

Legislative Assembly of Alberta

Title: **Wednesday, September 29, 1993** **8:00 p.m.**
Date: 93/09/29
[Mr. Speaker in the Chair]

MR. SPEAKER: Please be seated.

head: **Government Motions**
 Designated Supply Subcommittee

15. Moved by Mr. Evans:
Be it resolved that the Assembly grant leave for the designated supply subcommittee considering the estimates of Executive Council to meet on Thursday, September 30, 1993, between the hours of 3:30 p.m. and 5:30 p.m., when the Assembly is sitting.

MR. SPEAKER: The hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Speaker. As I understand the new rules, if I understand them correctly, this motion in order to be endorsed would require unanimous consent.

MR. SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of Motion 15 as moved by the hon. Deputy Government House Leader, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried unanimously.

head: **Committee of Supply**
[Mr. Tannas in the Chair]

MR. CHAIRMAN: I'd ask the committee to come to order. For the benefit of those in the gallery who are unfamiliar with this particular part of the Legislative Assembly, this is called Committee of Supply. It's an informal part of the legislative process. People are allowed to move about, to whisper quietly, to have coffee or juice in the room, and to indeed even go across the floor and visit with their confreres on the other side.

Committee members, I'd like to just review for a minute my understanding of the process that we are about to begin. This is under the new Standing Orders. Just so that I understand it, an agreement has been reached between the House leaders of the opposition and the government that we will have a report of the subcommittee. The subcommittee chairman will speak for approximately 10 minutes, then the two opposition critics will each speak for 10 minutes, and the minister will then sum up for approximately 10 minutes. These are agreements that have been reached. What I want from the House leaders is: is that substantially correct? If I'm incorrect, please let me know now.

MR. EVANS: Mr. Chairman, not to try to prolong things any longer than would be necessary – and the House leader on the Liberal side would perhaps want to add to this – my belief is that the maximum time frame would be 10 minutes, so of course if the comments can be entered in a more succinct and more timely manner, we would all as hon. members encourage that. I'll wait for confirmation across the way.

MR. MITCHELL: Agreed.

MR. CHAIRMAN: Okay. The committee agrees with the process as outlined. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no. Carried.

head: **Main Estimates 1993-94**
Health

MR. CHAIRMAN: We're here tonight to consider the estimates, first of all, of the Department of Health.

Chairman of the subcommittee, the Member for Rocky Mountain House. [some applause]

MR. LUND: Thank you, Mr. Chairman. I very much appreciate the applause, but I hope it did not eat into my time. This is a new process, so as a chair of one of the subcommittees I was somewhat in a quandary trying to figure out how I should report a four-hour-plus meeting in 10 minutes.

Tonight I am going to use two different formats. The first will be somewhat of a provocative one, not to mean that it's going to cause debate, but I would hope that it will encourage people to get ahold of *Hansard* and read. I'm going to describe a number of areas that we discussed and some of the questions that were asked, and you will have to read *Hansard*, or in some cases the minister has committed to answering the questions later in order to fill out the report.

The subcommittee met in excess of four hours on Thursday evening, September 23, 1993. I've broken it down into about 15 areas that were touched on by the committee during the discussion, so I will run through those.

First there was a lot of discussion on the privatization of the health care system.

Second, we went into some of the spending reductions, and I'll give you a sample of some of the questions. Why are you reducing expenditures on planning when the requirements for planning are increasing? Who is making sure demands for service are not falling between the cracks? Have there been any long-term care bed closures.

We then moved into capital construction and questions. Why don't we simply stop capital construction? What's the current status of the Westlock hospital? What are the utilization rates of all hospitals in the province? What's the difference between district, private, and voluntary nursing homes? Both district and local took cuts but voluntary hospitals had an increase; why is that? Are commissioning dollars available for new long-term care facilities? Are there any plans to redistribute long-term care beds in rural Alberta?

Number four, talk about the rural physicians. Is the goal to increase the number of doctors in rural Alberta? Are we going to see rural visits by specialists? Does government have plans to develop work experience programs to encourage rural students to enter rural practices?

Number five, work force adjustment strategies and nursing. How many nurses will our system need, and how will they be deployed? Are there plans to take away some of the duties from doctors and give them to nurses? Can we take the skills of nurse practitioners in the north and apply them in the cities?

Number six, and this is program 6 as well, the mental health program. The Children's Advocate review: what are we doing

to ensure appropriate mental health services for children? There was a lot of other discussion in that area as well.

Regional Planning. Is there a plan for a regional model and for giving it power? Concern that board members elected at a facility will be at odds with the regional mandate.

Physicians in general. Does the government plan to limit billing numbers? Will walk-in clinics be changed or limited in any way?

Number nine, the roundtables. How will the suggestions from the roundtables be used?

Number 10, Alberta Health in general. What kind of reorganization has taken place? How will the number of employees change over the next two years?

Number 11, information technology. Is our dollar commitment leading toward a smart card?

Number 12, health funding. Why is intravenous funded in hospitals but not through home care? How do we decide what services are funded and which are not? How has HPI helped in funding reallocation? Specialty hospitals are presently excluded while specialty units within hospitals are included in HPI calculations. The question: is this fair?

8:10

Allied health professionals. Is the minister considering the development of practice guidelines?

The topic of drugs. Who decides what drugs get added to the drug benefit list? What is the policy on lowering drug alternatives, and how do we compare to other provinces? Is there any plan to bring in programs to monitor drug prices? Is there any plan to get into any drug cost analysis, the efficiency of drugs?

Then, finally, there was a lot of discussion around the public health area, and some questions came out of that. Have you monitored how much more demand home care has now? What qualifications do home care providers need and who is monitoring it? How do you decide where to allocate the dollars most efficiently in the AIDS program? What is the impact of the HIV hemophiliacs' assistance package on this year's budget? What reallocation of money is being made to community-based services? Are there studies that indicate precisely the number of psychiatric beds we are going to need in the near future?

Mr. Chairman, the reason that I read a number of those questions was to indicate the broad scope of the committee discussion on the night of the 23rd and to indicate that in fact all six programs were covered. Program 1 of course is very broad ranging, so as we were discussing that particular program, we ended up getting into a lot of areas.

If I could make one recommendation from the experience of this particular committee exercise, it would be that we should have a little better guidelines on how far ranging the question can go. If we stick very closely to the budget estimates, a lot can be accomplished. We can cover exactly where the dollars are being spent, how efficiently programs are being run, and cover that in extreme detail, but once we get into philosophical discussion, it really cuts down on the time that we can look very thoroughly at the budget estimates.

So with that, Mr. Chairman, I hope that has given a broad overview of what happened in the subcommittee on September 23.

Thank you.

MR. CHAIRMAN: Hon. Opposition House Leader.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to take 10 minutes of our 20, and the second 10 will be taken by my co-health care critic, the Member for Edmonton-Glenora.

I'd like to begin by thanking the chairman of our designated supply subcommittee, who I think did a good job in supervising its first four-hour session. I will say that it took some effort on his part to allow the program-by-program restriction to work properly, and while I still don't endorse it, I will say that it worked as well as we might have expected.

I'd like to thank the minister, who I think distinguished herself in answering the questions as diligently as she did, who worked very hard throughout that four-hour period, having the opportunity to speak more than most of us would because we were questioners. I'd like to thank her for bringing the staff that she brought and them in turn for the contributions they made. I believe that while we have work to do on the designated supply subcommittee process, from our point of view it proved itself to have some tremendous merit. We found it to be quite a satisfying process and certainly an improvement over what I've experienced in estimates over the last seven years in this Legislature.

I'd like to briefly reiterate several important commitments made by the minister and thank her for having made them. She committed to providing us with audited financial statements for UniCare Integrated Software Inc. once the current sale negotiations surrounding that company are over. I understand that in fact they are over now. Because they couldn't sell the company, they have discontinued its existence. If I'm right, then I would appreciate receiving those audited financial statements as soon as possible. I would also like to thank the minister for her commitment to provide statistics on the monitoring of home care needs versus services available in the community and her third commitment to provide a list of the 60 or so health care capital projects which she said are currently on hold.

Having said that, Mr. Chairman, I will say that the process hasn't left me or my caucus colleagues entirely at ease. In fact, we have some very serious concerns arising out of that detailed analysis of this department's estimates. I think I could summarize those concerns or characterize them best by saying that if anything emerged out of that discussion, it was that there truly is not a plan. There is truly no plan underlying the current cuts to the health care system, the immediately proposed cuts to the health care system of \$122 million and whatever cuts the department, the government, the minister will propose to implement in the future.

We can see the lack of adequate planning in many important features, features of what came out of that discussion, elements of what should have been in the estimate details that weren't, or what shouldn't have been in the estimate details but were.

We asked the minister how many nurses she anticipates will be required by our health care system in five years and in 10 years. She couldn't say. There are no studies. There is no projection upon which that important consideration can be made. We asked: what is the greatest single intervention through the acute care hospital system that she would anticipate occurring in five years and in 10 years? A critical indicator, a litmus test, if you will, of whether or not the minister and the department have really begun to assess where this health care system is going and what its needs will be. She couldn't answer that. We did not get a specific figure in that regard. We asked whether there were studies to support across-the-board 1.5 percent cuts to rural acute care facilities and across-the-board 4 percent cuts to urban acute care facilities. The answer, I think, was evident. No studies could have been done, because they could not possibly have concluded, as 1.5 percent across-the-board and 4 percent across-the-board cuts would indicate was a conclusion, that somehow all rural hospitals are equally efficient or inefficient, that somehow all urban hospitals are equally efficient or inefficient, and that somehow all urban hospitals are less efficient than all rural hospitals. Clearly,

clearly that cannot be the case. If studies had been done upon which those cuts were based, we would not have had across-the-board cuts. No plan conceivably, structured properly, could ever have endorsed across-the-board cuts in that way.

No studies. The minister admitted that she has no studies on abuse, quote, unquote, the kind of abuse that the Premier referred to the other day, whatever that is, of the health care system, abuse upon which he is basing his musings about the need quote, unquote – and I use that very loosely – for user fees. Well, if an element of the plan – and the Premier has to have some role in that – is user fees based upon abuse, surely the Minister of Health would have studies and would admit to those studies that would be backing those. We asked for studies on whether or not there are sufficient psychiatric beds available in this province and, if so, how many that would be. The minister said she has no such studies. How do we know, therefore, that the closing of the beds now is going to leave us with sufficient or insufficient numbers of beds? Clearly, Mr. Chairman, there is no plan, because a plan would necessitate and require that such studies were done.

There is no explanation of where the \$122 million is going to come from or how it is that with five months left in this fiscal year, she is going to find \$122 million on an annualized basis, which the budget calls for, without cutting more than twice that much immediately. Any plan would, of course, address that.

There is no vision in any of the documentation or any of the discussions, Mr. Chairman, upon which a plan of action for restructuring the health care system could reasonably be based. What will be the role of community health? There is no projection, no evidence, no vision for what that will be. What will be the role of preventative health care versus the promotion of health? What will be the role of nurses within the home care system versus an acute care system? And so on.

8:20

There is no labour force redevelopment study or plan to determine where the nurses that are being laid off now and undoubtedly will be laid off in the future will be better used to reduce costs and enhance service. There is no sense of how to govern better our health care system. In fact we have the Premier on the one hand arguing that he's got to have hands-off because these are independent boards that require their autonomy and in the same moment his Treasurer bringing in amendments to the Financial Administration Act which will allow the government to step in and manipulate, step in and direct what institutions do. We do not have an overall plan of governance of the health care system so that mandates and demands and service delivery somehow can mesh as they don't mesh now. Why has it not been addressed that acute care facilities that want to be able to release, discharge people earlier, those people whose health wouldn't be jeopardized by doing that, don't have the mandate to cover home care and home care doesn't have the money in order to fulfill that mandate?

Mr. Chairman, what I was struck by in that four-hour session above all else is that we are left observing a government that is making an attempt to spend less for health care this year than last year and doing nothing more. It is tantamount to doing the same kind of health care system but only doing less of it, some arbitrary, unfounded amount less of it. Even if we had enough money – and we don't – to do the health care system exactly as it's being done today, it isn't a good enough health care system. It is not proper simply to cut it. It is certainly not proper to cut it arbitrarily and improperly. It must be cut, but we must never lose sight of cuts that not only will reduce the cost of the health care system but will restructure our health care system in a way that it

will enhance service, provide better long-term health care service, provide better overall health care service for Albertans today and into the future.

Chairman's Ruling Decorum

MR. CHAIRMAN: A number of members are engaged in rather lively discussions. We don't want to curb that, so we would invite them to go out into the lounge and carry on the debate there while we have the reports here.

With that in mind I'll call for the comments from Edmonton-Glenora.

Debate Continued

MR. SAPERS: Thank you, Mr. Chairman. I appreciate the indulgence of my colleagues across the floor. Thank you.

I would like to add my thanks as well to the chairman of the subcommittee and to the minister for what was, in fact, a very productive subcommittee review. Much, of course, was learned. Much remains to be disclosed.

I would like to start with program 6 because that's where we left off in the subcommittee process. I do have a number of specific questions I'd like to direct to the minister. First, in terms of community support services, under mental health funding, I'm aware, Madam Minister, that officials from your department visited Wisconsin to study the Dane county funding model. Now, in this model, funding flows from an individual whether he or she is in an institution or in the community. What did you learn precisely from that study? Is there documentation of the results of that study? Are the results of that study being implemented in Alberta?

The second question under community support. As more and more people are discharged into the community, there is a blurring of the lines between the role of a hospital, and we hear about hospitals without walls. Now, hospitals without walls may be a fine idea when it comes to moving from an institution-based program to a community-based program, but hospitals without walls, deinstitutionalization, does not in itself replace community support. How is funding actually being modified to reflect all of the changes in community health flowing directly from hospitals and institutions into the community?

Thirdly, I'm very concerned – we've seen this happen before, and before it was social services with Health – that when patients are moved from institutions in those program areas, they are often picked up by institutions in the Justice area. What interdepartmental studies, if any, have been done to prevent a reduction of expenditures in the budget for mental health overall resulting in an increase in the cost of running the judicial system?

Moving to mental health services for children, Mr. Chairman, my first question is: why is it necessary that parents of mentally ill children must actually give up guardianship of their children to the province in order for them to receive proper treatment and care in an institutional setting before they can get the help that they require?

Now a specific question about the lack of residential programs, Madam Minister. What specific action are you taking right now with regard to the lack of residential programs for severely mentally disabled and handicapped children? Not what plans are in place, but what's happening right now?

Mr. Chairman, I'm not exactly sure why, but the Member for Cypress-Medicine Hat is making a noose out of his tie. Maybe he's in some distress.

MR. CHAIRMAN: Hon. member, could I interrupt for a moment? I'm a little uncertain as to the process. You're asking a series of questions, and it was my understanding that it was a report. Are you then expecting that the minister will answer all of these questions in her 10-minute summation?

MR. SAPERS: These were questions that were left unanswered.

As far as planning for mental health services goes, Mr. Chairman, I'm curious to know to what extent services are being curtailed right now at Alberta Hospital Ponoka. What are the plans for the future of Alberta Hospital Ponoka?

Finally, program 6, Mr. Chairman. I'd like to know, as I'm sure all professionals in the mental health field would like to know: what is the time line for the implementation of the mental health strategic plan? What are the department's first priorities in relation to the strategic plan? It is a hopeful plan, Madam Minister, and I'd encourage you to implement it quickly.

Program 5. A question that was left unaddressed had to do with Aids to Daily Living. Now, this program was cut by almost 18 percent this year over last. What are the projected long-run costs of reducing money available for these items? I guess I'd also be curious in knowing: has the study measured exactly how much money was saved by cutting off things like oxygen supplies and diabetic supplies under the Aids to Daily Living program?

Under the acute care funding program, program 3, Madam Minister, I note that palliative care is provided for in the acute care funding budget. How is this funding divided between care to individuals in their homes and care to individuals in hospital?

Moving into program 1, I have to . . .

AN HON. MEMBER: We did that.

MR. SAPERS: We talked about program 1? All right. Well, you know, maybe what I'll do, if you don't want to deal with this question of program 1 – I don't necessarily want to disagree with my colleague from Edmonton-McClung about the lack of planning. I am aware that there is, in fact, some planning going on within your department, but I'm surprised to learn precisely where some of this planning is leading us. It's leading us to the development of more acute care facilities and programs in a climate where calls are being made to have a moratorium on capital expenditures and calls are being made not to provide new facilities or expansion of existing facilities before the roundtables conclude, before we know where the \$122 million is coming from.

8:30

What I'm referring to specifically, Mr. Chairman, is something that I note from reading the Mayerthorpe *Freelancer* on September 10, and yes, I do read the newspapers. I note that the member for the area said that in voting against the interim supply Bill, Liberal members were jeopardizing, and I believe I'm quoting this, the planning and design of the expansion of the Whitecourt general hospital. Madam Minister, I'm wondering why, exactly, we'd be putting money into the planning and design of an expansion of an acute care facility in Whitecourt. I understand that this design and planning includes an expansion of X-ray facilities, physiotherapy, and lab services. I'm curious as to why this is going ahead and how much money is being spent.

The final question I have is to do with the overall budgeting process. The question I'm left with, Mr. Chairman, is that it's awfully strange, it seems to me, that we would put forward a budget that calls for precise cuts, then say we need to save another \$122 million from stakeholder consultations, and then fail to give any indication in which areas those cuts will be made.

I'm wondering when we can have the detail of the nature of the remainder of those cuts.

Thank you.

MR. CHAIRMAN: Hon. Minister of Health.

MRS. McCLELLAN: Well, thank you, Mr. Chairman. Before I begin, I would like to acknowledge the Department of Health staff that are with us tonight in the gallery. I'll ask them to stand, and I ask all members to please acknowledge this very dedicated and hardworking staff.

Mr. Chairman, I would like to make some general comments, and then I would entertain the opportunity to answer some of those questions. First of all, let me say that our health system is a top priority for Albertans and it is a top priority for this government. Our government I think has continually shown a commitment to it, and I think these budget estimates exemplify that commitment in challenging fiscal times.

I think that this year has been a challenge for the health care system. I think it's a year in which we look at the services we provide, the way we deliver them, and ultimately their cost is being questioned in many instances, but I think it is a year that we can explore new ways to deliver affordable, efficient, and quality health care for all Albertans. Albertans have told us to get our fiscal house in order, to pay the utmost attention to the economy, to strengthen education, to maintain the excellence of our health care system, and to provide affordable public services. We will provide value in government services, and we will live within taxpayers' means. More is not always the answer. I don't want my children and my grandchildren to look back and say, "Thanks for a lower standard of living." Other countries provide quality health services at a lower cost than ours and have better outcome. Why? I believe in our health systems and the principles, and I believe that helped define us as a nation. However, that does not mean that we cannot look for better ways.

Let's not be afraid to debate ideas, and let's not put blinders on innovation. Albertans want serious and mature discussion. They don't want political posturing. They are debating passionately. That is good. We're talking about a system that touches everyone.

Health expenditures currently account for approximately one-third of our program expenditures, and that portion has been growing steadily since the 1980s. That trend cannot continue. Costs are growing at a rate we cannot afford. We must live within our means. That means it's a challenge. We must rise to that challenge. For too many years we have thought that more is better. That attitude has led to duplication, perhaps some waste in the system, and overlap. It is an attitude that Albertans will no longer take. They want us to be more accountable. They want to focus on performance and outcomes.

I recently hosted a ministers of health meeting in our province and discussed these issues with ministers of health from across this land. I learned many things at that meeting, and I hope that you will listen to some of those things I did learn. The challenges of reforming this health system are common across Canada. Any partisan political hats are quickly thrown away at these meetings. There is a commitment across this country to preserve our excellent health system by making sure it is sustainable. We are asking questions in Alberta across government. We should do that, and we should work together. Providing quality affordable health care for Albertans in new and creative ways is our challenge, Mr. Chairman.

People working in the health system understand that new reality. Our health partners have shown a willingness to rise to the challenge to provide quality health services for Albertans. I know

that they have the vision and the will to change the system and to find new ways. As a department that accounts for a significant portion of program expenditures, Alberta Health must do its share in meeting the fiscal targets and the challenge of living within our means. I believe there are sufficient funds in the health system. What is needed is a reorganization or restructuring of this system so that those funds are allocated where they can make the most impact on the health of Albertans.

As you know, I convened a provincial roundtable on health in August, and that included health service providers and public representatives. I welcomed the participation of the opposition health critics. I asked them to give advice on how best to reduce expenditures while we continue to have access to the best health services in this province. As you are aware, a series of further roundtables are under way now. They have been an effective forum for Albertans to express their interest and their thoughts on how our health system should be defined. We are receiving excellent ideas from Albertans, and I look forward to the report this fall from the minister responsible for the Health Planning Secretariat.

We have been planning in this province, and I would suggest that perhaps you look at the comments that were made tonight by the first opposition critic. I believe if the member would go back and reread *Hansard*, he would see many answers, perhaps not the answers that he wanted. You might get an understanding of why we didn't get specifics. We spent a lot of time on philosophy and on questioning reports rather than the specifics in the budget.

He talked about utilization. There are utilization factors, if you read the reports. I'm not going to go over them again. They were dealt with very well. I don't think that this is a useful process, just to make statements that are not productive. We talked about role statements. We talked about health goals. We talked about the long-term health care report. We talked about the report on mental health. I believe those were answered quite specifically. I think that can be found here, and I will not take the time.

I think if the hon. member that spoke next would consult with his colleague, the answer on Dane county is expressed in a question that the hon. member has given to me. I have committed to answering some further 12 questions that were left over, and I will have that to him at least in the next two days. It would have been sooner had we had the full report from the committee. So that's number one.

The blurring of lines from institution to communities: very important. How do we transfer the funding from the institutions to the community? The member was present at a meeting that I was at last night. I think he has those answers. If he doesn't, rather than take the time of the committee, I will write them to him again.

Studies between Justice and Alberta Health. There is an increased co-ordination of interdepartmental work to assess these. Alberta Hospital Ponoka continues to operate as a teaching hospital as well as a treatment hospital.

8:40

The time line for the mental health plan. I would ask the hon. member if he has seen that plan. He asked me for a quick implementation of the fine report, so I was wondering if he had read it. I think the report took some time to deliver. I will give it the same time that it requires, and I will meet with the committee that prepared that report and discuss their recommendations with them.

There was a discussion on AADL supplies. I explained at the subcommittee that diabetic supplies are now supplied through Canadian Diabetes. There is a ceiling on oxygen supplies, but we

still do supply them. There are palliative care funds that are directly directed to home care, and there are also many of the institutions that have them within their acute care programs.

Planning leading to a reduction in acute care and the discussion of the Whitecourt hospital. I really compliment the member if he is trying to become better informed, but the expansion of X-ray and physiotherapy does not add acute care beds to this province. If he would care to look at the acute care renovations that have occurred, I would think that in almost every instance – and I will get the figures for him – this has led to a lowering of numbers of acute care beds in this province.

My last plea to the House is that we put our political hats aside, that we all come together and work at developing and continuing to have the best health care system for all of the people of this province wherever they reside.

Thank you.

MR. CHAIRMAN: Are you ready for the vote?

HON. MEMBERS: Question.

Agreed to:

Program 1 – Departmental Support Services	
Total Operating Expenditure	\$26,126,822
Total Capital Investment	\$593,700
Program 2 – Health Care Insurance	
Total Operating Expenditure	\$666,390,095
Total Capital Investment	\$586,000
Program 3 – Financial Assistance for Acute Care	
Total Operating Expenditure	\$1,952,309,651
Total Capital Investment	\$29,984,764
Program 4 – Financial Assistance for Long-Term Care	
Total Operating Expenditure	\$486,392,318
Total Capital Investment	\$1,211,537
Program 5 – Community Health Services	
Total Operating Expenditure	\$269,551,864
Total Capital Investment	\$38,950
Program 6 – Mental Health Services	
Total Operating Expenditure	\$47,731,585
Total Capital Investment	\$217,184
Savings through Stakeholder Consultations	(\$121,903,000)
Total Operating Expenditure	\$3,326,599,335
Total Capital Investment	\$32,632,135
Department Total	\$3,359,231,470

MRS. McCLELLAN: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Advanced Education and Career Development

MR. CHAIRMAN: First of all, the subcommittee report. The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Chairman. It's a pleasure for me to be able to rise before you in this House and report on the progress of the Advanced Education subcommittee.

First, I would like to say to all members that it was a real privilege for me to be able to preside over this meeting because of the level of decorum and co-operation expressed by all members from both sides of the House.

On September 9, 1993, this Assembly took a momentous step toward achieving a more open and accountable process for conducting its business, and both sides of the Assembly should be proud of the efforts involved in bringing forward a new process embodying the principles of openness, effectiveness, and accountability. Standing Orders 56 through 59, which I've grown very familiar with over the last couple of weeks, essentially encompass some of those new rules the two House leaders have agreed upon. They will allow all members in this Assembly to direct due consideration toward the departmental estimates tabled in this Assembly for debate.

Mr. Chairman, before I begin my report to the Committee of Supply, I would like to share with everyone some of the sentiments expressed on September 16 with regard to this new process. All committee members were very impressed, I might add, with the open and forthright answers provided by the Minister of Advanced Education, and we accomplished our objectives in this new spirit of co-operation, which was a very refreshing experience for all of us who participated. The minister and his staff were exceptionally well prepared and provided ample information in response to all members' questions. When we first started this, I think I was prepared for the worst and kind of hoping for the best, and frankly because the minister involved set the tone for this entire meeting, we did get the best out of it. In this particular instance, I certainly think Mr. Ady represented why we call our ministers honourable, because he was so open and forthright when he was asked questions.

Mr. Chairman, it's my duty to report the proceedings of the Committee of Supply subcommittee meeting held on September 16 to review the detailed estimates of the Department of Advanced Education and Career Development. This subcommittee was comprised of four opposition members and six government members, including myself as chairman, and the Hon. Jack Ady, who of course is the minister, and four senior officials within the department were there to answer our questions. The subcommittee met for four and a half hours, with a full four hours devoted to detailed consideration of the department's '93 and '94 estimates.

Initial procedural matters were handled expeditiously. In fact, we handled them in something like 12 minutes. We had agreed to 15 and it took 12. Committee members co-operated fully with the Chair in dealing with any that arose during the proceedings or the discussion of the estimates. It was kind of interesting when you looked at the rules, because these committees haven't met in something like 16 or 17 years. Frankly, we kind of made our own rules as we went along, and they were something of a cross between question period and what we do in Committee of Supply. Members, for instance, had an opportunity to ask a main question and then two supplementary questions. The one difference from question period in this instance was that we did allow a preamble for the supplementary questions.

8:50

The discussion proceeded on each program, Mr. Chairman, in the order they appear in the estimates documents: Departmental Support Services, Assistance to Higher and Further Educational Institutions, Financial Assistance to Students, and Skills Development and Employment Services, with capital funding treated as a

fifth program. Committee members were able to comment on and ask questions about many different areas of the department's budget, and I believe the process considerably improved members' understanding of the government's budget in support of adult education and training. From a personal perspective, I talked to a number of the members after we left that particular subcommittee, and I think all of us came away with a much, much better understanding of exactly what it is that Mr. Ady's department does.

I would like to provide the committee, if I may, with a brief overview of the discussions that took place under the various program headings.

Program 1 produced significant discussion in the areas of ministerial committees and departmental administrative costs.

The questions on program 2 were directed to the issues: general funding for postsecondary institutions, student accessibility, provisions for academic upgrading and English as a Second Language programming, tuition fee policy, and the nature of institutional responses to the labour market.

Questions directed at program 3 focused on student loan guarantees, access by private vocational school students to student loans, student loan defaults and remissions, the role of banks in student loans, and remission of loans.

Discussion on program 4 was directed toward job-creation programs, level of funding for training assistance, and apprenticeship examination.

In making this report to the committee, Mr. Chairman, I'm unable to deal in any great detail with the discussion that took place, otherwise we'd probably be here for the four hours it took the committee to go through these estimates. I don't think anybody in particular wishes to do that again. I see a couple of heads shaking no over on the far side. However, I would encourage all members to refer to the transcript from this committee for a more detailed look at what transpired in our subcommittee.

The minister and his staff attempted to answer all questions asked by the subcommittee. These questions and answers are fully covered within *Hansard* for the information of all members, and the minister is following up on approximately six questions with written answers to various members that asked the questions.

As I stated at the beginning of my remarks, in my opinion the subcommittee provided an opportunity for a thorough review of the departmental estimates, with ample opportunity for the members to follow up on initial questions to clear up any supplementary questions. If members have any further questions, the Minister of Advanced Education and Career Development is totally prepared to accept those questions and give an answer to those members.

As a final point, Mr. Chairman, I would like to bring to the committee's attention that the subcommittee unanimously approved the following motion:

that this committee recommend to the Committee of Supply that a full and adequate analysis of this department was conducted by our committee and that no further analysis should be required.

I think this motion captures fully the subcommittee's overall satisfaction with the process and its results.

I would like to thank the committee members once again for their co-operation and, in particular, the Hon. Jack Ady for making the chairman's job easy.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Edmonton-Mill Woods. As I understand it, you're going to speak for both the critics.

DR. MASSEY: Yes, I am. Thank you.

MR. CHAIRMAN: You've got 20 minutes then.

DR. MASSEY: Thank you, Mr. Chairman. The all-party subcommittee had the opportunity to examine in some detail, as the chairman has indicated, the estimates of the department of advanced education. It was in our opinion a very good meeting. It was an excellent meeting. The minister and his staff were forthcoming, and members from both sides of the House asked just excellent questions. There was a wide range of questions, and I think all of us are going to be better decision-makers because of the information we were able to gather that evening. We must compliment the chairman, who did an excellent job of expediting the process and trying to keep us on task and trying to sum up at the end the conclusions we had come to at the meeting. We were pleased to be part of the process, and we hope it can be continued.

There were some other questions left over from that evening about the estimates. Even though the conclusion was and we voted unanimously that the budget had been examined, I would like to raise in this brief summary some issues that I think still have to be explored and then end with three rather general overriding concerns we were left with as a result of that evening's examination.

One of the things that's come to our attention is that all budget information from institutions the department has in its charge comes to the department in a variety of forms, and it makes comparisons among institutions and how institutions spend their moneys very difficult. If those financial statements do differ institution from institution, it raises the question of how judgments are made about the performance of an institution or how moneys are allocated to institutions when those comparisons aren't possible. So we would like to know where that is going to be addressed. Are those financial statements going to be standardized so that comparisons can be made?

Under the financial statements of a number of the institutions, vacation entitlements, early retirements, incentive plans, and other possible unredeemed liabilities aren't reported. It's impossible for us to tell from the budget documents where that is addressed by the minister in this budget and how it's going to be rectified. Are those liabilities going to be shown on future statements from institutions?

We'd also ask what kinds of mechanisms the department has. This comes through in a number of areas, but it's really unclear in terms of how the department communicates with those institutions, the colleges and the universities, particularly about policies that are going to affect them. For instance, the government policy on zero percent increases for salaries last year doesn't seem to have been communicated to some of the institutions who entered into agreements that were much above that zero percent. Just how do they get information from the department, and what is their obligation when some policy is communicated to them, what is their obligation to follow it? How does the minister assure that they are following government policy? We're not sure how that takes place.

I'd like to know where the moneys in this budget are to ensure that the Alberta vocational colleges will properly account for the nearly \$3.7 million they have received in cost recovery programs. Those programs are offered to community members at cost, and yet there doesn't seem to be an accounting that we can track down for those dollars.

We'd ask what budget moneys the Alberta vocational colleges have to put in systems that will help track their capital assets. Evidently there are a number of the colleges in particular who haven't been very careful in keeping track of capital assets. I think the Grande Prairie college had to be persuaded to write off

nearly half a million dollars in obsolete equipment, and the Red Deer College records evidently don't keep proper track of capital records. We wonder how the department handles that. What control do they have? How do they handle it? Do they handle it through the audit? Is that where those things are raised, or does the government have some other mechanism?

We're not quite sure, and this permeates almost everything that comes from the department and its workings with its member institutions. That's the whole role of the appointed boards. What is their role? Who are they accountable to? Now, we assumed that because the minister appoints those boards, they might be held accountable to him, yet that doesn't seem to be the case. I look at the expenditures, for instance, for the Alberta College of Art. The Alberta College of Art lost \$360,000 in its investment in Olympia & York in 1992, yet there doesn't seem to have been any action followed from that misuse of public funds. Our question is: what is the line of authority? Where do they account for their actions, or inaction in that case, and the loss that the public purse suffered?

9:00

I'd like to know where in the budget the money is to help the colleges in particular to track their graduates. It seems that there is very little information about the success of college graduates in securing positions. I'm not quite sure how they can make judgments about the success of their programs, to allocate moneys to programs without having that kind of information. Does the department intend to conduct its own research, its own studies? Or is there money going to be provided in these estimates for the individual colleges to undertake that kind of work? It seems that if they are going to offer programs that are relevant, that's a prerequisite, that they have resources to do that.

I'd like to know what is being done to make sure that all the costs of community education programs are taken into account. A number of colleges evidently aren't tracking the full costs. They claim that they are offering break-even programs, but in many cases those break-even programs don't include capital costs, overhead costs that are incurred.

Those are questions that were left over from our last examination, but I'd really like to move to three concerns we have about the department and its operation that are sort of at the heart of the department's operation and are really very troublesome. The first of it is the whole matter of governance. It appears that there is no clear notion of whom the boards are responsible to for their actions. One might assume that it's the minister who created them, yet that doesn't seem to be the case, because we sat here and listened to the recent amendments proposed to the Financial Administration Act which would allow Treasury to take over the operation of a provincial institution. So we don't understand what the match is. Again, who do those boards account to for their actions, and who are they responsible to? The answer at the present moment seems to be to no one, that they can do as they want, ignore the minister, and obviously ignore the government. Otherwise, there wouldn't have been the need for the Treasury Board amendments.

The second and the more important concern is the whole matter of accessibility to postsecondary education for students in this province. The estimates in no way assure us that the situation where there are thousands of qualified students who, by raising the entrance exams, are being denied access to postsecondary institutions – there's no plan in the budget to accommodate them or the thousands of others who are turned away because there are no program spaces. It's not a new problem. It's a chronic problem now with the department, and there have been no short-term plans.

Students are being left out of getting the kind of training, the kind of education they need, yet the department seems, in these budget estimates at least, to have made no accommodation for them at all.

I guess lastly I would move again – and I've expressed my concern on a number of occasions – to the whole business of public consultation. The nearly half million dollars being spent on roundtables was, and I think still is, weakly defended. I attended with many of my colleagues and many of those across the floor part of the health care roundtable last night, where it was claimed that there was no plan and that people were going to be able to openly effect what happens in health care in the province. Immediately after that disclaimer had been made, the chairman for the evening went on to lay out in some detail just how the health plan was going to be changed. It was going to be regionalized, it was to be integrated, and he listed all the things that were going to be done. So the whole notion of consultation and what it means to consult with Albertans I think is called seriously into question. We've been suspicious that the moneys, that half million dollars covered in these estimates for advanced education roundtables, could turn into high-priced public relations exercises to legitimize the minister's future actions. It's a major concern with us, Mr. Chairman. It's for these reasons and others that we are unable to support these estimates.

Thank you very much.

MR. CHAIRMAN: The minister of advanced education.

MR. ADY: Thank you, Mr. Chairman. Prior to making some remarks, I would like to compliment the chairman of our committee as well. I think he did an excellent job. We were the first department to appear before the subcommittee, so he was breaking new ground and did an excellent job. Frankly, I'd like to compliment the opposition members that were in attendance in the way they conducted themselves. There really was a noticeable lack of confrontation, and we were able to deal in an expeditious manner with the questions that came and with the obvious intent of giving information that people sincerely wanted. I'd like to say that I felt it was an honour to be the first minister to appear before the new subcommittee. It was clear to me that the subcommittee provides for a level of debate and discussion of estimates that just wasn't possible under the previous process. I hope as the process progresses that we don't see it spoiled by attitudes that may cause it to deteriorate. I believe the members of this House and all Albertans could very well be served by this type of committee structure.

So all members can better appreciate the mission and goals of Advanced Education and Career Development, I'd like to summarize some of the remarks that I made on September 16. The department is responsible for adult learning. As a recently consolidated department, the department is currently guided by the following draft mission statement:

Advanced Education and Career Development is committed to life-long learning for adult Albertans. We will maximize the availability of quality education and training opportunities that are [first]:

- responsive to individual, economic and social needs; and
 - affordable for learners, employers and taxpayers,
- and we will ensure that providers are accountable for [their] learning outcomes.

A final mission statement will be one of the outcomes once our white paper is tabled in 1994.

Fully 81 percent of our budget is in the form of financial support to institutions. In a sense the department has the ultimate management challenge as we seek to achieve our results through

others, namely institutions. Four percent of our budget is in counseling and information support and skills development and employment services. We use our expertise and the dollars available to counsel students and the unemployed, to share information, facilitate training by groups and employers, and deliver programs to people who have been squeezed out of the labour market and need short-term retraining. Most important of all, 14 percent of our proposed budget is allocated to ensure that financial need does not preclude adult Albertans who are otherwise motivated and qualified from accessing education and training.

Mr. Chairman, there are a number of clearly emerging trends in education and training. In the postsecondary area over the past decade we have seen a very high growth in enrollment in all sectors, with the total enrollment increasing by 57 percent over the last 10 years. It is significant that enrollments have grown despite a decline in the 18 to 24 age group.

Chairman's Ruling Decorum

MR. CHAIRMAN: Order. We would invite those hon. members who wish to talk to take a break and go outside. It's hard to hear the minister, and the minister has a hard time concentrating on his notes when people are speaking at the same level or louder than him.

9:10 Debate Continued

MR. ADY: Many people are returning for part-time study often after a period of time out of the educational system. As our economy evolves, the skills needed by employers increase in complexity and diversity. People entering the work force need new or different skills than their predecessors. Those already in jobs need to continually maintain or upgrade their skills. However, even this may not be enough to keep us competitive. It is well known that the level of employer-sponsored training in Canada is well below that of some other countries. This is an area where change is required. Even though the economy appears to be recovering, levels of unemployment remain relatively high. One of the major activities in our department is to assist those who are unemployed to move back into the work force, whether this involves retraining or helping people to learn new job seeking skills.

My number one priority is student access to learning. Operating grants to institutions have been maintained. This decision is significant when contrasted with a reduction of nearly \$700 million in programs elsewhere in the government budget. When combined with tuition revenue, these operating grants, totaling \$905 million, will enable institutions to maintain and increase enrollment. To do so, we require institutions to set priorities. Successful student learning is and must be our first objective. Boards are faced with difficult choices, and administrators and faculty will have to carefully review their organization and how learning is delivered. Change is a must. It is significant as well that we have maintained our information and career counseling services. Especially in these difficult times it is important that we give students and the unemployed the best information we have on labour market trends and training options.

My second priority is student assistance. Alberta's system of student assistance is respected and admired across Canada. For 1993-94 financial assistance to students has increased by \$51.2 million. Annual student loan limits will increase by \$350 to accommodate a \$40 per month increase in living allowances and current tuition levels. The number of students seeking financial assistance is rising, as are their average needs. I also want to lower the student loan default rate. I believe students want to pay

back their debt. Our repayment system must reflect that and be more flexible. In a move towards one-stop shopping for students seeking financial assistance, the budget of the Students Finance Board will increase by \$32 million to pay the grant assistance to some 5,000 students this year who were formerly supported by the Family and Social Services supports for independence program. As well, the Alberta vocational training allowance will be administered by the board. The Students Finance Board's objective is to ensure that students are not precluded from postsecondary education by reason of financial need. Mr. Chairman, that objective continues to be met.

Another of my priorities is to maintain those programs that help social assistance recipients obtain or maintain an attachment to the labour force by providing them with appropriate counseling, life skills upgrading, and retraining opportunities. The pre-employment training budget is \$13.3 million, essentially the same as last year's estimates.

Finally, I believe it is important that Alberta employers increase on-the-job training. I have therefore maintained capacity in this area. Funding has been reduced by 2 and a half million dollars to \$2.8 million, but we will be relying more on creating awareness and acting as a facilitator rather than a funder.

This province has invested \$4 billion in the physical assets of the postsecondary system. This is an enormous investment in high-quality buildings and modern equipment for the first-rate campuses of our postsecondary institutions, but there is clearly a major challenge facing us in maintaining those facilities in a time of fiscal restraint. I would be the first to acknowledge that this is a serious issue that will grow with time.

Finding solutions for the renewal of buildings and equipment will continue to be a very high priority for this minister. Within the limits of this province's financial situation I am developing a strategy that I expect will enable institutions to respond to the challenge of capital renewal over time. By emphasizing renovation and restoration, by making more efficient use of existing buildings, by summary allocation of operating resources, and by careful use of existing capital renewal grants, I expect institutions to be able to deal with the most pressing challenge in maintaining their impressive capital infrastructure.

If any capital requests emerge, they will have to be supported by compelling arguments. Furthermore, I expect to see institutions support their requests for high-priority new facilities by fund-raising campaigns that will help them limit the impact on the public purse. I do not believe that the public purse can sustain the adult learning system we have now, far less meet the demands we are facing. We must have a plan for the future and focus on the long term.

In May I announced a strategic planning public consultation process, Adult Learning: Access through Innovation. In a nutshell the goal of this process is to set a new direction for the future of adult education and training in the province and design a more innovative plan to get there. The opposition has stated in this Assembly that they will not participate in this important process. This government is launching the most important public consultation process ever undertaken in adult learning, and before the first workshop was held, the hon. Member for Edmonton-Mill Woods stood in the Assembly and called it a sham. Mr. Chairman, the hon. member would undoubtedly make a very valuable contribution to this process. I believe that his constituents are counting on a more constructive approach in his role as opposition critic, and I urge the hon. member to change his position and become involved in our Access through Innovation process.

I'm out of time, hon. members. Thank you.

MR. CHAIRMAN: Are you ready for the vote on the estimates of the Department of Advanced Education and Career Development?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Okay.

Agreed to:

Program 1 – Departmental Support Services	
Total Operating Expenditure	\$11,017,900
Total Capital Investment	\$106,900

Program 2 – Assistance to Higher and Further Educational Institutions	
Total Operating Expenditure	\$948,014,200
Total Capital Investment	\$27,634,200

Program 3 – Financial Assistance to Students	
Total Operating Expenditure	\$162,459,800
Total Capital Investment	\$64,600

Program 4 – Skills Development and Employment Services	
Total Operating Expenditure	\$48,030,100
Total Capital Investment	\$589,300

Summary	
Operating Expenditure	\$1,169,522,000
Capital Investment	\$28,395,000

Department Total	\$1,197,917,000
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MR. ADY: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Family and Social Services

MR. CHAIRMAN: We will have the report of the chairman of the subcommittee looking into the Department of Family and Social Services.

9:20

MR. LUND: Thank you, Mr. Chairman. I see the deep six are alive and well, and they even have a rose among them tonight. That's great to see.

Mr. Chairman, on September 17 the subcommittee met with the minister and a number of his staff to deal with the budget of Family and Social Services. There was in excess of four hours spent with the minister and the officials and the subcommittee. As in Health, the minister did an excellent job. The minister had in excess of a 20-minute overview very extensively dealing with the operations of the department.

Members of the committee provided insight and comments and a large number of questions which helped to clarify the government's spending plans for the Department of Family and Social Services. During the meeting members asked questions for clarification and information on each of the four programs: Departmental Support Services, Income Support to Individuals and Families, Social Support to Individuals and Families, and Native Affairs.

By virtue of the meeting being recorded in *Hansard*, MLAs from both parties will find answers to many of the questions they asked the department and the minister. However, there were

approximately 10 questions which the department and the minister chose to obtain additional information on and to provide the members of the committee with the answers in writing. This material is currently being prepared.

I would like to quickly summarize the main areas of focus during the meeting. In program 1, Departmental Support Services, the minister apprised the subcommittee of his major reorganization that resulted in the reduction of 268 full-time positions, primarily in upper and middle management. He demonstrated how there was a real flattening out of the department, not affecting the frontline workers in proportion, which is an excellent move.

In the supports for independence program questions dealt with the adequacy of benefits and assurance that the program changes are intended to help individuals re-enter the work force. A lot of discussion centred around the efforts being made to find work and assist people that are currently on assistance to get back into the work force.

Questions on the income support program dealt with the review of the assured income for the severely handicapped caseload as well as the increase in the widows' pension and the assured income for the severely handicapped benefit rates. Once again, a lot of discussion as to the effects that the budget was having on these individuals and how those that were really severely in need were being addressed and the fact that there is some increase in that portion of the budget.

In child welfare the department's future direction and commitment to quality services for children at risk were brought out by the questions, once again dealing quite a lot with the Children's Advocate's report and a couple of other reports and how the minister was dealing with those. A considerable amount of time was given to the Children's Advocate's report.

Day care questions brought out the fact that '93-94 funding is budgeted at the '92-93 spending levels.

Finally, questions related to native affairs confirmed the government's continued support for working with the native communities to meet their needs.

Mr. Chairman, I would like to conclude my comments with a personal observation that the new subcommittee format for reviewing the government estimates provided a great opportunity for members to get into the budget in depth in every program. As a matter of fact, we did find that we probably didn't get as much time on one program as members would have liked. I want to commend the committee for the focus they kept on the budget. There was a tremendous amount of information brought out by the questioning. I really encourage folks to read *Hansard*. You'll get a very good understanding of the department.

I want to thank the minister and his staff for the tremendous job they did. As in the case of the Department of Health, the minister demonstrated a total grasp of what is happening within the department, and I really commend the minister for his cooperation in the subcommittee.

Thank you.

MR. CHAIRMAN: Edmonton-Highlands-Beverly.

MS HANSON: Thank you, Mr. Chairman. I, too, would like to start by thanking the Member for Rocky Mountain House for his chairing of the meeting. It was a well-run meeting, it was informative, and questions asked by the government members as well as the members in the opposition, I think, received good attention. As well, the minister answered many questions, agreed to return some in writing. When I commented at the end of the meeting that we didn't have enough time to ask everything we

needed to know, he agreed that at some later date we could meet together, and I appreciated that.

The opposition in the subcommittee has concerns in several areas of the Family and Social Services budget, and we believe that the primary intent of these programs in this department should be designed to help people to become as self-reliant as their skills and circumstances will allow and to protect those who can't protect themselves and support those who can't support themselves.

From this perspective it follows that the programs must be administered with the emphasis on individuals both at the time when they enter the program and at the time when they are disqualified or leave programs in this department. Decisions need to be made on the basis of capacity, potential, and need, not arbitrarily. The situation, it seems to me, has resulted in financial cuts being set before any research or assessment of individuals has been done. This is of concern to us. We have heard from many people who had received both SFI and AISH who had not met their social workers for months, and in several cases it was as long as one or two years. No one would be up to date on what the potential or the capacity of that person was at a given time, so there couldn't be any assessment.

[Mr. Clegg in the Chair]

Another question not answered was how it was determined that people could be sustained on the level of income that has been set; you know, whether there's more low-income housing in the province, if the price of food baskets gone down. We need to demonstrate whether or not families really are able to manage at the present rate. Another thing we don't know that concerns us is how many people who attended training programs were trained well enough to find a job or whether they were able to find a job. All we know is that jobs are very hard to get these days.

9:30

In the program for supports to assured income for the severely handicapped there is a target in place to cut a specific number of people from caseloads. The fact is that when these people were accepted on the program, they did come in through a stringent application, medical assessment, et cetera, and with certificates from the physicians. I know that the requirement of the program is that the files be reviewed on an annual basis and that a doctor's medical, I understand, should be done on an annual basis. Again, I have talked to a number of people for whom this hasn't happened, people who have said, "I haven't had a medical done for years," or "I haven't seen my social worker for years," and that's of concern.

It's obvious from the department's comments that all of the cuts were made from within the frame of reference of the bureaucrats involved and not from the client perspective; for example, comments about extended family members taking in and offering financial support to a relative. It might be possible for a lot of us, but it ignores the client's reality. People on assistance all too often come from poor and impoverished families, and they're barely able to keep their own heads above water let alone take on someone else.

Back to assured income. We still don't have any idea of the future of the supports for independence program. We need to know whether or not new clients are being accepted, and if they're not, where are they? As well, we don't know what's happening to the AISH clients who are now on supports for independence and what's going to happen to them. Also, we need to think about how the government expects an individual who has been physi-

cally or mentally unable to work for perhaps several years to suddenly be deemed ready for the job market. I don't have any idea where they could be expected to work when physically able Albertans are having great difficulty in finding work. As well, the Premier's Council on the Status of Persons with Disabilities has stated that what AISH needs is a total, global review of the program. As far as I know, that hasn't happened, and I wondered if the government is willing to let the council conduct a review of the program.

Now for child welfare. This year once again we have a report on child welfare, and once again the report was provoked by tragedies. One only needs to look at the latest behaviours and responses coming from the current government to understand how desperately Alberta children need changes. This is the most comprehensive and scathing report ever compiled on child welfare. The 18-month review and 328-page report produced over 300 recommendations and revealed startling problems in quality and service delivery, including that the system is so poorly managed there is no effective, coherent, or comprehensive system of children's service currently existing in the province: an atmosphere of management by fear within the senior welfare bureaucracy, where criticism is met with defensiveness and retaliation.

There are budgetary concerns. The client needs are not driving the system. There are increasing allegations of children abused while under government care. High staff turnover in child welfare is compounded by reducing minimum academic requirements for staff. Despite these tragic and disturbing revelations the only response that we have had is that they're going to crack down on parents and make them responsible. That's all, and I think we need more response than that, Mr. Minister.

We have also yet to hear anything from the department in terms of time lines for implementation and setting priorities for the recommendations. Then, of course, there's the refusal so far to do a second printing of the report, an issue that we have repeatedly raised in the House. Despite the very real demand and peoples' willingness to pay for it, we still haven't got additional copies.

Despite its unwillingness to implement the changes, the government appears keen to commission reports on children. There have been many of those in the last 10 or 20 years. In the reports there have been seven cases involving serious abuse or death of children in care. Two of these cases have recently been dealt with in the Ombudsman investigation into foster care and the Children's Advocate review, but none of the recommendations in any of the reports have been dealt with in any kind of comprehensive fashion. We have little hope that the advocate's report will be treated any differently. Unfortunately, unless there are systemic changes in the system, the tragedies will only continue.

In spite of the government's abysmal record and the very damning indictment of the Children's Advocate report the budget does not reflect any change in direction, approach, policy management, partnership, collaboration, training, or caseloads. The budget reflects neither past history nor present situations. Instead, we see reductions in intake and investigation, foster care, and residential care. If there were ever areas that needed beefing up, it is they.

We want to know what is going to happen with this report. Are we just going to continue stumbling along in this department? Children are being hung out to dry, foster parents are being hung out to dry, and the workers are having a terrible time. The advocate's report is a serious indictment of the child welfare system, and I think we in Alberta as citizens should be ashamed. The report's findings are not all new but certainly are more comprehensive. A blueprint for a child welfare system exists and places children's interests first. We know what needs to be done,

and the government knows what needs to be done. We only wish that you have the political will to finally do the right thing for Alberta children.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Chairman. I'd like to extend a thanks to the chairman of this committee, the Member for Rocky Mountain House, who assisted in making this process work smoothly, and also to the minister and his staff for answering the majority of the questions.

Mr. Chairman, I'll be speaking to votes 1 and 2 of the Family and Social Services budget. These votes represent 71 percent of the department's 1993-94 estimates; that is, \$154 million, or an 8.8 percent decrease from the 1992-93 actual budget expenditure.

Mr. Chairman, the first issue of concern that I had was within vote 1. The vote represents the budget for Departmental Support Services, and my concerns specifically were with the creation of a new, all-Conservative MLA committee at a cost of \$75,000 to the Alberta taxpayer. This \$75,000 standing policy committee on community services was described by the Minister of Family and Social Services as providing a forum to the public and MLAs for input into the department programs and budget planning process. This was to include both the Department of Family and Social Services and the Department of Health.

My difficulty with the committee lies not in its purpose but rather with the lack of accountability and equitable representation of opposition MLAs. I would suggest that to correct this, the committee should be composed of government and nongovernment MLAs. In addition, it would be imperative for the committee to make available upon request both the minutes of its meetings and its policy and budget recommendations for the respective departments. Given this, I think Albertans could see the committee's work to be a step towards a more open and accountable government that listens to all Albertans.

Mr. Chairman, I think it is important to focus on the purpose of the second vote or program area. This is Income Support to Individuals and Families. The stated objective in the budget document is "to assist individuals and families in financial need by providing income support and employment programs." This area in itself represents 68 percent of Family and Social Services expenditures and, surprisingly when I calculated it, 8 percent of the total provincial expenditures for 1993-94. So it's a program of some magnitude. It is also important to know that in the first quarter of 1993 this program area provided assistance to an average of well over 100,000 Alberta families, 93,000 of which were receiving their benefits through the supports for independence program and 15,500 through the assured income for the severely handicapped. Numerous other families were receiving support through the widows' pension and the Alberta assured income plan for seniors. These numbers are alarming, but what is more alarming is the government's response to them.

9:40

In the 1993-94 first quarter update the government makes the admission that caseloads are not expected to fall as quickly as originally forecast in the May 6 budget. Additional actions are required, the government goes on to say, to meet the expenditure target. The document then goes on to outline the corrective measures required to put the government expenditures on track. These included a variety of reductions in benefits, funding services to agencies, funding to family day homes, and restricting access to

the assured income for the severely handicapped program. These actions were put in place to save \$52 million and bring the department's budget back in line with the original estimates, which called for that 8.8 percent reduction in the overall budget of the department.

[Mr. Tannas in the Chair]

My concern, Mr. Chairman, is that the government's decision to reduce the budget, as represented in its forecast of May 6, is being undertaken without any consultation with the families to be affected or the community services and agencies to which many of these families will be forced to turn. It is being undertaken without knowledge or understanding of the population in need of assistance or the labour market's ability to absorb them through employment opportunities.

The statement in the first quarterly update indicates that if caseloads don't fall – that is, if the number of Albertans in need of assistance doesn't decrease – then the government will take other action to meet their expenditure target. In effect, the government will reduce the level of assistance regardless of the actual need. This action is wrong. Although it is always appropriate to improve the efficiency and effectiveness of any program, it is wrong to use punitive measures against those who are unable to secure employment or where opportunity does not exist.

As a Member of the Legislative Assembly it would be unacceptable to criticize the government for requiring individuals able and available to work to do so; however, I think it would be more unacceptable to permit the government to punish vulnerable Albertans for the absence of opportunity. While the government speaks of the number of jobs that have been created, they conveniently overlook the number of jobs lost, jobs which have been lost forever. Net job creation is much lower than the government boasts in their job creation figure, and this is the reality that Albertans who are unemployed face. This is the figure that is restricting Albertans in need from attaining real long-term self-sufficiency.

Mr. Chairman, I would suggest that there is only one way of reducing the expenditure in this program area. It is through programming which is effective in assisting Albertans in need to acquire employment that either reduces or preferably completely eliminates their need for financial assistance. We are all too well aware of all the problems in both programming and delivery within this department.

Mr. Chairman, I would like to address the area that I see to be of greatest concern. This is the area of inadequacy which has translated into extreme hardship for thousands of Alberta families. This area is tracking, knowledge about the very clients that the department serves and those likely to require the services of the department. This is the fundamental flaw in the department's reforms. If it is unable to clearly define the client population, then the development of services or programs for them becomes purely an academic exercise. This reminds me of the saying that if you don't know where you're going, any road will take you there.

Mr. Chairman, the department needs to put in place a mechanism, perhaps a panel of experts, to determine what appropriate levels of assistance are. We must ensure that those unable to provide for themselves receive adequate levels of assistance. I believe that the department has dangerously erred against the very people they are mandated to assist. I have discussed this matter with the minister and will continue to pursue the matter with him. Reforms must be based on concrete information about those in need, not random budget targets.

Mr. Chairman, without tracking, without adequate levels of assistance, the department's caseload reduction can't be defined as either a success or a failure. It makes it very difficult for me to vote on this budget when I'm not sure what last year's results are. Are they successes? Are they failures? What is the appropriate level of funding? That can't be determined.

Thank you very much.

MR. CHAIRMAN: The hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you very much, Mr. Chairman. I'd like to also mention that I do have three key staff personnel here participating tonight. I'd like to thank them for being here. I'd like to thank the chairman of the standing policy committee, the Member for Rocky Mountain House, for such a fine job not only in the presentation tonight but in managing and controlling and making sure that proper participation took place at the meeting we had on September 17.

I'd like to thank also the members for Edmonton-Highlands-Beverly and Edmonton-Manning for their participation tonight in the process. You can be assured that I will have my staff review *Hansard* as soon as it's available, and we'll get to you in writing about some of the questions you had tonight in addition, of course, to the eight to 10 questions that were not answered at the last round we had of the review. In that first review there were 65 questions recorded in *Hansard* from the members attending that. I thought that was a pretty thorough review of the department.

As part of the government's commitment to deficit reduction, Family and Social Services provided the major contribution in the first year of the deficit elimination plan. The '93-94 budget is \$154 million less than the '92-93 budget. The reduction in the department's budget has been accomplished through a critical look at services provided by my department. I believe that as a result of this review, we have achieved expenditure savings while continuing to provide a high quality of service to our clients. In achieving this reduction, my department not only reviewed program expenditures but also implemented an extensive reorganization that reduced senior management from five assistant deputy ministers to two assistant deputy ministers. The reorganization mainly targeted middle management and in fact reduced the manpower in middle management to 268 full-time equivalent positions, Mr. Chairman. The revised structure resulted in better direction from the top while maintaining a strong frontline complement to ensure quality of service to the clients that we serve out in the field.

A portion of the budget reduction is related to a major drop in the supports for independence caseload: in the first six months, in fact, a reduction of over 17,000 cases. Annualized, that is \$170 million, Mr. Chairman. This reduction includes, of course, 4,000 to 5,000 cases transferred to the Students Finance Board along with \$32 million from my department to ensure that people that are moving from being on social assistance to training and employment are provided an opportunity to do that.

As well as the caseload reductions, there have been a number of cost savings in client benefits. These are intended to remove the disincentives for clients to work. In the past we've had areas where in fact, for example, we would class a single parent with children unemployable, and they would not have the opportunity to get back into the work force. Removing some of the disincentives has changed that, and now we do have an opportunity for that for individuals.

As I have indicated in the past, these welfare reforms are aimed at individuals who are capable of working or being trained.

However, I would like to reassure both government and opposition members that we are still providing adequate support. For example, a single-parent family with two children aged two and six receives in Alberta \$13,700 in provincial and federal tax benefits at this time. However, I am concerned when benefit rates make welfare more attractive than work. I am committed to a comprehensive review of the benefit structure next year. This is not to say that there will be more reductions, but I want to ensure equity with working Albertans.

9:50

As you can see from the Assured Support element, we have increased the budget for those persons who are unable to work due to permanent disabilities, persistent mental or physical health problems, who have multiple barriers to employment. Again, the Employment Initiatives budget has been dramatically increased to reflect the government's increased emphasis on jobs and job training opportunities for supports for independence clients. The proposed budget for Widows' Pension, Assured Income for the Severely Handicapped, and Alberta Assured Income Plan for Seniors clearly demonstrates that the government is committed to maintaining benefits for those members of our society who may be in less favourable positions to help themselves.

These three program estimates-to-estimates comparisons show a \$16.5 million reduction. Virtually all of this decrease can be attributed to maintaining day care funding at '92-93 expenditure levels, for a saving of \$8 million. The downsizing of Michener Centre staff due to residents returning to their home communities saves \$3.7 million, and as part of the reorganization a further \$3.6 million is saved in manpower and supply costs. Although implementing the 3 percent agency funding decrease was an extremely difficult decision, Mr. Chairman, the \$5 million savings was reinvested in providing community support to clients who are discharged from Michener Centre and to provide the necessary funds to conclude the government's four-year commitment to increase foster care by 9 percent per year.

Mr. Chairman, I would add that staff have been meeting with agencies to plan how to best implement this reduction, and agencies have adopted a very positive attitude towards the process and appreciate the opportunity for consultation.

In conclusion, Mr. Chairman, I am satisfied that the budget presented for Family and Social Services is fair and reflects the fiscal reality of the province.

Mr. Chairman, now that we have completed the debate on the estimates of Family and Social Services, I move that the vote be taken on these estimates.

MR. CHAIRMAN: Are you ready for the vote?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

Agreed to:

Program 1 – Departmental Support Services	
Total Operating Expenditure	\$37,588,280
Total Capital Investment	\$581,720

Program 2 – Income Support to Individuals and Families	
Total Operating Expenditure	\$1,093,154,500
Total Capital Investment	\$497,000

Program 3 – Social Support to Individuals and Families	
Total Operating Expenditure	\$460,607,370
Total Capital Investment	\$1,985,660

Program 4 – Native Affairs	
Total Operating Expenditure	\$4,704,500
Total Capital Investment	\$27,500

Total Operating Expenditure	\$1,596,054,650
Total Capital Investment	\$3,091,880

Department Total	\$1,599,146,530
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MR. CARDINAL: Mr. Chairman, I move at this time that the vote be reported.

[Motion carried]

MR. CHAIRMAN: Hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Chairman. I move that the committee rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. ACTING DEPUTY SPEAKER: Order.

MR. TANNAS: 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, 1994, for the departments and purposes indicated.

Department of Health: Operating Expenditure of \$3,326,599,335; Capital Investment, \$32,632,135. Total for the Department of Health, \$3,359,231,470.

For the Ministry of Advanced Education and Career Development: Operating Expenditure, \$1,169,522,000; Capital Investment, \$28,395,000. Total for Advanced Education and Career Development, \$1,197,917,000.

For the Department of Family and Social Services: Operating Expenditure, \$1,596,054,650; Capital Investment, \$3,091,880. Total for the Department of Family and Social Services, \$1,599,146,530.

MR. ACTING DEPUTY SPEAKER: Do you all agree with that report?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed, if any? Carried.

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

