

Legislative Assembly of Alberta

Title: **Thursday, May 2, 2002**

1:30 p.m.

Date: 02/05/02

[The Speaker in the chair]

head: **Prayers**

THE SPEAKER: Good afternoon and welcome.

Please join me in the prayer. Heavenly Father, as we conclude this week's deliberations and return to our constituencies, we pray that we will be renewed and strengthened in our commitments to better serve our constituency and all Albertans. Amen.

Please be seated.

head: **Introduction of Visitors**

MR. TANNAS: Mr. Speaker, I am pleased today to introduce to you and through you to all members of the Assembly a legislative delegation from the Azores islands, a group of nine islands off the coast of Portugal. Because of the large Portuguese-Canadian community, which is mainly Azorean, Canada has a special connection with these islands. This delegation is in Alberta to meet with government and legislative officials. Seated in your gallery, Mr. Speaker, is Mr. Pedro Leite de Sampaio, the Portuguese consul in Vancouver; Mr. Clelio Ribeiro Parreira Toste de Meneses, MLA, head of the delegation and president of the municipality of Praia da Vitoria; Mr. Francisco Barros, Socialist Party MLA for the island of Terceira; Mr. Antonio das Neves Lopes Gomes, MLA for the Sao Jorge area; Mr. Paulo Manuel Avila Messias, MLA for the Socialists on the island of Terceira; Mr. Jose Humberto Medeiros Chaves, MLA for the island of Santa Maria; Mr. Raul Aquiar do Rego, MLA for the Social Democrats and member of the General Political Commission; Mr. Paulo Antonio de Freitas Valadao, MLA for the island of Flores; and Mr. Aurelio Fernandes, Portugal's honorary consul in Alberta. Accompanying our Portuguese colleagues are Mr. Miguel Noronha, Ministry of Community Affairs, Regional Government; Ms Graca Cabral, parliamentary assistant to the Regional Assembly; Ms Eva Costa, JMF Travels and Tours; and Mr. Pedro Pires, translator. I would ask our guests to please rise and receive the warm traditional welcome of the Assembly.

head: **Introduction of Guests**

THE SPEAKER: The hon. Member for West Yellowhead.

MR. STRANG: Thank you very much, Mr. Speaker. On behalf of the Member for Banff-Cochrane I'm pleased to introduce to you and through you to all members of the Assembly a very capable and dedicated constituency assistant, Betty-Lynne Topp. She is a professional in managing the exceptionally busy Banff-Cochrane office. She is competent in handling diverse issues, and most importantly she is committed to providing an excellent service to all of Alberta. Betty-Lynne, please rise in the members' gallery and receive the traditional warm welcome of the House.

THE SPEAKER: The hon. Member for Whitecourt-St. Anne.

MR. VANDERBURG: Thank you, Mr. Speaker. On your behalf I'd like to introduce to you and through you Ms Kristina Rentz. Kristina was born and raised in Barrhead. She's an accomplished student currently attending the University of Lethbridge, where she is going into her fourth year in math education to become a high school teacher. I'd also like to introduce Ms Robyn Westbrook. Robyn

grew up in the Swan Hills area and is currently attending Augustana college in Camrose, where she's taking political sciences. They are seated in your gallery this afternoon, and I'd ask them to please rise and receive the traditional warm welcome of this Assembly.

THE SPEAKER: The hon. Member for Little Bow.

MR. McFARLAND: Mr. Speaker, I believe that my guests haven't quite arrived yet, so if I could introduce them after.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MR. HORNER: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to all members of the House a great group of 50 kids, teachers, and parent helpers who are constituents I also share with my friend and colleague from St. Albert. I had a chance to talk with this group in the rotunda, and they asked some great questions, including some about the new helmet law. They are here from the Ronald Harvey elementary school, and they are with teachers Trent Walters and Jody Bialowas, parent helpers Kim MacEachran, Ron Campbell, and Jennifer Foo. They are seated in the members' gallery, and I would ask that they rise and receive the traditional warm welcome of this House.

THE SPEAKER: The hon. Member for Olds-Didsbury-Three Hills.

MR. MARZ: Thank you, Mr. Speaker. Although my guests aren't here – they'll be here during question period – I would like to acknowledge the visit to the Assembly of 10 very special visitors and five adult teachers that will be accompanying them from Horizon school, which is a very special place in my constituency that serves the needs of young people with developmental disabilities. If they are here later, I will acknowledge them. Thanks for the opportunity to acknowledge their visit.

MR. JONSON: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly seven diligent staff members from International and Intergovernmental Relations. They're in the Assembly today as part of a behind-the-scenes tour of the Legislature. They are Sharon Tone, Renee Bourgon, Deb Broughton, Fay Ramler, Tom Cottrell, Nancy Richardson, and Amy Davis. I would ask that they all please rise and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: Thank you, Mr. Speaker. In the gallery today are two young women from my Lethbridge constituency office, and I would like to introduce them to you and through you to the members of this Assembly. Of course, they do fine work and actually keep me out of maybe more trouble than I deserve, but in any event I would ask Nychcole Penny and Kelly Sawa to rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

THE SPEAKER: First Official Opposition main question. The hon. Leader of the Official Opposition.

G-8 Summit

DR. NICOL: Thank you, Mr. Speaker. An April 5 government

memo to the Solicitor General states that the government of Alberta will advise Canada that it will consider banning federal officials, including the RCMP and the Department of National Defence, from provincially held land in Kananaskis unless an agreement is reached on who covers the costs for the G-8 summit. The memo notes that withholding the use of this land "could cause some serious logistical problems for the security planning team." The memo says that the Department of International and Intergovernmental Relations was drafting the letter for the minister's review. My questions are to the Solicitor General. Why did the government consider taking steps that would compromise the safety and security of Albertans?

THE SPEAKER: The hon. minister.

MRS. FORSYTH: Thank you, Mr. Speaker, and I'm pleased to answer that. The memo that the hon. member is referring to is dated April 5, and that's when we were in the process of negotiating with the federal government with some frustration. People have to understand that the G-8 is a federal responsibility. It's a federal initiative, and it's their party, but the G-8 is in our province. Our number one priority is the safety and security of Albertans and to make sure that we don't get taxed with any dollars for their party.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Does the minister consider making threats toward the federal government an appropriate negotiating tactic?

1:40

MRS. FORSYTH: Mr. Speaker, if I may, the member has to understand that that memo was addressed to me from one of my special advisers who has been attending all of the G-8 meetings. What the hon. member is referring to is options in the letter on negotiations that we have with the feds. We had to make it very clear to the federal government that we were serious about the G-8. We were concerned about the safety and security of Albertans, and we did not want to have to pay a dime when they were having their party in our province.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Given that one of the strategies suggested in the memo was linking the G-8 dispute to Kyoto, health care, and softwood lumber, has the government's policy on linking disputes of national concern changed?

MRS. FORSYTH: Well, again my number one priority is the safety and security of Albertans. The other thing, Mr. Speaker, if I may, is to make sure that we don't get stuck with paying for something that the federal government has initiated. We have to look at softwood. We have to look at some of the other things that we've gotten hit with, and we were very clear in our negotiations that we were not going to get stuck with paying for anything, if we could.

THE SPEAKER: Second Official Opposition main question. The hon. Leader of the Official Opposition.

DR. NICOL: Thank you, Mr. Speaker. The G-8 summit is fast approaching, yet the Solicitor General has been unable to confirm what funding arrangements have been made with the federal government. Albertans deserve to know whether or not they will be on the hook for any costs. Is it true that the Alberta government has

been unable to get the federal government to cover the costs of prosecuting any protesters that may end up being put to court?

MRS. FORSYTH: Yes, Mr. Speaker, it is true that we have been negotiating with the federal government on the prosecution costs, and Alberta believes that we should not have to pay for the prosecution costs of protesters that we're prosecuting. We have been told in discussions with Quebec that they are facing an \$860,000 bill for one charge for one protester. I say to the hon. member, if I may, that I encourage him to pick up the phone as a Liberal and call his cousins, the federal government, and talk to them.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. To the Attorney General or possibly the Solicitor General: are there possibilities that protesters could be charged under federal law and the costs transferred that way rather than under provincial laws?

MR. HANCOCK: Well, Mr. Speaker, of course people will be charged with the appropriate crimes if the evidence is there to suggest that they've been committed. We're not going to play games with how charges are laid. Prosecutors will act appropriately in accordance with the evidence which the police collect and put before them.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Back to the Solicitor General: do you have any idea what the costs may be if prosecutions were to come about using maybe the Quebec example?

MRS. FORSYTH: Well, Mr. Speaker, I can only tell the member what Quebec is facing. To prosecute Jaggi Singh, one protester, they are facing an \$860,000 prosecution bill. In negotiations with the federal government one of the federal officials said to me: Madam Minister, maybe you shouldn't prosecute. My response to him was: what kind of an example does that show to future G-8 meetings, and do you really think Albertans would want that?

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton Gold-Bar.

Electricity Billing

MR. MacDONALD: Thank you, Mr. Speaker. Just as Enron, an enthusiastic promoter of electricity deregulation, was a spectacular failure, so, too, is this government's expensive right-wing electricity deregulation scheme. Understandably, both cabinet ministers and government MLAs are breaking ranks with this expensive right-wing scheme. The Premier talked yesterday about Alberta's entrepreneurial spirit. Well, part of that spirit is having the smarts to distinguish a good idea from a bad one, something this government apparently lacks. My questions this afternoon are to the Minister of Energy. Since the Premier knows very little about the Balancing Pool's \$345 million deferral account, can the minister tell us how much Alberta's monthly electricity bill will go up to recover this amount?

Thank you.

MR. SMITH: The Premier knows a great deal about the new competitive restructuring, Mr. Speaker. In fact, the Balancing Pool will make those determinant decisions.

MR. MacDONALD: Again, Mr. Speaker, can the hon. minister

please tell us when this \$345 million bill will be added to the already 500 million plus dollar bill that we're paying now? When can Albertans expect to see this on their utility bill?

Thank you.

MR. SMITH: It'll be a decision of the Balancing Pool, Mr. Speaker.

MR. MacDONALD: Again, Mr. Speaker, to the same minister: when will this government please come clean, unlike Enron, and provide the true cost to Albertans for this expensive right-wing electricity deregulation scheme that's gone all wrong?

THE SPEAKER: The hon. minister?

The hon. Member for Edmonton-Highlands, followed by the hon. Member for Whitecourt-Ste. Anne.

Municipally Owned Power Companies

MR. MASON: Thank you very much, Mr. Speaker. An internal document from the Ministry of Municipal Affairs that I will table today proposes to give the minister the power to order municipalities in Alberta to sell off corporations which they own. At worst this is a stealthy preparation to force the sale of EPCOR and Enmax on Edmonton and Calgary, or at best it's just another example of the Big Brother approach that the Tory government takes toward Alberta municipalities. To the minister of Municipal Affairs: why is the government circulating draft regulations which would give unprecedented power to the minister to interfere in the internal affairs of Alberta municipalities?

THE SPEAKER: The hon. minister.

MR. BOUTILIER: Thank you, Mr. Speaker. First of all, I'm pleased that he talked about Big Brother, but it's also important to talk about the Alberta family, which Edmonton and Calgary and EPCOR and Enmax are part of. I'm pleased he has, because at the end of the day we're working together as Albertans. We're protecting all taxpayers. What's important is that we've been dialoguing with both cities. In fact, as I mentioned the other day, we have the only roles and responsibilities committee in the entire nation right here in Alberta. I'd ask the hon. member to maybe look closer in terms of the important partnerships that we have established and have strong with our municipalities across this province.

MR. MASON: Mr. Speaker, why does the minister need the power to force Alberta cities to sell off valuable assets like Enmax and EPCOR?

MR. BOUTILIER: Mr. Speaker, the hon. member, of course, who was an elected city councillor at one point, is aware that under the Municipal Government Act we are in partnership with and work together with municipalities through that legislation. At the end of the day, the buck stops with the Minister of Municipal Affairs when it comes to Municipal Affairs dealing with municipalities, because this Alberta Legislature created them. That's where they were created. So ultimately we're continuing to work with these folks in good partnership, no more and no less.

MR. MASON: Well, Mr. Speaker, I was hoping that the minister would say that he had no such agenda, but he hasn't said that, so I'll ask him why he will not give assurances to the citizens of Edmonton and Calgary that there won't be any forced privatization of their power companies. If he wants to give them that assurance, why doesn't he just withdraw this draft regulation right today?

MR. BOUTILIER: Mr. Speaker, I can assure this House in terms of the agenda that, number one, it's open. In the actual release that was announced today by the New Democrats, they talk about the fact that this is quietly being done. I'm pleased that it's so quietly being done that we're talking about it today in this Alberta Legislature. I think that's important, but even more importantly we're going to continue to work with all of our stakeholders. We've done it in the past; we're doing it in the future. There is simply no hidden agenda here relative to the comments that are being made by the hon. member.

THE SPEAKER: The hon. Member for Whitecourt-Ste. Anne, followed by the hon. Member for Edmonton-Riverview.

Electricity Billing (continued)

MR. VANDERBURG: Thank you, Mr. Speaker. Today I rise and I'm a very frustrated MLA for Whitecourt-Ste. Anne who has many frustrated constituents that are equally concerned. My constituents of Whitecourt-Ste. Anne have some serious concerns with escalating power bills. My REA members, in getting their latest round of EPCOR power bills, are concerned that they cannot pay the invoice. My question is to the Minister of Energy. My constituents talk to me about their concerns, I advise them to talk to their utility companies, and it's not working. I need your help, sir. Who do they talk to? Who's their advocate on this issue?

1:50

MR. SMITH: Well, Mr. Speaker, I think it's very clear that there's a very strong advocate in Onoway, Whitecourt, Sangudo, and that advocate for constituents is the member, the MLA, the Conservative MLA for Whitecourt-Ste. Anne. There is frustration from various constituents throughout Alberta. There are different levels because different service areas have different issues. The area of Whitecourt-Ste. Anne as well as Rocky Mountain House, Vulcan: these areas are served by UtiliCorp.

Now, the member has asked: who should they contact? They should contact, one, the utility company. There's no question. Secondly, if they're in a rural electrification association, they should talk to them. Thirdly, they should talk to EPCOR as well. This is the utility that's selling them the power. Again, if the issues are not resolved, the individuals are encouraged to contact the Alberta Energy and Utilities Board, who, as I said on Tuesday, Mr. Speaker, regulate a portion of the bill.

To help the process along – and I will table these at the appropriate time – today I am sending two letters. One is to Don Lowry, president and chief executive officer of EPCOR. I will précis this, Mr. Speaker:

The situation has reached a point where additional communication effort is required. I suggest and urge you to mobilize your staff to hold a number of "open houses" throughout the communities where you are experiencing the most calls . . . I would appreciate [knowing the outcome of that].

Also, Mr. Speaker, I am tabling today a copy of the letter that will be sent to Mr. Lowry and to Mr. Green, the chairman of UtiliCorp, now known as Aquila. In that letter I will ask them to clean up the metering data problems and to then advise us of how they're going to do it, what they're going to do, and how they are going to compete fairly with quality customer service in a competitive marketplace.

THE SPEAKER: The hon. member.

MR. VANDERBURG: Thank you, Mr. Speaker, and thank you, Minister. You bring up some issues about responsibility on those invoices that my constituents are getting. Who is responsible for

different parts of that bill? What is the government responsible for, what is the EUB responsible for, and what is the utility company responsible for?

THE SPEAKER: The hon. minister.

MR. SMITH: Well, thank you, Mr. Speaker. The government is responsible for setting the policies, and if there are questions about the specific policy, the market structure, please contact the Department of Energy at 310-0000 and ask for the public information centre.

Secondly, Mr. Speaker, as discussed – and let me reiterate – the AEUB, Alberta Energy and Utilities Board, is the regulator for much of the province, although not Calgary and not Edmonton, and it enforces the policies, acting in the public interest. There is also a market surveillance administrator attached to the Power Pool. So if it's Edmonton or Calgary, let's talk to EPCOR and Enmax. In this member's particular riding it's EPCOR, it's UtiliCorp, the EUB, and the MLA.

MR. VANDERBURG: Thank you for that response, and I'll be glad to be the advocate. When I need your help, I don't need a form letter. I need some good, solid response. Mr. Minister, will you commit to me to give me that help that I need?

MR. SMITH: Just as much as the hon. member provides detailed, concrete information so that we can quickly get to the bottom of the problem and provide the issues that we're responsible for and continue to ask the utility companies, Mr. Speaker, to operate with a sense of customer service. These customers are terrifically important to these providers of electricity. If they fail them now, as more and more choice becomes available, they will lose these customers.

Access to Long-term Care in Calgary Health Region

DR. TAFT: Mr. Speaker, some RHAs behave as if they are becoming fiefdoms unto themselves. For example, the Calgary health region is now telling Albertans from outside Calgary that they can't get on the region's waiting list for long-term care because they are not Calgarians, but the Calgary region will make an exception if the applicants are prepared to pay \$3,000 per month. In that case Albertans from outside Calgary will be placed in long-term care in Calgary immediately. It seems like a rather selective bed shortage. My questions are to the Minister of Health and Wellness. If government policy allows RHAs to intensify residence requirements for services, how is the government going to avoid a patchwork system of health care in which some Albertans have markedly better access than others?

MR. MAR: Mr. Speaker, I think this is a good question. We must work towards ensuring that we have a seamless health care system anywhere in the province of Alberta, where we can say that the standards are satisfactory and that there is co-operation and collaboration among and between regions. Even in the Mazankowski report it indicates the importance of regions working together to ensure a smooth service to Albertans. It talks about: if there is duplication of services where a collaborative effort should be made, then we need to examine that and ask the reason why that is so and take steps to correct it. If we are not satisfied that either the standards or the outcomes of the decisions of a particular regional health authority are satisfactory, then we must examine that and ask ourselves why that is happening and take steps to correct it.

So, Mr. Speaker, it is all about collaboration and innovation among and between regions, because ultimately no one regional health authority can be all things to all people. There must be collaboration among and between those authorities, which is the reason why the hon. Member for Edmonton-Glenora is heading an MLA task force on collaboration among and between regional health authorities.

DR. TAFT: To the same minister: why do residents of Okotoks, Canmore, and Didsbury have to pay a \$3,000 a month charge that residents of Bragg Creek, Cochrane, and Airdrie do not need to pay?

MR. MAR: Mr. Speaker, I'll be happy to look into this particular question for the hon. member, but I can say that we do have a good health care system, that is occasionally excellent. That is not to say that it is perfect in all its operations, nor is it to say that we cannot improve on the collaboration among and between regional health authorities.

THE SPEAKER: The hon. member.

DR. TAFT: Thank you, Mr. Speaker. The minister has had the issue on his desk since March 11.

As the Minister of Health and Wellness for all Albertans, what is the minister's position on the policy of the Calgary health region to charge \$3,000 a month to some Albertans and not to others based on where a person lives?

MR. MAR: I think I've stated my position quite clearly in the first two answers in responding to the first two questions set out by the hon. member. There may be a reason for this, Mr. Speaker – I don't know – but I will entertain looking into it for him, and I'll be happy to reply in due course.

THE SPEAKER: The hon. Member for Red Deer-North, followed by the hon. Member for Edmonton-Mill Woods.

Age of Consent

MRS. JABLONSKI: Thank you. Mr. Speaker, according to the definition of the United Nations convention on the rights of the child, a child is any human being under the age of 18. The legal drinking age is 18. Children under the age of 18 cannot purchase cigarettes. Children must be 16 in order to have a driver's licence. Yet children at the age of 14 are legally permitted to consent to sexual activity. It is our duty as adults and parents to protect our children, for if we cannot protect our own children, then who can we protect? It is not necessary for me to list the numerous reasons why we should raise the age of consent. Constituents in Red Deer have called me to express their outrage. I recently received a phone call from a mother who could not help her 14-year-old daughter who was suffering from physical, psychological, and emotional damage due to early sexual activity. Ninety-five percent of single teenage mothers end up living in poverty for the rest of their lives. Our Alberta Youth Advisory Panel has expressed that teenage pregnancy and sexually transmitted diseases are their number one issues. My question is for the Minister of Justice and Attorney General. On April 10, 2002, you told the members of this Assembly about this demand for stricter regulations. Can the minister advise the House of any progress he has made in getting the federal government to raise the age of consent?

MR. HANCOCK: Well, Mr. Speaker, as the hon. member has

mentioned, we did make a ministerial statement in the House and included the reference to raising the age of consent. I've written to the federal minister requesting that that change be made. As all members know, this House passed a resolution some two years ago, a resolution brought forward by the Member for Calgary-North Hill, with respect to that particular issue. We have not had progress as yet, and for that reason I'm trying to arrange a face-to-face meeting with the federal minister in June of this year, and that will be the first item on the agenda.

2:00

THE SPEAKER: The hon. member.

MRS. JABLONSKI: Thank you, Mr. Speaker. Can the minister explain to all members of the Assembly why the government of Alberta has to push for this change to federal legislation?

MR. HANCOCK: Well, Mr. Speaker, it's important to change the federal legislation because it's essentially to the Criminal Code that this age of consent issue is going to have the most import. I believe we've done everything we can in this province with the Protection of Children Involved in Prostitution Act, for example, under the child welfare legislation treating child abusers – because that's what they are, child abusers – and protecting the children. But it's a criminal sanction that's necessary in order to make this law effective. We have had discussions over the years, the three years that I've been involved. We've pushed this at every federal/provincial/territorial ministers' meeting. We've had most provinces agree, but in a couple of situations provinces have disagreed, and the federal government has traditionally been reluctant to proceed with criminal legislation when all provinces don't agree. Therefore, we're also pursuing consultation with other provinces and trying to make sure that they understand the essential need for raising the age of consent to at least 16. My personal preference would be 18.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Castle Downs.

Teaching Conditions in Calgary Public Schools

DR. MASSEY: Thank you, Mr. Speaker. Coupled with underfunding, the fallout from Bill 12 is starting to hurt students. The conditions that led to a teachers' strike in Calgary are worsening. My questions are to the Minister of Learning. What action can the minister take so that class sizes in Calgary public, already two students above the provincial average, will not increase in September?

DR. OBERG: Well, Mr. Speaker, there are a couple of things. First of all, starting roughly around the first week of June, we will have the blue-ribbon panel up to look at all of these different issues. Over the last couple of days in Calgary what has occurred is that the Calgary public school district has brought out their draft budget, and I must emphasize the word "draft." Included in that budget is a 35 percent increase in expenses – 35 percent. I hope that expenses don't rise around this province by 35 percent, but they are looking at all different options. They are looking at which direction they can go. Quite simply, as an example, the Calgary school board spends \$5 million on lunchroom supervision programs. These are some of the things that they have to take a very serious look at when it comes to budgeting. I will also say that in the budget for '02-03 the amount of dollars to the Calgary public school board increased by \$25 million, despite the fact that their enrolment has held stable. In fact,

it has actually dropped a little and indeed has dropped consistently for around the last four or five years.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you. To the same minister: will the minister ensure that there are adequate resources so that Calgary public elementary and junior high school teachers will not lose all their preparation time come September?

DR. OBERG: Mr. Speaker, the Calgary public teachers presently are under a contract of 23 hours. What the Calgary school board has proposed is an increase of about 20 to 24 minutes a day, up to 25 hours a week. The average around the province is around 24 hours with the range being anywhere from 20 to 28 hours per week. So that would put them in the middle. Again I will certainly stress that this is a proposed budget. I think it is extremely difficult for Calgary public to bring forward a budget at this time when they don't know what their teacher costs are. The arbitration tribunal will be dealing with that and will theoretically be done – at least that's what they've told us – by June 21. So we will see what happens then.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you. Again to the same minister: can the minister assure parents in Calgary that no more librarian and counselor positions will be cut in September?

DR. OBERG: Mr. Speaker, I will give no such assurance because it is up to the school boards how they rationalize the usage of their funds. They have received, as I've stated in the prior answer, an extra \$25 million this year for a population of students that is declining. It's up to the duly elected school boards to take a look at what is the best way that they can utilize those resources. Quite frankly, I believe in the Calgary public school board, and I believe that they can do it.

THE SPEAKER: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Edmonton-Centre.

Municipal Funding

MR. LUKASZUK: Thank you, Mr. Speaker. There have been a number of reports, including a front-page story in yesterday's local newspaper, regarding funding strains on municipalities in Alberta. I also hear similar sentiments reflected to me by local city councillors. To the Minister of Municipal Affairs: do municipalities in Alberta require additional funding sources in order to meet the strains placed upon them?

THE SPEAKER: The hon. minister.

MR. BOUTILIER: Well, thank you, Mr. Speaker. Of course, I think we all know that at the end of the day, be it federal, provincial, or municipal, there is only one taxpayer. What I am encouraged by are some of the comments that I've read by His Worship the mayor of Edmonton where he said that he is encouraged by a roles, responsibilities, and resources committee, the first of its kind, because we're looking not just for band-aid solutions but long-term solutions. I might also add that I'm encouraged by the vice-president of the Federation of Canadian Municipalities, where in fact Alderman John Schmal from Calgary indicates that our Premier, through a process that we've developed, is opening the door to further discussion in

terms of the respect and the maturity that we're seeing now within municipalities that have grown. Certainly they are important partners to us.

THE SPEAKER: The hon. member.

MR. LUKASZUK: Thank you, Mr. Speaker. My second and last question is for the same minister. Do the committee and the discussions in which you engaged include perhaps allowing municipalities additional sources of taxation?

MR. BOUTILIER: Mr. Speaker, everything is on the table. As was indicated yesterday, in fact, Ernie Patterson, the AUMA vice-president, made a comment that at the end of the day municipalities are mature, and he's pleased with the fact that we know, as the Premier quoted yesterday, and we believe that municipalities will act in the best interests of taxpayers, no different than the province does. So the bottom line is the maturity they're showing, and the partnership we're having is a good thing.

I just would like to end by saying that the hon. Member for Edmonton-Rutherford, the co-chair of the roles and responsibilities committee, the hon. Member for Whitecourt-St. Anne, as well as the hon. Member for Calgary-Mountain View participate on this committee with the two mayors as well as the president of the rural association of Alberta, Jack Hayden, and the president of the AUMA, His Worship George Rogers from Leduc.

THE SPEAKER: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Strathcona.

Regional Health Authority Deficits

MS BLAKEMAN: Thank you, Mr. Speaker. On April 17 the Minister of Health and Wellness was asked, "Will RHAs be allowed to run deficits for the 2002-03 fiscal year?" to which the minister responded, "the letter that I sent out to regional health authorities . . . clearly indicates that they are not to be planning for long-term deficits." Now, however, two RHA boards, which include a member of the Premier's advisory council and a former Tory minister, have openly challenged the minister's directive. My questions are to the Minister of Health and Wellness. In light of this information, will RHA boards be allowed to run deficits for the 2002-2003 fiscal year?

MR. MAR: Mr. Speaker, I'm pleased that the hon. member was able to quote me correctly when I said that the letter that was sent by me to the regional health authorities indicated clearly that there would not be long-term deficits for regional health authorities. That leaves open the possibility that if a regional health authority has some difficulty in the current fiscal year and they can demonstrate that they have a legitimate plan and a detailed plan for how they will deal with that short-term deficit and make sure that it is paid through in the medium term, perhaps in the second or third year, then those business plans may be acceptable. But let's make it very, very clear that this should be an exceptional circumstance.

The regional health authorities have received a significant increase as a whole in this province. The Department of Health and Wellness in the current budget year received a 7 percent increase, larger than any other department of government. What accrues to regional health authorities is an additional almost quarter of a billion dollars, that has been allocated to RHAs throughout the province. We expect them by and large to be able to run their operations on last year's budget plus the increase that they'll be receiving this year.

So, Mr. Speaker, our expectation is that regional health authorities

will for the most part be putting forward balanced budgets, but there can be exceptions for short-term deficits if they have a detailed plan for how they will deal with those deficits in the future.

2:10

THE SPEAKER: The hon. member

MS BLAKEMAN: Thank you, Mr. Speaker. Well, it may be 7 percent overall, but it's less than that for rural RHAs. So given that rural RHAs received an increase of only 4.4 percent, how does the minister expect them to deal with increased labour costs, upcoming labour negotiations, higher electricity prices, and higher health care premiums for their own employees on 4.4 percent?

MR. MAR: Mr. Speaker, every regional health authority, whether it be urban or rural, will have to examine its operations and determine if this is the best way to deliver services. I can say that there have been some good examples of collaboration among and between regional health authorities. However, there is still far too much duplication of services, insufficient attention paid to the opportunities to save money by working together, for regional health authorities to collaborate, to contract with one another. So every regional health authority will have the same challenges in terms of determining what services it will provide to the constituency people that they serve and figuring out the best way to deliver those services.

THE SPEAKER: The hon. member.

MS BLAKEMAN: Thank you, Mr. Speaker. If the minister is willing to allow short-term deficits for I think I heard him say three years running, at what point do these deficits become long-term debt? Year four? Year five? How many years are you going to let them run this deficit?

MR. MAR: I did not indicate that a deficit three years in a row would be satisfactory, Mr. Speaker. I think I made it very clear that if there's a short-term deficit – that is, in the current fiscal year – there must be a way of being able to cover that deficit in the subsequent second and third years. Of course, as the Provincial Treasurer is quick to remind me, all of these things must be approved through our Treasury Board process as well. So there is fiscal responsibility that is incumbent upon the Department of Health and Wellness, this government, but also each and every regional health authority.

THE SPEAKER: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-Buffalo.

Legislation Dealing with Same-sex Relationships

DR. PANNU: Thank you, Mr. Speaker. Three years ago this month the Supreme Court handed down a landmark ruling. In that judgment Canada's highest court ruled that discrimination against same-sex couples could not be justified and is in fact unconstitutional. Since then the federal government and eight other provinces have amended their laws to end discrimination, but not Alberta. To the Minister of Justice and Attorney General: why is it taking the Alberta government so much longer to end discrimination against persons in same-sex relationships than it took the federal government and the other provinces who have already addressed the problem?

THE SPEAKER: The hon. minister.

MR. HANCOCK: Well, thank you, Mr. Speaker. I think the answer

to that has been given in this House before. We have taken the opportunity to review all our statutes with respect to adult personal relationships to determine what could be done or should be done with respect to the area. We're not content simply to take the narrowness of the ruling with respect to a particular incident and a particular statute but rather would prefer to look thoroughly at all our statutes and come up with an appropriate answer and response and appropriate legislation dealing with all of our legislation, which is satisfactory to all Albertans.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. To the same minister: why is the minister planning to leave intact the discriminatory provisions of dozens of statutes dealing with pensions, insurance, employment benefits, and family law and only planning to amend laws that the courts have ordered him to do by a certain deadline?

MR. HANCOCK: Well, the question is very presumptuous, Mr. Speaker, because the hon. member has no idea as yet exactly what statutes will be proposed for amendment. Going on notice today will be the Adult Interdependent Relationships Act and the Intestate Succession Amendment Act for the purview of the House next week. In those acts we will be dealing with amendments to certain acts but not necessarily all of them.

We will continue to look at all the acts of this province, and have, to see how this act will be applied to all the other acts of the province. It would be more appropriate for me to deal with those issues when those acts are in fact introduced into the House.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. My next question is to the Minister of Finance. Why did the Minister of Finance early in January amend only the management employees' pension plan to end discrimination against same-sex couples while failing to eliminate the discriminatory provisions in other public-sector pension plans?

MR. HANCOCK: Perhaps, Mr. Speaker, although the question was addressed to the Minister of Finance, I could answer that for the hon. member. We took steps in January to deal with pension regulations because pension regulations have to be dealt with in the context of federal definitions and federal regulation and law. So it was very clear with respect to what amendments needed to be made to the pension regulations. The remainder of regulations and laws that did not need to be amended at that time were held until we could complete the thorough review and the recommendation to this House as to what the definition of an adult interpersonal relationship should be and would be and apply that consistency to all Alberta laws.

THE SPEAKER: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Lethbridge-East.

Gasoline Pricing

MR. CENAIKO: Thank you, Mr. Speaker. My question is to the hon. Minister of Energy. In the United States a Senate subcommittee completed a 10-month review of U.S. gasoline prices and found that a frenzy of oil company mergers has led to rising U.S. gasoline costs. It also found that major oil companies took actions to keep supplies tight and inventories low in order to increase prices and maximize profits. Could something like this happen in Canada?

THE SPEAKER: The hon. minister.

MR. SMITH: Thank you, Mr. Speaker. The answer is that we do not believe that something like this can happen in Canada for a number of reasons. One, the market is much more centred around small refiners. There's good regulation around the marketplace. Also, there is a Canadian General Standards Board, that sets standards for how gasoline should be mixed throughout Canada and also for each individual province. It varies with altitude or closeness to sea level or specific areas. We also think that there are some economies of scale and also some distribution networks in Canada to help lower costs and therefore price. Certainly if we were to compare Canadian gasoline prices with other jurisdictions across the world, we'd find that we're amongst the lowest, if not the lowest.

THE SPEAKER: The hon. member.

MR. CENAIKO: Thank you, Mr. Speaker. My second question is to the same minister. What mechanisms are in place, and do you work with the federal government in ensuring that this price-fixing doesn't happen here?

MR. SMITH: Well, we're always pleased to work with the federal government, and the federal Competition Bureau is the access point that seeks to prevent business practices that restrain competition. If a consumer has a concern, Mr. Speaker, the Competition Bureau is case driven, and that consumer just has to contact the Competition Bureau and put their case forward. The bureau then decides if there are grounds for investigation.

As a matter of fact, Mr. Speaker, in March of 1997 there was a Canada-wide investigation of the gasoline prices, and there was no evidence to support any allegations of price-fixing. There have been no recent investigations specifically for the province of Alberta. Prices I saw on TV this morning varied from 63 cents in Calgary to 69 cents in Calgary. All members or interested citizens have to do is go on the web and check calgarygasprices.com or edmontongasprices.com, and they'll see the range of gas prices across this province.

THE SPEAKER: The hon. Member for Lethbridge-East, followed by the hon. Member for Edmonton-Beverly-Clareview.

2:20

Chronic Wasting Disease

DR. NICOL: Thank you, Mr. Speaker. Alberta Agriculture's chronic wasting disease program includes the possibility of the provincial government covering the costs for the mandatory testing of all slaughtered or disposed-of animals. My questions are to the Minister of Agriculture, Food and Rural Development. Is this cost-shared testing program similar to the disease testing cases for other animals in Alberta?

MRS. McCLELLAN: Mr. Speaker, as I understand it, the hon. member was asking about a mandatory testing program for chronic wasting disease. We don't have a mandatory program in place at this point. We have a voluntary program, which has had great success, between 70 and 80 percent participation in it. But I would tell the hon. member that we've been meeting with the industry and had another meeting as late as this morning, and we believe that we have an agreement for a mandatory program. I want to review the details of that program with my staff, then have that back to the industry probably tomorrow or Monday, and then with their agreement be prepared to release the details of that program. I can't say at this point whether that would be part of it.

We have a budget in our department for food safety. The hon. member would know, being the critic for that department, that we increased that budget last year and increased it again by another half a million dollars this year. That of course is for the overall industry, but certainly this would fall into that area.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. The federal government assists in the compensation for animals eliminated. Have you approached them for cost sharing in this prevention program to help us protect our livestock industry?

MRS. McCLELLAN: The federal government participates with the governments of provinces in a variety of ways, as agriculture is a 50-50 shared jurisdiction under the Constitution. Certainly a lot of those areas are in safety nets, but areas that we also look at are areas of food safety.

We're in the process of developing an agricultural policy framework, which is being developed by the 10 provinces, the territories, and the federal government. In fact, I will be attending meetings next week with my colleagues from across Canada to work on details of that, as we hope to have a final agricultural policy framework by the end of June, middle of July. Some of the answers on those areas of responsibility, as food safety is high on the agenda of the AG policy framework, could be answered then.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Why is it that the public picks up these costs, not the industry, in terms of this monitoring and testing program?

MRS. McCLELLAN: I would not say, Mr. Speaker, that the public picks up the costs of these tests. I think that as a government and as governments we have a responsibility to the citizens of this country and certainly we to the citizens of this province to ensure, as much as is in our power, that the food products that they consume are indeed safe. I think the public expects that of us. We do it through co-operation with the department of health through inspection services that are carried out there. We do it through the Canadian Food Inspection Agency. We do it with Health Canada. There is a question with the mandatory testing as to who will pay. It has not been determined whether there will be a cost. What I can tell the hon. member is that it's estimated that the cost could be about \$125 an animal. I would think that the industry might consider that worth participating in, considering the value of the animals and their industry, but those details will be better known next week.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Dunvegan.

Clover Bar Generating Station

MR. YANKOWSKY: Thank you, Mr. Speaker. The 32-year-old Clover Bar generating station located on the banks of the North Saskatchewan River in northeast Edmonton stands idle, a victim of deregulation. This 660-megawatt gas-fired plant, now termed as a white elephant, was bypassed by the power auction because it uses old technology. So there it sits, a perfectly good, environmentally friendly gas-fired plant that power purchasers pass by. My questions are all to the Minister of Energy. I understand that the Balancing Pool intends to sell off the rights to market the power represented by

the Power Pool arrangements it currently holds. Can the minister explain to us what is happening with this power?

THE SPEAKER: The hon. minister.

MR. SMITH: Thank you, Mr. Speaker, and in fact I can. The Clover Bar plant is held by the Balancing Pool. This 660-megawatt plant was built in the '60s. It's very simply a function of the price of gas and the utilization of this plant. Clover Bar takes 10,000 BTUs of gas to make one kilowatt-hour. That was the '60s technology. Fast-forward to the '90s and the explosion of what Alberta is very good at, gas-fired cogeneration, and you'll find that the new plants will generate a kilowatt-hour of electricity for 6,500 to 7,000 BTUs of gas. Now, 35 percent of our supply of electricity is gas, and in fact when you look at this plant, 50 to 60 percent of the price of this plant is the price of gas. So a more efficient competition under deregulation and also a long life cycle of the plant is contributing to this.

Mr. Speaker, the other side of the issue is that with regulation they amortize the price of a plant over a long period of time, 35 to 40 years, whereas in the deregulated side this is about 15 years. So what happens today is that we still have the debt associated with Clover Bar over that period of 25 to 40 years coupled with the fact that 50 percent of its operation is its price of gas, and you will find that unless electricity power prices move up, it's simply out of the money and uneconomic for people to purchase the lowest possible power price in Alberta.

THE SPEAKER: The hon. member.

MR. YANKOWSKY: Thank you, Mr. Speaker. Can't the hon. minister tell us why these contracts did not sell in either of the two previous power auctions?

MR. SMITH: Mr. Speaker, I can tell you that the marketplace determined that the power purchase agreement associated with the generating facilities was not what they wanted, so the piece that was offered, some 2,300 megawatts, was not being accepted in the first auction and is now being held over for auction two. The Balancing Pool has put together an auction that does not give anybody specific market power and also is a way of getting smaller tranches of these megawatts into the marketplace. We hope to see positive results, although certainly not guaranteed, from the next MAP auction.

THE SPEAKER: The hon. Member for Dunvegan.

Chronic Wasting Disease (continued)

MR. GOUDREAU: Thank you, Mr. Speaker. My concerns are further to the questions raised by the hon. Leader of the Opposition but in a slightly different context. It was at the end of March when we first heard that there was one case of chronic wasting disease confirmed in a farm elk in Alberta. It's now May, and we haven't had any news on the traced-out animal herds that were quarantined. I would like to address my questions to the Minister of Agriculture, Food and Rural Development. Why has it taken so long to find out if any other farm cervids have the disease in this province?

MRS. McCLELLAN: Mr. Speaker, first, it's important to identify a couple of areas at the outset. One, what is really important is that we have a strong detection methodology in this province. When this disease unfortunately was detected, because of that monitoring surveillance tracing system we, being the Canadian Food Inspection

Agency, were able to, one, quarantine the farm and, two, trace every animal that had moved off of that farm. Indeed, that is what has led to the subsequent testing of 12 animals.

Mr. Speaker, I also want to again make it very clear that it is the responsibility of the Canadian Food Inspection Agency for the testing of these traced-out animals. They are the ones who have collected the samples, and they are the ones who will give us the results. It is my understanding that beyond just brain tissue testing they are taking other samples of tissue and testing that as well. Subsequently, because they've gone beyond the routine surveillance testing, this could take a bit longer. We are hopeful that those results will be with us very soon, because of course the 12 farms where the 12 animals are located are under quarantine as well.

2:30

THE SPEAKER: The hon. member.

MR. GOUDREAU: Thank you, Mr. Speaker. My second question is to the same minister. How can Albertans be confident that the elk and deer they consume in restaurants and the meat supplied by the cervid industry is safe? Can the minister advise us what processes and what procedures are in place from gate to plate to ensure this?

MRS. McCLELLAN: Mr. Speaker, I could do that and think it's important. Alberta does have a very strong veterinary infrastructure in place to ensure the health of our livestock populations. That's number one. Number two, when cervids are to be harvested, the meat is inspected at a facility that's licensed by Alberta Agriculture or designated as a federally registered facility. The provincial facilities must also have a food premises permit from the local regional health authority, hence the involvement of Alberta Health that I indicated when the hon. Leader of the Opposition asked the question.

The other thing is that once the carcass has been broken down, it is put in a cooler before packaging and before it's marketed. This meat is stored while the tissue is being tested. Once the test is clear, the meat is then released. I think that indeed, Mr. Speaker, people that understand the method, the rigour of the testing that we go through can feel very, very comfortable in eating that meat in a restaurant or in their homes.

MR. GOUDREAU: Mr. Speaker, the minister of agriculture was quoted in news stories today about the province being close to implementing mandatory testing of farm cervids. Can the minister advise us how the meetings are going with the cervid industry in this province?

MRS. McCLELLAN: Mr. Speaker, I won't take too long with this because I did give some detail on that in an earlier answer. However, it is my understanding – and I'm pleased to hear this – that both parties, that being Alberta Agriculture and the industry themselves, have agreed in principle on mandatory testing. The bottom line, as I understand it, is that we'll have sort of a two-element mandatory surveillance system. This is certainly what we want to talk about with the industry. One would be a practical program that the industry can live with and, two, a higher level program that meets the requirement of CFIA for export purposes to other provinces and countries. That is one of the reasons that it's a bit complex in doing the mandatory program, because we do have to meet export standards if we want to move the meat into other provinces.

I should just say, Mr. Speaker, that last year we completed 2,158 tests. That included farmed and wild mule deer, white-tail deer, and

elk, and they did all test negative. So we've done a rigorous testing, working with Sustainable Resource Development, Alberta Agriculture, and the industry, to ensure that we keep all of our population of these animals as disease free as possible.

There are other jurisdictions – Saskatchewan, Colorado, and South Dakota, to name a few – that have a mandatory program, so we have been able to look at their experience and use that in developing ours. As I indicated earlier, Mr. Speaker, this is important to a large number of producers in this province and I think to the citizens as well, and it's our intention to have this in place as quickly as possible, hopefully next week.

THE SPEAKER: Hon. members, thank you very much for your co-operation today. This is the first time this session that we've been able to work in all of the members who wanted to raise a question today. So that was approximately 40 questions and answers in the time frame allocated.

Hon. Member for Little Bow, you wanted to do an introduction, as did the hon Member for Olds-Didsbury-Three Hills. I do believe that the groups departed in the last few minutes, but if you wanted to read the introductions in, please proceed.

head: **Introduction of Guests**

(*reversion*)

MR. McFARLAND: Thank you, Mr. Speaker. I appreciate your co-operation.

Today we had the pleasure of having 31 students, three teachers, and five parent helpers come up Vauxhall elementary school, Mr. Speaker, for an annual pilgrimage to see the Legislature, take in the historic sites, and do a little bit of learning while they're at it today and tomorrow. As a former educator yourself I know you'll join me in wishing them a very happy and fruitful learning experience up here.

Thank you for letting me introduce them.

head: **Members' Statements**

THE SPEAKER: The hon. Member for St. Albert.

Positron Emission Tomography Program

MRS. O'NEILL: Thank you, Mr. Speaker. Today I'd like to rise to acknowledge the incredible work and the exciting research done by Dr. Sandy McEwan and his team of researchers based out of the Cross Cancer clinic. They work with a positron emission tomography program, and I'd like to explain what it is, because I think that everyone here in this Assembly would agree with me that it is an exciting project.

PET is an imaging technology that produces powerful images of the body's biological functions and shows abnormalities that cannot be detected by a CT or an MRI. Compounds like simple sugars are labeled with radioactive, signal-emitting tracers and are injected into the patient, and one hour after injection a series of scans are obtained which show the distribution of the tracer in the body. As well as showing the presence of cancer, PET images can probe the biological characteristics of cancer to help improve treatment.

My purpose in acknowledging the fine work done by Dr. McEwan and his team of researchers is to say that this leading-edge research and delivery of health care diagnoses is being done right here in the capital city of Alberta, in Edmonton, at the Cross Cancer clinic. I would like to commend Dr. McEwan and his team for the fine work and the exciting work that they are doing.

THE SPEAKER: The hon. Member for West Yellowhead.

Edson Royal Canadian Legion Joe Wynne Branch 51

MR. STRANG: Thank you very much, Mr. Speaker. It's my pleasure today to rise to recognize the Edson Royal Canadian Legion Joe Wynne Branch 51 as it celebrates its 75th anniversary.

The Canadian Legion came into being in June of 1926. The Edson Legion followed within the year and received its charter on May 18, 1927. In 1929 the Edson and district veterans held their first meeting in the Canadian Legion memorial hall. From day one community involvement has been very important. The memorial hall was used for community events from talent contests to Christmas concerts to weddings.

Our Legion was very busy during the time of World War II. Many men and women from this community volunteered for service. The Legion was a place of connection, comfort, security, and celebration. The original hall burnt down in 1952. A new home was raised from the ashes by dedicated volunteers.

As the community grew, so did the membership in the Legion. In 1961 the Canadian Legion became the Royal Canadian Legion. Our local branch erected a cenotaph with the eternal flame. This stands in memory of the Edson and area residents who did not return home from the two World Wars and many conflicts which have taken place and continue to take place around the world. In 1989 a new facility was opened and officially named the Royal Canadian Legion Joe Wynne Branch 51. Their current membership stands at over 12,000 members.

I would ask that all members join me in recognizing the members of the Royal Canadian Legion Joe Wynne Branch 51 on the occasion of the 75th anniversary. Thank you very much.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

Charter of Rights and Freedoms

MR. MacDONALD: Thank you, Mr. Speaker. The words of the Minister of Environment in this Assembly on Monday, April 29, regarding the Charter of Rights and Freedoms is an attempt to reduce public confidence in our judicial system and ultimately in our democracy, founded on the rule of law. Over three-quarters of Canadians support the Charter, and to call it a shameful document is not reasonable, nor is it fair minded.

Public confidence in and respect for the Charter is essential. Unfair and uninformed statements do little to sustain and enhance this public confidence. When there are attempts made to undermine the Charter, all members of this Assembly should take note. I would remind the hon. Minister of Environment of the words of the former Alberta Justice Minister Jon Havelock, who said in 1997, quote: should we really be surprised that the courts have utilized and interpreted the Charter when rendering judgments when in fact that was the anticipated result during the Charter debate? What the politicians have done through passage of the Charter is bring the courts into the mainstream of political decision-making. End of quote.

2:40

As unfair and uninformed as the minister's comments were regarding the Charter, this does not mean citizens cannot criticize. Supreme Court Justice La Forest, in delivering a 1996 decision between the Canadian Broadcasting Corporation and the New Brunswick Attorney General, said:

The freedom of individuals to discuss information about the institutions of government, their policies and practices, is crucial to any notion of democratic rule. The liberty to criticize and express dissenting views has long been thought to be a safeguard against state tyranny and corruption.

Democracy is always in a delicate balance. Last Monday night it tilted too far to the right.

In conclusion, Mr. Speaker, I would like to remind all hon. members of the fundamental freedoms of our Canadian Charter of Rights and Freedoms. Thank you.

THE SPEAKER: The hon. Member for Edmonton-Strathcona.

Legislation Dealing with Same-sex Relationships

DR. PANNU: Thank you, Mr. Speaker. Three years ago, on May 20, 1999, the Supreme Court handed down a landmark ruling in the case of M versus H. In that unanimous judgment Canada's highest court ruled that there is no justification for discrimination in family law against persons involved in same-sex relationships. The Supreme Court was clear. Laws that do not provide for equal rights and responsibilities for same-sex couples are unconstitutional, and they must be changed. Similar court judgments have also instructed governments to end discrimination in areas like employment benefits, pensions, and insurance.

Since M versus H the federal government and governments of every other province except P.E.I. have amended their laws to end discrimination against same-sex couples, but not Alberta. In January this year the Alberta government, facing a court challenge, quietly amended the management employees' pension plan to end discrimination but maintained discrimination in other public-sector pension plans. The government also faces an early June deadline to amend the Intestate Succession Act after twice asking the court for extensions.

This foot-dragging from the province is not only a losing legal strategy; it is also a losing political strategy. The continued discrimination in Alberta laws hurts tens of thousands of our fellow citizens. It hurts Albertans who are employed by this very Legislative Assembly, employees whose partners, for instance, are denied access to needed dental and prescription drug coverage.

These Albertans should not be forced to endure another summer of discrimination. I urge the government to make the necessary legislative amendments to all of our discriminatory laws during this sitting. I pledge the full co-operation of this New Democratic opposition to ensure speedy passage.

Thank you, Mr. Speaker.

head: Presenting Reports by Standing and Special Committees

THE SPEAKER: The hon. Member for Bonnyville-Cold Lake.

MR. DUCHARME: Thank you, Mr. Speaker. As deputy chair of the Select Special Auditor General and Information and Privacy Commissioner Search Committee I would like to table part 2 of the committee's report, recommending the appointment of Mr. Franklin J. Work as the Information and Privacy Commissioner for the province of Alberta.

head: Presenting Petitions

THE SPEAKER: The hon. Member for Edmonton-Highlands.

MR. MASON: Thank you, Mr. Speaker. I'm presenting a petition signed by 36 Albertans petitioning the Legislative Assembly "to urge the government to not delist services, raise health care premiums, introduce user fees or further privatize health care."

head: Notices of Motions

THE SPEAKER: The hon. Minister of Community Development and Deputy Government House Leader.

MR. ZWOZDESKY: Thank you. Mr. Speaker, I rise pursuant to Standing Order 34(2)(a) to give notice that on Monday I will move that written questions appearing on the Order Paper do stand and retain their places.

I'm also giving notice that on Monday I will move that motions for returns appearing on that day's Order Paper do stand and retain their places as well with the exception of Motion for a Return 9.

Thank you.

head: Tabling Returns and Reports

THE SPEAKER: The hon. Member for Dunvegan.

MR. GOUDREAU: Thank you, Mr. Speaker. I have one tabling today, and it's signatures on a note from 4,225 individuals who are concerned about the future of the Grimshaw/Berwyn hospital.

THE SPEAKER: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much, Mr. Speaker. I have one tabling today, and that is a facsimile note directed to the Minister of Learning from Dr. D. C. Bereznicki with an attachment of their daughter's report card, asking if the minister really believes that they would be able to provide the same level of courses with less money and which courses would they propose the daughter drop in order to conform.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Riverview.

DR. TAFT: Yes. Mr. Speaker, today I have two tablings. The first is a letter tabled with permission addressed to the Hon. Ralph Klein from Tim Belec of Westeros, Alberta, expressing his serious concern over subsidies to the horse racing industry and reminding the government of the damage it did to the day care industry by eliminating the subsidy there.

The second tabling is a letter CCed to me, addressed to the hon. Minister of Health and Wellness expressing concern over barriers to obtaining health care in Calgary for out-of-region residents.

THE SPEAKER: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much. I have two tablings, Mr. Speaker. The first is a petition signed by Albertans from Edmonton and from Lethbridge requesting that the War Amputations of Canada have access to the Alberta motor vehicle operators list for the purpose of the key tag identification program.

The second tabling I'd like to make, Mr. Speaker, is the appropriate number of copies of an article from the *Globe and Mail* of Wednesday, May 1, written by Gary Kenny, and the title is "Canada's silence on Sudan is a vote for oppression."

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Mr. Speaker. I have one tabling this afternoon, and it's the appropriate number of copies of a petition to the hon. Premier of Alberta. It is from Clifford

Chadderton, and this is regarding the access to the Alberta motor vehicle operators list by the War Amps of Canada. They do many wonderful things, but it includes the Drivesafe program, the Playsafe program, and the mature drivers program. This petition is organized by Mr. Lloyd Brown of 86th Avenue in the constituency of Edmonton-Gold Bar.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Mr. Speaker. I rise to table copies of a letter from Fair Vote Canada, Calgary chapter, addressed to the hon. Minister of Justice and Attorney General of this province and Government House Leader. Fair Vote Canada urges the minister and the government to support Bill 209, Electoral Fairness Commission Act, a bill that stands on the Order Paper in my name.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Highlands.

MR. MASON: Thank you very much, Mr. Speaker. I'm tabling a document proposing amendments to the provincial regulations giving the Minister of Municipal Affairs the power to force municipalities to divest municipally owned corporations such as EPCOR and Enmax.

THE SPEAKER: The hon. Minister of Energy.

MR. SMITH: Thank you, Mr. Speaker. Today I wish to table the appropriate number of copies of two letters which have been sent by me to the president of EPCOR and also the president of Aquila, formerly known as Utilicorp Networks, asking them to clean up the metering data backlog issue.

2:50

head: Projected Government Business

THE SPEAKER: The Acting Official Opposition House Leader.

MS BLAKEMAN: Thank you very much, Mr. Speaker. Citing Standing Order 7(5), could I ask the government to share their projected government business for next week, please?

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. On Monday, May 6, under Government Bills and Orders at 9 p.m. we have Government Motion 24, second reading of Bill 26, Committee of the Whole on bills 21 and 24, and as per the Order Paper.

On Tuesday, May 7, in the afternoon under Government Bills and Orders, Introduction of Bills, Bill 28, the Miscellaneous Statutes Amendment Act; Committee of Supply, main estimates for Municipal Affairs; and with the consent of the House thereafter perhaps reversion to Introduction of Bills to introduce Bill 27, the Appropriation Act. Tuesday evening at 8 under Government Bills and Orders, Government Motion 25 with respect to the appointment of the FOIP Commissioner; second reading of Bill 26, the Workers' Compensation Amendment Act; and Committee of the Whole on bills 23, 22, 24, and as per the Order Paper.

Wednesday, May 8, under Government Bills and Orders in the afternoon, second reading of bills 27 and 28 and third reading of bills 2, 4, 5, and 6, and as per the Order Paper. At 8 p.m. under Government Bills and Orders, Committee of the Whole on bills 26, 24, and as per the Order Paper.

Thursday, May 9, in the afternoon under Government Bills and Orders, Committee of the Whole on bills 27 and 28 and third reading of bills 28, 7, 10, 11, 13, and as per the Order Paper under whatever readings might be still available.

head: **Orders of the Day**

head: **Government Bills and Orders**

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thanks, Mr. Speaker. If I might move the usual motion for unanimous consent.

THE SPEAKER: That motion basically calls for providing for more than two hours of Committee of Supply consideration this afternoon.

[Unanimous consent granted]

head: **Committee of Supply**

[Mr. Shariff in the chair]

THE DEPUTY CHAIR: We shall call the committee to order.

head: **Main Estimates 2002-03**

Gaming

THE DEPUTY CHAIR: As per our Standing Orders the first hour is allocated between the hon. minister and members of the opposition, following which all other hon. members may participate.

The hon. Minister of Gaming.

MR. STEVENS: Thank you very much, Mr. Chairman. It's a pleasure to stand this afternoon and make a few comments in review of the estimates of the Ministry of Gaming and the Alberta lottery fund.

Any time I talk about the Ministry of Gaming, I like to start with the employees of that ministry and the AGLC because they are very committed. They have an incredible depth of experience; many have 10, 15, 20, 25, and even 30 years' worth of experience within the areas in which they practise. We're pleased to have a number of those people with us this afternoon. We have Norm Peterson, who is one of the better values in government as Norm holds positions of Deputy Minister of Gaming and chairman and CEO of the Alberta Gaming and Liquor Commission. Ann Hammond is here with us, the Assistant Deputy Minister of Gaming. Marilyn Carlyle-Helms, also with Gaming, is the director of communications. Ron Crosby, who is with the AGLC, is the executive director of finance and administration. Our newest addition to the executive team at the AGLC is John LaFlamme. John is the executive director of regulatory and in his just recent previous life was the chief of police in the city of Lethbridge. Jeff Wyton, also with the AGLC, is the acting executive director of gaming products and services. Kari-ann Kuperis is also with Gaming and is the public affairs officer. Then last but not least is my executive assistant, Jeremy Chorney.

Mr. Chairman, before beginning my overview, I'd like to take a moment to provide hon. members with some context. First, the Ministry of Gaming is made up of the Department of Gaming, the Alberta Gaming and Liquor Commission, and the Alberta Gaming Research Council. For those of you not familiar with it, the Alberta Gaming Research Council is a broad-based advisory group that assists in directing gaming research activities undertaken through the Alberta Gaming Research Institute. I also have responsibility for the Racing Corporation Act.

Second, Gaming's estimates are presented on pages 205 to 210 of the 2002-2003 Government and Lottery Fund Estimates with supplementary information provided on pages 214 to 223. The 2002 to 2005 business plan is presented on pages 173 to 185 of the business plan volume of Budget 2002.

Third, the Alberta lottery fund estimates are presented on pages 212 to 213. The Alberta lottery fund is administered by the Alberta Gaming and Liquor Commission pursuant to the Gaming and Liquor Act and therefore is quite properly included within the Ministry of Gaming budget material. However, all of the Alberta lottery fund revenues are allocated to ministries through the lottery fund appropriation. Therefore, other than those funds allocated to the Department of Gaming, my colleagues are responsible for the actual disbursement of lottery dollars provided to their ministry.

In the estimates Gaming is requesting funding of approximately \$216 million for 2002-2003. Almost 55 percent of the requested funding, or some \$117.7 million, is operational funding for the Alberta Gaming and Liquor Commission. The AGLC licenses, regulates, and monitors all gaming and liquor activities in the province. The AGLC also manages and operates all electronic gaming activities in the province. The operational funding requested will allow the AGLC to generate over \$1.7 billion in liquor and gaming revenue in 2002-2003 for the province and will help to ensure that the liquor and gaming industries in Alberta are conducted transparently and with the highest degree of integrity. In addition, thousands of nonprofit and charitable groups are provided with fund-raising opportunities, and the gaming and liquor industries in Alberta support employment and business opportunities throughout the province.

Another 44 percent of the requested funding, or just over \$95 million, is for lottery-funded programs and initiatives administered by the Department of Gaming. Of this funding about 98.4 percent, or \$93.6 million, flows from the lottery fund through Department of Gaming programs to various charitable, nonprofit, public, and community-based initiatives including the community facility enhancement program. The remaining 1.6 percent, \$1.5 million, pays for the administration associated with these programs.

The final 1 percent of the funding requested, or just over \$3 million, is split between funding for gaming research, \$1.6 million, through the Alberta Gaming Research Institute and the Gaming Research Council and support services for the department, \$1.5 million, including the minister's and deputy minister's offices, communications, policy and planning, and other support services acquired from shared-service arrangements.

Overall, Gaming's estimated gross expenses are about \$12 million higher than the 2001-2002 forecast and almost the same as Gaming's 2001-2002 budget.

The Department of Gaming remains at 32 full-time equivalents, or FTEs, making it the smallest department in terms of employees.

3:00

Next I'd like to highlight a few items from the Alberta lottery fund estimates. This approach is a little different from previous years since we're also debating the lottery fund estimates. I'll speak briefly to them and rely on the assistance of my colleagues to respond to questions relating to specific use of lottery funds within their ministries.

As hon. members well know, the manner in which lottery revenues are distributed is a direct result of a recommendation from the Lotteries and Gaming Summit '98, in which Albertans let us know that they wanted clear, transparent information on how lottery dollars are spent. This year's Alberta lottery fund estimates quite clearly indicate that we have listened carefully to the priorities of

Albertans and have directed lottery revenues towards those priorities. The Alberta lottery fund provides funding for thousands of charitable, nonprofit public and community-based initiatives. Over \$80 million will be available to granting programs like the community facility enhancement program and the Wild Rose Foundation. Next year our budget plan calls for more than 20 million additional dollars to strengthen those grant programs and foundations. This increase would bring grant funding totals to over \$100 million per year.

Mr. Chair, every Albertan can see for themselves on pages 212 and 213 of the estimates what sorts of other initiatives are being supported through the Alberta lottery fund, and I'd just like to highlight a few. Children's Services has been allocated \$25 million, an increase of more than \$24 million from last year. Health and Wellness has been allocated \$107.5 million, an increase of more than \$24 million from last year. Finally, Learning has been allocated \$84.1 million, which is an increase of more than \$33 million from last year.

I'd like to spend a few more moments giving you a sense of where our 2002-2005 business plan is heading. It is, of course, this plan which will guide how funds provided to the ministry are used. The vision of Alberta Gaming is:

A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenues derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced service in its liquor and gaming industries.

The mission of Alberta Gaming helps to keep this vision clear; namely, "to ensure integrity and accountability in Alberta's gaming and liquor industries, and to achieve the maximum benefit for Albertans from gaming and liquor activities." We've committed to Albertans that gaming and liquor industries in this province will be well managed and that their activities will be conducted with integrity and transparency. The ministry's overall business plan and the AGLC's own business plan indicate how this vision will continue to be a reality in Alberta.

The Ministry of Gaming has identified three core businesses in the 2002-2005 business plan.

1. Develop provincial gaming and liquor legislation and policy and regulate the gaming and liquor industries in accordance with legislation and policy;
2. Manage the Alberta Lottery Fund and administer designated lottery-funded programs to support Alberta communities; and
3. Support leading-edge research on gaming and liquor issues in Alberta.

The first core business relates to the activities of the department and the AGLC. The goals, key strategies, and performance measures associated with this core business are outlined on page 176 of the business plan. One of our biggest challenges is embodied in goal 1.1; that is, Alberta Gaming is committed to developing policies that achieve "a balance between social responsibility and economic benefit to Albertans." Some of the strategies that we'll be using over the next three years to meet this challenge include monitoring the gaming and liquor industries to identify emerging issues and trends to allow for policy development addressing the social and economic implications of these issues or trends, monitoring gaming and liquor policies in other jurisdictions to establish benchmarks and best practices, and also ensuring that Albertans are aware of gaming and liquor policy and are consulted with respect to major policy initiatives.

To ensure that we're on track, we'll continue to ask Albertans if they are satisfied with the conduct of the liquor and gaming industries in the province. We're doing an excellent job in this area, with a recent survey showing that about 80 percent of Albertans are satisfied with the conduct of liquor activities in the province. We're

above target, as well, regarding gaming activities, with 69 percent of Albertans satisfied with the conduct of legal gaming in this province.

The second core business relates to the government's commitment to use lottery funds for the benefit of Albertans and direct it to charitable, nonprofit, public and community-based initiatives. The goals, key strategies, and performance measurements associated with this core business are outlined on page 177 of the business plan. Our strategies associated with this core business include providing community facility enhancement program matching grants to improve Alberta's public-use facilities, ensuring accountability for revenues distributed to the horse racing industry, ensuring that Albertans are informed of the initiatives supported by the Alberta lottery fund, and reviewing the disbursement of lottery fund proceeds to ensure that all funds are being allocated and expended according to policy and intended use. We will again look to Albertans to measure our performance in this area of our business plan and monitor their awareness and satisfaction with how gaming revenues are used.

The third core business reflects our priority of being a key partner in leading-edge gaming and liquor research in Alberta. Strategies to support this core business include the following: collaborating with the Alberta Gaming Research Institute to identify priority research needs, supporting research into and informing Albertans of the social and economic aspects of gaming, and working with the Alberta Alcohol and Drug Abuse Commission, or AADAC, and the gaming and liquor industries to ensure that consumers of alcohol and gaming products are aware of prevention and treatment programs for problem gambling and alcohol abuse. Performance measures for this core business include satisfaction of our stakeholders and awareness of prevention and treatment programs.

In addition to the ministry business plan, a separate business plan is prepared for and approved by the board of the AGLC to guide the commission's operations. That business plan is also included as part of this afternoon's review. The AGLC is guided by the ministry's overall vision, mission, and goals but has identified its own core businesses, which include licensing and regulating liquor activities, licensing and regulating charitable gaming activities, and conducting and managing provincial gaming activities, which are video lottery terminals, slot machines, and lottery ticket sales. The AGLC also has linked goals, key strategies, and performance measures with these core businesses, and this information is presented on pages 181 to 185 of the business plan.

Gaming and liquor are substantial industries in our province, and Albertans demand and deserve nothing less than the most effective and responsible management of these products and activities. As you've just heard, our business plans contain a number of key strategies that reflect our commitment to provide effective policies and guidelines that maintain a balance between choice and responsibility in Alberta's gaming and liquor activities. The business plans also reflect our commitment to maintaining the highest levels of integrity, transparency, and responsibility with respect to our managing gaming and liquor activities.

That concludes my opening comments. I look forward to your comments and questions. Thank you very much.

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

MS BLAKEMAN: Thanks very much, Mr. Chairman. I'm pleased to be able to be debating the last of the five ministries for which I'm critic, and that is the Ministry of Gaming. The minister did outline the core businesses of the department and very handily gave the reference page numbers so that people could follow along in their own books at home. I thank him very much for that.

This government pins a lot of hopes on and has a lot of expectations from the lottery fund now. It's a significant revenue generator for the province and, I think, is a keystone in the government's plan on how to move forward. So this is a very important debate to be having this afternoon.

As I started out, I looked in the booklet called Budget 2002, Fiscal Plan. In it, in fact, we do have a whole section that's dedicated to gaming. One of the first things that comes to my eye is at the bottom of the first paragraph. It says that "new and expanded casinos will increase government gaming revenue." Now, I've maintained for some time that contrary to the government saying that it's out to control gaming, I think it's out to expand gaming, and there in fact it is in black and white. I think that specifically what they're talking about here is First Nations gaming policy.

3:10

It's also noted that this

casino expansion and redevelopment requires increased spending by the Alberta Gaming and Liquor Commission, primarily for the purchase and upgrading of slot machines and other casino equipment. The Commission's operating spending is expected to grow from \$87 million [last year] to \$189 million,

more than double, by the year 2004-2005, which is the third year of the three-year business plan that's being presented here. My first question comes out of that. Is it the expectation of the department, then, that they will be continuing every year to buy increased numbers of gaming equipment, and where do they expect all of this gaming equipment to be going? That is a substantial increase in investment, as I said, more than doubling.

When I look at the detail bar that's given at the bottom of page 26, it lists the three-year plans in a number of different areas: the AGLC expense; the CFEP program; racing industry renewal; community lottery board programs, which of course were cut; and other. I'm wondering what the ministry is including under other. If we could get some pretty specific detail about what's under that. As I just sort of looked at numbers here, we've got a 2 and a half million dollar increase in the CFEP program, but then we totally lost the community lottery boards. Then we've got this extra \$40 million at the bottom. It was \$27 million the previous year, so that's increased by \$13 million. You start to add all of these numbers up and think: okay; I think I'm beginning to understand why the community lottery boards had to go. If you divide up their money and allot it into the other places that are getting the increases, it seems like it was more of an internal transfer just to free up money to do what the department wanted to do. So I'll look for some comment on that.

You see, you've got an increase in here. As I said, you're going from \$87 million to \$118 million for the AGLC expense. You're adding in 2 and a half million for CFEP, which is much needed. The program is oversubscribed; it could certainly use more money. But there has already been a lot of community complaint about the increase in the racing industry renewal initiative, going from \$16 million to \$33 million, and then you have this increase of "Other" going from \$27 million to \$40 million. If you start adding up those increases, you've more than accounted for the cut in the community lottery boards.

Now, when I look at the rest of this plan, the First Nations gaming is a keystone in what the government is looking forward to doing here. Very interesting. Again, this is all on page 26. They're expecting that

nearly 60% of government's revenue from slot machines in First Nations casinos will be returned to First Nations through the First Nations Development Fund. The Community Development ministry expects to pay grants to the Fund of \$2 million in 2002-03, rising to \$24 million in the following two years. 75% of the Fund

will be available to support initiatives by First Nations hosting casinos and the other 25% will be available to other First Nations.

So one of the questions that I was asked to bring forward as part of this debate is that I take it from this – and I'm looking for confirmation – that nonnative organizations will be specifically excluded from this fund, that they will not be able to apply for it. Let me just drag an example out of my head. I take it that Big Sisters & Big Brothers, let's say, wouldn't be allowed to apply to this fund. Would they be allowed to apply for the fund if they were running a program for aboriginal/First Nations children? So if I could get some confirmation on that, but I think the answer is no.

The other half of that, the balance of the question, is: if non First Nations organizations are not allowed to have access to any of this money that's listed in this fund, will the First Nations groups and aboriginal groups still be able to have access to other lottery-funded agencies and foundations that these other groups also go to as well? The government seems to be very adamant that there's to be no double-dipping from many other organizations, but I'm just checking to make sure that that rule is being carried forward here and that there is a fairness factor that's in play.

Now, we were talking quite a bit about the racing renewal initiative in the debates on Bill 16, which is setting up the Horse Racing Alberta organization, so I won't be commenting that much on that today.

At the end of this page 26 it says:

In 2003-04, funding for the Community Facility Enhancement Program will increase by \$14 million. There will also be a \$9 million increase for five Community Development foundations to expand support for the arts, historical resources, sports, recreation, parks, wildlife, and other initiatives.

What exactly is the ministry expecting to be done with this additional money? Is this finally the big payback time? Although it's not a very big payback. Is this the long-awaited increase to these various lottery foundations, most of which essentially for the most part have not had an increase since the end of the late '80s? Even then, when we're talking about a \$9 million increase to three foundations, it's not a heck of a lot of money that's going in here. It wouldn't even be keeping up with inflation. So what's being anticipated here? What's the purpose of this? If it was really to catch us all up, then that's not enough money. How is the government going to call this, or what are they going to call it in a press release? Is it inflation or what? What's being anticipated with the increase of the \$14 million into the CFEP program?

Now, that program is very successful. It's oversubscribed. I actually asked a question in this Assembly before our spring break based on a number of groups that were told in the fall that that was it. There was no money left in the pot for CFEP. They'd spent it all, and groups would have to wait and see if in fact the program was renewed come this budget cycle. It was renewed, so I'm assuming – and please correct me if I'm wrong – that it's now been renewed for another three-year cycle. Indeed, it is showing up in here as existing three years from now. At that point, if there's an expectation, it would have \$39 million to disperse instead of the current \$25 million. So if I can get the minister on record with that, please.

Those are just some questions that occurred to me as I looked at this Gaming plan.

Now, as the minister said, the department has had no changes in its FTEs. There were 32 last year and 32 this year. That's interesting given the expansion in spending that is being shown elsewhere. So we've got the AGLC expense rising from \$87 million to \$118 million plus the additional expenditures in the department, but we're staying at the same number of staff. Aside from what I know is

incredibly efficient and dedicated staff, there's a lot more money going through here and no increase proportionally in the staff. Does the minister want to comment on that at all?

The last thing out of this fiscal plan book that comes up is the responses to the Auditor General's observations. Gaming, of course, has been of special attention to the Auditor General in the last couple of years. We are dealing with an extraordinary amount of money here that is funneling through one narrow agency or one narrow channel, and the actuality and the perception that this money is being collected appropriately, monitored, evaluated, and then spent in a transparent way is very important. So comments from the Auditor General are to be taken seriously.

3:20

Now, two numbered recommendations were made by the Auditor General. Number 10, "Compensation to gaming operators." The Auditor General recommends that "the Alberta Gaming and Liquor Commission determine whether compensation rates paid to VLT and casino facility operators represent an appropriate commercial return for services provided." I'm reading from page 130 of the fiscal plan. The government's response to this was:

Accepted. The [AGLC], working with the casino operators, has begun a review of the compensation rates and the establishment of a process to provide ongoing review of these rates. A similar review will be carried out with the VLT operators. The reviews are expected to be completed in spring 2002.

So if I could please have confirmation of this and some details around the review. Has it been completed? Could we see public documentation of what was decided upon or any changes that are being made from these reviews?

I believe – and the minister can confirm this – that part of the changes that were being brought forward in Bill 14 in this session are answering some of the concerns being brought up here, or rather the ministry is making changes in response to the concerns expressed by the Auditor General. I'll allow the minister time to speak about that or in fact to give the answer in writing, and either is perfectly acceptable.

The second recommendation was on electronic racing terminals. The Auditor General recommended that AGLC "improve its management of electronic racing terminal contracts." I notice in this fiscal plan that it doesn't list the rest of it. The Auditor General was pretty hot under the collar about that one, if I remember. The government's response was:

Accepted in principle. A transition plan, providing operators an opportunity to adapt their business plans to the new requirements, will result in termination of the existing agreements or acquisition of the machines by the Commission by December 31, 2003. Compensation rates will be amended at the time of acquisition of the machines by the Commission to reflect the actual cost of doing business.

Now, I have asked the minister this question several times before, and I have not been satisfied with the answer, so I'll try one more time. Given that the contract that the ministry held with each of these operators has in it very clearly that the contracts are open to review and adjustment quarterly, why has the minister refused to make these adjustments? He's now had three opportunities since this was first brought to light given that the Auditor General's report comes out in September, and it did in September 2001. Thus, the minister knew in September 2001 that this was a problem. He's had three opportunities since then on a quarterly basis to go in and say: "That's enough. I can review this. I can adjust these rates right now on this quarterly date." Three chances the minister has had, and he has refused to do it. More than that, he said: "No, no. I'm going to let the contract run out until December 31 of 2003."

So the Auditor General has already said that these people are

getting far more money than they were ever entitled to, yet the minister insists that he's going to keep giving them far more money than they're entitled to for another, at this point, year and a half. I mean: wow, how do I get in on a deal like that? I get the better end of the deal, and gosh, he's going to keep giving me the better end of the deal for another year and a half.

Now, it can be argued: "Oh, these aren't taxpayer dollars. Don't worry about it. Don't sweat it. It's not taxpayer dollars." Well, that may be true. It's lottery or gaming dollars, but the proceeds from these lottery or gaming dollars do flow through into the lottery fund and do flow back out again into two pages' worth of projects that the government pays for out of this fund. To have money not flowing into that lottery fund is money not flowing back out to other projects that the government has deemed important for Albertans. I would deem that forgone revenue. It's not going into the lottery fund, and it's not coming back out, going into projects for Albertans. So I question again: why has the minister refused to stop this process, to adjust the rate instead of continuing to give these operators a bonanza, a windfall, which I think over the period of time of the contract amounts to something like \$21 million?

MR. BONNER: That's a pretty good deal.

MS BLAKEMAN: Yeah, it's a great deal. That's what I meant. How do I get in on one of these?

So those are the questions coming out of the Auditor General's observations.

Moving on now to look at program 3, lottery funded programs, in the 2002-2003 Government and Lottery Fund Estimates. That's on page 209. Under this program is listed the lottery-funded programs that would be deemed to be under the Ministry of Gaming for which the Minister of Gaming is responsible. That includes programs like the community facility enhancement program, agricultural grants to Edmonton Northlands and Calgary Exhibition and Stampede, other grants to fairs and exhibitions, the racing renewal industry I spoke of earlier, the Edmonton Oilers ticket lottery and the Calgary Flames ticket lottery, bingo associations, the community lottery boards, which are now defunct, and other initiatives. I'd like to ask a couple of questions on different areas in this.

Now, with the community facility enhancement program there's been an increase of \$2.5 million. Much needed, as I said. The program was oversubscribed, yes. But with the community lottery boards being cut, we've had the Premier saying and I believe the minister responding to questions from me in the Assembly that they were going to look to assist some or all of the groups that were receiving community lottery board grants. They would somehow look to fund these same applications through CFEP. I understand that the government is a whiz with numbers, but I am really trying to figure out how the minister anticipates disseminating \$50 million worth of grants from 2.5 million additional dollars put into CFEP. The next thing that I hear about is: "Well, not only CFEP but Wild Rose."

Well, my questions are: if the applicants that had been receiving money through the community lottery boards do not hit the criteria under either CFEP, which is facilities – let's face it; if you're not going to renovate something or build something, that program is of very little use to you – or Wild Rose, which specifically excludes your applying for a grant if you can get a grant anywhere else and is specific to assistance with volunteer projects. So for many, many of the groups that were applying to the lottery boards, they were applying to the lottery boards because they didn't hit the criteria for these other foundations.

So how is the government, the minister and his colleagues,

anticipating dealing with these organizations that are now falling through the cracks, which is many of them? Is the minister going to change the criteria for the community facility enhancement program? I've already sent an organization through there. They were given a "Hmm, we'll check on that and get back to you," and two days later a nice little pat on the head, "Sorry, you don't fit." Well, they didn't fit before. That's why they didn't apply to them before. They're not going to get assistance through there, so how is this project supposed to get assistance? They're not going to qualify under volunteer assistance. That's not what this particular project is about.

So what is the minister planning on doing? Is he going to change the criteria completely for all of the lottery-based foundations or the lottery-based foundations that are under his control? It's been made clear by the Treasurer that the lottery boards would not be reinstated. [Ms Blakeman's speaking time expired] Is that my time? All right. I will continue after I've heard the minister respond, and if he's not going to respond, then one of my colleagues will speak.

Thank you.

THE DEPUTY CHAIR: Hon. minister, do you wish to respond?

MR. STEVENS: Thanks, Mr. Chairman. I'm happy to provide some response. The Member for Edmonton-Centre made some early comments with respect to new and expanded gaming. I would remind the Assembly that there was a moratorium with respect to gaming in the province starting in December of 1999. For a period of two years or so the AGLC conducted work with respect to various gaming issues and produced a report last fall, and government gave a response to that report, all of which can be found on the AGLC web site, which set out the general approach with respect to new gaming in the province. It's pursuant to that general policy together with some specific policy that has been added as a result of additional consultation with stakeholders in the industry since that time that we have a process with respect to the expansion of gaming, and I think it is fair to say that the expansion of gaming is a potential in the area of casinos. There are very clear rules with respect to that. There is the potential for the expansion of traditional gaming in that area of casinos, and there's also the potential for expansion of First Nations casinos, once again all in accordance with the rules that are set out on the web site.

3:30

In any event, whether you're talking about traditional casinos or whether you're talking about First Nation casinos, one of the essential elements with respect to a potential expansion is that there is going to be consideration of community support, whether it be, in the case of a traditional casino, in the municipality where the casino is proposed or, in the case of a First Nation casino, on the reserve where that casino is proposed. Failure to have support from the community will probably be a significant factor that the AGLC board will consider in determining whether or not such an application will be successful in proceeding.

Another consideration of course is also going to be the viability of any such proposal; in other words, whether or not the market in which the proposal comes forward makes any sense from a profitability perspective. There are other considerations, but those are two of the principal ones.

Regardless of how you look at it, the expansion of casinos in this province is going to be driven by the market. There are going to be third parties who put forward proposals, and the proposals will be considered by the AGLC and ultimately the AGLC board. If proposals come forward, there's a possibility of expansion. If good proposals do not come forward, then there will not be. What in fact

will happen over time will be dependent on those particular considerations. Having said that, this particular business plan does contemplate that there will be expansion. We do not know with any precision what that expansion will be, but if there is expansion of casinos, there will be a need for additional slot machines. So that has been built into the mix.

There is also the potential of expansion of electronic gaming with respect to bingo, and that is referred to specifically in the material that we are considering this afternoon. Bingos have asked for a greater opportunity to earn revenue, and part of that has been a consideration of the introduction of electronic gaming, specifically handheld bingo and electronic keno. So the AGLC, as we speak, is working in consultation with the bingo industry determining some of the final detail with respect to that. At this point in time we are anticipating that there will be an expansion in that area some time over the course of the next year, but probably there will be no indication of actual expansion until later this year.

With respect to VLTs in 1995 we put a moratorium on expansion there. There was a maximum, or a cap if you will, of 6,000. That cap has remained since that point in time and was reaffirmed in 2001 by this government in responding to the licensing policy review. So there will not be an expansion in that area.

However, with respect to electronic equipment I think it is fair to say that there is always a need to review the electronic equipment to ensure that it is current. Regardless of the state of any particular machine, it is important that the machine be something that provides entertainment. So there is a cost associated with generally upgrading existing machines, whether they be VLTs or whether they be slot machines.

Additionally, machines wear out, and in the case of VLTs we have a very old system both from a software and from a mechanical point of view. So the plan has been for some time and will continue to be going forward to introduce a new software program and new machines. I imagine that slot machines will also be replaced when appropriate simply because they wear out at some point in time. So in answer to the member's question, there is that kind of renewal of the inventory that is built into the overall budget.

There was some question with respect to First Nation gaming and the First Nation development fund and who would be entitled to that. In January of 2001 we announced the First Nation gaming policy, and as part of the First Nation gaming policy we indicated that there would be a fund that would be built based on 40 percent of the revenue from the slots in the First Nation casinos going into this fund. The policy at that time indicated that the purpose of the fund was to provide an opportunity for First Nations to use those funds for economic and social and cultural improvement on the reserves, not to use it for the development and operation of the casino operation. In other words, there was to be a separation of those.

It has been determined that the Community Development ministry is going to be responsible for that particular fund, so the money that comes from First Nation slot machines, at least a portion of it, the 40 percent that is referred to, will ultimately make its way into that fund managed by Community Development. As we speak, the specific terms of the contract relative to that fund are the subject of negotiations between Community Development and the First Nations. The express detail is not available as we speak.

In general, I can tell you that the idea is that First Nations will have access to the fund for the purposes indicated. It is intended that the host First Nation receive three-quarters of that revenue with one-quarter of that revenue being available to nonhost First Nations so that all of the Alberta First Nations will benefit in some measure from that fund.

The Member for Edmonton-Centre asked some questions with

respect to additional funding for our foundations, including the community facility enhancement program, a year out, the '03-04 year. It is anticipated that there will be additional funding in the order of I think about \$14 million for CFEP. It is intended at this point in time that that would expand the existing program and perhaps add a component relative to larger projects, because, as the hon. member knows, we have a limit of \$125,000 with respect to applications under that program. They have to be matching. The nature of our society is such that people have very good projects that could use a larger influx of funds through this program. So while we haven't got the terms of that worked out, we at this point in time are thinking in terms of perhaps developing something that will allow for more than \$125,000 to go into a larger project. That is something that is yet to be developed, but that is the theme and part of that additional \$14 million would be allocated to that type of project as part of the CFEP type of program.

With respect to the money going to Community Development, I believe that's about \$9 million, and I would let the Minister of Community Development comment on what his plans may be for that. I, however, can confirm that as part of this particular year there has been a renewal of the CFEP program for a three-year period, so it is anticipated that it will continue for three years. This year it is \$25 million, and it's currently anticipated that next year it will increase as I've indicated.

3:40

There was a question with respect to the Auditor General and that department's comments regarding reasonably commercial compensation rates for casino operators and VLT operators with respect to electronic machines on their premises. The statement which the hon. member read from the material is accurate. It remains accurate. It is a work in progress as we speak. The purpose of the exercise from my perspective would include establishing a basis for the compensation that is to be paid to those operators.

My memory is that the Auditor General also thought it would be advisable to take a look at whether the amount paid to the charities was also reasonable, and I can't recall whether that's part and parcel of the review or not. But I have this memory that the Auditor General did in fact say: while you're at it, why don't you take a look at whether or not the 15 percent that charities receive is also reasonable? I do anticipate information from that some time in the weeks ahead, but I don't have anything at this point in time.

With respect to the electronic racing terminals, Edmonton-Centre and I have had this discussion during question period, and I've had the discussion with other members during Public Accounts this year, and there's nothing new on this particular issue. There's a history to it. The history simply is that these particular electronic machines were introduced to the province under a special arrangement because certain casino operators back in the mid-90s said that they wanted to bring them in, and an arrangement was made that they would be brought in where the capital of the operators would be used rather than the capital of the AGLC to acquire the machines. So that arrangement was in place. The Auditor General made comments saying that it was an inappropriate arrangement. We listened to him on that particular point. But it's also fair to recognize that the operators had built this component into their business plans, and it was appropriate to give them some opportunity of advance notice in order to have this matter unwound.

So the option that has been provided to them essentially is that the AGLC is prepared to acquire the machines at fair market value and enter into an arrangement, if they wish to have the machine remain on the premises, based on what is commercially reasonable, which at this point in time would be the 15 percent that we operate on with

respect to all of our electronic machines, or at the end of December 2003 have the relationship that currently stands expire. Presumably at that point in time, if the machine is not acquired by the AGLC, then the operator can sell it in some other market.

The hon. Member for Edmonton-Centre asked some questions with respect to what we're doing in reviewing the options arising out of the discontinuance of the community lottery board program. The Premier has indicated what we are doing. I've indicated what we are doing. What we are doing is taking a look at what we might be able to do to assist those applicants who are falling between the cracks; in other words, those applicants who received funding from the community lottery boards over the four years of its life that otherwise do not have access to funds under one of the other programs. We are in the process of identifying what types of applications those would be, what types of amounts those applications would have and things of that nature and taking a look at existing foundations within Gaming, which would be the community facility enhancement program, and also taking a look at those foundations under Community Development. That is where we are at this point in time.

I can tell the hon. member that we know that about 50 percent of the applicants would qualify under CFEP. We know that 50 percent of the amount and 50 percent of the number that were funded by the community lottery boards could qualify under CFEP. The hon. member is quite right that that doesn't address the whole issue, because the issue also includes: well, what are you doing for funding? It's one thing to say to people that they qualify, but if it's the same amount and there are more applicants currently under CFEP than can get funded, you simply add to the list.

But that is also part of the review and a part of what ultimately we will have to take a look at, and that is what we do to address the people who don't have access at this point in time to some foundation for what they otherwise would have been able to apply for under the community lottery board program.

Thank you, Mr. Chairman.

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

MS BLAKEMAN: Thanks very much, Mr. Chairman. I'm pleased to be able to start on part two of my comments on the Ministry of Gaming. I'd like to pick up on a couple of things from the remarks made by the minister. I guess the first actually is directed to the Minister of Community Development. This would give his staff an opportunity to read these remarks in *Hansard* and to give me a written response, which I'm very interested in.

I'm going back again to the question on the concept behind the First Nations fund, the question that I had asked earlier and that I'll now redirect to the Minister of Community Development, since he is now going to be responsible for the administration and, one takes it, for the criteria for this fund. Will other groups have access to this First Nations fund or to the 25 percent of it that isn't particularly earmarked for the sponsoring band where the casino is situated? Would groups that are not First Nations groups but are running a project specific to aboriginal purposes have access to this First Nations fund? In the concept behind the setup of this fund that they're currently working on, are those two things included in that concept or excluded from that concept? I'd like to know that specifically, please. Secondly, if other groups are specifically excluded from accessing this First Nations fund, is the same now going to be true for First Nations groups that are trying to access other funds like the Wild Rose or CFEP or any other lottery-based foundation? So if I can get the Minister of Community Development to answer that, I'd appreciate it.

A couple of things here. We have a situation in Edmonton where

three organizations were approved for substantial grants under the Edmonton Community Lottery Board. These three groups were approached in the fall and told: the government has informed us that we are being cut back in midstep here, and we're asking you if you'd be willing to wait for your money until next spring. All three groups – that is, the Kenilworth recreational centre, the Citadel Theatre, and the Edmonton Police Service – agreed, as good community citizens, to wait until the spring for their money. They of course had been assured that they had been successful in their grant application, and of course most of them in fact went on with their work. They received a written notice in December that in fact the cheque would be coming in April.

3:50

Well, Mr. Minister, I'm speaking to you on the 2nd of May. There have been no cheques received by these groups. There doesn't seem to be any money forthcoming. The Edmonton Community Lottery Board is in the position of having to disband now and have been told to do so by the government. The structure is not allowed to be left in place. Exactly where are these groups supposed to get the money that was promised to them? I do put this as a responsibility on the shoulders of the minister. These community lottery boards were creatures of this department and were established by this department. They were established by this government. They are funded by this government. I don't think that because of the fact that this was an Edmonton one in particular, blame should now be placed on those volunteers and people told: tough luck. There are projects here that have to go ahead. They were worthy projects. They were recognized as that, and they were told that they would be getting funds. Where are they getting those funds from, and when can they expect the cheque? There are three very specific groups there that I am aware of in Edmonton, and there may well be other circumstances that exist. I mentioned the Kenilworth arena, sir. There may well be other circumstances in Calgary; I'm not sure. I think this is serious, and it requires the attention of the minister. I am looking for a very specific answer to how those groups are going to be accommodated.

When we were talking about recommendation 9 from the Auditor General, the minister was indicating that the arrangement with the operators for a reasonable return is in progress. Fine. I accept that, but it does say in the fiscal plan here that something will be available in spring. So my question to the minister is: when is spring? This is the 2nd of May. Would spring be by the 15th of May, by the 1st of June, by the 30th of June? I think I can fairly safely say that by the time we're into August, it would be deemed to be summer. So could I get a better indication from the minister of exactly when spring is and when we therefore can be expecting this information?

Now, the minister has also talked about . . . [interjections] My goodness, we have an awful lot of yakking going on here from the Member for Edmonton-Castle Downs. I'm sure he'll get up and debate it when he gets his chance.

When we're talking about the community lottery boards, the minister has indicated that he and the Premier are working on criteria or working on some way that these groups can be accommodated. Now, when could we be expecting an answer there? These groups, particularly the Calgary ones, had already put their grant applications in on the 15th of March, four days before the community lottery boards were canceled, so those were for projects that they were hoping to have go ahead within the next few months. For some of them they expected to have things happening now. So how long do these groups need to change their plans and wait for when they might have access to some other form of money?

Those are the questions coming specifically out of what the minister just gave to me. Back to what the minister was saying

about the additional amount of money under the AGLC expense line. Is the minister telling me or can the minister confirm that all of this extra money is going to be going toward replacement or purchase of new gaming machines, the VLTs or slot machines? This gets significant money. I mean, the increase from last year to this year is \$31 million. Then we add another \$48 million above and beyond for next year. Finally, in the third year we add on another \$23 million, for a total of \$102 million extra every year by the time we get to that final year. That's a lot of slot machines. Can the minister tell me how many machines they're expecting to add – he must have a plan – and how much the maintenance cost is for each machine or how much the replacement cost is for each machine? If they're putting specific numbers in the budget, I take it that the minister has a very specific idea of how much these machines are going to cost, and I would like that shared with Albertans, please.

Now I'm back to page 209 of the lottery funded programs in the estimates book. I'm looking at references 3.0.3 and 3.0.4: Edmonton Northlands for \$7,100,000 and Calgary Exhibition and Stampede for \$7,100,000. Exactly what is it that these groups do for that \$7,100,000? This amount of money has been unchanged since I started looking at these budgets. I'm told that this is a grant for agricultural societies, and living in Edmonton, I'd be very curious to know exactly what it is that Edmonton Northlands does so that it is deemed an agricultural society.

If I think back to when I was a child, we could go to the exhibition grounds and usually tucked away in some corner there would be a best cake and best pie and the best preserves and the best pickled carrots and that sort thing. Is that what they're getting \$7,100,000 for? I know that there used to be 4-H participation, with the kids bringing forward the pig and the cow that they brought up and all of that. Is that what these two organizations are getting \$7,100,000 for? In this day and age, I'd be very interested to see how much activity these two organizations are indeed putting forward for that kind of money. Being that they're both in large metropolitan centres, what are they doing for this money?

A question has arisen as I look at these numbers, and it has generated a little bit of confusion here. I'm sure the minister can settle this quickly. I'm wondering if accounting has been changed a little bit in the way things are shown in the Gaming budget, because it used to be that essentially the costs, the expenses, were netted out of the proceeds of Gaming. It appears now as though they're not. We seem to be getting the outgoing expense line, but we're not exactly getting the incoming line.

I'll give you three examples of that. They are votes 3.0.7, 3.0.8, and one more, 3.0.9, which are listed as a gross expense for the Edmonton Oilers ticket lottery, the Calgary Flames ticket lottery – again, \$2,700,000 for each of them – and bingo associations, \$3,193,000. Now, I know that the \$3,193,000 is to pay for the electronic gaming instruments that will be put into bingo associations that ask for them and that the Ministry of Gaming owns those machines, as they own all of the slots. So isn't this in fact a capital investment? It's not showing up as a capital investment; it's showing up as a program investment. How does the ministry account for that? Generally these had been netted out before, and that doesn't seem to be happening now.

There is confusion as well around the two ticket lotteries. What is that expense exactly? Is that the money that's supposed to be going back to these two agencies, the \$2.7 million? So they're each to expect \$2.7 million in this fiscal year? It's not clear. Or is this somehow the expense? The other thing I'm not seeing: I believe there was an administration fee that the government was taking off for administering these lotteries, and I don't see that administration fee showing up in revenue lines anywhere. So is there an adminis-

tration fee that's attached to this? If so, why isn't it showing up, or where is it showing up? Perhaps that could be outlined for me.

In the many exchanges between the minister and I around the community lottery boards, the minister has repeatedly said that charities in Alberta get \$300 million. I would like the minister to detail that \$300 million, please, because I don't know how he's coming up with this. I'll just say here that I have a suspicion that he may be saying: well, for organizations that take home money from a casino or a bingo in a given year, that amount of money is X. If you add that to the amount of money that's going out in programs directly to nonprofits and charities – I'm not talking about money that's being granted to the Department of Learning or Children's Services or hospitals. Those are government programs. We'll get to that one. I'm talking about programs like Wild Rose, Alberta Foundation for the Arts, Alberta Sport, Recreation, Parks and Wildlife, CFEP, the fairs and festivals line, the legacy line, the hosting for the Winter Games. I'll even throw the research institute and the Gaming Research Council into that. When I add those up, I don't come up with \$300 million.

4:00

I'm really interested in what the \$300 million is, because I would argue that it would not be fair if the minister is doing it to include the take-home money from the bingos and casinos, one, because that doesn't benefit all charities and nonprofits in Alberta in a given year. The minister well knows that the waiting list in Edmonton is two years. Plus with paperwork and actually waiting for your given casino in a quarter, you could well be two and a quarter years out before you get another casino. So this is not an annual amount of money that is somehow granted to groups. First of all, they have to be able to qualify for it, and those that are receiving funding through some of the lottery programs in fact may not qualify to be able to hold a casino. I know there have been particular difficulties around amateur sports groups being able to have a casino.

The second thing. At one point the minister said: well, I mean, if they need more money, they can just have more casinos and bingos; they can raise the extra money lost from the community lottery boards that way. Well, really, Minister. I don't think getting in line for a casino two and a quarter years down the road is really a reasonable replacement for money that could have been available to them within a few weeks of their applications, particularly in Calgary, where they applied on March 15 and then the lottery boards were cut four days later.

And with bingos you don't just get more bingos. You're either in a bingo association or you're not in a bingo association. If you're in a bingo association, you are already contracting for your X number of bingos per month, and you don't get more bingos just because the minister decided to cut the community lottery boards. Perhaps the minister didn't understand that that's the way in fact that works, but I felt that at the time it was rather an off-the-cuff and thoughtless remark to make to groups that were in quite a bit of crisis given the bad news that they just had. So maybe he'd like to tell me exactly what that \$300 million is that he keeps talking about.

Okay. Now, I'd like to look next on pages 212 and 213, which are the many different payments out of the lottery fund. One of the things that I would like to note here again is the number of projects that are being funded out of this that I think are core government services. Well, here's where we get into some fancy tap dancing. I don't usually consider members opposite as being particularly artistic, but, boy, did I ever watch the Minister of Learning tap dance the other day in response to my question about whether the funding he was receiving for things out of the Learning department was considered core services. Well, what did I think was a core service?

I said: whatever the definition is being used currently by the Minister of Gaming. So I looked it up. Core: central or most important part or to the depths of one's being. The remainder of definitions around "core" all have to do with ore samples, and I didn't think they were as applicable. But central or most important part and to the depths of one's being.

I was at the gaming summit. People were very clear there that they did not feel that core government services should be paid for out of the lottery fund. They were very clear about that. The minister, I admit, did not have the benefit of being at that particular event and to be going room to room and listening to what people were saying in a very impassioned way, but I would argue that this government has agreed to pay for core government services out of this lottery fund, and that is flatly against what people said at the summit. I always find it interesting what the government chooses to listen to out of any given summit, but in this case we're talking about the gaming summit, what they choose to listen to and what they choose to absolutely forget and never look at again. I think what's happening here is wrong, and I'm not the only person that feels that way.

So those are the comments I have. I know my colleagues are going to talk about other areas under these lottery funds.

Now, I'd like to look at and I have some questions under the ministry business plan summaries. I realize I only have two minutes left, so I will try and return later and get in a few more questions on this. But starting under Guiding Principles, the minister has adopted these. First is: "The integrity of gaming will be ensured." I'm just wondering exactly how the minister plans on ensuring that the integrity of gaming will be ensured. If I could get some detail on that.

"Gaming policies will reflect a commitment to social responsibility." Again, how? I haven't seen the kind of detail coming from the minister that would easily explain the answers to those questions.

The third one: "The financial return to eligible groups from charitable gaming is to be maximized," et cetera, et cetera. I'm wondering how the increase to the Racing Commission fits in with this particular goal. If I could get some explanation from the minister on that, please.

Could I see detail of the process around "the collection and use of gaming revenue" being open and accountable? I don't find it to be particularly, but if we could get some details, particularly on the collection of the money.

"Gaming activities will meet standards of quality to protect the integrity of gaming activities, provide gaming entertainment value to consumers and help to keep gaming dollars in Alberta." I'm interested in how far the ministry is willing to go to keep gaming dollars in Alberta. What's their long-range view here? I'm remembering my experiences at the bingo association, where it seemed each week or each month we were looking at some other enticement to bring people into our particular bingo hall as compared to someone else's, and it did reach the point of absurdity pretty quickly and also started to cost us money, and we had to rethink everything. How far is the minister interested in going on that?

That's my time, so I will continue with this at a later date, or I'll submit it in writing to the minister.

THE DEPUTY CHAIR: Hon. minister, do you want to respond?

MR. STEVENS: Yes, actually, I would like to make a few comments at this time.

AN HON. MEMBER: Take your time; take your time.

MR. STEVENS: I intend to answer the questions I respond to in a thorough fashion.

The Member for Edmonton-Centre had some comment with respect to the community lottery board program, and she talked in terms of some groups here in Edmonton, and during some comments towards the end she referred to groups being in crisis. I think it's important to understand some of the background with respect to this program. First of all, it was broad in scope in terms of who could apply. It was broad in scope in terms of the nature of the application by way of area: education or social services or a community or a library and so on and so forth. I believe there were 10 such categories. But this funding, like funding to any of our foundations, we are told by the community lottery boards, was always less than the number of people who wanted to apply, so I have assumed that regardless of which of the 88 community lottery boards you're talking about, they would have had more applications than they could have dealt with, which is something important to understand. But we did not receive particulars of what that magnitude would be because it was not required.

The thing, however, is that this particular program was a project-funding program. It was not an ongoing forever program. You could put forward an application for a project, and that project may or may not be funded, and a project could be funded over two years but not more. So people are not in a position to say that community lottery board funding was essential to their well-being. They could say it was essential to a particular program that would be funded for one or two years, but they could not say it was there from year to year to year, because the program was not set up for that. So I think it's important for people who talk about the community lottery program to understand that. It was project funding, and that was essentially the essence of that.

4:10

There was an opportunity for operational funding in case of emergency on a onetime basis but not from year to year to year. So anybody who is saying that they lost something as a result of not being able to apply for a community lottery board program would be correct if they said: we lost the opportunity to get funding for a particular project of short duration. But that is something that does not appear clear from the descriptions that the members opposite usually have with respect to this, and I think it's important for people who would want to understand more about this particular issue to realize that that is so and that was very much part of the program from the beginning.

Now, with respect to the community lottery board issue that the member referred to as it relates to Edmonton, there was a letter received both from the mayor of Edmonton and also from the Edmonton Community Lottery Board dealing with this issue. If I recall correctly, the community lottery board letter dealt with the three projects that likely the hon. member is referring to. The letter from the mayor I believe dealt with one of those projects, and it may well be Kenilworth if my memory serves me correctly. The fact is that the community lottery board program was a year-to-year program, and the funding relative to the community lottery board was determined on an annual basis. And the fact is that the community lottery boards entered into a contract with the Ministry of Gaming every year that was for that one year. So this was very much a one-year program. It was not a multiple-year program, and that's an important fact for people to understand.

The particular three projects that the hon. member refers to may well have been approved by the Edmonton Community Lottery Board, but any representations that they might have made to those particular groups were made by that particular board, were not

shared with this ministry, were not shared with the AGLC. In other words, we have no knowledge of any representation they may have made as saying, "You will get funded," other than what is now said postfactum.

What was made clear to groups when it was necessary to revisit government's funding and this ministry's funding last fall was that we had to reduce the amount of funding that was going into both CFEP and into the community lottery board programs and that they had options in dealing with it. They had options of either deciding that there would be certain applications that would not be funded or they could prorate it, but that was a decision that they would have to make on their own.

The second thing that was made clear was that pending the budget process, we would look at addressing the issue relative to equity among the various boards last fall, this particular budget year. Because some boards had spent all of their money and others hadn't, it wasn't possible to roll back those that had spent it all. We said we would do that, but it was going to be subject to budget approval.

Well, the fact is that the budget approval process relative to this particular year has led to the discontinuance of the community lottery board program, and therefore there is no money. It's as simple as that. So the answer I gave to the mayor and the answer that has been given to the community lottery boards, so that we're absolutely express and specific on this point, which is something that the hon. member wanted, was that the community lottery board program has been discontinued. This ministry has no money, and there will not be any funding of those particular projects under the community lottery board program.

[Mr. Tannas in the chair]

Now, you also asked the question: how may they receive funding? Well, they may receive funding in those three particular situations through the community facility enhancement program, because as I understand it, they may well be the type of facility that can apply. At this point in time that is the program that I can refer the hon. member to. I believe that in response to the mayor, that may have in fact been pointed out relative to the one project that he referred to in his correspondence to me.

The hon. member wanted me to advise when spring is going to be here. Chronologically I can advise you that spring is here; physiologically I can advise you that it is not. So the short of it is that spring is yet to come in terms of this particular issue, but I expect that we will have something in the weeks ahead, which was what I originally indicated.

AN HON. MEMBER: Spring hopes eternal.

MR. STEVENS: Indeed, that is always true.

There were some questions relative to Edmonton Northlands. The member is correct that Edmonton Northlands is in fact an agricultural society, and it receives funds. The funds support various programs including the major exhibitions, fairs, trade shows, and various other community and regional events. I would have thought that as an Edmonton representative the hon. member would be familiar with what goes on at Edmonton Northlands. I believe that the \$7 million is provided to the various programs on an unconditional basis annually, and \$100,000 is provided conditionally to support agricultural events held during the year. My understanding is that that has been the way this number has been allocated in the past, and I can advise you that it's the same for the Calgary Exhibition and Stampede. So the answer for Northlands is the same for the Calgary Exhibition and Stampede.

There were some questions with respect to the Edmonton Oilers ticket lottery and the Calgary Flames ticket lottery, at page 209. The member will recall that there was a Breakaway To Win ticket, that started in January of this year. This particular line item contemplates not only that particular ticket but another one later this year, probably starting sometime in the fall, which I assume would be sometime in September or October. So it's two events per year, a number that is reflected in this. What we said at the outset of this was that the profit that would be available, if all went as well as could be expected under each of these two tickets, would be that each team, when everything was paid for, would receive a profit of something in the order of \$750,000 per team per ticket. So that would be, for two tickets, \$1.5 million per team. The way it works is that the sale of the tickets produces \$10 million for two ticket runs. The cash and prizes and commissions that are paid to the some 2,000 retailers throughout the province who sell lottery tickets would in total be about \$4.6 million.

Now, that is paid by the ministry. That leaves net proceeds of \$5.4 million. If you divide that by two, you get \$2.7 million. The deal that was struck with the NHL teams was that they would be responsible for advertising, promotion, printing, things that would be typically the responsibility within the ministry and the AGLC. The fact is that we did not pay those amounts; they did. That would be \$2.4 million, more or less, leaving \$3 million for two tickets. That, once again, works out to \$750,000 per team per event times two.

4:20

Some reference was made to the bingo associations also. This \$3.139 million figure is not capital. What it contemplates is the revenue from the electronic games in question being flowed through to the bingo associations. The way it is contemplated working is that the bingo associations would earn 15 percent as operator relative to the operation of these particular machines and that the net – and when I say net, there would probably be some adjustment associated with the cost of the machines – essentially that profit that was left over after the 15 percent, would be flowed through the Alberta lottery fund back to the bingo associations. So they would approximate a 100 percent recovery on the machines that are in their facilities subject to, as I said, some recognition of the cost of the machines being put in there. It's very much a flow-through of revenue, a figure that is in this particular line, at 3.0.9.

The hon. member made reference to keeping gaming dollars in Alberta and to what the Gaming ministry and the AGLC are doing in that regard. I think it's fair to say that the ministry and the AGLC look very much to the private sector to take the initiatives in this area, but what has happened over time and what we hope to have happen in the future as a result of the policies that we develop is that there is an ever increasing value to the entertainment of the facilities that fall into this particular category. For those people who have been following it, the facilities have continued to upgrade, and new facilities typically have entertainment areas, lounge areas where people can go and have an adult beverage or a beverage of any kind and watch entertainment free of charge. That is the nature of this business. It seems to me that, anecdotally in any event, I hear of people who decide to stay in Edmonton rather than flying to Vegas if they come from, say, Yellowknife. They come to Edmonton, stay in town. If they happen to like going to the casinos, they do that, but there's a mix of entertainment that they find of sufficient quality that they stay here. Really what it amounts to is working with the industry to try and improve standards, because improved standards are a good thing, so that the folks who in fact either play bingo or go to the casinos feel that there's more value here, and that essentially is the general thrust of it.

I will get the hon. member a breakdown based on the material in this document as to what is meant by the \$300 million I refer to. Once again, we have a charitable model in this province which is unique in Canada, and that allows charities and not-for-profit groups to receive benefits of gaming in essentially two ways. One is through access to licences for the operation of casinos, bingos, and raffles. In this past year that will probably be something in the amount of \$190 million. We anticipate that that will be something in the order of \$190 million this year, perhaps more, but that would be the number that I would use because I think we can use history to support that type of number. On top of that, you have the foundations that we are talking about, and I'll dig those numbers out for you. We also have the agricultural societies that get funding. We have another category, other initiatives, which has another \$10 million in it. So when you add all of these things up, it will come in at \$300 million or thereabouts. These are not-for-profit groups, charitable groups who are receiving these funds in this province annually. That is a fact, and we will provide the hon. member with detail on that.

THE CHAIR: The hon. Member for Edmonton-Highlands.

MR. MASON: Thank you very much, Mr. Chairman. I'm pleased to rise to speak generally to the estimates of the department of gambling and also to put a few questions to the minister of gambling.

Mr. Chairman, I think that one of the things that is most evident from the estimates this year is that gambling is increasingly becoming the revenue of choice of this provincial government. They can add VLTs and they can increase their revenue, and they don't get a backlash, which they would get if they raised taxes or, for example, premiums on health care and so on.

I appreciate the minister's comments, but I have some specific concerns that I wanted to raise. One of them is the question of the demographics of the gambler in this province. I know that there has been some research done in the past with respect to this question, and I would like to know if the government does ongoing research on the demographics of the people who are providing so much of the province's revenue. I refer to a report – this is getting a bit dated now, Mr. Chairman; it's from the winter of 1996 – entitled *Gambling in Canada: A Report by the National Council of Welfare*. It indicates a number of things. One is that governments right across the country are addicted to gambling as a source of revenue. There's an entire section entitled *An Alluring Source of Government Revenue*. I think it's obvious that the problem is not limited to Alberta. There are a number of characteristics of problem gamblers including multiple addictions. Many are addicted to a number of things besides gambling, including alcohol and drugs and so on.

There's also a question of the percentage of problem gamblers and the overlap that occurs with various psychiatric disorders. There are significant impacts in the workplace, there are impacts on the family, and there is a relationship between crime and problem gambling. So the question really is: who is the problem gambler, and to what degree is a certain limited number of gamblers providing a very high percentage of the revenue from gambling going into government coffers? Does the government really know? Do they do ongoing research in this area? Can the minister tell us how a particular group of problem gamblers is defined, how big that is, and how much revenue they provide to the government?

4:30

Another question I have is: what's the balance that exists? One of the goals under core business 1 of this department is that "Alberta gaming and liquor policy achieves a balance between social

responsibility and economic benefit to Albertans.” Well, the economic benefit to Albertans is clear, and it’s also clear that there is a certain small percentage of the money that does go into programs to help people, but what is that balance? Does the minister feel that it’s a good balance, a fair balance, an equitable balance? Maybe he could elaborate a little bit on how the department strives to achieve that balance.

Now, I want to talk about a number of specific issues. The question of the VLT machines and the plebiscites that were held throughout the province a number of years ago is still something that comes up every now and again when I discuss this with constituents. Certainly when I was involved with municipal government, it was during this period when all the municipalities were told by the government that if they would hold these plebiscites and if the people voted to take them out, they would be gone the next day, as the Premier said. They obviously didn’t vote to take them out in the larger cities, but in some smaller places they did, and I think, if I’m not mistaken, that Rocky Mountain House was one of them. I guess the question is: what happened to the commitment to remove the machines? [interjection] Was it in Fort McMurray then? Can the minister assure the House that in all places where the citizens voted to take the VLTs out, it was done, and if not, why not? Is the offer still open? If a municipality wanted to hold another plebiscite today, would the government still be willing to respect that commitment?

I’ve talked a number of times in the House about the subsidy for horse racing, and I’m not going to repeat myself very much today other than to say once again that I think the government has made gambling revenue a key public financial resource that it depends upon for all sorts of essential programs, core government programs. That includes part of the debt reduction strategy of the province, and there’s nothing dearer to the hearts of many Tory members than that. To talk about gambling revenues being provided to the horse racing industry as not being a subsidy is just something that I cannot accept, and I don’t think reasonable people will accept that line of argument either.

The withdrawal of community programs funded through gambling revenue is another issue of concern. Now, the minister has stated quite correctly today on the withdrawal of these programs that they have not been long-term programs. They have been short-term programs, and the program itself was in place for a limited period of time. Nevertheless, Mr. Chairman, it begs the point that they were very, very valuable programs that the community found really empowered them to actively participate in building a solid community. They were extremely well-received programs. I think, quite frankly, that the government has shot itself in the foot by eliminating these programs, but that’s I guess really for them to decide. I do know that these were really beneficial and well received by the people of Alberta, and the money was put to very good use. Quite frankly, I think that putting some of this money in the hands of the people of the province through these kinds of programs is certainly better than just putting it in the hands of various big government departments. So I think that’s something that’s really unfortunate.

Mr. Chairman, the minister talked earlier and the Premier as well I believe has talked about organizations that were funded through the lottery program and about some of the projects and programs falling through the cracks and that there would be things put in place to save those projects and programs from falling through the cracks. So I’d like to know: how does the minister define a program or a project that was previously funded as falling through the cracks? What’s the definition of one that falls through the cracks? What specifically has the government put in place in order to protect those things?

Mr. Chairman, I have a few more comments. There have been some changes that caused some concern, and I’ve raised this before.

I wasn’t satisfied with the minister’s comments before about the role that the AGLC plays with respect to problem premises in some of the communities. Now, these are often vulnerable communities, older and poorer communities, and there are some select premises in hotels, older hotels mainly, where there are chronic problems with overserving. There are police being called for fights, for drugs and a number of things, and they have a very deleterious impact on the surrounding community. In fact, you can trace things. For example, one beat cop told me once about one of these hotels and that there was a big rash of break and enters to vehicles – you know, stereos stolen, windows smashed, that sort of thing – in one of the communities. The beat cop told me that basically the problem is that these are being done by kids, 13- and 14-year-old kids who aren’t supervised in their homes because their parents are down at this local bar, so the kids are left home with no direction, no supervision. The result is that you get an indirect result of the problem.

We have tried in the community to deal with the inspectors from the former ALCB, now the AGLC, and found them to not be prepared to take tough action to clean up this kind of stuff. There’s no excuse for these kinds of premises to continue to operate in any of our cities, Mr. Chairman. They simply should be closed down until they clean up their act. That’s easily within the capability of the AGLC, but that’s not how they operate. You can take it from me.

There are reductions in payments from the lottery fund this time, and I’m concerned about that. The First Nations development fund has been reduced from \$7.8 million to \$2 million, a reduction of \$5.8 million. Aboriginal health strategies, under Health and Wellness, is reduced from \$3 million to \$2.2 million, and Aboriginal Affairs and Northern Development does not receive any direct funding at all from lottery funds for its programs.

Under Children’s Services – and this goes back to some of the questions I had about the balance, the correct balance between social responsibility and economic benefit to Albertans. Children’s Services has had \$1 million eliminated for the fetal alcohol initiative. Now, I’ve heard members in this House talk about eliminating and reducing fetal alcohol syndrome and taking tough action against parents who may be involved in drinking when they’re pregnant, but it’s belied by the action of eliminating the funding for that program. For the permanency planning for children in care, \$200,000 has been cut. There is, however, \$25 million in new funding for family and community support services.

So I think we can see as we go through the estimates, Mr. Chairman, an increasing dependence on gambling revenue for core government services, and that is a concern. That is not a sound way socially, fiscally, economically, or any way to build the financial base of a government. It’s not sound. I think common sense can tell you that, regardless of your political persuasion. It’s very tempting, it’s very seductive, but I believe that we need to have the political will to say no.

With those comments I will take my seat and hope the minister can answer the specific ones. I don’t expect him to answer the political comments that I made, but he’s welcome to do that as well. Thank you.

4:40

MR. STEVENS: I’ll make a few comments at this time. The Member for Edmonton-Highlands talked about research and what we’re doing there. I think it’s fair to say that in Alberta one of the initiatives that we are proud of and one that we think is going to bear significant fruit over time is the Alberta Gaming Research Institute. They’ve been in existence now for three years essentially, and the reality with respect to this type of research is that you have to find

people and then interest people in getting involved in this kind of research. That is slowly happening, and in discussions with the people who are a part of that, I'm happy that while they've been in existence for a relatively short period of time, they are gaining a reputation as being a significant gaming issue research body throughout Canada and North America, and they're going to conferences throughout North America and presenting papers and so on and so forth.

One of the benefits of that particular institute has been a prevalence study, and you asked a question with respect to that, Edmonton-Highlands. It was in the last couple of months that a new prevalence study came out. In fact, there was dissatisfaction shown within the academic area that deals with this type of thing for the previous measure, which was the South Oaks Gambling Screen, or SOGS. That's what had been used in '93 and again in '97 to do prevalence studies here in Alberta. As a result of, among other things, the work of the Alberta Gaming Research Institute, a new index has been established called the Canadian Problem Gambling Index, and a prevalence study has been done here in Alberta and in Saskatchewan. I believe, in talking to the folks that are behind that, that they're essentially planning on within the year having prevalence studies across Canada, so you're going to be able to have a snapshot of not only Alberta but also Canada or almost all areas of Canada as it relates to problem gambling in the year 2001 or 2002. You're going to have some comparative numbers. You're going to have the ability to have a common test applied in a similar fashion because the folks that designed this, as I understand it, have been retained in each of those provinces to do that prevalence study. So we should have a good snapshot, if you will, going forward to where we are today and what we do and what impact the things we do have on the future.

You made reference to the work of AADAC and the funding that they get in this area. AADAC, as you know, is under the Ministry of Health and Wellness, so in some sense I'm hesitant to speak about it. Nonetheless, it's something that is funded as a result of money flowing out of the Alberta lottery fund. They have as their mandate dealing with alcohol and gambling addiction, and we're interested in that.

I'm told that the money that is allocated for gambling addiction issues in this province at this time is what is required given the nature of our society's response to this issue. By that, I mean that if you go back 25 or 30 years with respect to alcohol and alcohol addiction, you might have a similar situation to society's approach to a gambling addiction today. All I'm doing in saying that is I'm repeating what I've been told. I'm told that the money that they received today is essentially sufficient for the needs that they have today in our society.

So we are spending money with respect to the issue of addiction through AADAC, and we are spending money with respect to various gaming issues, many of which are social and psychological in nature, but the list of research that in fact is done is essentially a combination of the work of the council in generating ideas for the institute, who take those and then go out and try and find somebody within Alberta to be interested to actually do the projects. There are limitations in what you can do given people who are interested in gaming research within the province or even within Canada, from what I understand.

You asked a question with respect to the current state of the VLT litigation. Just by way of background, what happened was we had plebiscites in 1998, and the AGLC went out as a result of plebiscites that said, "Please remove those VLTs from our community," and was met with a lawsuit which essentially said that our legislation was defective. We brought in an amendment to our legislation

which we felt addressed the defect. The day following the proclamation of that, we were in court. A Court of Queen's Bench judge here in Edmonton granted an interim injunction at that point in time pending a determination of, I'll call it, the constitutionality of our legislation. So that lawsuit has been outstanding. With that lawsuit being outstanding, the interim injunction has also been outstanding.

I'm happy to say that later this month, this spring, we, I understand, have a pretrial conference involving counsel which should see a trial later this year, say in November, of the litigation associated with the Alberta action, but there is also an intervening situation, namely a case in Manitoba, which I'm advised is very similar on many points to the issues that we are dealing with here in the province. That particular matter has been accepted by the Supreme Court of Canada as a case to be heard, so it will in fact be proceeding there. Our lawyers have gained intervenor status, so they will be in Ottawa in October of this year arguing on that point. It's hoped that the Supreme Court will be able to provide a ruling which is favourable to our position but, in any event, a ruling that will cover off many of the issues that are involved in the litigation.

We don't know when the Supreme Court would rule. They could rule from the bench, or they could rule a month or two months or several months later. Nonetheless, the highest court in our country will be providing a ruling that will be extremely helpful in resolving this matter once and for all. On the basis of what I know, we can expect that the end is in sight. There are actually court dates that should see this matter come to an end.

THE CHAIR: The hon. Member for Edmonton-Gold Bar.

4:50

MR. MacDONALD: Thank you very much, Mr. Chairman. I may spring to my step here this afternoon and direct some questions to the hon. Minister of Gaming. It certainly is an interesting department to look over, and it certainly is growing, as the hon. Member for Edmonton-Highlands discussed earlier. It is becoming more and more a centre of revenue generation for this government.

My first question this afternoon for the hon. minister certainly revolves around the community facility enhancement program. For the last couple of years we've seen funding for that remain stable at \$25 million, and everyone in the Assembly knows . . .

MS BLAKEMAN: Twenty-two and a half. It just went up to \$25 million.

MR. MacDONALD: Yes. The comparable for the 2001-02 budget was \$25 million, and this year it's \$25 million, and then the comparable 2001-02 forecast was \$22.5 million. Regardless, we see where the community lottery board grants were eliminated or terminated. My first question to the hon. minister in regard to this would be: was there a discussion at the standing policy committee prior to the release of this budget to eliminate the community lottery board grants? What was the consensus of the standing policy committee in regard to this matter?

Now, I have had calls and certainly expressions of concern regarding the entire cancellation of the community lottery board grants, and certainly the Kenilworth arena is a victim, the city of Edmonton, the neighbourhood is a victim of this unexpected termination of the grants. When the hon. minister encourages the city to look to CFEP as an alternate source of revenue, is the minister at this time considering lifting the cap of \$125,000 on CFEP grants so that organizations like the city of Edmonton and their \$300,000 deficit in regard to the Kenilworth arena rehabilitation, certainly the Citadel Theatre – the Edmonton police force I believe

was going to get some exercise equipment here. There are many organizations, and there has not been an expansion of CFEP to compensate for the number of applications that the minister is encouraging various groups to proceed with to CFEP. So we have a smaller amount of money with more organizations applying for grants. How is this going to work? Will that cap be lifted, specifically the \$125,000? Is that the minister's answer? It's fine to send His Worship Mayor Bill Smith a letter telling him that, well, we can go to CFEP and see what happens there, but is the department going to lift that cap of \$125,000?

Now, the hon. minister would certainly be too young to remember Uncle Ben's Breweries in Red Deer. This was a small independent brewery that survived for many years in this province. There is a goal here – and I have a question in relation to this goal – goal 1.2 on page 182 of the Gaming business plans: "Ensure the manufacture, importation, distribution, sale and consumption of liquor products are conducted according to legislation and policy." My specific question is in regard to the manufacture.

It's been brought to my attention that this may not be a fair and level playing field that has developed here with the bar that has been set in the number of – I believe, Mr. Chairman, it's hectolitres. It may even be 280,000. I'm not sure about this, but the number of litres of product that one manufactures determines what the price of the product is at the liquor store. This obviously is not going to benefit certainly the larger manufacturers of beer, Labatt's or Molson, but does the minister consider this a subsidy to brewers such as Big Rock breweries or McNally's ales? I would encourage members of this Assembly if they haven't tried one to do so. Certainly I would like the minister's view of this. We all know that a level playing field is very important to all businesses, and if there's going to be some sort of price for one group that another group is not going to be able to enjoy, well, I don't think that's fair. Is this the minister's answer to encouraging microbreweries, or what exactly is the policy behind these changes regarding the beer?

I'm told that the price of Labatt's and Molson's products went up with this budget, and with Big Rock, as a specific example, the price has gone down slightly. Now, this hon. member, Mr. Chairman, could stand corrected on that. I certainly haven't purchased any of those products lately, before or after the budget, but this has been brought to my attention by a constituent who works in the industry and is concerned about the direction that this government is perceived to be going in in that it is unfair and not a level playing field for all the brewers. If I could get answers to those questions. If we run out of time, the last day of spring would be appropriate for this member. Written correspondence would certainly be suitable.

Now, the lottery fund summary of payments on page 212, hosting the Arctic Winter Games. There has been a bit of money spent in the past. There's going to be \$500,000 spent this year. Is there going to be a significant amount of money spent above that \$500,000 next year? When are we going to host the Arctic Winter Games? It totally escaped this member, and I've asked several others. Certainly I think we can be cold enough here in January to host the event. Where is this going to occur and when? I would be very anxious to know that, and what money are we going to put into this adventure in the future?

Now, I see also that in Community Development we have started some new initiatives, and if the minister could explain these to me. The volunteer services: we're going to spend \$3.4 million there. We've canceled the community lottery boards, but why are we spending the money here on this issue of voluntary services? What's that about? Sport and recreation: we're going to spend \$1.1 million there, Mr. Chairman. Also, arts development seems to be a new program. Is this going to be the equivalent of the Canada Council

grants at the provincial level? Are we going to give this to artists or artists in residence at the Banff school or perhaps at the University of Calgary or the University of Alberta? What precisely is that money going to be used for?

Now, I go to the travels with Peppy section below this, Economic Development. We're going to spend a little bit over \$14 million there. This Travel Alberta Secretariat, in-Alberta/regional marketing – international marketing for tourism: we're going to spend \$8.4 million. What precisely are we going to do with this money in Economic Development? I certainly hope that this isn't going to turn into some sort of fund where there's going to be fun and no economic development. I certainly hope that does not occur. Tourism destination regions: \$1.8 million. Now, I'm not against – don't get me wrong, Mr. Chairman – promoting and developing further the tourism industry in this province. I think that there will be a day come when that will be the number one industry in this province because of our natural geographic beauty. But this is a lot of money to be spending on this when, again, we've canceled the community lottery board. We just completely wiped that out and started this fund. I'll be watching this fund too in the next year or so.

5:00

Now, the rural initiatives for physicians: \$17.3 million is going to be spent here under the Health and Wellness department. What are the details on these new programs? How many doctors are we planning on recruiting? Where are they going to be located? Are any of them going to be specialists? Is this money just specifically for physicians, or is it going to be used to recruit registered nurses to nursing stations in the north? Particularly in the aboriginal communities I understand that there's a real problem in attracting registered nurses to the nursing stations. Is this specifically for physicians, or could it be used to attract registered nurses to the First Nations communities that are located in remote parts of the province?

The Alberta Energy Research Institute under Innovation and Science is going to get roughly 3 and a half million dollars. This is again a new program. What precisely are we going to spend that amount of money on? Is this going to be to track energy deregulation? Are we finally going to come up with an exact cost here of what this right-wing folly has cost Albertans? Is this what this money is going to be used for? Is it going to be used to determine an export policy for the province, or is it going to be used to determine how we get out of this transmission bottleneck that we're in because of deregulation? Because of the uncertainty over deregulation in the last number of years no one knew whether or when they should build any additional transmission lines. So is this money going to be used to answer any of those outstanding policy questions? Certainly those questions seem to have stumped the government so far.

The Alberta Forestry Research Institute is also a new program, \$1.7 million. What precisely is that going to be used for?

Then we're going to get \$10 million in Innovation and Science for informatics circle of research excellence. If the hon. minister could explain that program and that sum of money, I would be again very grateful. That is a lot of money again.

Now the unconditional municipal grants under Municipal Affairs, \$28 million. Unconditional means no strings attached, and I would have to ask the minister if it's possible for His Worship Mayor Smith to apply for some of this money to finish his arena in Kenilworth. Is that possible? If it's an unconditional municipal grant, what exactly are the criteria for accessing this money? Now, how does this work? Is it unconditional money for an overpass?

AN HON. MEMBER: For Anthony Henday.

MR. MacDONALD: For Anthony Henday. Okay. Well, that's good news, but if there's any money left over, let's finish the Kenilworth arena.

I, too, have a few comments and questions regarding the ticket lotteries for both the Edmonton Oilers and the Calgary Flames. Is there any anticipation that this will grow larger, that this will be successful beyond the wildest dreams of the people who are marketing this ticket lottery? If it will be above \$2.7 million, is a portion of this money going to be set aside for minor hockey? I think that minor hockey players all over the province, including those that want to play at Kenilworth arena, should be given a portion of this ticket lottery if there's any above this set amount in here. There were many times that I was told by other members of this Assembly that originally gaming was going to be a \$20 million to \$40 million revenue source for this government. In a decade, it's gone to well in excess of \$1.2 billion, Mr. Chairman. [interjection] Yes, \$1.7, but net – where did I see it? Yes, total lottery payments to be voted: \$1.2 billion.

Now, Mr. Chairman, there was this astronomical growth there, and I'm wondering: if there's growth with the Oilers ticket lottery and the Flames ticket lottery in excess of the \$2.7 million, perhaps 50 percent of it could be shared with the minor hockey associations across this province. I would be very grateful for the minister's comments on that.

I believe that at this time, Mr. Chairman, that takes care of my questions. I had one more regarding the debt repayment with gaming revenues. At the same time that there's going to be a significant acceleration of debt repayment with gaming revenues, we see \$33 million in gaming money going to build another form of gaming, and this is the horse racing. I would be of the opinion that it's the government here that has a real gambling problem. [interjection] Yes, but we need to talk, and I would encourage the hon. minister to study the fiscal stability fund, the idea that has been proposed for many years by members from this side of the Assembly.

Certainly there are cuts in other areas, and the community lottery boards in my view were significant. That was a compromise that was made after we had the referendum on the VLTs, and it was money to be shared and distributed locally. Why cut programs and have this race to pay off the debt? Certainly we have very good debt repayment schedules in the future. In fact, I believe the Toronto-Dominion Bank states that 4 percent of the gross domestic product of this province is used for debt relief, which is excellent. It's a number that other governments can only dream about. I'll grant that it was a significant achievement. This debt pay-down that's been going on here lately: what's behind this? Are we going to have a big party in 2005? The Solicitor General earlier this afternoon was talking about the feds having a party in Kananaskis, and the hon. minister didn't seem to want to have any part of that. What's going on here? Are we more concerned about the mortgage-burning party in 2005 than we are about having a good distribution of this revenue? This revenue can be – how do I say this, Mr. Chairman? Community groups – whether they're schools, whether they're hospitals, whether they're sporting groups, whatever community

group it is – can count on the government's word. Whenever the government sends out a letter that says that the \$300,000 cheque is in the mail, they can count on their word.

Thank you.

5:10

THE CHAIR: After considering the business plan and proposed estimates for the Department of Gaming, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:	
Operating Expense	\$215,860,000
Lottery Fund Payments	\$1,211,098,000

THE CHAIR: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIR: Opposed? Carried.

The hon. Deputy Government House Leader.

MR. STEVENS: Thank you, Mr. Chairman. I move that the committee rise and report the votes for the Ministry of Gaming.

[Motion carried]

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: The hon. Member for Calgary-Lougheed.

MS GRAHAM: Thank you, 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, 2003, for the following department.

Department of Gaming: operating expense, \$215,860,000, and lottery fund payments, \$1,211,098,000.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

The hon. Deputy Government House Leader.

MR. STEVENS: Yes. Mr. Speaker, I move that we call it 5:30 and adjourn until next Monday at 1:30 in the afternoon.

[Motion carried; at 5:14 p.m. the Assembly adjourned to Monday at 1:30 p.m.]

