Leader of the Official Opposition.

DR. NICOL: Thank you, Mr. Chairman. It's a real pleasure and stand and address the issues of the Department of Finance. I guess the start of the discussion has to be focused on the issue of the division of Finance and Revenue: why that occurred and what efficiencies were being gained by doing that. We've read a lot about the expected benefits or the need for this kind of split. I guess what

*See page 561, right col., para. 7

I'd like to ask for is some degree of focus on the long-term, ongoing benefits of this kind of split in the context of how it'll contribute to government efficiency and government effectiveness and how it'll provide for a measure of sustainability in the development of policy and process that deals with the issue of the collection of revenue and the control of the budget in the context of how the government sees this kind of fitting together over the next, say, five to 10 years.

8:10

In my sense, it would be kind of advantageous for us to have, you know, the actual collection of the revenue and that associated with the same type of operation that gets involved in developing the policy and developing the legislation that outlines that collection process so that we don't have to have effectively an intermediary communication channel that goes on to deal with – like, now that we've made this decision, let's take it out. You've got an interdepartmental communication there that's necessary to make sure that those kinds of things actually get carried out. So that's kind of the justification I'd like to see there, because I didn't see – although, Mr. Chairman, it's obviously an outsider's view – a real lot of difficulty in the way it was operating before in the context of how we were getting our materials pulled together. So if we could just have that.

I want to spend a little time at the start talking as much about the business plan as anything. We want to look at how it relates to the defined set of goals that is outlined for the ministry. There are a couple of individual questions that come up with the line items, but I'll deal with those as we get there.

I guess the main thing that we want to look at in the context of the business plan and the performance indicator section is the fact that we don't see any kind of performance indicator or any kind of real measure, Mr. Chairman, that's going to deal with the accuracy or the effectiveness of both the projections and the development of the budgeting processes. We've been very fortunate in the past four or five years that our projections have always been a little bit under realized factors, especially on the revenue side. When the revenue goes up, we seem to have a creeping sensation that comes into the expenditures as well, but we want to make sure that maybe what we're doing is looking at some degree of measure that tells us, especially in the revenue areas, how we deal with those and how we deal with the issues of accuracy and explainability when we look at the differences.

The next item that comes under the mission statement deals with fostering "an effective accountability framework." Here, Mr. Chairman, I'd like to ask the minister to either document for us or explain some of the methods that they've got in place to deal with accountability and the direct performance indicators for some of the arm's-length institutions that operate kind of as extensions of the government. They file their own business plans; they undergo their own audit through the Auditor General. How do we deal with some kind of measure of their effectiveness?

In that context, we had some interesting discussions with a couple of these groups as I've traveled the province in the last little while. One case came up dealing with one of the children's services regions. They were talking about how within the region almost all of their expected performance measures had not been met, yet the CEO had received a very significant recognition of performance by getting a bonus at the end of the year. Is there some degree of monitoring that goes on between the ministry and these groups – the health authorities, the school boards, the children's authorities: all of these groups that work kind of at arm's length and have their own accountability processes built up – or even some degree of control that comes from the Ministry of Finance to deal with how those kinds of performance measures are actually a reflection of the

wishes of the government and the direction of the government when it looks at how things get measured and who gets rewards for it?

The business plan goes on to talk about the objective or the goal of being in a sustainable financial position. I would ask the minister to explain that a little bit, because when you look back at the performance indicators, I don't really see anything that talks about a measure of sustainability, where they're projecting, say, five or 10 years into the future. I know five- and 10-year plans are at best very rough approximations, and the further you get into the future, the less confidence you can put in that. But by having those kinds of projections, long-term estimates, you give analysts looking at the province's decision-making and people in general just a sense that the government knows where it's going or where it wants to go or where it would like to go. In essence, it sets a benchmark vision for Alberta to judge the actions of the government, but when we're dealing with, you know, basically three-year business plans, those are all within the framework of what is considered to be a very short-term, almost a crisis management type of policy framework as opposed to a long-term strategic plan, where we're looking at the factors that deal with the growth and the contribution of these kinds of activities to the well-being of the province.

Further down under the goals there's an issue where we talk about fostering "confidence in Alberta's registered pension plans." The question that comes up here – and I've had it raised by a number of individuals that are involved in some of these pension plans that are joint province and employee funded – is the idea of the unfunded liability that exists there. In looking through all of the government documents here, we don't really see that showing up as an obligation of the government. We see the interest and the annualized payments, but it would be interesting to see some kind of a net present value calculation or even, you know, a simple summed total obligation that we have to those. I know they're legislated and that they fit within the operational parameters of the budget, but when we look at it in the context of obligations that we have from the province, we need to at least have reported a measure of the total obligation that we as the people of the province owe to that particular aspect of our long-term financial plan.

The same thing comes up, Mr. Chairman, in the context of how we deal with the capital ventures that are out there in terms of the funding for schools and the funding for health care facilities, the other aspects that come under some of the municipal debenture programs so that we can look at it in the context of a real sense of where we fit and look at, then, also how it might work out in the future for us to be seriously looking at an ongoing capital asset investment expenditure rather than the idea of debenture funding for some of these kinds of investments.

The main point here that we want to look at is making sure that Albertans have a true sense of where we stand. As we go through and look at this, Mr. Chairman, the interesting thing is that I've checked out a few other provinces in the context of how they do their reporting, and they're basically following much the same pattern as we are here in Alberta. I think it would be an area where we could step out and make a difference in reporting, you know, the total financial obligation that's held or that's faced by the people of Alberta. We keep talking about our debt and how it has to be paid off, yet when we end up with the legislated payment schedule that we have for debt repayment, that's no different than the legislated payment schedule that we have for the pension funds or for the retirement of the capital debentures or bonds. You know, it would seem that what we would want to do is look at making sure that those measures are reported as well.

8:20

I guess the next thing that it goes through in the business plan is

the highlights. As we go back to the line item discussion, we'll get into more of that. The main thing here is that there's a very concise summary of the different line item expenditures. What would be useful in that area, Mr. Chairman, would be the expected relationship to the existing performance indicators we could look at to see whether or not the government is on track in the context of dealing with the particular line item issues that are there or the overall performance of the government.

You know, when we look at a lot of the line items, these are really administrative overheads that are associated with all of the issues of revenue and expenditure policy development and monitoring. It would be interesting to see something that would, say, measure these kinds of expenditures as a percentage of our total budget so that we could see how much goes to administration and how much effectively gets at least out of the Ministry of Finance as a frontline service provider.

The next thing that we wanted to look at was some of the major performance indicators and why they're reported. Again the thing that came to my attention when I first looked at this is that there's no real relationship other than the first one, which talked about the accumulated debt and the retirement of that debt. There's no real relationship here to the performance of the goals and the objectives of the ministry.

The taxation load is a reflection of the relative performance, I guess if you want to call it that, of our tax structure on Albertans as compared to other provinces. It would be interesting here to have a time series chart that looked at the change in tax burden over time. Are individuals paying more? Are they paying less? You know, one of the things that this would show very astutely right now would be the fact that in the last couple of years the tax burden faced by individual families has been going down. The thing we want to watch there is to make sure that we always have a stable or a declining tax burden being faced by the families of Alberta. The issues we see there in effect would be some good measures that would show some of the kinds of things that talk about the relative overheads in the departments to administer the service loads provided, how we'd deal with it. I've mentioned already that it would be useful to see some kind of a comparison within the ministry.

When we look at the performance measure on page 182, where it talks about public awareness, how much of this is useful in the context that a lot of that awareness, especially in the last few years, has been created by outside agencies that have talked about the financial position of Alberta, the fact that we were deficit free to start with? Now people have been monitoring our debt position. This, I think, is in itself a mechanism that has helped to make Albertans aware of the government's financial position. But what we want to do there is look at how our performance indicators respond relative to actual activities undertaken by the government, activities that will talk about or show the government's performance in a way that Albertans feel adequately and accurately reflects their well-being.

Mr. Chairman, I bring that up right now because, you know, one of the things that a lot of people have asked about this year in the context of the current budget is the sustainability issue, yet in our performance indicators here there's nothing that gives a sense of sustainability or an indication of whether or not Albertans even think the budget is sustainable. All it says in here is that they're aware of our financial performance, and the fact that we do have a balanced budget and that we are reducing our debt in itself is not, I guess, all that significant.

Mr. Chairman, just a couple of other points before I get finished here. As I looked through a lot of the budgets, I've kind of flicked through a number of the web sites that the departments have and that

the government has under the gov.ab.ca format, and in those web sites we see an awful lot of links or references to private-sector agents, private-sector information sources. As I've looked through here, in a lot of the departments where I've seen actual references to those outside the government links, we don't see any reporting revenues or any reporting documents that show how those are put in place and how departments refer to that.

What I'd like to ask the minister to do is to provide us with some information on, first of all, how many departments within the government actually do have external links associated with their web sites, how they go about identifying who gets the link and who doesn't. Is it a competitive bid process based on some information that needs to be provided or some supporting evidence or supporting documentation for a government policy? Are there revenues associated with these? If it's a matter of a commercial choice for someone looking at the government site, why is it that there isn't an open availability for anybody that wants to link into that site that provides that similar service? Just as an example, under Finance if you link out to one of the banks or one of the financial institutions, why don't you link to them all? If you do that, how are those links negotiated? How do they get put in place? What service is being provided to the government in return for that link, or is there a financial return?

So those are some of the questions that come up there, because, you know, we've got to make sure that as we deal with this, there's a degree of objectivity in the government.

Thank you, Mr. Chairman. I'll let someone else have a chance.

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

MR. MacDONALD: Thank you, Mr. Chairman. I rise this evening to participate in the debate on the Ministry of Finance budget estimates. I listened with interest to what my colleague the hon. Member for Lethbridge-East had to say. I understand that the major goals of the department are "a strong sustainable financial position" and "open and accountable government" and "a fair and competitive provincial tax system."

Off the top of my remarks the first thing I would like to encourage the minister to do – now, I'm sure this can be handed off to the Minister of Revenue. First off, I think the entire Treasury could be under one portfolio, and I'm quite confident that the hon. minister across the way could fulfill all the duties in that old portfolio. This notion that somehow it was necessary to have 24 cabinet ministers is another example to me of a family that is quite anxious to spend its inheritance. In this case, it is our natural resources and the short-term revenue that they're providing to the government.

8:30

To the Minister of Finance. I believe that the \$9.5 million that's collected annually in propane tax should be eliminated. The propane tax in this province of 6.5 cents a litre should be eliminated. I think she should do the right thing and eliminate that tax, particularly for the part of the trucking industry that's involved in the delivery of goods in the major cities. It would help air pollution. Whenever you think of a government that was so quick to spend \$800,000 from the risk management fund on the Stockwell Day defence, that's 10 percent of the revenue from propane fuel just in one expenditure.

So I think it can be done. I think they can find the money there somewhere, and I would encourage the minister to do that. Quebec eliminated its tax on propane as a fuel. I would really encourage the minister to have a look at this, and I would be quite willing to share with the department any of the research that I've done. I was very

disappointed, to say the least, to get a letter from the government indicating that this could not be done. I think it's good for the environment and it's good for the trucking industry. I can't understand for the life of me why in Alberta a person, whether they're driving a truck or a car or a half-ton, should be paying more for their propane than people in Toronto. It amazes me. In Toronto they were paying less for propane than in Edmonton-Gold Bar at the Mohawk. I just don't understand that.

Now, another goal of this department is to "foster confidence in Alberta-registered pension plans." Recently many hon. members of this Assembly probably heard of a private-sector pension plan that had some difficulties, and all this of course was public information as the result of a FOIP request. I would be very curious to know if there are similar pension plans in the department that are facing shortfalls. If the minister could share this information, because we certainly need to ensure that everyone has confidence in our registered pension plans.

Another goal is to "foster confidence in, and encourage the availability of comprehensive, reliable, and competitive financial products and services." That is, to say the least, a noble goal, and we would not know how successful the minister or the department is until there was a significant financial collapse in a company that does business in this province and consumers were left holding the shortfall, so to speak.

Now, we go through the usual listings here on N.A. Properties, the statement of operations, and we go through to Gainers. It's just a subtle reminder of past performances of this current government. When you think of what was spent, the list is endless. We can even think of Swan Hills. We can go to Northern Steel. We can go to the telephone. There's no end to this. To see this here, Gainers and N.A. Properties, is just a subtle reminder of a not-so-illustrious past. Hopefully we're going to learn from our mistakes, and this loss of tax dollars will not be repeated.

Now, I saw also over here the Alberta Treasury Branches. I understand that we're the only jurisdiction in North America with a state-owned bank.

MR. MASON: We like it.

MR. MacDONALD: Some people like it.

Under the Alberta Treasury Branches we have investment income. We have provision for credit losses. If the minister in due time could elaborate on the provision for credit losses, I would be very grateful.

Now it's time to have a look at the department here. There is a decrease this year in the operating and capital investment to be voted. There is a decrease this year, Mr. Chairman, of 8.6 percent, or a little over 9 and a half million dollars over last year's budget. There's also a decrease this year of 8 percent over last year's preliminary actual. Now, if we move further along, we see the same sort of trend in program expenses and also in debt servicing costs. In capital investment now there's a decrease. Can the minister explain why capital investment last year was roughly 72 percent, or \$809,000, below budget?

Now, the full-time equivalents, which the minister discussed earlier in the opening remarks. Could it be clarified? I could not hear. Is there a transfer of employees to the Alberta Corporate Service Centre? [interjection] Okay. That would be 38 employees or full-time equivalents.

Will the minister please explain why the Finance business plan does not provide a three-year expense profile by program and subprogram as last appeared in the 1995-1996 through to the 1997-98 Alberta Treasury business plan? Will the minister please assist

readers of the business plans and estimates books to compare gross operating expenses by program and subprogram vote within the ministry over a three-year time frame, 2001-02 to 2003-04, by providing a three-year spending profile of operating expenses and capital investment of the department by program area for the years 2002-03 and 2003-04? Also, it would be very useful for the opposition to have a breakdown of departmental expenses by object for 2001-02, 2002-03, and 2003-04 for the following: the salaries for permanent positions, the salaries for nonpermanent positions, salaries for the contract positions, travel expenses, advertising, telephone and communications, and hosting expenses.

Will the minister also please provide a breakdown of premiums, fees, and licences for 2001-02, 2002-03, and 2003-04 by type of premium, fee, and licence? This is on page 161. Also, could the minister please provide a breakdown of other revenue for 2001-02, 2002-03, and 2003-04? Could the minister also explain why internal government transfers are increasing by 720 percent, from \$44 million to \$361 million? That's also on page 161 of the business plan.

8:40

Now, could the minister also explain why financing to local authorities is decreasing by a little over 14 percent, Mr. Chairman, from 350-plus million dollars in 2001-02 to \$305 million in 2003-04? I note here that this is a 30 percent decrease from 1999-2000 to 2003-04.

Will the minister please explain why the financial assistance to farmers and small businesses is decreasing by 50 percent, from \$1.6 million in 2001-02 to \$800,000 in 2003-04? This again is a significant decrease.

How many full-time equivalents are employed under program 1, ministry support services, in 2001-02? What is the breakdown by the five subprogram areas: minister's office, deputy minister's office, corporate services, communications, and standing policy committee on economic development and finance? What are the projections for full-time equivalents in 2002-03 and 2003-04? Could the minister please provide also a breakdown of ministry support services by subprograms for 2002-03 and 2003-04? What performance measures are being developed to evaluate the effectiveness of the program service delivery of ministry support services that would justify a 9 percent increase in operating and capital expenses during the upcoming fiscal year? Can the minister explain the decrease of 59 percent, or \$180,000, in capital expenses this year over last year's preliminary actual? Will the minister please explain the discrepancy between the \$525,000 in capital investment budgeted for ministry support services in 2000-01 and the preliminary actual of \$305,000?

Now, can the minister explain why the minister's office budget is increasing, Mr. Chairman, by \$107,000, or 66 percent, this year over last year's budget estimates? Will the minister provide a breakdown, again in the office, of the \$270,000 in operating expenses by object for 2001-02 for the following: salaries permanent positions, salaries nonpermanent positions, salaries contract positions, travel expenses, advertising, telephone and communications, hosting expenses, and dry cleaning?

Will the minister explain what quality indicators and performance benchmarks have been established within her own office to measure outcomes? For example, the New Zealand Treasury business plans include performance measures of correspondence received from the public: the number satisfied and the number unsatisfied.

What benchmarks have been established for the number of replies to Legislative Assembly questions, ministerial correspondence, motions for returns, written questions, and reports to cabinet and the Treasury Board? What time frame or due date benchmarks have

been established for ministerial, MLA, and public correspondence? Again I would note that the New Zealand Treasury provides this information in their business plans.

The reason I would ask about dry cleaning from the minister's office is that I note that as you go inside the door to this room called the Confederation Room, there's this dry cleaning there to be picked up. On the rack there is all this dry cleaning to be picked up – [interjections] yes, it's true – I assume by various cabinet ministers. I've been watching this. I see the tags on it, and I think: is this coming from taxpayers' dollars? I'm curious to know. That's where I'm coming from with that.

Now the deputy minister's office. Can the minister explain why the deputy minister's office was over budget by 16.9 percent, or \$25,000, last year? Mr. Chairman, I certainly do not want the current government and any of the current ministers that are involved in it to just become obsessed with Cadillacs and champagne, and I'm afraid that's what might happen.

Mr. Chairman, can the minister also explain why this year's budget ...

THE DEPUTY CHAIRMAN: Hon. members, the noise level is getting very high, and somebody is whistling. Could you please tone it down? The hon. member is speaking.

Hon. member, you may proceed now.

MR. MacDONALD: Thank you.

Again, Mr. Chairman, can the minister explain why this year's budget is 88 percent, or \$153,000, higher than last year's preliminary actual? This would be the deputy minister's office again. Will the minister please provide a breakdown of the \$270,000 in operating expenses by object for 2001-02 for the following again: salaries permanent positions, salaries nonpermanent positions, salaries contract positions, travel expenses, advertising, telephone and communications, hosting expenses ...

MR. MAGNUS: And dry cleaning.

MR. MacDONALD: No. No dry cleaning, because I suspect they pay for their own.

What are the outputs and outcomes used to evaluate performance within the deputy minister's office?

Now, with corporate services there's an increase, and then on the next line there's a decrease. My questions for the minister. Please, will the minister describe the activities planned by corporate services to justify the 6.5 percent, or roughly \$220,000, increase over last year's preliminary actual? Will the minister provide a breakdown of the \$3.6 million in operating expenses, by object again, for 2001-02 for the following: salaries permanent positions, salaries nonpermanent positions, salaries contract positions, travel expenses, advertising, telephone and communications, and hosting expenses. Again, what outcomes, outputs, efficiency measures, and quality indicators have been established for corporate services in this fiscal year?

Will the minister please provide further information and the reasons for the \$125,000 capital investment planned under corporate services?

Okay, Mr. Chairman. Thank you very much for your patience.

THE DEPUTY CHAIRMAN: Before I recognize the hon. Member for Edmonton-Highlands, I once again remind members: please, the noise level is getting high. Control yourselves. Thank you.

The hon. Member for Edmonton-Highlands.

MR. MASON: Thank you very much, Mr. Chairman. I will be

briefier than the previous hon. member, and I will be speaking about more pressing matters than the dry cleaning.

Mr. Chairman, I don't know if we'll find any new wrinkles in the government's budget, but I certainly want to talk about just two things tonight. One is the additional costs caused by the splitting of the department. There are, as I do the arithmetic, at the ministerial and the deputy ministerial levels another \$470,000 of expenditures as a result of this. I realize that the budget has to accommodate essentially the decision made by the Premier after the election to redivide a number of ministries and create more ministries. This, incidentally, means that in the third party we each now have 12 ministries that we're responsible for instead of 10, so I have an interest now in smaller government, Mr. Chairman.

I think we should be applying to government expenditures the regular litmus test that the government is proud to talk about all the time. What is it that we get? What is it that the public and the taxpayers get for these additional expenditures? How does the government justify an additional nearly half-million dollars to create two departments where there once was one? What financial benefits or efficiencies or improved levels of service does the public get? I'd like the minister to please respond in as much detail as she can with respect to what the citizens and the taxpayers of this province receive in exchange for this additional half million dollars of expenditure for these two departments.

8:50

The second thing that I'd like to speak about, Mr. Chairman, is what appears to be a steadily declining level of financing to local authorities in the budget. This is on page 184 of the estimates. We've seen a decline over the past three years in financing to local authorities, and my question really is: why is this taking place? Are we not expanding the role of municipal government in this province? Is there not an increase in population? Are there not increased demands for capital projects on the part of municipal authorities? I find it curious that this would actually be declining in a period of such rapid growth, both economically and in terms of the population growth of the province. So I would appreciate it if the minister could provide us with details of the major expenditures made under this program in terms of the financing to municipal governments in this province for various capital projects. That's something that I find quite curious, and surely we should be increasing the level of expenditures at this time in the province's history.

The last point that I want to deal with, Mr. Chairman, has to do with the Alberta Treasury Branches. This is contained on page 192 of the estimates. I would like to commend the government for the fairly remarkable turnaround at Alberta Treasury Branches. It used to be a repository for very questionable loans to friends of the government, and the Treasury Branches have in fact turned that around and gone after some of these really questionable – well, I won't mention their political affiliation. But generally they've gone after some very high-profile recipients of government largesse through the Alberta Treasury Branches, and I hope that continues.

That, of course, makes the Treasury Branches more profitable, more desirable, and it raises the specter of the privatization of the Alberta Treasury Branches. We believe on our side that this has been a very valuable asset to the province of Alberta, a very important institution for the people of this province notwithstanding some of the abuses that took place in the last few years. We would like to know what the government's plans are for the future of the Alberta Treasury Branches, and we hope that they haven't followed the standard pattern of having the taxpayers clean up all of the expenses, cost overruns, bad loans, and so on, only to make the thing a primary target for privatization.

With those comments, Mr. Chairman, I will take my seat, and maybe there's another hon. member that will get a few minutes to make some comments.

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

DR. TAFT: Thank you, Mr. Chairman. Various kinds of comments this evening coming out of this. In the six goals that are presented for the Ministry of Finance, I'm particularly interested in the first four.

1. A strong sustainable financial position.
2. Open and accountable government.
3. A fair and competitive provincial tax system.
4. Minimize borrowing and financing costs subject to acceptable risk.

As I read those goals, goal 1, "a strong sustainable financial position," jumped out at me. I remain concerned, as I think all Albertans and the minister do – the minister and I discussed this briefly in Public Accounts – about the long-term sustainability of Alberta's economic development and the need for that goal to get particular attention, with a long-term view to our oil and gas production, revenue, exporting, and consumption. A concern I have, in fact, is that the gas bubble we're riding through the current boom is going to burst on us.

I'm also concerned and interested in goal 4 in particular, to "minimize borrowing and financing costs subject to acceptable risk." I think it would be worth examining a different way of putting that goal, which would be: to maximize our net worth as a provincial government. It's just a basic business premise that sometimes it's more fruitful and more lucrative to invest rather than pay down debt. I'm concerned that we haven't necessarily weighed out the full cost of rushing our debt pay-down and have not balanced that and done a sufficient business case analysis to compare paying down the debt in a hurry with investing that money in revenue-generating instruments. Those goals are very important. I'm sure they'll be followed and studied carefully, but I think they need to be thought through further.

Turning to a few comments from the Auditor General and something that's come up repeatedly in discussions with various people such as the minister of health. The Auditor General's opinion, with which I would concur, is that we need to include RHAs, school boards, and postsecondary institutions within the consolidated financial statements. They are, after all, largely dependent on provincial revenue and in some cases almost entirely dependent on provincial revenue for their survival. The fact is that if an RHA, for example, were to run a sizable debt, it's the provincial taxpayer who comes forward and covers it, as has happened in recent years.

I think if we are to have a full sense of where we stand provincially in terms of finance, we really do need to incorporate those kinds of organizations in our consolidated financial statements, and indeed I'd like that to be done with some detail. It would be interesting to know what impact consolidating those kinds of bodies would have on the consolidated surplus and the net debt of the province. Whether it would put it up or put it down, it would be interesting and important to know that if we want to have a full picture and live up to our goals.

Also, we're always careful about watching for how much gets spent on consultants and what consultants are hired to do and how much they're paid. It would be useful if the minister would provide a breakdown of any consultants retained by individual project and by the fees provided for each of these through this budget year and

through next budget year as well. [interjection] We could have a consultant registry; sure.

There are places with precedents, other jurisdictions where that kind of detail is provided, and it relates back to goal 2, I think it was, "open and accountable government." How much are we paying to consultants for what kind of work, and who are the consultants? [interjection] Yes. How is their work evaluated? That's right. How is it judged?

9:00

The hon. Member for Edmonton-Highlands made some reference to Alberta Treasury Branches: a huge asset, a huge operation, very important to the financial functioning and welfare of the province and to the provincial government. I'm wondering if the minister has ever considered or would reconsider perhaps having the president and CEO of the Treasury Branches appear with her at the Public Accounts Committee so that ATB operations could be discussed at that time, again fitting in with the intention of having an open and accountable government. Certainly the Alberta Treasury Branches touch the lives of a large number of Albertans, and we want to ensure maximum accountability there.

Also in the Auditor General's comments is something to look for in the future, an assessment of tax expenditures, an assessment and more detail on the programs that are handled through adjusting tax collection or tax breaks: tax exemptions, tax credits, preferential rates, incentives. Those things can have a direct cost to us. If we give up revenue, it's very much the same as spending money. I haven't seen anything in the estimates for this year that addresses that, and it would be something that I would really encourage the minister to work towards in the next year. It would require, I'm sure, the full co-operation of cabinet, but undoubtedly she can arrange that.

Now, the kinds of things that could be listed if she were to take on such a project and perhaps hire one of those consultants to which I referred. The state of Oregon has a tax expenditures report that might be worth looking at as a precedent, including a list of expenditures, the statutory authority for each one, the estimated revenue loss for the current and upcoming year, whether the tax expenditure is the most fiscally sensible way of proceeding, and of course an evaluation of whether that tax expenditure achieved its purpose. So if there were some indication of that and the activities planned in this year's budget, I would be thrilled and delighted.

With those comments, Mr. Chairman, I'll take my seat. Thank you.

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

MS BLAKEMAN: Thank you. I'm glad to be able to get in in the last few minutes of this debate. Just a few questions that I wanted to raise with the minister. The first is from the government and lottery fund estimates, page 195. This is regarding Gainers. I'm wondering what the circumstances are in which there was no budgeted expense or revenue noted for Gainers, yet in fact it shows a revenue of \$523,000 and an expense of \$520,000. I note that there's a budgetary note underneath saying:

This entity is a commercial enterprise or Crown-controlled corporation. Accordingly, the entity's net revenue . . . appears on the ministry consolidated statement of operations as revenue only.

In fact, that's not the case here. We have both a revenue and an expense, so I'm wondering what happened.

When I look more specifically under revenue, it's saying that we have two choices, again, on the sale of real estate – no, that's not where the amount appears. It's under "other." What is this? Where

did this revenue come from? When I look under expense, in fact \$20,000 of it shows up under operations costs and expenses, and once again this is unbudgeted. Nothing was budgeted in this category, yet these are still showing up. I'm wondering what was so extraordinary that it wasn't anticipated by the minister. So under expense we've got \$20,000 under operations costs and expenses, and then we've got \$500,000 under income taxes.

Now, I'm sure the minister will correct me, but one government can't tax another government, so who was this tax paid to and by whom? Is this some sort of transfer back or a refund? What on earth is this? We end up with a net revenue out of all of this of \$3,000, which I note was then transferred to the general revenue fund, which is appropriate. Since this was entirely unexpected, I'm wondering: what are the specifics of that? I look forward to hearing from the minister on that.

The second point I wanted to make was around recommendation 44 from the Auditor General's report, which can be found on page 267. I'll just quote:

Ministries continue to be unable to provide the Ministry of Treasury with year-end information by the required deadline for the Province's consolidated financial statements. In my opinion, generally there has been no improvement in ongoing financial reporting processes compared to the prior year. This is troubling because quality reporting throughout the fiscal year is a key element of good financial controllership.

Good point, and it relates directly to goal 2 of the ministry, which is "open and accountable government," but more specifically "facilitate sound fiscal planning and decision making," which I admit would be a little difficult if you're not getting the figures in from the various departments that the minister is trying to oversee. So I'm wondering specifically what has been done or what is going to be done in this fiscal year to address this specific issue. I'm sure the minister has done something in the previous year to deal with this. What's happening in this year?

Finally, just a couple of points about performance measurements. I really have an issue with a performance measurement that is in some ways a survey of satisfaction. I don't find that is a helpful or realistic performance measurement which becomes a good management tool and from which good decisions can be made. This is really about a popularity contest, which I don't support as a management tool. To give the minister credit, a number of the performance measures and targets are in fact very good ones, but once again that nasty little word "satisfaction" keeps showing up.

I'm looking at her goal 2 on page 155 of the business plans. We've got "satisfaction of deputy heads with the government's accountability system; target: all satisfied or very satisfied." Oh, please. Then we have a number of performance measurements that are "to be developed." How can that possibly be? I mean, if it's a performance measurement, you're trying to measure something. How can you have something under goal 3 where you're going to develop the performance measure?

THE DEPUTY CHAIRMAN: I hesitate to interrupt the hon. member, but your time has elapsed.

Does anyone else wish to speak before I recognize the hon. minister to close debate? The hon. minister to close debate.

MRS. NELSON: Thank you very much, Mr. Chairman. I do appreciate the comments from the members opposite. I probably won't go into details of answering a lot of them at this point.

Clearly, one of the ones I wanted to talk about was the splitting of the department and the benefit to it. As you'll notice, the revenue is recorded under the Revenue department. The Revenue department is not only charged with the collection of revenue but also with

looking at the investment of, in particular, the heritage trust fund, which is a very important part of the financial well-being and stability of this province. Tax policy issues and fiscal issues and economic issues and budgeting, of course, stay within the Ministry of Finance.

One of the things that's going to be beneficial as we move forward to a debt-free province is: what is the next step? One of the key aspects of the responsibilities under the Ministry of Revenue, of course, is to come forward with a framework on investment that can be presented at the Future Summit to talk about postdebt and what happens with our revenue base. It's going to be very key. I think it's also very important.

As you know, we've talked many times in this House about the difficulty of projecting revenues, and if you have a blended portfolio in which you include the heritage trust fund plus other secure investments, one of the things that gives you is almost a hedge on what your revenue forecast can be. It's a very important aspect within the fiscal framework so that you can have some certainty in projections.

9:10

I was a little bit surprised, I have to admit, by Edmonton-Gold Bar being concerned about why we didn't spend as much money in this budget as we did in the last budget. That's good. As the Finance ministry we encourage ministries to spend less, and that's good. We don't want ministries to spend more; we want them to spend less. In this department, quite frankly, one of the performance measures I have is that it's necessary to come in under budget, not over, because there's no room to go over. You must live within the fiscal framework or the minister probably gets a little annoyed. We like to keep within our budget. In fact, it's mandatory, particularly here. So don't be upset if we don't spend or budget for this year as much as what we did in the last one.

I know the Member for Edmonton-Centre asked about Gainers. Well, there weren't any revenues or expenses shown because we're presumably out of there. That's final. There is some litigation that is outstanding, but there won't be anything flowing through, so last year was the last year for that showing up on our financial statements. We do show the comparison so that you have consistency with financial presentation, but that's why there's nothing showing up in this year. [interjection] What was what? There's nothing there. Zero from zero is still zero, so it's not going to be there. We're finished with that. We do show the comparative between years to show how it's phased out, and you can see the decline in that, so we're not into that any longer.

The rest of the questions, Mr. Chairman, I think we'll pick up from the *Hansard*, and we will get back to the committee members opposite very shortly.

I did make an error in my opening presentation. I said that we had decreased our FTEs. We've actually increased them by four, not decreased them, so I do apologize to committee members for making that error.* I hope I haven't misled you on that. We did actually increase them.

So with those few comments, Mr. Chairman, I do commit that we will get back to members and answer their questions fully. Thank you.

THE DEPUTY CHAIRMAN: After considering the business plan and proposed estimates for the Department of Finance, are you ready for the vote?

HON. MEMBERS: Agreed.

*See page 555, right col., para. 5

Agreed to:

Operating Expense and Capital Investment	\$102,245,000
Nonbudgetary Disbursements	\$95,422,000

THE DEPUTY CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Energy

THE DEPUTY CHAIRMAN: The hon. minister to open debate.

MR. SMITH: Well, thank you, Mr. Chairman. I know I can report that the active desk-thumping means that there is a great deal of attention being dedicated to the examination and study of these estimates and this budget.

I also know that it's actually desk-thumping in advance for the good comments and good questions that all members will ask as I see them poring assiduously through the estimates, whether it be a discussion about coal and the coal opportunity that exists in the constituency of West Yellowhead or the conventional oil and gas industry that sits in the constituency of the Member for Drayton Valley-Calmar or the tremendous oil sands potential that sits in the constituency of the Member for Fort McMurray or the Member for Bonnyville-Cold Lake – although I know he has other pressing duties as deputy whip, he still finds time to support a very strong constituency – or even if it's the area of Pincher Creek and the areas down there that are home to vast amounts of wind power, that have absolutely no environmental impact at all other than perhaps the visual impact of new transmission lines to move that power out, or perhaps even the new methane opportunities that sit in the rich constituency of Brooks and the biomass potential that could power new fuels as well as, it has been rumoured, Mr. Chairman, some coal.

So we've seen power opportunities from places as large as perhaps the constituency that garnered the most votes for a Progressive Conservative in Alberta, Calgary-Shaw. We can take a look at the strong petrochemical complexes in Clover Bar-Fort Saskatchewan or in Red Deer or for the Member for Lacombe-Stettler. Knowing that these are important issues whether you are from Grande Prairie or from Paddle Prairie or Manyberries, these numbers are going to be important to you. Knowing that and knowing how diligently the opposition has worked to bring forward questions, I don't want to take any more valuable time of the House but to say that I will commit actively to respond orally, and if I can't answer the vast amount of questions that will be asked in the estimates time, I'll certainly be able to table a written response at a later time, Mr. Chairman. Knowing that members put this time to good use, I am going to sit back, and I'm going to listen carefully.

Thank you.

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

MR. MacDONALD: Thank you, Mr. Chairman. This is a department that is certainly not without its controversies these days. Alberta consumers, whether they be residential consumers of electricity or natural gas or industrial consumers of electricity or natural gas, are keeping a very watchful eye on the minister and on the department because, of course, of the high cost of energy in this

province. It's startling that we have gone from a province with a well-regulated, well-managed electricity generation and distribution system and now have costs that – well, power prices are surging. When you think of the past history . . .

MR. SMITH: A point of order, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. minister on a point of order.

Point of Order Clarification

MR. SMITH: Thank you, Mr. Chairman. Standing Order 23(i), on false motives. In fact, the Power Pool price has dropped today. It was \$95.90 at noon today. It's lower than it's been since January.

9:20

THE DEPUTY CHAIRMAN: Hon. minister, the argument that you have presented does not constitute a point of order. It's a statement of facts. I hope that by clarifying that issue, it has been taken care of.

The hon. member to proceed.

Debate Continued

MR. MacDONALD: Thank you. I can recognize the sensitivity of the minister, but the reality is our electricity prices in this province. If we were to compare ourselves, for instance, to Montana – and whether it's unfortunate or fortunate that we don't have a tie-line to Montana, that would not be the question. Montana has had to lay off workers in one of its primary industries, and that's the industry that deals with mineral exploration and exploitation and eventual sale. It's one of the largest industries in Montana outside of ranching and farming. At the beginning of the year 2000 one mine in particular was paying about \$26 a megawatt hour. That was up from \$19 the year before. Last year a megawatt hour cost this company \$320.

Now, at nearly the same time a deregulation bill, the Electricity Utility Industry Restructuring and Consumer Choice Act, was introduced, a year before this Assembly dealt with Bill 27. When the legislative session was over, lawmakers, most of them farmers and ranchers and businessmen, approved it hastily. Mr. Chairman, in this Assembly we used closure. This member in particular was accused of wasting taxpayers' dollars by wanting to debate Bill 27, and now we know what sort of waste has resulted in this deregulation scheme. Prices have gone higher and higher, and they spiked for Montana consumers at \$680 American and then have settled back down to the \$200 to \$400 range. This has had a significant impact on the consumers of Montana. Montana is one of our neighbours, and if we understand what's going on in the neighbourhood, we'll have a good idea of what's going on in our own home.

Now, we get to the end of this article. This is an article that appeared in Sunday's *New York Times*. I'm quoting here:

"Montana held the four aces of cheap power," said former United States Representative Pat Williams, a prominent critic of deregulation. "And a corporate-lackey legislature demanded a new deck of cards."

That is the story in Montana, and we have to be very, very careful that this does not happen here.

You look at this department, and hopefully the minister is going to put to good use the course that I understand was taken and completed in London two summers ago. There's going to be a need for an able display of management in this department to ensure that campgrounds, homes, businesses of all sorts will have an electricity supply that is not too much of a burden.

Now, there's a lot to say on this issue, and unfortunately there's

very little time. I would like to know if the ministry has had any studies done on solution gas. Solution gas is gas that's produced in oil batteries. Have there been any studies done to see if this could be harnessed in a way to produce electricity in an environmentally friendly manner? If these studies have been done, could the minister please share them with Albertans?

Now, I think that's where the solutions lie. We have to look at sources of electricity generation other than subsidizing natural gas fired generators. Time and time again in this province we have heard this figure of 33 percent of our electricity-generating capacity coming from natural gas. I just can't understand how that number is that high. If the minister could clarify that 80 percent of Alberta's electricity supply comes from coal-fired generation, 15 percent from natural gas, and the remainder from hydro and other sources.

The minister also, in relation to coal, talked about coal as a wonderful source of electricity generation. Has the department had any studies done on the clean-coal technologies? My studies on this issue indicate that the technology so far has been inconclusive. [interjection] That is true. Are studies to prove their economic viability? There's no denying that they exist, but the viability of them economically has yet to be proven. If the minister is sitting again on any secret reports regarding this, I would be very, very grateful because all Albertans would benefit from the diligent research that has been conducted by the department or that perhaps has been done by the department of science and technology, I believe it's called.

The coal royalty is \$3 million less, roughly, in estimates than it was last year, and I understand that there's going to be more coal used. Is there a reduction in the royalty?

Now, the synthetic crude oil. There is a significant reduction in the amount of money that the hon. minister is going to receive through the department from that. I believe there's a 1 percent royalty, Mr. Chairman, taken on the production of synthetic crude. Then after that – and this is off the top of my head – there is another 25 percent after capital costs are retired. If synthetic crude oil production is increasing dramatically, why is there a decrease in the amount of royalty that's been collected? If the minister could answer that, again I would be very grateful.

Also, the key performance measures. I'm going to go back to the key performance measure, the percentage of industry compliance with established standards. The target is to be developed.

The EUB will review HVP (High Vapor Pressure) pipeline safety and integrity with external stakeholders, then identify and incorporate measures into the EUB's regulatory framework that assures public safety by April

of next spring. Now, is there a significant public safety factor here with pipelines that are, let's say, 20 years and older? In a lot of situations these pipelines, these gathering systems may have changed corporate hands, and they are maybe being used for another purpose.

I'm wondering also if there is a detailed study regarding this that the department could share with all Albertans and particularly landowners in rural Alberta. I certainly wouldn't want to have, say, a sweet gas line adjacent to my property that was being used for a high-pressure sour gas line. I certainly hope that this sort of activity is not going on. There was a dispute in central Alberta, west of highway 2, in regards to this matter, and I'm sure that this is what this performance measure target "to be developed" is concerning.

9:30

Now, staff retention. We certainly know that the EUB – and it was an amazing example of peoplespeak. It was described in terms similar to this, Mr. Chairman, as regrettable staff turnover: the EUB had a number of regrettable staff turnover years. I read that, and I was astonished. But there are efforts being made to increase the number of staff in the EUB. The majority of the staff, I think, would

have significant qualifications, and if it's like anything else, the minister's department, the EUB, or the headhunter will have to work very diligently to find those people and to have compensation packages that are suitable to attract people, because private industry certainly would be active in recruiting individuals with those technical backgrounds. I certainly wish the minister and the department the very best in their pursuit of these individuals, because in light of the current work that the EUB is doing and will have to do in the future, a stable workforce is of great importance.

Now, I have other questions here. This goes back to what I believe is a fundamental policy flaw of this current government. The introduction in the business plan summary: "Albertans own their oil, gas, and mineral resources." That statement comes as a surprise to me, because as much as we have developed economically in the last decade in this province – and it is a significant achievement – I don't feel that the current government is the steward of the resources that they should be.

I look at ethane. I have expressed reservations about the export of our ethane in the Alliance pipeline. I have no problem with exporting natural gas, no problem with that. But we have to be very careful that there is ethane so that the town of Fort Saskatchewan can grow and prosper. I want to see that prosperity continue. I'm sorry; with the major policy shortcoming in regards to ethane I don't see how that is going to be possible over the long term.

Ethane is going to get so high in price that we're going to have to compete with naphtha gas. There are facilities in the Gulf coast that can change over to naphtha gas, but I do not believe, for instance, that Dow can do that without a major capital expense. These are issues of long-term planning that I'm afraid have been neglected. It is paramount that the government stand up and protect these resources not only for this generation but for the future generations that are going to hopefully reside and prosper in this province.

The issue of Bill 1. The EUB would not have any say in this, but certainly the minister and the cabinet would. In the newspaper over the weekend there was a discussion of a possible . . .

AN HON. MEMBER: Coup?

MR. MacDONALD: No, not a coup. Worse than that: bid rigging going on the eastern border of California, where natural gas prices were in some cases 3000 percent higher than they should have been.

This was to fuel, again, natural gas fired electricity stations. How could this be? I thought to myself: here we are in this province with billions of dollars of subsidies for our own consumers – and our consumers have to be protected – but who is watching? We're tied into this continental market, which sets the price, and I'm beginning to wonder if market forces are setting that price. It's fine if it is to be just exclusive market forces, but what is going on when we're hearing that prices for this gas have just gone up 3000 percent? Is that competition, or is it collusion?

When we're looking at our own price here, I think we would be much better served if the government were to devise a plan and stick by it. We have a two-tiered system with electricity prices. Why we can't have one with natural gas is beyond me. We do have a two-tiered system with electricity prices. There's no doubt about that. We have to have long-term planning, and we have to ensure that the resources are for Albertans.

We look no further than the Viking and Kinsella areas. I understand that this is before the EUB. Now, I'm not going to comment on something that's before the EUB. I'll leave that for others. We're selling the gas field in a part of Alberta which has seen its production rates of natural gas decline significantly in the last decade, and I just don't think it's prudent at this time for that gas field to be sold, particularly in that area of the province where there

has been a production decline. Now, others may have different views, and that's fine.

Also, we see in Brooks that Fording Coal, I believe, was going to have a significant investment in a coal-fired generating station. Coal-fired generating stations are not eligible for any of these location-based credits, these subsidies to locate power generators in Calgary or in Lloydminster or in Grande Prairie. There is a lot of talk about whether subsidies should be provided by the government, because we all were told that the government was out of the business of being in business.

[Mr. Marz in the chair]

This whole idea that perhaps in the calculation of these location-based credits a portion of the formula is going to deal with natural gas prices – now, the minister is in a much better position to know the fine details of this than I, but I certainly hope that we're not going to be subsidizing the natural gas feedstock that's going into these power stations. It would be just a complete reversal of everything the government has said about getting out of the business of being in business, Mr. Chairman. We need to ensure that there is a level playing field.

This gets back to the Fording Coal power plant in Brooks. The coal-fired generators feel left out by the Department of Energy here, because these subsidies or whatever you want to call them are just to the natural gas fired generators and not to the coal-fired plants. [Mr. MacDonald's speaking time expired] I'm sorry, but I hope to get an opportunity a little later, Mr. Chairman.

Thank you.

9:40

THE ACTING CHAIRMAN: The Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much. Just briefly I want to raise some concerns about the performance measurements that are shown in the department's business plans from page 119 on.

Sorry. Before I start that, I just had a question about core business 1: "Secure Albertans' share and benefits from energy and mineral resource development." I'm wondering if the government has considered at all a plan or a scheme similar to the Alaska permanent fund, whereby they are paying dividends directly to their citizens. It's different than what we're doing, but I'm wondering if there's been any evaluation of it as far as equity or fairness. It strikes me that given what we're looking at in Bill 1, in which nothing is outlined in the actual bill about how revenue would be rebated or refunded to citizens, it's not clear whether that bill is building on a concept of equity: the resources are owned by all Albertans; therefore all Albertans would be gaining or would be involved in a rebate. This Alaska permanent fund is developed with that concept, so if the minister or the department could comment on that one for me, please.

Under core business 2, "Ensure the competitiveness of Alberta's energy and mineral resources," could the government please elaborate on one of their key strategies, which is:

Work with Aboriginal communities, resource developers, stakeholders and other levels of government to create opportunities for Aboriginal people to participate equitably in the resource economy of Alberta.

Now, this is a cross-government initiative, but I'd like to see some details on what this particular department is anticipating implementing in this fiscal year.

THE ACTING CHAIRMAN: I'd ask the hon. members to be quiet, please.

MS BLAKEMAN: Thanks.

Now, to get specific on the performance measures, I am shocked and appalled, yes, indeed, because as I go through looking not only at the department's performance measures but even at the agencies that report, there's a real problem with performance measures. In almost every goal there are performance measures that are saying: well, we'll develop it. How can you expect a year from now when you're trying to evaluate your performance in this year we're considering, when you in fact have no target, no performance measurement against which to measure – and indeed, when you're two years out and you go back to see whether you are progressing in your three-year plan, you don't have anything to measure yourself against for year 1 of your three-year plan, which actually means that year 2, if you actually get around to developing it, is the first time you have a target against which to measure yourself.

Frankly, it's appalling, and the Auditor General has commented generally, not specifically to this department but generally, on this lackadaisical approach to performance measurements, where it's sort of: well, we'll develop it when we get there; yeah, we're working on it. This is not good enough, especially since this is one of our more important departments in all of government and certainly both a revenue source and a point of pride for all Albertans.

I look at goal 2: "Advocate for the removal of barriers to the development of energy and mineral resources in Alberta." How are we going to measure that? Well, "approval of mineral development strategy" by the end of the fiscal year we're examining. "Further performance measures will be explored for the next business plan." What? How are you supposed to measure against that in years to come? "Well, we'll figure it out as we go." That's not the point of a performance measurement.

Let's look at goal 3: "Advance the competitiveness of Alberta's energy and mineral resources." Performance measurement? We'll "complete competitive commodity analysis" by the end of the fiscal year we're examining here. Well, that'll be really helpful. I mean, it's a valuable tool, but that should have been completed before now. You're going into a three-year business cycle. You shouldn't be deciding one-third of your way into the business cycle what your measurement is going to be.

What's the other performance measurement that's listed here? "Subsequent performance measures to be developed." Why don't you just put TBA under all of this because that's what you . . . [interjection]

Okay. Let's look at goal 4, "Provide strategic research direction to achieve long term energy and mineral development goals." And what are your performance measurements? "Priority areas identified by Department of Energy" by the end of the fiscal year. Excuse me. "Further performance measures will be explored." You don't have performance measurements for any of your goals here.

What else have we got? "Leveraged research funding from industry and federal stakeholders." Okay. This is the beginning of a performance measurement, but how much? How are you going to measure yourself against this? What's your target? How much are you looking to leverage in research funding? What percentage? Are you comparing yourself to other provinces or other countries? Have you had resource funding from industry and federal stakeholders in the past? Can you measure yourself against that?

You know, you've got to get specific on this stuff or it's not a useful management tool. When this government talks about being a good manager, I'm sorry but I have to laugh. I mean, this is the poorest business planning I've seen in a long time, and I've been around five years now, so you guys are hitting a record here.

MR. MAR: So did you.

MS BLAKEMAN: I did indeed. Thank you so much; I'm very proud of my record.

Now, let's look at core business 3, goal 5. [interjection] I'm sure if the Minister of Health and Wellness is truly interested in participating, the chairman can arrange for an opportunity for him to speak.

Goal 5, "Prepare a long term energy outlook for Alberta that secures supply and benefits and positions Alberta within a broader North American energy marketplace." Okay. How does that relate to the core business of "develop and communicate energy and mineral resource policies"? Could I get the minister and his staff to outline how they see this as a linkage or how one flows from the other?

Let's look at the performance measurements that have been put up. Well, they'd like a "consultation completed, energy policy developed for the Minister's consideration by the end of 2001-02." Well, you can't measure against that. What are you going to measure yourself with here, that you got the consultation completed? That's going to be enough to be using as a management technique? What are the other performance measurements listed here? "Subsequent performance measures to be developed once policy approved." You could go three years and never get this. What is going on in this department? Where is the fiscal management? Where is the measurement?

AN HON. MEMBER: Where is the minister?

MS BLAKEMAN: Well, yeah. That's another story.

Goal 6: "Inform Albertans about the opportunities for a continuing supply of Alberta's energy and mineral resources from conventional and non-conventional sources." Under the key strategy it's talking about:

Enable public awareness of resource extraction management practices (e.g., sour gas, clean burning coal, etc.) and the importance and economic significance of the energy and mineral sector.

Could we have some elaboration and some detail on that please? Exactly what is being anticipated? In implementing that, what are the specific strategies flowing from that?

[Mr. Shariff in the chair]

MS BLAKEMAN: I look at the performance measurement target: "To increase their understanding by 2003-04." Well, okay. That's the end of your three-year plan here. How are you planning to do that? Well, look. In the fiscal year we're examining, we're going to establish the baseline. So once again you don't have a target to be measuring yourself against for this first year, which means you in fact are not able to do any useful measurement or have a useful management tool until the end of your second year out of a three-year plan.

All right. Let's look at your target, then, for the second year of this plan. Well, we're going to increase over time. What? There's no percentage here. There's no target amount that you're trying to hit. There's no number of Albertans. There's no real measurement of what you're trying to do here. This is appalling. I mean a first-year business student could do better than this. This department has millions of dollars worth of resources and staff underneath it to be able to develop these. Is this so that we can't judge this? How does that fit into open and accountable government if this department in particular can't even judge its performance because it hasn't established anything to judge itself by? I guess it can just keep going: aren't we fabulous; aren't we wonderful. We'll just have to take your word for it. But then again you've got a huge communication budget plus you've got the public affairs department

to be going out there and doing all of your spin control for you, because there's nothing in here that's giving any real management tools for you to use.

9:50

Performance measurement for goal 7, "Performance measures on gas and electricity price to be developed." Okay. Well, let's look at goal 8 performance measurement target then: "80% by 2003." Well, this is interesting, because when I look at what you're trying to do here, you've got a survey year of '98 and again in '99 in which the increase in satisfaction went up by 4 percent, from 75 to 79 percent. So one year, 4 percent increase. When I look at your target for 2003, which is four years' difference from your baseline if you're going from '99, you've got a 1 percent increase. So you had a 4 percent rise in one year, and you're only expecting 1 percent in four years? Have you perhaps inverted the figures here by mistake? Is this some sort of typo?

Well, let me look at the EUB then. I'm hopeful that perhaps as a Crown agency or somewhat independent from the department they might be doing better, and in fact they are a little better in their targets. They're actually specific. When I look at things like goal 3, "Timely and efficient application and hearing process," they've actually got things like "% of decisions issued in less than 90 days from the end of the hearing." They're looking at 90 percent, 95 percent, 100 percent. Okay. "Application Turnaround Time – Target: 3-3.5 working days (average) for routine facility applications." Okay. That's something you can measure against. Were you actually able to accomplish that? How far were you off? If your average was five days, then you've got something to work with here.

But then, no. I'm to be disappointed again. I look at some of the other ones. Performance measurement under goal 1. We're going to "improve the percentage of objections resolved." Well, by 80 percent to 85. You know, what are the specifics under that? We've got, "Percent of Incidents Resolved Related to Existing Facilities – Target: 87%." Then we've got, "% of incidents resolved to the satisfaction of the complainant." Again, this is essentially a survey. It's a popularity contest when you are using a subjective survey like satisfaction. Well, in comparison, satisfaction to what? If they didn't get anything resolved the previous time, they're going to be a bit more satisfied that something got resolved at all, even if the end result wasn't what they wanted. So this department has got to move away from these sort of nonexistent, we'll get there, we'll develop it, uh huh, sort of performance measurements.

Goal 2, "Further performance measures are being developed." Goal 4 under the EUB: "The Percentage of Industry Compliance with Established Standards – Target: To be developed . . . The Adequacy of Emergency Response Plans: – Target: To be developed."

It just goes on and on. I mean, I don't need to take any more time. I think I've made my point here. I'm glad some of the members opposite are recognizing that this is a critical point, that this department in fact has not given itself anything by which it can evaluate its performance, nor can the public evaluate its performance. Yet that is a stated goal of this department: to have better public understanding of what it's doing and how well it's doing. Based on what we've got here, nobody can tell, not even the department.

I know that others are anxiously awaiting to speak, and I will make way so that they are able to raise some additional points as well. Thank you very much for the opportunity.

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

MR. MASON: Thank you very much, Mr. Chairman. I'm pleased

to speak to the estimates of the Department of Energy, which is in my view probably one of the most critical departments in the government and certainly a department that has more impact and more influence on the economic prosperity of the province in the short term and in the long run than any other department. It's clear that energy in this province is the motor of the economy. When it's running well, when everything is going well and there are high prices, the whole economy is affected very dramatically. In a way it has an impact that no other sector of the economy has, so it's of critical importance.

At the same time, Mr. Chairman, as it is the motor of our economic prosperity, it is probably the most chronically mismanaged department policywise of any in the government. I don't single out this minister. I think that this mismanagement goes back decades in the Alberta government.

I'd like to use the analogy of a car with a great big powerful motor. People are very happy that it can go 60 miles an hour, or 100 kilometres an hour, on the highway, and they don't stop to check whether that motor could be producing dramatically more power and dramatically less fuel consumption than it is. They don't ask the question whether or not the oil needs to be changed and whether or not that motor is going to be good for a long time to come or whether or not it's going to fall apart within a month or two. Those are really the kinds of issues that I think we're faced with in this province through our energy policy.

Now, the first thing that I want to talk about is the issue of natural gas. I want to talk a little bit not so much about prices – it might surprise some members – but about our supplies and about our reserves. I'm looking at a graph here which shows the supply of natural gas. It takes into account both the level of production and the discovery of new reserves. Back in 1983 we had proven reserves for 31 years. As of 1999, two years ago, there had been a steady and dramatic decline to the point where there were only proven reserves for eight and a half years. Now, if that trend continued in the last two years, for which I don't have the figures, we're probably at the point of six or seven years of proven reserves.

The fact of the matter is that we've been able to sustain high economic output through this industry precisely because we are playing against the future of the province. We are spending faster than we are taking in money, if you want to look at that way of looking at the reserves, and we are exporting and consuming energy, particularly in the natural gas area, far faster than we are able to find new reserves. The result is that within this generation Alberta will virtually be depleted of natural gas, and the money that is being brought in now will be reinvested all over the world and may or may not provide any long-term benefit to the citizens of Alberta.

Now, I want to talk a little bit also about the question of ethane. It used to be the policy in Alberta that valuable by-products of natural gas such as ethane would be retained here in the province because these are the building blocks of a petrochemical industry, the building blocks of a pharmaceutical industry, and it really is a source of jobs. The government has changed the policy, particularly with the development of the Alliance pipeline. We now send, according to an article on Dow Chemical, which is entitled Dow Chemical's Alberta Advantage Disappearing, in the May 9 issue of the *Edmonton Journal* – it says that 1.3 billion cubic feet of raw gas are shipped daily to Chicago, where they strip out the ethane there instead of here in Alberta. So they can build a petrochemical industry based on Alberta natural gas in Chicago. This policy amounts to nothing more than the export of Alberta jobs into the United States, and it needs to be changed. It's absolutely not in the interests of the people who own the resources.

10:00

I want to come next to the question of price, because by creating now a North American market for Alberta natural gas, they've ensured the profits of the producers – that's for sure – and there is certainly an indirect benefit to many, not all, people in Alberta as some of those profits are reinvested in Alberta. But there's no guarantee that those profits will be invested in Alberta if there's a better opportunity somewhere else, and it has meant higher natural gas prices for all consumers in Alberta because we are now, of course, competing with the American market for our own natural gas. The benefits Albertans receive are diminished as a result of that, because we are seeing a dramatic increase in the export of natural gas outside this province and outside this country. The result is that we are benefiting in the short term but we are sacrificing the interests of our children and our grandchildren in the long run.

I'd like to come to the question of royalties in the same spirit, Mr. Chairman, because the overall rate of royalties paid for both natural gas and oil in Alberta are amongst the lowest in the world. Even in comparable American markets they charge higher royalties for their natural gas and their oil, and it really leads me to wonder if we value our own natural resources the way other people do. I see again in the estimates that the royalty tax credit is continued, and I would like to ask the minister to specifically identify what benefit Albertans receive from the royalty tax credit. That is, in our view, something that is simply unnecessary and simply a drain on the revenues of the province and is a gift to oil companies for which nothing is received by the people of Alberta in exchange. So I would like to request a detailed report from the minister on the royalties that are charged in Alberta and a comparison with comparable jurisdictions in Canada and the United States. They might want to take a look at places like Alaska, for example, with respect to that.

Now I want to talk a little bit about the EUB. We've been quite critical of the EUB and consider it to be no longer a tiger protecting Albertans but a toothless tiger that is more interested in facilitating the development of oil and gas in this province than in protecting consumers or landowners. I'll give one example: the approval of the sale of the Viking-Kinsella field, which will result in a substantial increase in rates for natural gas paid by consumers in northern Alberta because it's sold off, of course, to an American company. They'll be able to increase production, but its overall impact will be to increase the prices in northern Alberta and to take away the advantage northern consumers have had because there has been some ownership of natural gas fields and supplies by the gas company itself.

I've dealt with a number of cases of people coming to me because they feel that their property rights have been overrun by drilling activity and they haven't got any help from the EUB, cases where water, the strata, has been contaminated as a result of drilling and there doesn't seem to be very much the EUB is doing about that.

I'd like to also talk a little bit about power supply and power rates in this province. One of the things that has become apparent to me in my research of why deregulation of electricity does not work is that you never can achieve sufficient competition on the side of generation. There always is an element of monopoly or of oligopoly. The players simply have too much market power, and they can, and have, jack up the rates by reducing supply. It's very easy in that system, and it's why we say that electricity production remains really a monopoly and should be a regulated monopoly as opposed to trying to enforce competition in a sector where it doesn't really work.

So the question I have – and we've certainly asked questions in the House about why there's a shortage of supply of electricity. Always on the other side amongst all the various reasons that are

given for this is that, well, you know, there are power units down. Right now – and the Premier said it three or four times in the House – there's this unit down or there's that unit down. So my question, really, to the minister is: how can we ensure that power companies have not increased the amount of time that major units are down as a way of increasing prices in the province? I know it couldn't happen here or it shouldn't happen here, but it has happened in other places. I'd like some assurance that the government is making sure that the rates with generation being down have not increased since we've entered the deregulation universe.

The other point I'd like to make relative to this is the lack of commitment by the government to reducing consumption as a primary strategy to deal with the shortage of supply in this province. All the focus seems to be on getting new plants, coal-fired or otherwise, on stream in order to meet the increasing demand for energy, but there seems to be little emphasis, if any, on reducing the amount of energy that's consumed. A number of years ago – I believe it was 1993 – the government eliminated the energy efficiency branch, and I would like to see that restored. I'd like the minister to please respond as to whether or not they've looked at restoring the energy efficiency branch and what opportunities exist in this province to reduce the consumption of electricity, because a kilowatt-hour saved is the cheapest way to generate new power. If you save that from some other use, it can be used by someone else, and it doesn't have an increased impact on the environment. So it's certainly the best way to go.

Finally, Mr. Chairman, I want to talk a little bit about a North American market for power because I've heard some mention of that lately. I'm actually quite horrified by the talk from some members of the government about creating a North American energy market, because if you look at what happened to natural gas prices when a North American market was created for gas, we had a four or five times increase in our natural gas rates. Now, if they're going to propose burning coal here in order to export power to the United States, I think they're making a very, very serious mistake. The result will be not only higher levels of CO₂ but, in fact, permanent high prices in electricity rates in this province. If the government is heading down that path, then Albertans need to know that permanent high electricity prices are the price they're going to have to pay as a result of that government's policy.

Finally, Mr. Chairman, I want to talk about Mr. Bush, south of the border, and the energy policy they're expecting to announce soon. We have in our offices over in the Annex a headline from one of the newspapers saying that Bush has a plan to keep Canadian natural gas flowing into the United States. My question is: why was the government so prepared to fight against Ottawa and eastern Canada when they tried to get hold of our natural resources, yet when the Americans are doing it, they're being welcomed with open arms?

10:10

MR. OUELLETTE: Because they're willing to pay for it.

MR. MASON: Well, they're willing to pay for it, but the fact of the matter is that it's going to deplete the reserves of particularly natural gas in Alberta and leave future generations with no natural gas. I believe and we believe that a continental energy policy is not in the best interests of Albertans. It certainly may be in the best short-term interests of energy producers, but it is not in the best interests of the world's environment or the future economic prosperity of generations to come here in Alberta.

With those comments, Mr. Chairman, I'll take my seat, and maybe someone else would like to speak.

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

DR. TAFT: Thank you, Mr. Chairman. I'll begin with just a comment in reaction to the minister's interjections earlier on the pool price. I've been checking on the web the hour-by-hour price, and he was right: it's stuck right at \$95. It's been there for it looks like hours.

MR. SMITH: What is it now?

DR. TAFT: It clicked over. It's still at \$95.

One of the things to note though. I also did a little checking, and that power four years ago probably would have sold at this time of day at about \$15. It's selling in Saskatchewan at about – well, what's happening here is about two and a half times what's happening in Saskatchewan. So it all is a matter of perspective, isn't it?

One of my reactions to the way the material is presented from the Department of Energy is that it's a mistake to combine so many different kinds of energy into one category called "energy." Electricity is so fundamentally different from the fossil fuel sources of energy that when we talk about goals and businesses and so on and simply use one sweeping term "energy," it makes it almost meaningless because it is so general. The issues and concerns we have around electricity are so different from those around, say, conventional oil that when I read through the material and just see the word "energy" used, it reduces all meaning from it.

For example, a core business is to "ensure the competitiveness of Alberta's energy and mineral resources." It's so general, sweeps so many things into one category that I can't really interpret what it's intended to do. "Ensure Alberta consumers have a choice of reliable and affordable energy": well, that could be everything from choosing from different gas stations to choosing electrical retailers. Certainly we're seeing very, very different patterns in those two areas. So I would encourage in the future the estimates to be presented with more detail, breaking out in particular issues relating to electricity from issues relating to fossil fuel or to other energy sources.

I again will hop around a bit. Because of the fine work of my colleagues, my opportunity to speak is rather limited, but I do note that the expenditures, as I read it, for the Energy and Utilities Board are jumping dramatically, something like a 57 percent increase, which I assume is a result of having to hire more staff, which is a kind of irony given that if they are involved in regulation, which I imagine many of them are, in a deregulated system we're ending up with more regulators.

That does get me to one of the questions I had. I would like to know from the ministry the trend from this year and back three years on the number of regulatory agencies involved in the electricity industry. We have the market surveillance administrator and we have the Power Pool and we have a whole list of bodies. It would be interesting to see how that number compares to what there was, say, four years ago. As part of that, how many people are actually involved in regulating it? Now, I have a concern, which undoubtedly the minister would share, that we may have backed ourselves into more regulation than we used to have. Certainly that's a comment I've heard from senior officials in the industry.

The core business that says: "Ensure Alberta consumers have a choice of reliable and affordable energy". Certainly many of us get frustrated when we go to fill up our gas tanks. It seems there's very little meaningful choice, and we'd like more choice there. At least there is very little meaningful choice in terms of price because the prices sometimes don't vary much. At the same time, I heard very, very little consumer demand for more choice when it came to

sources of electricity. Now, the one exception to that would be the big industrial consumers who were looking for more choice, and look where it got them. In terms of the number of ordinary consumers, residential and small business consumers, who were demanding more choice in terms of power suppliers, I wasn't hearing it. I remember talking to one extremely well-informed specialist in the area who said that the number of consumers demanding more choice in Alberta could be fit into a phone booth. So if there is evidence that consumers were really driving this demand for choice, I would like to see that.

I'm also noticing under key performance measures: "Stable, affordable energy for Albertans." I'm on page 143 of the estimates, at the bottom of the page. I think the target is, we would all agree, essential: "to increase investment in new power generation in Alberta." In some of the reading I've done, historically the most volatile resource commodity traded has been natural gas. In the last year or two the most volatile commodity traded now is electricity. In fact, we see that played out every day, where the price of electricity in Alberta might go up and down easily 400 percent. It's a highly volatile commodity. So it will be interesting to see how the department intends to achieve stable, affordable energy for Albertans when, in having deregulated, we're dealing with I think the most volatile commodity that you can actually trade in. There are some examples of how to deal with that. In fact Medicine Hat might be one, yes.

I'm going to run out of time here. The last thing I would like – I would really encourage this for all of us – is as complete a picture as possible made as widely available to Albertans as possible of our oil, gas, and natural gas, conventional and nonconventional oil reserves and production, giving Albertans as complete a picture as they can have of the nest egg or the resource wealth that we have in this province, where it's been and where it's going.

So with those comments I will take my chair. I think the time is up. Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: Before I recognize the hon. minister to close debate, is there anybody else who wishes to speak?

The hon. Minister of Energy to close debate.

10:20

MR. SMITH: Thank you, Mr. Chairman. I think, again, the avid desk-thumping is for the quality of attentive listening by members of government who talk to me on a daily basis and ask keen and quite insightful questions. Their days of the estimates are 365 a year. They're on the job 24/7, and for their diligence I'm much humbler and also much more informed.

In fact, I would turn to the Member for Edmonton-Highlands and ask him to perhaps have a coffee with the Minister of Innovation and Science or the Member for Clover Bar-Fort Saskatchewan, who chaired an important ethane committee and can talk widely and with great knowledge about ethane in Alberta, one of the true building blocks of a strong petrochemical industry.

I do want to comment to the Member for Edmonton-Highlands that it sounded to me, Mr. Chairman, like he was making statements nearing the allegation level of suppliers of power who jack up prices by reducing supply. If he has evidence of that, that's very important information. We are looking into it 24/7. We're looking into it every day. If he can gain any of that knowledge, I'd be more than willing to work hard with him to root out any type of gaming or anticompetitive behaviour that occurs in the wholesale energy market today.

I do want to just comment on the wise and sage remarks from the Member for Edmonton-Riverview. When talking about putting together the basket of energy, Mr. Chairman, in fact more and more people in the energy industry today are talking about convergence,

where natural gas is linked to electricity prices and so on and so forth. So I think the department has made the right commitment in its organizational structure.

Lastly, Mr. Chairman, I do want to thank the official critic from the opposition, the Member for Edmonton-Gold Bar. I do accept his best wishes. It's kind of him to put those forward in the House. I know that we will be working hard to get the information he needs out to him on a timely basis and an ongoing basis. We certainly welcome his comments informally as well as in the confines of the House. In fact, perhaps the Member for Edmonton-Riverview might want to chat with the Member for Edmonton-Gold Bar, who talked about the regrettable man-years in the EUB. And the Member for Edmonton-Riverview talked about the increased expenditure at the EUB. Well, of course that is exactly what it's for: to continue to get good, qualified people working in those areas.

Mr. Chairman, as much as there is excitement from my colleagues to continue on in the department that is a custodian and a steward of the resource since 1930, when Premier Brownlee moved it through, I will undertake to answer these questions in writing, in detail and with completeness.

I'd now ask to move the estimates of the Department of Energy.

THE DEPUTY CHAIRMAN: After considering the business plan and the proposed estimates for the Department of Energy, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:	
Operating Expense and Capital Investment	\$103,416,000

THE DEPUTY CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.
The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I would move that the Committee of Supply now rise and report and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

MR. MARZ: Mr. 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, 2002, for the following departments.

Finance: operating expense and capital investment, \$102,245,000; nonbudgetary disbursements, \$95,422,000.

Energy: operating expense and capital investment, \$103,416,000.

THE ACTING SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? So ordered.

[At 10:27 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]