

Legislative Assembly of Alberta

Title: **Wednesday, October 13, 1993**

1:30 p.m.

Date: 93/10/13

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Introduction of Visitors**

MR. MAR: Mr. Speaker, it is my great pleasure today to introduce to you and to members of this Assembly His Excellency Stanislav Chylek, the ambassador of the Czech republic. The ambassador is accompanied today by Dr. Okrouhly, the Czech trade commissioner. The Czech republic is a new and potentially important trading partner for the province of Alberta. It has an economy that is growing very quickly after its release from communism a few years ago. The Czech republic appears to be one of the countries from the former eastern bloc which has the best prospects for rapid integration into the world's economy. A number of Alberta companies are now investigating opportunities in the Czech republic, and some important contracts have already been entered into. I would ask that the ambassador please rise with his party to receive the warm traditional welcome of this Assembly.

head: **Presenting Petitions**

MR. SPEAKER: The hon. Member for Edmonton-Highlands-Beverly.

MS HANSON: Thank you, Mr. Speaker. I beg leave to present a petition on behalf of 290 Albertans who are urging government to reinstate the cuts made to social assistance and in the future to consult . . . with clients, labour and professionals to determine where savings can be made that will not harm . . . families.

head: **Tabling Returns and Reports**

MR. SPEAKER: The hon. Minister of Public Works, Supply and Services.

MR. THURBER: Thank you, Mr. Speaker. I'd like to table today the responses to questions raised in the Leg. Assembly on September 27 in the Committee of Supply debate. These copies will be delivered to everybody shortly after question period.

MRS. McCLELLAN: Mr. Speaker, I'm pleased to table with the Assembly today the annual report of the Alberta Association of Optometrists for the year ended December 31, 1992, and the inspection of animals reports under the Universities Act for the years ended March 31, 1992 and 1993. Additionally, I'm tabling the audited financial statements of the Children's Health Centre of Northern Alberta for the year ended March 31, 1993.

MR. SPEAKER: The hon. Minister of Community Development.

MR. MAR: Thank you, Mr. Speaker. As promised, I am pleased to table with the Assembly today the following two reports.

Firstly, I am tabling the report on Seniors' Consultation on Fiscal Change, which was prepared independently by Mrs. Marjorie Bowker. Secondly, I am tabling with this Assembly the report of the Library Grants Review Task Force. Finally, in addition to these two reports, I am also pleased to table my response to the chairman of the Library Grants Review Task Force.

head: **Introduction of Guests**

MR. MITCHELL: Mr. Speaker, it's my pleasure to introduce to you and through you to the Members of the Legislative Assembly three people in the gallery today. They are John Bethel and Harold Jahn, both from Edmonton, and Michele Cadario from Ottawa. They are young political activists very concerned with the outcome of the upcoming federal election. I would ask that they rise in the gallery and receive the welcome of the Members of the Legislative Assembly.

MR. SPEAKER: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to Members of the Legislative Assembly 105 students from W.O. Mitchell school in the Calgary-North West constituency. They have brought with them three teachers John Rooke, Sharon Braun, and Gary Edwards, and four parents Bev Dronyk, Ray Woodford, Gail McDougall, and Bev Waters. I understand they're in both galleries because it's such a large group. I would ask that they rise and receive the warm traditional welcome from this Legislative Assembly.

head: **Ministerial Statements**

MR. SPEAKER: The hon. Deputy Premier.

Science and Technology Week

MR. KOWALSKI: Thank you, Mr. Speaker. As minister responsible for technology and research it is my pleasure to announce that Science and Technology Week is being held this year from October 15 to October 24. This week is a celebration of Albertan inventiveness and our technical and scientific excellence that turns bright ideas into real products and services.

Technology touches every aspect of Alberta industry and Alberta lives. We look to science to help us recover and process our energy resources, to improve our crops and livestock, to send data or our voices around the globe, or to save our loved ones and improve our quality of life with innovative drugs and medical devices. Science and technology means jobs to Alberta, not only for the inventors and the scientists but for the industries and companies that use technology to gain a competitive advantage and expand their businesses and their markets. It means future prosperity in a world that is becoming increasingly knowledge driven and technology intensive.

I urge all members of this Assembly and all Albertans to participate in the many Science and Technology Week activities around the province, things like attending an open house, a display, visiting a science centre, or checking out the special Science and Technology Week sections of local newspapers to learn more about what science and technology is accomplishing in this province and what this province is accomplishing in science.

Best wishes to all those who have organized Science and Technology Week events. I urge all Albertans to discover a whole new side to Alberta, the science and technology side. It's one more reason to be proud of Alberta.

MR. DECORE: Mr. Speaker, I'd like to start by thanking the Deputy Premier for the advance notice. Not only did I get one copy; I got two today, sir.

MR. N. TAYLOR: Were they the same?

MR. DECORE: They were the same.

Mr. Speaker, the Liberal caucus, the opposition, cannot admire nor can we praise this government's record on science and technology nor can we admire or praise the attitude that this government has towards science and technology for the future. Albertans have seen, have experienced the dreadful examples of government meddling in the marketplace in NovAtel, in Chembiomed, where almost a billion dollars of taxpayers' moneys were squandered, moneys that could have been spent more appropriately on education.

Education is the key element to science and technology and its success. We have the hypocrite government saying on one hand that it is a believer in science and technology and two ministers of education saying that they are going to invoke drastic cuts to education. This party takes the position that education is the key, and you need to bolster the resources in education not take them away. Mr. Speaker, the best way to serve science and technology for the future is to make sure that those proper resources, those better resources, those best resources are given to education. Education will look after it from there.

head:

Oral Question Period

1:40

Child Welfare

MR. DECORE: Mr. Speaker, I'd like to start by filing four copies of a document which has now entered the public domain. The document is a verified copy of the mirrored strategy of the minister of social services, social welfare. The document talks about reductions to programs involving children, it talks about the dollars that will be saved, and finally it talks about the impact that's likely to occur. The document, amongst other things, says that because of these cutbacks we will likely see a situation where more children are abandoned by families or are given inadequate care. Because of these cutbacks we're likely to see more children involved in young offender crime. The cuts are designed to save a million dollars in the Edmonton area, but clearly the strategy is one that forces more costs in the end. The leaked document showing this strategy also shows that this strategy flies in the face of the document presented and tabled by the Children's Advocate. My first question to the minister is this: why would the minister approve a strategy that the minister's own department, in their assessment, admits will create havoc? Why?

MR. CARDINAL: Mr. Speaker, I'd just like to identify again the amount of dollars spent in Alberta. [interjections] Maybe the Liberals don't want to hear, but I think Albertans would like to hear that we are spending \$250 million in services to children in Alberta; \$160 million of this is in child welfare. In fact, the Edmonton region alone spends 33 percent of the total budget in child welfare in Alberta, which is \$52 million. I believe this minister cares. In fact, we had increased in this year's budget a total of \$28 million in the high-needs area, and we will continue to do that.

In relation to that specific question, Mr. Speaker, any time a review is done of programs within my department, my staff always identifies what potential negative and positive impacts the adjustments will make. If this minister finds that we didn't do the

right thing in a specific area, this minister is willing to review it and adjust it accordingly.

MR. DECORE: Mr. Speaker, your department has indicated that havoc is going to occur. The flags are up the flagpole. Won't you do something now to positively ensure that children are not hurt in Alberta, your children?

MR. CARDINAL: Mr. Speaker, we do have a lot of initiatives out there in relation to children in Alberta. For an example, day care: we have the highest number of spaces in day care with the second lowest rates in Canada. We will continue working very closely with the frontline workers, the managers, and native organizations out there, because unfortunately a high percentage of that is native children in care.

I want to advise this hon. member, Mr. Speaker, so Albertans out there know why Alberta is making some cuts and some adjustments in trying to balance a budget. This member along with at least two other members supported the national energy program, which took \$60 billion from this . . .

MR. SPEAKER: Order. [interjections] Order. [interjections] Order.

Final supplemental.

MR. DECORE: Mr. Speaker, this is so serious; it's unbelievable that the minister would talk about the NEP and this and that.

Just tell us what you're going to do to ensure that there isn't more crime for children, to ensure that children aren't abandoned, to ensure that children are safe. What are you going to do about that, Mr. Minister?

MR. CARDINAL: Mr. Speaker, last April 1 I asked the NDP opposition at the time and the Liberals to assist me in the development of a short-term and a long-term plan as to how we may deal with welfare reform and child welfare changes in this province. I haven't seen one piece of paper from that Liberal opposition to date. I will be ready within two weeks to file in this Assembly both a short-term and a long-range plan as to how child welfare will be dealt with in this province.

MRS. HEWES: In the meantime what are you doing?

MR. SPEAKER: Order please, hon. Member for Edmonton-Gold Bar.

The hon. Leader of the Opposition, second main question.

Education Roundtables

MR. DECORE: Mr. Speaker, the Minister of Education set up a special steering committee to help develop a workbook for roundtables. I'd like to file page 9 of the document dealt with at the September 9 meeting of this special steering committee. Page 9 shows that there is no reference in terms of suggested cutting to basic education in the area of kindergartens, no suggestion at all. So the special advisory committee never saw it, never dealt with it. Magically it appears in the document that has now been given to Albertans, that as a suggested cut to education kindergartens be debated, be on the hit list, be suggested to be cut out of education for Albertans. It doesn't make sense. To add to the insult, the minister says that there will be no public hearings on education. My first question to the minister is this: how can it be possible that one document has no reference to kindergartens, the group that you set up specially to advise you, and then your document

sets up and puts on the hit list kindergartens, young children in Alberta?

MR. JONSON: Mr. Speaker, as I have indicated in the Assembly, we did have an advisory steering committee involved in the planning of the upcoming roundtables and also in terms of the planning and preparation of the documentation; that is, the workbook. This was an advisory committee. The final product went through many revisions. I do not know what particular document the hon. member is referring to. In any case, the work of the steering committee had a large part in the development of the workbook and in the planning of these upcoming important roundtables.

MR. DECORE: Mr. Minister, I'd like you to tell Albertans who it was that put kindergartens on the hit list. Was it the Premier, was it the Treasurer, or was it you? Is it you that wants to dismantle our education system?

MR. JONSON: Mr. Speaker, I think it is very important to keep in mind that in the workbook we have provided as much information as possible to Albertans and to the people who'll be involved in these key roundtables. In addition to that, I think it is important to note that there are a number of alternatives, possibilities put forward in those workbooks, and they will be discussed at the roundtables. As I have indicated before, we are looking forward to other recommendations, innovative ideas also being put forward in the large number of consultations that are going on. With respect to the documentation that has been provided, I as Minister of Education will take responsibility for the final product.

MR. DECORE: Mr. Minister, it is a big mistake to target young children in Alberta.

Mr. Minister, my last question is this. We have had public meetings, and the Premier has been a braggart about the fact that public meetings will occur in health care, in other areas. I want you to tell Albertans why public meetings cannot be held in the whole area of education.

MR. JONSON: Mr. Speaker, in no way has this minister or any member of this government said that public meetings cannot be held in the field of education. We're attending them continually. The whole activity of looking at education in the context of fiscal realities began over a year ago, in 1992. Reports were made on that round of meetings. The roundtables that are coming up have been planned carefully to provide a broad representation from stakeholders, various groups across the province, and representation by individuals. It is an invitational roundtable procedure. I've indicated this clearly in the Assembly before. But this does not preclude meetings at the local level dealing with educational issues, and we're interested in input from there as well.

MR. SPEAKER: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. Recently I've had several phone calls in my constituency office regarding the education roundtables to be held in Calgary this coming weekend. The most frequent concern that I hear is from teachers with the Calgary separate school board. In fact, they're so concerned that they're setting up their own roundtable system in Calgary this weekend, despite the fact this is the third largest school board in the province. My question to the Minister of Education today: why has the Calgary separate school board been restricted to only three seats at these closed-door roundtable meetings despite a total of 240 available spots?

1:50

MR. JONSON: Mr. Speaker, the Alberta Catholic School Trustees' Association was represented on the steering committee that is being referred to. There was an allocation of seats to the various stakeholder organizations. They chose who they would invite to those particular roundtables. In addition, I think we will find that Calgary and Catholic education within Calgary is well represented at these roundtables.*

MR. BRUSEKER: Well, Mr. Speaker, they certainly don't feel that way. That's why they've set up a parallel process.

My supplementary question to the minister is this: is the Calgary separate school board being punished by this reduced representation because they don't support corporate pooling being rammed down their throats by this government?

MR. JONSON: Mr. Speaker, I would like to emphasize that we welcome local initiatives, local meetings, and the input from those particular meetings, be they the meeting which I understand is planned by the Calgary separate school board or other meetings that may be planned or already have been held throughout the province. In terms of any connection between corporate pooling, as the hon. member referred to, and representation or the amount thereof at the roundtables, I can assure you that there is no relationship.

MR. BRUSEKER: My final supplemental to the minister is this: when will the government release the list of those invited to attend these closed-door roundtable talks?

MR. JONSON: Very soon, Mr. Speaker.

MR. SPEAKER: The hon. Member for Calgary-Fish Creek.

Family Day

MRS. FORSYTH: Yes. Thank you, Mr. Speaker. My question is to the Provincial Treasurer. In dealing with today's reality of financial restraint and the need to explore all avenues of financial savings, what is the financial cost to the government of paying employees for Family Day?

MR. DINNING: Well, Mr. Speaker, we estimate that the total public sector payroll in the province of Alberta today is in the order of about \$8 billion, and when you divide that by some 250 workdays, that comes up anywhere from \$30 million to \$35 million per day at work. So the mathematics are there for the hon. member, and I'm sure that's why she asked the Provincial Treasurer the question.

I might add, Mr. Speaker, that this day was put in place some three or four or five years ago to recognize the importance and the value of family, to set aside one day of the year to give us an opportunity to focus on the importance in our daily lives of our families and families being together. I would welcome the hon. member's further comments and certainly would welcome them in a private member's motion or perhaps even in a private member's Bill.

MR. SPEAKER: Supplemental question.

MRS. FORSYTH: Yes. My second question is: what is the financial impact on businesses having this additional statutory holiday?

*see p. 800, left col., first para.

MR. DINNING: Well, clearly, Mr. Speaker, from a salary impact in an economy with a gross domestic product of somewhere near \$70 billion on a per day basis it would be a substantial sum of money. Again I would refer the hon. member to my earlier comments.

MR. SPEAKER: Final supplemental.

MRS. FORSYTH: Yes. My final question is: would the Provincial Treasurer consult with all stakeholders to determine the acceptance of this holiday in the workplace?

MR. DINNING: Well, Mr. Speaker, I believe the hon. member has a point. Has Alberta come to the point in this day and age financially, economically, socially whereby we say to ourselves: are all of these statutory holidays, including Family Day, something that we as partners in an economy, not just the government, should still hold near and dear to our hearts? I would encourage the hon. member to bring the matter forward perhaps as a private member's Bill, as a motion, and take on the opportunity and responsibility to seek out the input of employers, employees, and Albertans one and all to hear their views on this important subject.

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

Liquor Control Board Properties

MR. BRACKO: Thank you, Mr. Speaker. It has been over one month since the government announced the privatization of ALCB retail. The tendering process closed on September 30, and we have yet to hear any public announcement from the government as to the results. To the Minister of Public Works, Supply and Services: can the minister indicate whether the employee groups who applied for licences and submitted bids for existing stores were successful?

MR. THURBER: Mr. Speaker, the proposals and the bids that have come in for this are still under review. They're looking at all aspects of the case, and they'll be notified when there's a final decision.

MR. BRACKO: To the minister of public works: will the minister confirm reports that came from the union that former Premier Don Getty and former Conservative MLA Fred Bradley were awarded ALCB stores?

MR. THURBER: No, Mr. Speaker.

MR. BRACKO: To the same minister: will the minister release a complete list of tenders in order that Albertans can be confident that the process was conducted fairly?

MR. THURBER: As I said before, Mr. Speaker, all of the proposals and the bids are under review at this time. There will be all kinds of knowledge available once the process is completed.

DR. WEST: Mr. Speaker, supplemental information. The process of the sale of the stores went very well. In fact, total bids were in the realm of close to \$50 million, which was above in many cases the book value and the appraised value of these stores. The list of individuals was quite large. There were a lot of bids on these 204 stores, about 77 percent of them targeted to become liquor stores in the future. The leases sold exceptionally well. In fact, as

indicated, until we go to negotiation with the final people, all the leases look like they may have been sold at this time.

As far as the allegation or innuendo that was just leveled here about individuals having been involved in this, there was a rumour going around that the Southgate store in Edmonton had been targeted by one individual that you had mentioned. That store was bid high by the Canadian Imperial Bank of Commerce, and no MLA was involved.

MR. SPEAKER: The hon. Member for Innisfail-Sylvan Lake, followed by Edmonton-Meadowlark.

Social Assistance

MR. SEVERTSON: Thank you, Mr. Speaker. We all recognize the extreme sensitivity surrounding changes to our welfare system regardless of how necessary these changes are. In October the Minister of Family and Social Services changed the rate available to people on welfare. Will the minister explain to this Assembly what benefit changes have been made recently?

MR. CARDINAL: Mr. Speaker, the major reductions, of course, were to employable welfare recipients of Alberta. A reduction of \$26 a month in base allowance and \$50 a month in rent for, again I would stress, employable recipients were the major changes effective October 1, 1993. These adjustments in rates were made to ensure that welfare rates in Alberta were more in line with benefits received by working Albertans.

MR. SEVERTSON: Could the minister mention what supplementary benefits have been changed at the same time?

MR. CARDINAL: Again, Mr. Speaker, the cuts that were made were basically keeping in mind what working Albertans make out there. There were a number of special benefits cut. Two of these included not replacing stolen cheques, for an example. I mentioned that issue in the House in the past. I'll just give an example. For the period of August 1992 to July 1993 we paid out \$1 million to replace stolen cheques. The department will now only pay damage deposits for victims of family violence and will pay for moving costs for these Albertans fleeing abusive relationships. I'd just like to advise this Assembly and Albertans, Mr. Speaker, that for the period August 1992 to July 1993 we issued over \$10 million worth of damage deposits. In some cases there were five damage deposits issued to individuals, and any time the individuals moved, they kept the damage deposit. That wasn't a positive move.

2:00

MR. SEVERTSON: Could the minister tell this Assembly: is it his intention to drive people out of this province with these reductions?

MR. CARDINAL: Mr. Speaker, I believe it's an answer a lot of Albertans would like to hear because we do have a lot of coverage. I don't believe the intention of the three-year welfare reform package was ever to drive anyone out of the province to start with. The program was designed to assist Albertans to be able to obtain employment either through training or direct placement into jobs. We feel that a lot of people that have moved off the caseload have no doubt obtained jobs somewhere. The caseload is reduced now by over 18,000, and that annualizes to \$180 million, which we can redirect to other, better uses in the high-needs area.

I'd just like to indicate that I believe there are 1,000 to 2,000 people leaving the province, Mr. Speaker, but I would hope that they are seeking employment or training in other parts of the country or, if they are going to remain on social assistance, that they are closer to their families and community support systems.

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

Provincial Fiscal Policies

MS LEIBOVICI: Thank you, Mr. Speaker. We have yet to see a report from the Government Reorganization Secretariat. Departmental three-year business plans are not complete, and roundtables are continuing. At the same time, Tory friends are being appointed and Tory projects continue to be approved by this government. The fat in this government has yet to be trimmed as the government continues to proceed with its threats of a 5 percent rollback with projections of at least 15,000 more unemployed health care workers. My question is to the minister responsible for the Government Reorganization Secretariat. When will the minister table the final report of the secretariat that was established to plan a sensible, thoughtful, co-ordinated, compassionate approach to government downsizing?

MR. ROSTAD: Mr. Speaker, I'm not so sure who gave any indication that the secretariat would be putting out a particular package that would indicate what's happening: step 1, 2, 3, 4, 5. It has been very obvious since June 15 that this government has in fact been making many, many reforms to government and how we operate. We have had a voluntary layoff package that was extremely compassionate. In fact, the union worked together with us and lauded us as a government for putting that into place. We are also in the process of reorganizing by doing some privatizing, which the hon. member continues to harp about as not being what they want. I think they'll just have to stand by and watch as the plan unfolds.

MS LEIBOVICI: A secret plan.

Mr. Speaker, my supplemental is to the Minister of Labour. Will this government now abandon its request for a 5 percent sacrifice until a comprehensive plan is tabled based upon the recommendations from all the advisory groups the Premier has put in place?

MR. DAY: No, Mr. Speaker.

MS LEIBOVICI: Mr. Speaker, my third question is to the Minister of Labour. Given that all labour contracts now are no longer considered binding by this government, will this principle extend to other employment contracts, such as those given to John Oldring and Jim Horsman?

MR. DAY: Well, Mr. Speaker, the Member for Edmonton-Meadowlark obviously is operating with private information unknown to any of the rest of us because this government has asked for a voluntary – repeat: voluntary – co-operative consideration for a 5 percent reduction. The reason we're saying “voluntary” is because it gives employees the opportunity in looking at their total compensation package to suggest what would be best tailored to their needs in terms of coming forward with the ideas on that. We're asking for voluntary compliance on this.

Health Care System

MR. BRASSARD: Mr. Speaker, it's becoming obvious that many changes are facing our health care, and the perception is that in the

process a number of people are being put at risk. Recently the hospitals in my constituency closed 44 acute care beds. There's been a general call for greater flexibility in this and in many other areas of our health care system. To the Minister of Health: can a greater level of flexibility not be immediately implemented in our hospitals to utilize those acute care beds that are now being closed for other purposes such as long term, respite, or extended care use?

MRS. McCLELLAN: Mr. Speaker, just a very few weeks ago I put together a set of guidelines to assist institutions and their boards in looking at the possibility of conversion of acute care beds to long term. It has always been the policy of this minister and this government to work with the communities, to listen to their ideas, and wherever possible and wherever appropriate to adjust to meet their needs. That's certainly the case in the infrastructure we have in facilities. As we receive proposals, we look at need and we look at a cost of conversion. Some of the institutions do not lend themselves well to conversion but alternately many of them do. So we are working with the communities and certainly looking at the flexibility that we can introduce in that to make it easier with less red tape for them to do that conversion and to ensure that the health needs of their community are met.

MR. BRASSARD: Can the minister tell this Assembly what indicators are coming out of the roundtable discussions that will change the role of our hospitals to health care centres?

MRS. McCLELLAN: Mr. Speaker, to date there has been quite a wide range of discussion through the roundtable process. Certainly I look forward to the final report that my colleague will present regarding that full discussion. I think it's safe to say that the communities are very involved in looking at the health needs of their community and are looking at ways to serve those best. We look forward to that input and that report when it is ready.

MR. BRASSARD: Finally, then, Mr. Speaker, just how soon does the minister expect to have a clear direction for all of the changes that are going to be required to get our health care system back on track?

MRS. McCLELLAN: Mr. Speaker, the process of restructuring our health system is one that, as I've indicated before, has not just begun in the last few weeks. In fact, it began some short years ago. It is a process that we will work through. I believe the hon. Member for Calgary-Glenmore, who is chairing the roundtables and who will be preparing the final report, is as anxious as the rest of us are to have that report forwarded to us. We must also recall that there has been a lot of input into this, and it will take some time to gather that together and put it in a form to present. The indications I have from constituents across Alberta is that they are eager to get on. They are eager to participate and to co-operate in restructuring our health system, and we are eager to accommodate them.

MR. SPEAKER: Edmonton-Norwood, followed by Bow Valley.

2:10 Workers' Compensation Board

MR. BENIUK: Thank you, Mr. Speaker. To the minister responsible for the Workers' Compensation Board: as this government appears intent on privatizing everything, has the minister or the WCB commissioned any studies regarding the privatization of the WCB?

MR. DAY: The only thing I can think of that's related to that question is that late in '92 a report called *Is There a Better Deal?* was put together looking at the whole question. That included members of the business community. It was the conclusion of the report that with the scope of services offered by WCB, there probably couldn't be a private-sector insurer that could offer that. That report was made public, and I'd be happy to send it to the member.

MR. BENIUK: The WCB Edmonton Rehabilitation Centre has entered the marketplace competing with privately owned rehabilitation facilities. Is this the first step in the privatization of the rehabilitation section?

MR. DAY: Mr. Speaker, I understand from discussions with the WCB that certain of their services where they have the capability – in other words, if there's a certain portion of a day or a month, whatever it might be, that's not being used up – are actually offering their expertise. I don't know if it would include this particular centre. There are very few areas that are specifically trained in work-related occupational health and safety. They do make that available in certain situations. Again, I'd have to get details of that for the member opposite. I think it's a great idea that they're doing that to fully maximize their infrastructure cost. I'll get information to the member with details on that.

MR. BENIUK: Will the minister state categorically yes or no: will the WCB in whole or in part be privatized? Yes or no?

MR. DAY: Yes and no, Mr. Speaker. As I've already said, there are certain elements of services that may be offered on a cash recovery basis. I think the member opposite is looking for some bogeyman behind a rock here in terms of privatization. The question has been taken up. As I said, a report was done on it. I'm not aware of anybody coming forward from an insurance point of view saying that they could take over that entire service. I'm not aware of it, but if the member knows of someone, he could certainly let me know.

MR. SPEAKER: The hon. member for Edmonton-Bow Valley, followed by Edmonton-Mayfield.

DR. OBERG: Thank you, Mr. Speaker. We are big, but we're not quite Edmonton-Bow Valley yet.

MR. SPEAKER: Just adjusting the list here, hon. member. I apologize.

User Pay for Municipal Services

DR. OBERG: Thank you, Mr. Speaker. My question is for the Minister of Municipal Affairs. In a conversation with the town of Brooks councillors at the AUMA convention you put forward the idea that the municipalities must adopt the user-pay principle. Could you give me specific examples as to how this could be implemented at the local government level?

DR. WEST: Mr. Speaker, I did comment at the AUMA convention that there would have to be some innovative new ways of perhaps paying for services at the local level. The user-pay philosophy has been around for years, and I think some of the grants and subsidies that we've sent down have skewed the real costs of some of the services that are paid at a local level. We can get into examples of where you could look at user pay that are

there already: gate charges, recreational facilities, the use of parks, bylaw officers, whether they be dog licences or whether they be parking tickets. There are all types of innovative tools that can be used at the municipal level that can raise the revenues consistent with the services being given.

I know that for years in our recreational grants and that sort of thing we perhaps skewed the real costs of running a pool or running an arena, and when people really find out the exact costs of those, if they went to a user pay at the gate, they might be quite shocked. So I let that out at the AUMA to start a process of brainstorming to see if there are innovative new ways of communicating to the ratepayer, the taxpayer, the real costs of some of the services that are being given.

MR. SPEAKER: Supplemental question.

DR. OBERG: Thank you, Mr. Speaker. Again to the minister: is there a possibility of seniors' lodges making local property tax requisition?

DR. WEST: That question was brought up too in meeting with the council from Brooks. The fact is that they do now make requisitions. About 50 percent of the operating costs of lodges are funded through the foundation through their requisitioning or through the revenues that they have from property taxes. We fund a hundred percent of the debenture costs on the capital side of it, and we also send down a grant every year based on their operating deficits. We're going to have a look at that at the present time, because that indeed rewards inefficiency if you study it closely enough. We want to perhaps go to some other formula. To answer the questions directly, right now there is a requisition, or wherever they get the funds at a municipal level, because they contribute about 50 percent of the operating costs of foundations.

MR. SPEAKER: Final supplemental.

DR. OBERG: Thank you, Mr. Speaker. My final supplemental is to the Minister of Justice. Does the user-pay concept apply to policing in rural jurisdictions that are currently funded by the provincial government?

MR. ROSTAD: Mr. Speaker, I guess the short answer is to say that the police system, rural or municipal, is not on a user-pay basis at the moment. I suppose fine revenue, that type of thing, could be looked at as contributing to the cost, but in the urban areas that would be more prevalent than in the rural areas. In the rural areas the policing is paid for more under the provincial contract, and most of the revenue in fact then accrues to the Crown. It's something that could certainly be looked at.

MR. SPEAKER: The Member for Edmonton-Mayfield.

Westlock Hospital

MR. WHITE: Thank you, Mr. Speaker. The Premier says that the Westlock hospital may be put on hold, while the Deputy Premier says that the project is full speed ahead. Mr. Speaker, who are Albertans to believe?

MR. KLEIN: I don't know if that question was asked to you, Mr. Speaker, or to me or to the Deputy Premier.

MR. SPEAKER: Well, it wasn't me.

MR. KLEIN: Mr. Speaker, I will oblige if you wish.

MR. SPEAKER: Yes. Go ahead, hon. Premier; go ahead.

MR. KLEIN: Basically, as the hon. member knows, we're going through a roundtable process to rationalize health care in this province, and I've said that once all the evidence is in and once all the stakeholders have been heard, if in fact it can be demonstrated without benefit of doubt that there is no need for that hospital, then we will have to give that recommendation very careful consideration.

MR. WHITE: Without benefit of doubt.

Is it true that the Premier is allowing the project to continue so that the project is beyond the point of return?

MR. KLEIN: No, that's not quite true, Mr. Speaker. Without sounding facetious, we're proceeding with that project because it was and still is, unless there is evidence to the contrary, deemed to be a priority item, and the person who knows full well the importance of this hospital is the former MLA for that area who pressed so very, very hard for that hospital with the support of his leader. That is none other than the hon. Member for Redwater. Nick is his name, I think.

MR. WHITE: Thank you for the lesson in ancient history, sir. Is the . . . [interjections]

MR. SPEAKER: Order. Order please. Supplemental question, please, quickly.

MR. WHITE: Thank you, sir. When the decision on this hospital construction is finally made, will the decision be made by the Premier or by the real Premier beside him?

MR. KLEIN: Well, Mr. Speaker, that's an awfully silly question. You know, basically what we're trying to do is come to grips not only with the Westlock hospital, which the hon member for obvious political reasons wants to put in isolation. This involves all hospitals; it involves all health care facilities: those being planned, those under construction, those already built. It involves the whole rationalization of health care services in this province. It is not the Westlock hospital in isolation.

If the hon. member wants to pick it out for political purposes, then I too will pick it out for political purposes and remind Albertans once again that the person who pressed hardest for this hospital is sitting across the way: the hon. Member for Redwater. He was supported by his hon. leader the day before the election, who went up to Westlock and said: this town needs a new hospital.

MR. SPEAKER: The hon. Member for Calgary-Currie, followed by Edmonton-McClung.

2:20

Religious Education

MRS. BURGNER: Thank you, Mr. Speaker. I, too, had a number of phone calls and some concern from my constituents regarding the education roundtables that are coming up in Calgary and in Edmonton, but my concerns came from a slightly different tangent than the representation of Catholic educators and stakeholders at the roundtables in Calgary. Some of the concerns that were raised to me are reflected on page 10 of the workbook, having to do with "programs not forming a part of a basic

education but which could be supported locally," and it quite clearly says, "an option for consideration," and I recognize that. However, listed in that is a subject entitled religious education. My question is to the Minister of Education, and he can appreciate that this raises a lot of concerns. Could he please clarify the status of the separate school system in this province if religious education is now identified as a program "not forming a part of a basic education?"

MR. JONSON: Mr. Speaker, as far as the religious minority provided for in the Constitution – first of all in the Northwest Ordinances, then later on in the Alberta Act of 1905, and then the Constitution Act of 1982 – it is quite clear that the right to have religious education within the context of the Catholic school system or a separate Protestant school system is given. It is something that has been well recognized by the government. It was given considerable priority in the amendments to the School Act when it was reviewed a few years ago in its entirety. So that is a given, and that should be understood. However, the offering of religious education programs in the public school system as it's broadly understood in this province is an optional matter for school boards.

MR. SPEAKER: Supplemental question.

MRS. BURGNER: Thank you, Mr. Speaker. Then I can conclude from that comment, sir, that the issue of locally supported taxes for Catholic education is not up for discussion, and they will continue with the current process?

MR. JONSON: Mr. Speaker, as I have just indicated, the provision of religious education and the religious context as far as the Catholic schools of this province are concerned is a right under the Constitution. That issue, that matter is certainly not being put out for debate at the roundtables or anywhere else.

MR. SPEAKER: Final supplemental.

MRS. BURGNER: Thank you. Mr. Minister, my final question, then, has to do with the opportunity to have religious education as an option if a public school board chooses to identify that. My experience has been that on occasion . . .

MR. SPEAKER: Question.

MRS. BURGNER: Thank you, sir. If a school district opts to have religious education as a program, will that be allowed under a public school system?

MR. JONSON: That is an option available to local school boards in this province, Mr. Speaker, and it will remain a matter of local choice within the limits which are currently specified in constitutional documents.

Health Care System

(continued)

MR. MITCHELL: The good news, Mr. Speaker, is that it looks like we finally have a health care plan. The bad news is that it's four pages long if you actually count the table of contents. Yesterday in discussing this with health care workers the Minister of Labour told health care workers that as many as 15,000 of them would lose their jobs over the next three years. My question is to the Minister of Health. Will she tell us what studies she has

to support this idea that somehow there will be some kind of health care system that will meet the demands of Albertans 15,000 workers and three years later?

MRS. McCLELLAN: Mr. Speaker, I would certainly ask the Minister of Labour to comment on whether indeed he made that statement.

I have to say, Mr. Speaker, that there is absolutely no basis for the member's comment that there are 15,000 jobs at risk in the health sector. The fact is that what was discussed was an outline of a business plan outlining principles for the future of the health care system. That is in fact what was discussed. Beyond that, it was purely conjecture. If there was a certain percentage, yes, that would translate, because 73 percent of our health care budget is in salaries, fees, and benefits. That's clear. But it is conjecture. There is a process of restructuring. Indeed, I have made it very clear that the health care workers will be part of that restructuring process and that we will be looking at a process to match jobs, skills, and people to work in that system.

MR. SPEAKER: The hon. Minister of Labour to augment the answer.

MR. DAY: It's really a matter of total irresponsibility for a member to stand in this Assembly to state something as if it were fact when it is totally false and not even to question that. In the meeting yesterday, Mr. Speaker, one person stood in the meeting and said: you know, this could mean up to 12,000 jobs. Then other people at that meeting, including myself, asked where he got that figure. I did not bring forward that figure. Nobody else at that meeting did. One person projected it, and the member opposite stands up and delivers it as a statement of fact in his usual irresponsible, fear-mongering fashion. It's . . .

MR. SPEAKER: Order. [interjections] Order. [interjections] Order. Order.

MR. MITCHELL: I don't know what would be the greater concern: the fact that they say that they didn't say that they don't have the figure for the number of job losses or the fact that they simply don't have a projection and a plan that they'll tell us.

Could the Minister of Health please tell us: given that this plan – and I read it right here: Alberta Health: Three-Year Business Plan – says that it's going to cut \$900 million, exactly how many health care workers is she projecting will be laid off over the next three years in the throes of attempting to cut \$900 million?

MRS. McCLELLAN: First of all, Mr. Speaker, I would challenge the member on the fact that that paper states that Alberta Health will cut \$900 million from Health. I would want that answered by, I hope, a filing of the paper so I can at least have a look at it to see if it has that in it. Secondly, we have extensively talked in this House of the process of roundtable, the process of input from people across this province, including health care workers, a very valuable part of that process, and that there will be no restructuring plan put in place in its final form until that process is completed.

MR. MITCHELL: Mr. Speaker, let me go at it from the other way. If she's not going to tell me how many she's going to lay off, will the minister please tell us what study she has to indicate how many health care workers she's going to need in what sectors and in what institutions across this province and in what geographic areas in five years and in 10 years from now?

MRS. McCLELLAN: Mr. Speaker, again, it would be the hon. member's way and I'm sure his party's way for somebody in Edmonton to draw up a plan and impose it on the people of this province in health care. That is not this government's plan. That is not this minister's plan. Again, we are working with the people affected, which is all Albertans, in the plan of how we deliver health services in this province. We will continue to work cooperatively and collaboratively with those people, and we will have a health system that is of high quality and one that we can sustain into the future. That's the important issue.

MR. SPEAKER: Order please. The time for question period has expired. The Chair has had notice of a point of order, but before proceeding to that, would there be unanimous consent to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. Member for Edmonton-Manning.

head: **Introduction of Guests**
2:30 (reversion)

MR. SEKULIC: Thank you, Mr. Speaker. It is my privilege and pleasure to introduce to you and through you to the Legislative Assembly the grade 10 classes of Edmonton Christian high school. Accompanying the 46 students are parents Mrs. Diana Wierenga and Mrs. Audrey Vanden Born as well as teachers Mr. Dan Seitz and Miss Alisa Ketchum. The group is seated in the public gallery, and I would ask that they rise and receive the warm welcome of the Assembly.

Point of Order
Tabling a Cited Document

MR. KOWALSKI: On a point of order if it's appropriate, Mr. Speaker. It deals with the section in *Beauchesne* dealing with the tabling of documents that are requested of hon. members. When hon. members quote from particular documents, the expectation is that they should file, table with the Assembly a particular document. In the last few minutes, questions from the Member for Edmonton-McClung, the reference was made from a particular document. I think that all we're asking for is if the hon. member would be so kind as to file or table with the Assembly the document that he is quoting from so the Minister of Health will be in a position to be able to ascertain the authenticity of it.

MR. MITCHELL: Mr. Speaker, I am more than happy to table this, and as soon as I can get a copy of it, I will.

I want to point out for the benefit of the Deputy Premier and the Minister of Health that in fact I didn't quote from it; I referred to a statement reportedly made by the Minister of Labour in a meeting yesterday. I didn't quote from this at all. So they should check the Blues to check that out just to get it clear.

I will say that it has "Alberta Health: Three-Year Business Plan." I find it quite disconcerting that the Minister of Health wouldn't have a copy of that with her. I mean, it is the Alberta Health three-year business plan. I also want to underline that, of course, it's four pages long, to cut \$900 million over three or four years. I would say that it's a pretty paltry effort at a business plan for health care cuts that it would be four pages long, if you count the table of contents.

MR. DAY: Further to the point, would the member opposite also report – because he stated it here – who reported to him that I

brought out those numbers? I would love to hear that. I would love to hear that source. [interjections]

MR. SPEAKER: Order please. [interjections] Order. On the point of order raised by the hon. Government House Leader, the Chair will make a preliminary ruling and if it's incorrect will pursue it later. At the moment the Chair would refer to *Beauchesne* 495(6) which states: "A private Member has neither the right nor the obligation to table an official, or any other, document." This may be an official document, it may be any other, but apparently *Beauchesne* says that ministers are the only people who are required to table state documents if they are used in debate. The Chair is happy to look at this. If the hon. member wishes to undertake to table it, that's fine.

The hon. Member for Edmonton-Rutherford.

Point of Order Provoking Debate

MR. WICKMAN: Thank you, Mr. Speaker. I wasn't sure if you had grabbed my point of order. I rise on *Beauchesne* 408(2) in reference to the responses to questions raised by this side of the House, the answers by members of the cabinet. Earlier, during question period, the most hon. Member for St. Albert raised a very, very valid question. When we look at 408(2), it states that the "answers to questions . . . should not provoke debate." Now, he asked a very, very simple question. He wasn't casting any innuendo, as was implied by the Minister of Municipal Affairs; he was simply asking a question based on information that this caucus had received. When you couple that information with the past performance of this government when it relates to instances like John Oldring, Jim Horsman, anything can give, from our point of view. So whenever any citizen, any good Albertan out there provides us with information, it's our duty to simply ask that question. A question was asked, a very sincere question. A response was given by the Member for Drayton Valley-Calmar, but for the Minister of Municipal Affairs to stand up and accuse our member of casting innuendos and such is attempting to provoke debate, which is not in accordance with 408(2).

MR. SPEAKER: Well, hon. member, the Chair will look at that as well, but there is a matter outstanding from last week that the Chair feels is somewhat related to what the hon. member has been complaining about. If there's anything further to add, the Chair will do so after looking at the Blues.

Point of Order Relevance

MR. SPEAKER: Last Thursday the Member for Edmonton-Mayfield rose on a point of order. The events giving rise to the point of order were that a minister was asked a question and in part of his reply he referred to statements made in the past by a member or members of the opposition. The member's point was that the use of previous statements by opposition members was both irrelevant to the question and tended to provoke debate contrary to Standing Order 23(b) and *Beauchesne* paragraph 408(2).

There were a number of points of order raised that day, all pertaining to the demeanour of question period. The Chair wants to remind all hon. members of some facts concerning question period. First, question period is intended to provide an opportunity for members to obtain information from government.

Second, as the Chair stated last week, any member who is not a member of Executive Council is a private member and entitled

to avail himself or herself of question period. Question period is not the exclusive domain of the opposition. The members of the opposition may not like the questions asked by private members who support the government. That does not matter. Obviously, supporters of the government will ask questions from a different perspective than opponents of the government. As long as the question falls within the scope of question period, a private member is entitled to ask it.

Third, as to the perceived relevancy or sufficiency of answers, several factors come into play. Unlike other proceedings in the Assembly, the Chair has no prior knowledge of what will be asked in question period or of what the answers will be. That being the case, it is primarily up to the members asking questions and the ministers answering them to ensure that the questions and answers adhere to the rules, including the rule of relevancy. Similarly, answers given to questions are by definition usually spontaneous. This fact, coupled with the principle that a minister does not have to answer a question, means that ministers have considerable leeway in their answers.

In the same way, the Chair feels it has only limited opportunities to intervene with respect to answers. Even a cursory glance at *Beauchesne* will show that the rules regarding questions – in *Beauchesne*, citations 407 to 412 – are more extensive than those regarding answers, which appear in *Beauchesne* in paragraphs 416 to 420. That fact results largely from the principle that ministers do not have to answer questions.

In the case of this Assembly, we have the further rule that a member is allowed a short preamble, a main question, then two supplementary questions which flow from the main question and to which there is no preamble. The initiative is taken by the person asking the question. Therefore, the person asking the question has the initial responsibility for the tone of the exchange. An inflammatory question will probably get an inflammatory reply.

2:40

This brings us back to the point of order raised by the hon. Member for Edmonton-Mayfield. The Chair notes that earlier in question period the Member for Edmonton-McClung asked the Premier about statements he had made several weeks earlier. See *Hansard*, October 7, page 764. It seems to the Chair that it is just as legitimate for questions to be asked about previous statements as it is for answers to be given in terms of previous statements.

To conclude, question period should belong to the members. The Chair does not believe that the Speaker should spend more time on his feet than members do on theirs. However, the Chair feels that it is being asked by some members to intervene more often, because certainly five – and I reiterate the word "five" – points of order arising from one question period, as happened last week, would suggest that some members wish to make the Chair an active participant in question period. The Chair continues to resist this notion and warns members that they might find it counterproductive if the Chair was forced to become involved more frequently.

Before recognizing the hon. Deputy Government House Leader, could the hon. Minister of Education be recognized to correct something that was said in question period? Agreed?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. Minister of Education.

head: **Oral Question Period**
(*reversion*)

Education Roundtables
(*continued*)

MR. JONSON: Yes, Mr. Speaker. Thank you for your indulgence. I would like to correct and clarify a statement I made in answer to a question during question period, and that is that while the Catholic school trustees of the province will be represented at the roundtables, the Alberta Catholic School Trustees' Association was not formally a member of the advisory planning committee. I apologize to hon. members for that inaccuracy.*

head: **Orders of the Day**

head: **Written Questions**
Road Paving

Q208. Mr. Kirkland asked the government the following question:

What are the Department of Transportation and Utilities paving priorities for secondary highways in divisions 6 and 7 of the county of Camrose and for secondary highways in the county of Leduc between August 31, 1993, and January 1, 1998?

MR. DAY: Mr. Speaker, I move Written Question 208 appearing on today's Order Paper.

MR. SPEAKER: Does this mean that that question is accepted?

MR. DAY: It means, Mr. Speaker, that the minister responsible for Transportation and Utilities, to whom that question is directed, may wish to respond.

MR. TRYNCHY: We reject the question, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I was quite surprised when the Minister of Transportation and Utilities rejected this question. The question is very, very straightforward. It's just simply asking of the department the paving priorities for secondary highways in the particular divisions. Now, the minister could have stood up and said, "Accept," and one page, possibly two pages would have satisfied the question and provided that information that we're entitled to, that Albertans are entitled to, that taxpayers are entitled to. As soon as the minister, particularly that minister, stands up and rejects it, there is a great deal of suspicion. Why? What is being hidden? I would ask that the minister reconsider and accept the question, provide the information. I certainly can't support what he's saying.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. In this particular instance here I was following the direction of the hon. minister of transport who indicated that if we as MLAs got together a list of paving priorities within our areas and districts and submitted it to him, he would give it due consideration. I simply am taking it to the next possible stage to appease those county councillors that I approached and requested this specific information of so that I can do a follow-up and provide them with that information. I don't think there's anything untoward in this request. I certainly think it just gives the counties the ability and the benefit to look at their two- or three-year plans to simply determine what sort of dollars

they will have to match from the provincial government or what amount of dollars they will have to bring forth to ensure the paving program goes ahead in their districts. So I am a little surprised it would be rejected, particularly in light of the fact that the hon. Minister of Transportation and Utilities suggested we take this step. I'm just taking it to the next element.

MR. SPEAKER: Further?

The hon. Minister of Transportation and Utilities to close debate.

MR. TRYNCHY: Well, thank you, Mr. Speaker. I'm going to be straightforward. Read the question. I want to read it for the record.

What are the Department of Transportation and Utilities paving priorities for secondary highways in divisions 6 and 7 of the county of Camrose and for secondary highways in the county of Leduc between August 31, 1993, and January 1, 1998?

That's five years from now.

Now, the member says that he has some suspicion. Well, let me remove that suspicion from him. If the MLA for Leduc was doing his job, he'd have the counties provide a priority list to me. So far I haven't got anything from the counties or from the MLA, so we don't have any priorities. I wouldn't have priorities for five years ahead of this. If the MLA has got a list, I'd like to see it.

How can I respond to a silly question that asks for priorities for five years ahead when I don't have any priorities from the counties, when I don't have any priorities from the MLA or from the other member that spoke on behalf of the MLA? My gosh, Mr. Speaker, I just can't understand how unreal some of these members are. I want to give a lesson to the new Member for Leduc. If he has a request . . . Let me say one more thing. I've asked the counties and MDs across the province that are not represented by government MLAs - because I know it's tough for them to walk through the blizzard from the annex to my office, as mentioned by the MLA for Redwater. He can't make it there with his priorities. So I've asked all the counties and MDs across the province to provide their priorities to me. When I get those priorities, then I might be able to answer the question.

[Question rejected]

head: **Motions for Returns**

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

MR. DAY: Thank you, Mr. Speaker. I move that the motions for returns appearing on today's Order Paper stand and retain their places with the exception of the following: motions for returns 170, 172, 184, 185, 186, 187, 196, 197, 203, 205, and 213.

[Motion carried]

Magnesium Plant

M170. Mr. Bruseker moved that an order of the Assembly do issue for a return showing copies of the technology agreement between the government, Magnesium Company of Canada, Magnesium International (Canada) Ltd. and Alberta Natural Gas Company respecting the ownership and use of the technology for the Magnesium Company of Canada facility in High River, Alberta.

MR. BRUSEKER: Mr. Speaker, just briefly, this motion for a return asks for the agreement to operate our \$102 million

*see p. 793, right col., first para.

boondoggle south of Calgary, known as MagCan for short, and what agreements we have to operate said facility now that we are the owners of it.

MR. DAY: Well, Mr. Speaker, just another example of how sometimes a simple phone call for information is far more expedient than this particular process. However, this is asking for copies of the technology agreements between the government, MagCan, and Magnesium International, et cetera, et cetera. The government of Alberta in fact is not a party to technology agreements. There does exist a technology licence agreement, phase 1, High River, between Magnesium Company of Canada and mineral processing licensing corporation BV, but the Crown is not a signatory to this agreement. The government will have to reject this motion for a return.

MR. SPEAKER: The hon. Member for Redwater.

2:50

MR. N. TAYLOR: I want to take a moment on this. I think the hon. minister is missing the nub of the agreement. The taxpayers have loaned out money under the previous government, the previous Premier, Mr. Speaker. A great deal of hay, if you'll pardon the expression, I guess, was made out of the fact that if this technique worked out, the electrolytic method of extracting magnesium from our fossil waters, that would be a huge breakthrough because all over the world there are a lot of these waters. Therefore, if we had a system that worked in this area, we would go on to make huge boondoggles of money and our debt would disappear and everything would be fine in Alberta and the sun would shine again. Now we find we didn't have an agreement on that. All we had was an agreement to loan one solitary plant out there enough money to get under way. If the idea had proved any good, it would have been – it wasn't in the agreement. It was held by the people down south of the border or down east.

So I think it's very important, the reliability of the past Premier and also the whole question of the government who sold to the public of Alberta that we can put out these millions of dollars on this plant for the electrolytic method of extracting magnesium – we've learned how to do aluminum for years, but magnesium was interesting – and that we were going to invent and have a breakthrough to make money out of it around the world. Now we find, from what the minister appears to be saying, that they're trying to hide the fact that they had no agreement. All we did was loan them money to build a big concrete silo there. We didn't do it. So that's why we're interested.

MR. SPEAKER: The hon. Member for Calgary-North West to close debate.

MR. BRUSEKER: Thank you, Mr. Speaker. I appreciate that. Just speaking briefly to close the debate on this particular motion, the admission, I guess, of the Deputy Government House Leader that they would loan out \$102 million and not even have the right to operate the plant in the event it went into receivership – as we know now it eventually did – smacks of absolute negligence. That we would put ourselves at risk and not have any opportunity to have any financial gain from this suggests that they really have not looked after the best interests of Albertans, to the tune of \$102 million plus annual interest in the neighbourhood of \$12 million. To suggest that there is no agreement at all between these corporations listed respecting the use of the technology and the government of Alberta is absolutely ridiculous. The government

itself should be ashamed that they would be so lax, so careless with the money.

Mr. Speaker, if you or I were to loan money regarding a car or many other things, we would put in all kinds of restrictions regarding the ultimate ownership and use of that facility. The phrase "ownership and use" in fact is in here. When the Deputy Government House Leader suggests that we have no rights to the use of this facility despite having put \$102 million on the line so far and potentially more money on the line in the future, it is absolutely despicable.

[Motion lost]

Golden Gate Fresh Foods Inc.

M172. Mr. Bruseker moved that an order of the Assembly do issue for a return showing copies of all audited financial statements for Golden Gate Fresh Foods Inc. from January 1, 1989, to December 31, 1991, inclusive.

MR. DINNING: Mr. Speaker, in previous discussions on motions of this kind I referred to a number of documents, not the least of which was Bill 201, which was before the Assembly some weeks ago. Rather than restate all of those comments, I would simply ask hon. members to read *Hansard* of that day and would respectfully recommend that this motion not be supported by members of the Assembly.

MR. N. TAYLOR: Well, here again, although the minister had such a well-modulated voice I'm not positive what was said, he closed off with a flurry and said that they wouldn't be doing it. Mind you, if I had to answer a question that way, I would try to whisper too, Mr. Speaker. As a matter of fact, I think he should have considered sign language.

Mr. Speaker, here again Golden Gate Fresh Foods was money, I believe, loaned to Fletcher's out of Red Deer to expand in the processing. Well, Fletcher's board at that time was controlled by Dr. Horner, who is a member of the past government. What intrigues me about this process is how you could have given money to a subsidiary without the parent company signing the guarantee or signing on to the loan too, and the taxpayers would like to know why. Here again is a real boondoggle similar to the MagCan idea, where a bunch of money went into a plant when we didn't have the technology. Here's a case where we loaned to a subsidiary which was literally a shell and didn't ask for the parent company to cosign on the note. That's something most fundamental that even a starting teller in a bank learns: you have to get all the signatures for anybody involved, and if you're not sure, in addition you throw in the mother-in-law. Here we have a government throwing out millions and millions of dollars, and they took one solitary subsidiary's signature without any backup. There's one thing to be gained: the fact that they will not register anything or put anything forward confirms our statement for some time that they didn't have any collateral at all and the money's gone down the drain forever.

Thank you.

MR. SPEAKER: The hon. Member for Edmonton-Whitemud.

DR. PERCY: Yes. I'd like to speak in favour of the motion, Mr. Speaker. Again, I believe this is another example of an instance where Alberta tax dollars have been put into enterprises abroad. We could talk of Peru and Telemovil. We could talk of Gulf of Mexico. We could work our way through the cellular system of

the United States. Then we'll go to fast foods, into California. I think this is not how Albertans wanted their money spent. They would like to know exactly how these fiascos emerged. What we lack is any understanding of who signed these documents, why, the nature of the business decisions being undertaken. Because as we go down the list of these fiascos, each and every one we look at and say, "How could a rational, reasonable person undertake this type of investment?" We don't know because the material won't be released because we don't want to offend corporate sensibilities. If they feed at the taxpayers' trough, they have to live by the rules, which ought to be public disclosure and full disclosure.

Again, why we have a defunct plant in California certainly is of interest to Albertans, and the process by which we got there and the financial records of that firm are of interest to Albertans. At a period of time when we're laying off nurses in hospitals, when we're releasing health care workers, when we're talking of wage rollbacks, surely the misuse of Alberta taxpayer dollars in foreign adventures abroad are of interest to members of this Legislature.

Thank you.

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I think it's so evident when you see the denial of this kind of information that the hypocrisy we have is totally unacceptable. Look at the throne speech. This very government is talking about accountability, accessibility, openness. What do we see? A continuation of the past practices of the former government. This government's no different. You're still afraid to give freedom of information. You continue to do what I would say is the unethical thing and keep Albertans in the dark as to why we've accumulated the massive debt that we face today and like my hon. colleague we denied the kind of information that could ensure us in the future that these tragic mistakes will not be allowed to continue so that we don't have to be faced with the awful decisions that are having to be made in health care and education and so on. I think it says the very thing that we're afraid to admit to: that we don't have an open and accessible government.

3:00

MR. SPEAKER: The hon. member for Edmonton-Roper.

MR. CHADI: Thank you, Mr. Speaker. I wish we'd had the opportunity to listen to the Provincial Treasurer in an audible voice, because I'm not sure if he said that indeed we do not have these financial statements from January '89 until December 31, 1991. If he did in fact say that, then I would question why anybody would offer some financing to a corporation without the benefit of looking at the financial statements or even asking for them. There isn't a lender in this country that would do any lending without knowing what the financial positions of these corporations are before lending to them. Is the hon. Provincial Treasurer hiding something by saying or suggesting that we cannot see this information? If indeed that's the case, well then I think all Albertans have to know what's happening here.

I speak highly in favour of this motion, and I would hope that members of the opposite side would vote in favour of this motion. I don't think there is anything here that could be so terrible, so drastic that we should not want to let the legislators of this province know what's going on with this corporation or why we spent this money.

Thank you, Mr. Speaker.

MR. SPEAKER: All those in favour of Motion for a Return 172, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Defeated.

[Several members rose]

MR. SPEAKER: Order please. The hon. members have to be quicker off their chairs than they have been. They can maybe do this next time.

Royalty Holiday Evaluations

M184. Mr. Dalla-Longa moved that an order of the Assembly do issue for a return showing copies of all documents prepared for or on behalf of the Department of Energy since October 1992 evaluating the costs/benefits of instituting a permanent royalty holiday for crude oil development wells.

MR. DALLA-LONGA: Mr. Speaker, the Minister of Energy announced the termination of the one-year royalty holiday program for crude oil development wells July 31. This program, the crude oil exploration and development holiday program, was instituted by the government back in November of 1991 and provided benefits to the energy industry at a time when it was plagued by falling commodity prices and increased costs for drilling in the western sedimentary basin. During the last number of months it's been suggested by some of the industry that termination of this one-year royalty program for development wells was ill advised. The minister is well aware of the benefits of the crude oil exploration and development holiday program that took place between '91 and June of '93, as witnessed by the incremental wells that were drilled and the person-years of employment that were created.

Therefore, given these positive benefits, I'm simply asking for any studies that the department may have prepared since the royalty changes of October '92 which would have evaluated the cost benefits of the royalty holiday program for crude oil development wells. What was it that led to the decision to terminate this program effective July 31, 1993?

MR. DAY: Mr. Speaker, the language unfortunately was unfortunate on this, because an evaluation of the cost benefits of instituting a permanent royalty holiday for crude oil development wells was completed as part of a general review, but that was done prior to announcing the royalty revisions in October '92. No studies have actually been done after that, and that seems to be what the member is asking for. The minister and the government will be rejecting the question on that basis, but in the spirit of trying to give out what information might be available, the minister is happy to make available to the member opposite in an unofficial way, not related to Motions for Returns, some material that was prepared for the minister discussing this issue, and that material was given to the Canadian Association of Petroleum Producers in July of '93. So there'd be some unofficial passing of information but in an official sense related to this motion for a return.

Because there was nothing done since, the government will reject this motion.

MR. DALLA-LONGA: Mr. Speaker, on the basis of the spirit which appears to have taken place here, I'd like to close debate on Motion 184.

Thank you.

[Motion lost]

Royalty Tax Credit

M185. Mr. Dalla-Longa moved that an order of the Assembly do issue for a return showing any internal studies conducted by or on behalf of the government since January 1, 1992, relative to the Alberta royalty tax credit's, ARTC's, impact on job creation and increasing drilling activity and the feasibility of its retention.

MR. DALLA-LONGA: Mr. Speaker, the government has acknowledged that the existence of the ARTC program, the Alberta royalty tax credit program, has provided some opportunities for small companies to become established in Alberta's oil and gas industry. Small companies have used the ARTC to provide benefits to the Alberta economy. Small companies have been drilling an increased proportion of wells in this province. More drilling activity means more growth to this province and its economy. As the government is aware, the October 1992 changes to the royalty regime made no commitments to extending the ARTC past December 31, 1994. This has been a matter of concern to small producers in this province. Expenditures on the ARTC program were approximately \$246 million in '92-93.

Given that the deadline with respect to the ARTC is approaching, I am presenting this motion for a return to ascertain whether the government has prepared any studies which would evaluate the impact that the \$200 million to \$250 million in ARTC benefits paid out on an annual basis has had in spurring job creation and increasing drilling activity. After all, it is the intention of this government to create more jobs. So with all due respect I would ask that they support this motion.

Thank you.

MR. DAY: Well again, Mr. Speaker, the question is good. It's just that the timing is unfortunate. The Department of Energy and actually the Treasury have been reviewing and evaluating the royalty tax credit during the past year. The studies are at an advanced stage, but they're not complete yet. I can say that the government will be sharing the information after it's completed, and it would just be premature to release it now. That's the only reason that the government will be rejecting this particular motion for a return.

MR. SPEAKER: Did the hon. Member for Redwater wish to participate?

MR. N. TAYLOR: Yes, just for a moment, because I guess Calgary-West closes out the debate. I know that the hon. minister is answering for another department, and he's probably reading from a prepared sheet, otherwise he wouldn't have the nerve to say that with a straight face, if he knew what I was talking about. Obviously, to say that you're studying the ARTC after it's been in for years now – the oil business has been jumping up and down. Those people that won election in the Calgary area, a great deal of them, said that they supported it. Now to come along and say,

“Well, we're studying it; we're thinking about the thing,” is ridiculous. It just boggles the mind. It's like saying that you're studying the price of wheat before you can talk to farmers. I mean, this is the basic lifeblood in many areas of the province, certainly Calgary. As a matter of fact, right now we see one of the members getting out before the standing vote can be called. [interjections] Don't worry; we'll get him back. The bells will ring in a couple of minutes, so don't go too far away. The point is: to say that they're still studying the royalty tax credit is a ridiculous answer indeed.

MR. DALLA-LONGA: Mr. Speaker, I just wish to supplement the comments from my colleague from Redwater. I find it surprising that the hon. member opposite said that they're working with industry. It's industry, in fact, that has come to us and has suggested that we encourage the government to extend the Alberta royalty tax credit program, and if they're working with industry, I find that surprising in light of the comments that we've gotten from industry. In any event, I wish to close debate in support of Motion 185.

Thank you.

MR. SPEAKER: The hon. Member for Calgary-West has moved Motion for a Return 185. All those in favour of this motion, please say aye.

3:10

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Defeated.

[Several members rose calling for a division. The division bell was rung at 3:12 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Hanson	Nicol
Beniuk	Henry	Percy
Bracko	Hewes	Soetaert
Bruseker	Kirkland	Taylor, N.
Chadi	Langevin	Van Binsbergen
Dalla-Longa	Leibovici	Vasseur
Decore	Massey	White
Dickson	Mitchell	Zwozdesky
Germain		

Against the motion:

Ady	Gordon	Oberg
Burgener	Haley	Paszkowski
Calahasen	Havelock	Pham
Cardinal	Herard	Renner
Clegg	Hierath	Rostad
Coutts	Hlady	Severtson
Day	Jacques	Smith
Dinning	Jonson	Sohal
Doerksen	Kowalski	Stelmach
Dunford	Laing	Tannas
Evans	Magnus	Thurber
Fischer	Mar	Trynchy

Forsyth	McClellan	West
Friedel	McFarland	Woloshyn
Fritz	Mirosh	
Totals:	For - 25	Against - 44

[Motion lost]

Heavy Oil Upgrader

M186. Mr. Dalla-Longa moved that an order of the Assembly do issue for a return showing copies of the agreements signed between the government, 540540 Alberta Ltd., and Husky Oil pertaining to the \$30 million interest free loan advanced to cover the operational shortfalls for the Lloydminster biprovincial upgrader.

MR. DALLA-LONGA: Mr. Speaker, in October of 1992 the government set up a numbered company as a means to providing further funding to the operator, which is Husky Oil, for operational shortfalls experienced by the Lloydminster upgrader. The details of this transaction have always been murky. This is a substantial commitment of public funds; in fact, the Alberta taxpayer is currently covering interest payments on this loan. The public accounts reveal that approximately \$201,000 was advanced from the general revenue fund to cover interest payments made under this loan in 1992-93. The public accounts also note that the government has agreed to provide \$7.25 million for its share of any excess operating shortfalls for the project which arise prior to June 1, '96. This is above and beyond the \$12 million committed for mandatory shortfalls.

I wrote to the government regarding this matter back in July of '93 and have yet to receive a response. Given the commitment to public funds, I feel that it is incumbent upon the government to disclose the details of the agreement established between itself and the company called 540540 Alberta Ltd. and the operator regarding the disbursement of taxpayer dollars. After all, in the spirit of open and accountable government and fiscal responsibility I think it's important that taxpayers know the details of this agreement.

MR. DAY: On behalf of the Minister of Energy the government rejects this motion for a return, Mr. Speaker.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. If there's a place in heaven for a cabinet minister that covers the dirty laundry for another cabinet minister, I think the hon. member is really going to qualify. No amount of laundering will help him.

Mr. Speaker, 540540 was set up with the specific purpose of trying to hide the overruns of the Husky upgrader. So here we have something where they can hardly argue the usual argument if they give money, that they're breaking a contract between a private interest and a public interest. You've heard many times from our side that if you want to borrow money from the government, you have to take the heat of having your loan broadcast to the industry in general. If you want government money, you've got to expect to have your business made public. If you want it made private, borrow from a private source.

This is a little different. This is, I think, the government dealing with itself, although I'm not exactly sure. It looks like 540540 is a subsidiary of the government. So in effect we have a minister or a government trying to hide a contract or a cost to the public by creating another company. Before they could use the argument,

well, they're going to embarrass somebody by releasing the facts. The only person they're going to embarrass this time is themselves. Mind you, that's quite legitimate, to try to hide things. For a government such as this, they'll be worried about embarrassing themselves on this one issue when there are thousands of others that would do it even worse. It's very difficult to understand. Nevertheless, this is a deliberate attempt by the government to hide the amount of money that we are losing in the overruns of the Husky upgrader by creating a private company off to the side without a public share issue.

DR. PERCY: I rise to speak in favour of this motion. I think the issue at stake here is very clear: this was basically a shell that was set up to allow the government, one step removed from the GRF, to try and finance these types of overruns. I think we've reached the stage, given the size of the deficit and certainly given the size of the debt, that we ought to just come clean. The government should just lay open the books and say: "This is what we did. That was then. This is now." Just basically front up. If you look at the budget, Mr. Speaker, you'll see enormous write-downs for '92-93. I mean, we have debts now that we didn't know we had, but they found it expedient to do that. Well, why not go through the whole process, open up the books, because this is one skeleton in a closet that's going to continue to rattle until we get our hands on this type of information. Albertans need to know where their money has gone, where it continues to go, how much, and why. It should be brought to the Legislature and should be discussed and debated.

Mr. Speaker, I speak very strongly in support of this, because as my colleague for Redwater suggested, the normal types of arguments that the government has used don't hold in this case. This is just out-and-out hiding of information that Albertans need to know regarding how their money's being spent.

Thank you.

MR. DALLA-LONGA: Mr. Speaker, just a few closing comments. When I initially ran in this last election, I ran with the intention that we were going to try to do some things differently, and I see that the past is just continuing on. I find it incredible that we've spent this much money on this project, and it's a project which the province basically supports. The industry supports it. Our party fundamentally supports it. All we're asking for is: what are the terms of that agreement? I know many of you feel that some of this information should be made public. After all, what have you got to hide if there's no problem? In the spirit of, as our Premier said, open and accountable government, where is the open and accountable government when we try to defeat simple motions that ask for simple information that exists?

Anyway, Mr. Speaker, I wish to close debate on Motion 186. Thank you.

3:30

MR. SPEAKER: The hon. Member for Calgary-West has moved Motion for a Return 186. All those in favour of this motion, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung at 3:31 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Beniuk	Henry	Percy
Bracko	Hewes	Soetaert
Bruseker	Kirkland	Taylor, N.
Chadi	Langevin	Van Binsbergen
Dalla-Longa	Leibovici	Vasseur
Decore	Massey	White
Dickson	Mitchell	Zwozdesky
Hanson	Nicol	

Against the motion:

Ady	Gordon	Oberg
Burgener	Haley	Paszkowski
Calahasen	Havelock	Pham
Cardinal	Herard	Renner
Clegg	Hierath	Rostad
Coutts	Hlady	Severtson
Day	Jacques	Smith
Doerksen	Jonson	Sohal
Dunford	Kowalski	Stelmach
Evans	Laing	Tannas
Fischer	Magnus	Thurber
Forsyth	Mar	Trynchy
Friedel	McClellan	Woloshyn
Fritz	McFarland	

Totals: For - 23 Against - 41

[Motion lost]

Suncor Inc.

M187. Mr. Dalla-Longa moved that an order of the Assembly do issue for a return showing copies of the agreement pertaining to the maximum \$80 million in royalty assistance to be provided by the government to Suncor Inc. to facilitate expansion of its oil sands operations over the next five years.

MR. DALLA-LONGA: Mr. Speaker, once again we have a substantial commitment of public funds. The royalty assistance package to Suncor is dependent upon the satisfaction of various levels of spending on approved environmental programs, profitability of their operations, and could run as high as a support program of \$85 million by December '97. This is a large royalty break at a time when we are faced with a \$2.4 billion deficit, or whatever it is, and a \$28 billion debt. While most Albertans and in fact the Alberta Liberal Party support Suncor's investment in the Alberta energy industry as being a benefit to our economy in terms of economic growth and job creation, it is incumbent upon Albertans that they know and be given the opportunity to evaluate the terms and conditions of this assistance package.

This is another matter that I addressed to the government by letter back in July of '93, and I've not yet received a complete response. The Minister of Energy mentioned in August that a finalization of the royalty agreement is contingent upon completing a number of issues, business arrangements, and regulatory requirements associated with Suncor's proposed utility plant. As the minister is aware, the royalty assistance package to Suncor was announced by the government back in October of '92. Certainly by this time there must be a preliminary agreement of some sort between the government and Suncor.

Once again, in the interest of open and accountable government I would ask that we support this motion.

MR. N. TAYLOR: I'll put in two bits on this one, Mr. Speaker. If there is one place that we can expand our revenue and our jobs in the petroleum sector, it's in the tar sands or in situ oil recovery. As the Member for Fort McMurray has pointed out many times, it could be the saviour of Alberta and maybe Canada in the next 50 or 100 years. Consequently, there are people all over the world looking at trying to put capital into the various types of oil projects in that area. There are the various in situ projects. Whether you open pit mine it, as Suncor is doing, or whether you do underground mining, as AOSTRA is doing so well, or whether you do dissolving with solvents, and some people are even experimenting with setting fire to it down there, all these are methods. The more information that we can put out on these areas, the more the public will see - and I would think the government would want to encourage it - the more the investing public around the world can see what kinds of deals are made, what kinds of profits can be made, and we will attract a lot of people here.

To keep secret the royalties on a tar sand: we wouldn't think of doing that. All the natural, conventional oil and gas wells - everybody knows that you can go down to the Department of Energy, the conservation board tomorrow and get what the daily production was on a well 30 days ago, and it goes back for years, to when it was drilled. So you can see what kind of royalty, and you know what the royalty regime is. To hold it in secret to me is cutting off the chance for other investment to come in. In fact, Mr. Speaker, I wouldn't think Suncor would be doing it. I don't see why. Well, I suppose they might from the point of view that it limits competition.

I think, Mr. Speaker, here is an area where being secretive is costing us money. It's not a case of hiding, like they've done in the Husky overrun, or covering up, as they did in Nova. This is a plain, old-fashioned case that if the investing public around the world - and the world does have their eyes on our tar sand developments - could see what kinds of deals are being made on royalty and profit, we would attract many more people in, and we'd have the competition and indirectly, hopefully, down the road the revenues to support the standard of life we'd like to become accustomed to.

MR. DAY: Again, Mr. Speaker, I can assure the members opposite that this is not a matter of secrecy. It's just a matter of timing. There are some of these negotiations that are still continuing. The government has made the commitment, and we'll follow through, that once everything's been ratified, these details will be made available.

On the basis of timing, we have to reject it today.

MR. DALLA-LONGA: Well, maybe the government should entertain having a roundtable discussion on some openness with this process of negotiating this agreement.

I would be encouraged if I saw even one or two members from the opposite side standing in support of this motion. I guess things haven't really changed, have they?

Anyway, Mr. Speaker, I move that we close debate on Motion for a Return 187.

[Motion lost]

Funding Reductions

M196. Mr. Dickson moved that an order of the Assembly do issue for a return showing the list of all alternative measures

programs and victim/offender reconciliation programs operated by either a department of the government or a nonprofit agency with support from a government department which have been subject to elimination or reduction of funding from January 1, 1993, to August 31, 1993.

MR. SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. I anticipate that the hon. Minister of Justice is going to be moving an amendment, so I'll say nothing further at this point, till after the amendment is dealt with.

MR. ROSTAD: Mr. Speaker, I move to amend Motion for a Return 196 by deleting the words "and victim/offender reconciliation programs" from the motion. Copies of the amendment have been provided to the Clerk and circulated.

The reason for the amendment is really simple. Stand-alone victim/offender reconciliation programs are not operated by the department. They're more a technique that is involved in many of the programs that the department does fund. While contract elimination or reductions do not appear to have affected any of the victim/offender reconciliation program techniques which are known to the department, I can't say with certainty that there have been no impacts.

On that basis I would move the amendment.

3:50

MR. DICKSON: Well, I accept the advice of the hon. minister. If in fact it's not possible to segregate and piece out funding for those particular programs, I'm certainly prepared, in the spirit of co-operation, to see what we get under the amended motion for a return. I simply advise the minister and members that if I am unable to unearth the information from that return, then I may be back seeking the balance.

[Motion as amended carried]

Child and Spousal Support

M197. Mr. Dickson moved that an order of the Assembly do issue for a return showing all working papers, studies, and analysis being reviewed by the joint federal/provincial task force examining the issue of child and spousal support to August 31, 1993.

MR. SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. I wanted to just touch briefly on the importance of the material and the issue that's involved with Motion 197. I suggest that fair child support, fair spousal support paid promptly and regularly is perhaps one of the most important goals that this government, indeed any government, can seek. But it appears, not only in this jurisdiction but in other jurisdictions, to have been an exceedingly illusive goal.

I don't know about other members, but I receive a very large number of phone calls and letters from constituents that are frustrated to death with child support orders, spousal support orders that aren't enforced effectively, with difficulties both in terms of time and cost experienced in trying to get the order or the agreement in the first place. I suspect that if we were to poll members in this Assembly, we'd find that a good number of members hear frequently from constituents about those kinds of concerns.

So we have two problems. We have the calculation of support, whether child support or spousal support. It's expensive, time-consuming, and it's problematic, because you have judges fixing awards, and often on similar facts you may have disparate awards, which create comprehension problems among Albertans. Once we have an order in place, whether it's a Court of Queen's Bench or a provincial court order, we then have enormous difficulty, sir, with the enforcement of that kind of an order, that kind of an agreement.

We've seen interesting initiatives taken. In Australia, now, the first phase of their family law reform was to go to an automatic deduction of child support at source. We've seen Ontario adopt a similar kind of model. Australia has now implemented the second phase more recently: child support is calculated according to a grid, and there are precalculated formulae which are simply applied. So what happens now in most cases in Australia: divorcing, separating spouses don't have to go and incur the legal costs, don't have to go through the uncertainties and vagaries of the court system; there's a very speedy means of applying a formula which determines the amount of support to be paid. Now, I'm not standing here as an advocate for that formula, but I think it's important to recognize that in many jurisdictions we're seeing significant steps forward in terms of trying to simplify, streamline a process to advantage children, to advantage spouses.

In Canada we know that for the last year representatives of the various justice ministries across the country have been meeting. They've had a task force or working group. They've had a variety of reports submitted. They've had analyses done. They're working on this whole issue of support. Now, my respectful submission, Mr. Speaker, is that this is too big an issue, too important an issue, to simply leave for the bureaucrats to deal with in secret. If there's one issue where rank-and-file Albertans, never mind rank-and-file Canadians, want to know what's going on, I think it's this issue of support. I think it may well be that there are minutes of meetings where representatives of various provincial justice ministers speaking frankly have an interest in not having that information made public, and very well that argument can be made. We can piece out, we can identify those documents and deal with them separately. But studies, surveys – if a university professor, a specialist in family law has done a study on why child support systems aren't working, surely that's the kind of thing that shouldn't be kept secret, should be revealed, disclosed, shared with us, and shared with Albertans.

I simply conclude by saying that I think this is one of those issues that so many Albertans have a stake in, are concerned with. I think it's essential that this kind of information or at least as much of it as possible be brought into the public scrutiny.

Thank you, Mr. Speaker.

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

MRS. SOETAERT: Thank you, Mr. Speaker. I'm quite sure about this. I want to reiterate what my colleague for Calgary-Buffalo said. I've had calls from several people in this province who are concerned with the unfair tax laws that are happening now for child support. We want to know what's been happening, what's been going on. [interjections] Yeah, they are being a little rude, but I can handle it.

I don't see what the problem is with giving us this information so that we can calm the people's fears, that the government is really dealing with these situations, that we really are concerned about unfair tax laws. It gives me enough power to say, "Yes, it's being dealt with." Well, I am bringing it up in the House, but

no one's dealing with it. At least I can say: "You know what? Someone is dealing with it, and this is what they're doing." That's all we're asking for.

MRS. HEWES: Mr. Speaker, I support this motion. We've had maintenance enforcement in this province since 1986 or 1987; it probably came in in '86. The government has always tried to assure us that it's working very well and that people are satisfied with it, but we continue in our day-to-day work to get concerns and complaints expressed that it isn't working, that there are many, many inconsistencies in the awards that are made.

There are many difficulties that ensue when the payments are not made on a regular basis and variance is requested by the spouse and time goes on. In those incidents the individual then lacking support goes on social assistance for the temporary time, which could be months or even years, while that variance is applied for. That requires a change in life-style on the part of the spouse. A considerable unfairness ensues, and we have a lot of other difficulties for children, for siblings in the family. Mr. Speaker, we need some confidence here so that we can express to people who are in these very difficult situations that this is going to be changed. I should add that the numbers of family breakups are increasing, and the numbers of incidents where there's an absence of consistent payment of maintenance are increasing in the province as well. It isn't as though there aren't systems that are working better in Canada and in other parts of the world. They are there, and they are functioning. They are functioning reasonably well and allow for a much faster resolution of the problems that ensue.

So I see no reason whatsoever not to support this motion. I think that anything we can do to hasten the process and to give confidence to people who are caught in the situation will help. I would encourage all members to support the motion.

MR. ROSTAD: Mr. Speaker, I guess they were anticipating that I in fact was going to get up and reject the motion.

AN HON. MEMBER: Are you?

4:00

MR. ROSTAD: In fact I am, but not by my own volition or the volition of this side of the House.

I think the Member for Calgary-Buffalo very aptly put it: calculation of fair support for spouse and children is absolutely necessary, and quick, punctual payment is also absolutely necessary. In fact, that's what this whole project is about, because there is inconsistency from one court to another, from one situation to another in calculating what spouses or dependants get.

There are a number of documents that are already public and available that I'll be more than happy to share with the House. There's a child support public discussion paper, the financial implications of child support guidelines research project, and four economist studies, technical reports on which that project was based. Those reports are titled: How much does it cost to support a child in Canada: Estimating expenditures on children in Canada; Measuring the costs of children in Canada: a practical guide; Estimates of family spending on children using the adult good model. They're all published, available, and I'd be happy to share or table those in the House.

A lot of the working papers and the continuing study frankly I have not a problem in divulging. But because they're intergovernmental papers, because this task force, this project is being conducted by all of the provinces, the territories, and the federal government, and because the federal government through their

access to information has said that because they're intergovernmental this would destroy the working of things and have put a limit on the release of those documents, frankly we are then, from this government's thinking, locked into that decision.

Also, we are working towards our access to information and privacy Bill, and the hon. Leader of the Opposition in fact had a private member's Bill before the House that recognized the importance of intergovernmental papers and the necessity to not necessarily have them divulged. On that basis I do stand and regretfully have to reject the motion.

MR. DICKSON: Well, as usual I appreciate the minister's candour in responding to this. I want to say initially that I think it's important that when we debate this kind of a motion, we have this type of explanation from a minister. As unhappy as I may be with the response, I appreciate the fact that he's at least tried to deal with it on its merits. In the last number of debates, when I've sat in this Chamber over the last month or so and we've argued over motions for returns, it's seldom that I've seen a minister come forward with this kind of candour. So I applaud the very specific response.

It seems, Mr. Speaker, that we still seem to be more concerned with secrets between governments, whether it's provincial and federal governments or between different provincial governments. I understand that there are some things that for at least a period of time maybe should be kept under wraps, but we're talking about something much more important than the sense of which governments want to keep secrets private. I'm aware of the material that's been published that the minister's referred to, but that's a small part of it. My understanding is that there have been other materials done and submitted through the agency of his office to this task force, materials which aren't matters of state secret and matters on which the fate of provincial or federal governments hangs in balance. I think that information can be shared with us and should be shared with us. As much as I appreciate the minister's candour, and he sets out some reasons, I think that what we're doing is creating much too wide a net and catching too many things under that net of secrecy. I think there are substantially more documents that could be shared without compromising core interests of provincial governments or the federal government.

So I'm disappointed with the response, and I encourage all members to vote in support of this motion.

Thank you.

[Motion lost]

Brooks Diagnostics Ltd.

M203. Dr. Nicol moved that an order of the Assembly do issue for a return showing a copy of the contract between Brooks Diagnostics Ltd. and Alberta Special Crops and Horticultural Research Centre in Brooks with respect to the company's use of premises and facilities at the centre, including any agreements or documents pertaining to the rent paid, the use of the government courier service, and use of RITE lines.

DR. NICOL: Mr. Speaker, this is information that we would like to get that relates to the conditions and opportunities that are provided when a public institution privatizes part of the services that they used to conduct. It's important that we get an idea of the kind of conditions and the provisions that are provided for firms when they split off from a government agency and begin to compete with private firms that are in the community.

This request basically is brought forth concerning Brooks Diagnostics Ltd. in the sense that the community is extremely concerned because the newly formed company is finding itself underbidding and providing services in competition with private industry, and the private industry that's in the community is finding that they're having to compete with this company that now has access to facilities that are provided through the government agency that is housing them. It basically creates a situation in the community where rumour begins to develop and innuendo is present as to the competitive advantage that this firm has. We would like basically to have this information to lay it out to the community so that everybody understands the operating conditions.

Therefore, I ask for legislative support of this motion.

DR. PERCY: I would like to speak in support of this motion. I believe it embodies a fundamental principle, that of the level playing field. As this government moves to privatize certain entities, we have to be very clear in our own minds and certainly people living in those areas have to be clear in their minds that in fact it is a level playing field, that the rules of the game are the same for everybody, that they cover their overhead costs, that they compete in the marketplace fairly, because that's what the exercise is about. That is why in many of the issues that we've brought forward to this Legislature, we've been concerned about equity and fairness. That's why we view loan guarantees with such disfavour, why we view grants with such disfavour. This is a backdoor way in some instances of providing a competitive advantage to a chosen firm. Now, it may not be the case. All that's required, then, to dispel such rumours is the tabling of such documents so that all can be quite clear in their minds that in fact is a level playing field, that one firm isn't in fact being subsidized and undercutting other firms.

So I do not see how in good conscience a government could in fact deny such documents. It's in the interests of the firm involved. It will set to rest any concerns within the community, and it's certainly consistent with setting out very clearly that this government is concerned with a fair set of rules, a level playing field for all parties involved.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Bow Valley.

DR. OBERG: Thank you, Mr. Speaker. As the MLA for that area and someone who has lived in the community for the last eight years and is fully aware of the problems that are going on, I have not heard the rumours and innuendo that are supposedly flowing through our community. I understand their concerns, and I would certainly look into them if they were to approach me.

Thank you.

MR. SPEAKER: The hon. Minister of Public Works, Supply and Services.

MR. THURBER: Thank you, Mr. Speaker. While it's always in the best interests of everybody to provide as much information as possible, it's a little difficult in some of these motions. This motion is factually incorrect in that there is no agreement between Brooks Diagnostics Ltd. and the research centre. So that part I have to reject.

I would give you a little bit of information, however, to give you some comfort. Brooks Diagnostics have limited access to the RITE telephone services, as does the general public. The other part of it, as I said before, is that there is no agreement between Brooks Diagnostics and the research centre.

So I have to reject on that basis.

MR. SPEAKER: The hon. Member for Lethbridge-East, to close debate.

DR. NICOL: Mr. Speaker, the revelation that there is no agreement – I think this kind of information needs to be put into the community. The people who called us and expressed concern about this indicated that Brooks Diagnostics was being housed in the facilities at the Brooks horticultural centre, that they have access to the buildings and the services that were provided through that. It's basically this kind of information we need to bring out into the public to make sure that the community is aware of the level playing field, the conditions under which services that were previously provided through government facilities are now being used to compete with the private sector. If this is the case, that there is actually no agreement, I would like to ask: why is it that the firm is using the facilities? What kind of opportunity is there? Is it just that they come and go? I would ask that this kind of thing be explained in this motion, please.

4:10

MR. SPEAKER: Unfortunately, the minister can't participate in the debate anymore. Perhaps it can be pursued at another stage of the Assembly's business. The question before the Assembly is on Motion for a Return 203 as moved by the hon. Member for Lethbridge-East.

[Motion lost]

Campground Development

M205. On behalf of Mr. Collingwood, Mr. Langevin moved that an order of the Assembly do issue for a return showing with respect to the campground development situated on the south shore of Burnstick Lake, identified as miscellaneous lease application No. MLL 910167, E1/2 2-35-7 W5M, for which the letter of intent, stage 3 under the commercial tourism and recreations leasing process, was issued on June 16, 1992,

- (1) the business plan and proposed funding for the campground development and
- (2) memoranda by any of the approving government agencies recommending this site for campground development.

MR. SPEAKER: The hon. Member for Lac La Biche-St. Paul on behalf of the hon. Member for Sherwood Park.

MR. LANGEVIN: Thank you, Mr. Speaker. The motion is to deal with a proposed commercial campground to be situated on the south shore of Burnstick Lake. I understand that the minister has an amendment to the motion, so I'll refrain from any further comments at this time.

MR. SPEAKER: The hon. Minister of Environmental Protection.

MR. EVANS: Thank you, Mr. Speaker. The hon. member is correct. I have circulated proposed amendments to Motion for a Return 205.

Moved by Mr. Evans that Motion for a Return 205 be amended to read that an order of the Assembly do issue for a return showing with respect to the campground development situated on the south shore of Burnstick Lake, identified as miscellaneous lease application No. MLL 910167, E1/2 2-35-7 W5M, for which the letter of intent, stage 3 under the

commercial tourism and recreations leasing process, was issued on June 16, 1992,

- (1) the consolidated government response to the applicant at the conclusion of stage 1 and stage 2 of the commercial tourism and recreations leasing process and
- (2) any permits or licences submitted by the applicant to date in response to requirements stated in the letter of intent.

With respect to those amendments, first of all, it's quite clear that we are trying to provide as much information as we have access to and as much information as is related specifically to government. Therefore, I'm making a suggestion that we change the first request to the consolidated government response to the application that's been made by the developer for the commercial development on the south shore of Burnstick Lake both in stage 1 and in stage 2, stage 2 being the letter of intent. This flows through the commercial tourism and recreations leasing process.

The second amendment I am suggesting is with respect to what other documentation we can provide. I would like to point out that the way the request is worded, Mr. Speaker, could never be agreed to by government. When we talk about "memoranda by any of the approving government agencies," memoranda could mean as little as a one-sentence note or a three-word note, and we would be in breach thereof were we to miss that kind of memorandum.

I think this issue has been debated before with respect to motions for returns, but I would suggest to hon. members opposite that if they were to make their requests more specific, we'd have an easier time accepting without the need for suggesting amendments. Certainly what I am prepared to do is table any permits or licences that have been sent in by the applicant in response to the stage 2 approval we've given; in other words, to the letter of intent that went out to them at stage 2.

With those amendments, Mr. Speaker, I'm certainly prepared to accept this motion for a return on behalf of the government.

[Motion on amendment carried]

MR. LANGEVIN: Mr. Speaker, it's unfortunate that the Member for Sherwood Park could not be present today to speak on this motion. I feel that the amendment does not give exactly the information he wants. I can sympathize also with the minister, that at times he's not able to supply exactly on number 2. I realize all the memoranda, which could be short notes and that, could not be supplied, but I think maybe a greater effort could have been done to meet number 1.

Seeing that the hon. Member for Sherwood Park is not here to speak on this motion, I will speak to him and maybe he can have a meeting with the minister to try and get more information if he feels this is not giving him the information he needs.

[Motion as amended carried]

Workers' Compensation Board

M213. Mr. Beniuik moved that an order of the Assembly do issue for a return showing copies of the latest actuarial valuation report prepared by or for the Workers' Compensation Board, WCB, containing the assumptions which resulted in a reduction in the accumulated deficit of the WCB.

MR. SPEAKER: The hon. Member for Edmonton-Norwood.

MR. BENIUK: Thank you, Mr. Speaker. The request for information deals with the WCB and assumptions that are used in actuarial valuation reports. The WCB has an unfunded liability in excess of half a billion dollars, closer to \$600 million. The figures provided by the WCB indicate that over a five-year period it will be zero, yet this year alone they are not raising the assessment fees so that the income is constant. However, there is a 7 and one-half percent levy to reduce the unfunded liability.

If one looks at the income, at the assessment of fees that go into WCB, you would need approximately 25 percent of the income over a five-year period to even come close but not completely offset the unfunded liability. The 7 and one-half percent obviously wouldn't do it. That means that the only alternative is reducing services to the injured workers or the assumptions contained in the report are not valid. Therefore, it is very important to know what those assumptions are. I hope the minister will see fit – as he has indicated a number of times, he has an open policy. We will see today if he will be providing this information.

MR. DAY: I accept; I accept; I accept.

MR. SPEAKER: Order please. Did the Chair understand the hon. minister to say that he was accepting the motion?

MR. DAY: Not once but thrice, Mr. Speaker.

[Motion carried]

head: **Public Bills and Orders Other than**
head: **Government Bills and Orders**
head: **Second Reading**

Bill 205

Agricultural Resources Conservation Board Act

[Adjourned debate October 6: Mr. Clegg]

MR. SPEAKER: The hon. Member for Dunvegan.

MR. CLEGG: Well, thank you, Mr. Speaker. I think last Wednesday I adjourned debate. I just have a few more words on Bill 205. I did say that I'm happy that the hon. Member for Lethbridge-East brought this Bill forward.

When I first read the Bill, I thought it was reasonable, as all Albertans are very concerned about agricultural land in Alberta. Then when I read the Bill through two or three times and saw so many faults in it, I'm going to have a lot of difficulty supporting it.

As I said, all Albertans are very concerned about agricultural land, but first let's go back a few years, many years in fact. How did towns and how did cities get developed in Alberta? First, they got developed because of the early settlers and the railroad. It had a lot to do with the railroad. Every six or seven or eight miles different towns and villages and cities sprung up. The reason they started in those areas was because of the good land. Let's just take Edmonton, for example – probably some of the class 1, 2, or 3 soils in Alberta. It's always easy to say we can stop urban expansion into good agricultural land. However, can you see the difficulty for our water and sewer lines if we're going to miss about 10 miles before we get to some very mediocre lands to start developing the city of Edmonton? This happens right across the province, whether it be in Calgary and . . . Many towns are located on very good agricultural land. So it's nice to say we shouldn't be taking good agricultural land.

4:20

Let's also keep in mind that the term "good agricultural land" is not nearly as important now as it was, say, 20 or 30 or 40 years ago, because today with what you call gray wooded soil or even sandy soil, with the chemicals and the fertilizers we use, I've seen – and I've been in the agricultural field all my life – the lower class land growing just as good a crop with the proper input costs. So although it is very important in my mind – the saying is that cities and towns should go upwards instead of sideways. That is a good point, but again it's a process that isn't all that viable.

Today we have a process in place with the land use bylaws, and we have regional plans in many areas of the province. I had the fortune to in fact sit on a regional plan. As many of you know, I was also with rural municipalities for many, many years. So I'm very familiar with the different land use bylaws and certainly how regional planning commissions work. It is a system that we built over the years, and I personally think it works very well. I for one certainly don't want a board appointed by this government or any government that tells local people how to run their affairs. Of course, this government is running on a philosophy of cutbacks. As I listen to question period daily, I hear the opposition saying: "Don't cut education. Don't cut hospitals. Don't cut social services. Don't cut this." Well, we're running on the philosophy that we have to take a look at everything. Of course, now we're causing another layer of – call it what you want – appointed boards or . . . People don't want that. What they want is a simple method by which to do their business. As you go around the province and talk to businesspeople – and they are the people that make this province grow and prosper – they say: I was going to do this or I was going to do that, but by the time you get the health regulations and environment regulations and safety regulations, I just go home and say, "All we'd be doing is creating another layer there that I know business in this province does not want."

In the Bill it goes on to say that this board would be able to set out contracts for different individuals to do work. What's happened over many years both in local and now in provincial governments: you start something that seems to be reasonable, but pretty soon you've got a system in there with red tape that again business has a hard time getting around. So I certainly don't agree with this Bill.

The figure of 20,000 acres taken out of production: I don't know whether that was on a yearly basis. I heard some other hon. members mention that. I don't question that figure, but we've all got to be very careful how we use our agricultural land. Obviously, I will not support this Bill for that reason. Somebody said, "Well, you were with local government." When I was in local government, I always said, "Why doesn't the government just tell us what they want, and we will make the decisions locally." I have a hard time believing that people can sit in Edmonton – yes, in this Chamber – and tell people in the MD of Fairview what's good for their municipality. That's not my philosophy. It never will be. We need broad regulations, but let's let people get on with their lives. Let's not cause any more delays for business to operate in Alberta, and let's say to the local people: use your land use bylaw. Certainly that's my philosophy.

The hon. Member for Clover Bar-Fort Saskatchewan mentioned the other day that cabinet is making decisions. That's true to a very, very small degree. As long as I've been around in local and provincial government, there have been two or three occasions in the last 25 years that cabinet has got involved. So obviously, in my mind, the land use bylaw has to stay within the regional plans guideline.

With those few remarks, I will sit down. I'm very interested in hearing from other members on both sides of the House.

Thank you, Mr. Speaker.

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

The hon. Member for Lethbridge-East to close debate on Bill 205.

MR. SEVERTSON: Mr. Speaker, the member hasn't spoken yet, so he won't be closing debate at this time.

DR. NICOL: Yes, I was not here at the beginning of the debate the last day.

MR. SPEAKER: The Chair regrets that.

The hon. Member for Lethbridge-East.

DR. NICOL: Mr. Speaker, I introduced this Bill in order to basically create an environment in Alberta where we go beyond the requirements of local communities in looking at their land use patterns. When we leave the adoption or change in production patterns for land to the local community, what they do is tend to overlook the needs that exist for agriculture on a worldwide basis in the need for food, and we then end up with a conflict where we're basically going to have a situation in the world where the increasing demand for food is produced off a smaller and smaller productive land base. I know that new technologies are increasing the productivity of that land, but we looked at it historically, and there have been very severe cyclical patterns in the ability of the agriculture sector to provide food in the world demand network. We end up with a situation where, as we divert more of this land out of agricultural use, we're going to be continuing to penalize or cut back on the productive capacity of the agriculture sector. We've heard on numerous occasions where this province bases much of its economic activity on the idea of agriculture, value-added agriculture, and the more we can maintain and protect the agricultural land base for these value-added industries, the more opportunity we'll have for economic development in the province.

The concern that gets expressed in terms of the ability of the urban centres or the residential areas to grow: Mr. Speaker, it is my hypothesis that most of the urban centres are interested in developing along undulating land around the cities, along rivers, and what we need to do is put in place a program that definitely sets out conditions through a commission like this or a land conservation board like this that will define for all the people of Alberta very strict controls on the conversion of land. Businesses then operate under the knowledge of these conversions and operate under the fact that if they want to make a conversion in this area, it has to reach board approval, and then it has to deal with the issues that are necessary and stipulated by the board for this conversion.

4:30

We also have a situation in the province where we already have the planning boards in place. These are generally staffed by local people who have local interests in place; they are subject to local pressures. By having a board at the provincial level with a mandate in place to protect and conserve agricultural land, we can have a final authority that would look at it from the perspective of: what does it mean to the province, what does it mean to Canada, and what does it mean to the world in terms of the productive capacity of that land being taken out? We are losing land in Alberta to the tune of 20,000 acres a year. I know this doesn't sound like a large area to be losing each year, but in effect it is

significant in terms of the overall capacity of agriculture. Technology may be in a position 20 or 30 years from now where we'll have alternative sources of food, but at least in the meantime we won't have jeopardized our ability to produce and compete and contribute to the world food production patterns, and our agricultural sector will have a strong base.

The current planning boards are subject, as I've said, to pressures from the local communities. The Alberta Planning Board is subject to pressure at upper levels through the interests of groups, the real estate development agencies. If we can put in place a board which has this mandate to deal with the land base, I think it would solve a lot of the problems we're seeing in the current land conversion. When cities decide how they want to annex land or when small communities begin to expand, they expand into the agricultural land. If they know that agricultural land is protected, they will not plan with those kinds of expansion patterns in place.

The discussion that has gone on so far – from reviewing *Hansard* during the period I was missing – basically indicates that a lot of the points have been covered. I think if we deal with this board, it can work in conjunction with Alberta environment, with Alberta agriculture and basically provide us with a very sound base to deal with the protection of a resource that's very important in contributing to the development of Alberta.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

MR. SEVERTSON: Thank you, Mr. Speaker. I, too, would like to contribute to the debate on the proposed agricultural resources conservation board. Like many of my colleagues who have spoken before me, I do not see the need for such a board and therefore cannot support this Bill.

I wholeheartedly endorse the need to conserve Alberta's prime agricultural land. Agriculture has long been and will continue to be one of the most important components of our province's economic livelihood. We as a government and as citizens must work together with farmers, ranchers, and landowners to ensure that our valuable agricultural land is protected and sustained. However, we cannot ignore the need in other aspects of expanding Alberta. In doing so, we need to be able to accommodate the requirements of industrial development and its contribution to the diversity of our economy. We need to update and expand our system of infrastructures from time to time to meet the needs of both commercial and private transportation. Finally, we need to allow our cities and rural communities to grow as population pressure dictates the necessity.

What I'm trying to point out, Mr. Speaker, is that there's nothing new that my colleagues haven't indicated before me. It is possible to effectively strike a balance between the needs of long-term agricultural sustainability and the requirements of diversified expansion in the economy. I say it's possible because it's already being done. It's being done by the farmers, ranchers, and landowners themselves. It's being done by the local elected politicians and the provincial elected politicians. It's being done by the agency of the regional planning commission and the Alberta Planning Board. All of these parties effectively work together under the premise of the Alberta Planning Act and the provisions it outlines.

Essentially, I'm reiterating the sentiments that an agriculture resources conservation board is not needed. If it were to be an addition to the system that currently exists for monitoring use of agricultural land, it would be an overredundant component. The

supervision of land development is achieved by means of the Planning Act and the system I have just described.

The role of providing "advice, education, co-ordination and assessment with respect to the use, conservation, enhancement and expansion of agricultural land" is under the jurisdiction of the Department of Agriculture, Food and Rural Development and to some extent the Department of Environmental Protection.

Mr. Speaker, this government is not just concerned and committed to the conservation and maintenance of our land and agricultural practices; we continue to strive to enhance the productivity and the resources. Agriculture in Alberta must be considered as a primary renewable resource and the key economic strength of this province. The farmers also take it upon themselves to attend various conventions and seminars so they can exchange helpful hints with each other as well as hear lectures from researchers and experts in soil conservation. For example, one of these many conventions is the 16th annual meeting of the conservation workshop and the Alberta Conservation Tillage Society that is coming up on January 16 to 19. Most farmers realize that their greatest investment is their land, and as such they make every conscious effort to sustain the long-term sustainability of this commodity.

Mr. Speaker, I also want to take this opportunity to point out a potential that this Bill has yet to examine. In stating the objectives of the Bill, under section 4(b) it reads:

to provide advice, education, co-ordination and assessment with respect to the use, conservation, enhancement and expansion of agricultural land.

The word "expansion" jumps out at me as I read this section. Perhaps it refers only to the content of the whole statement and means simply the expansion capabilities or the potential of the presently worked agricultural land. However, there's another way that the word "expansion" as it exists in this Bill can be interpreted. I believe it is worthy of some careful scrutiny.

Mr. Speaker, as you may know, I'm chairman of the Special Places 2000 committee. This committee conducted open-house meetings throughout the province to listen to what Albertans had to say about the Special Places 2000 draft document that was released in November of 1992. How this relates to the Bill is that there is a bold new initiative that has a vision to complete the network of protected areas in Alberta.

Alberta is divided into six regions: the Rocky Mountains, the foothills, the boreal forest, the Canadian Shield, the grassland, and the parkland. The grassland and parkland regions have very little of their natural area left to protect. This is also where you'll find most of the class 1, 2, and 3 soils. What worries me is that the wording of this Bill in section 4(b) would allow for development that is contrary to what it's trying to do in the protection of our environment. Again, this may not be what the hon. Member for Lethbridge-East had intended in his drafting of this Bill; regardless, the opportunity for this interpretation exists within the Agriculture Resources Conservation Board Act.

In conclusion, Mr. Speaker, I feel that the objectives of this Bill, while sound in principle, are being adequately catered to by the system and structure that are currently in place. Just ask any farmer or municipality what is the last thing he or she needs. They'll probably tell you, "More government," and more government is exactly what this Bill will give us.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Rocky Mountain House.

4:40

MR. LUND: Thank you, Mr. Speaker. I just want to make a few brief comments on Bill 205, the Agriculture Resources Conservation Board Act. I don't want to go over all the points that other

members have raised, but I guess my major concern is that if in fact this were implemented, we would be creating another level of government, another authority, another bureaucracy, and certainly that's not what we want.

As I listened very intently to the sponsor of this Bill, I realized that that was true Liberal thinking, that the decisions are made from the top and forced on down, and the local people do not have the opportunity to make decisions. Currently in the province, under the Alberta Planning Act and then through the regional plans and through the municipal plans, the local people and their elected officials have the opportunity to make those decisions, and that's where the authority should be. I firmly believe that farmers generally are very good stewards of the land. They're not about to go and do a bunch of subdividing, one of the problems – if this Act had addressed it, I probably would have been in favour of it. I've had great difficulty with the Planning Act that currently allows for one parcel automatically out of an unsubdivided quarter section, but this doesn't address that, so we certainly can't deal with that issue.

Mr. Speaker, I know in second reading we're not supposed to get into parts of the Bill, but I do have a lot of problems with some of the definitions. I think when you start dragging in even to the raising of livestock as agricultural land, that creates a real problem. I could see this monster expanding to include a very large portion of the province, and certainly it would stymie the activity that we desperately need in this province to diversify. I believe that with the establishment of a board like this, the first thing you know we'd be trying to figure out ways that we could pay people to intervene to stop things from happening in this province. Once again, I have great difficulty with that.

My biggest concern is that we're setting up another bureaucracy, that we would be taking away the local authority, the ability of local people to make decisions on local issues, and I do not support that philosophy.

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

HON. MEMBERS: Question.

[Motion lost]

Bill 206
Auditor General Amendment Act, 1993

MR. SPEAKER: The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Speaker. I am proud to introduce Bill 206, which is the Auditor General Amendment Act, 1993.

The intent of this Bill is quite straightforward. It is to give the Auditor General of Alberta the ability to conduct value-for-money checks of all expenditures made by government departments, Crown corporations, regulated funds, revolving funds and agencies, including Crown-controlled agencies with 50 percent or greater interest owned by the Crown.

Presently the Auditor General is able to assess the legality of expenditures, whether or not those funds have been spent in compliance with legislation. The Auditor General is able to assess the systems that are in place in each of the departments or the Crown corporations. To the extent, then, that value-for-money checks are undertaken, they are undertaken in the context of the systems in place in the departments.

What this Bill basically proposes, then, is to empower the Auditor General to be able to conduct value-for-money audits. Essentially what value-for-money audits are are an effort to see

whether or not moneys are being spent wisely, in the most cost-effective manner possible. It also includes the ability of the Auditor General to undertake unannounced value-for-money checks of these various entities.

Now, the reason this is important is that we have now gone from having \$5 billion in assets to \$12 billion – it depends whether you want to talk net or gross in terms of assets – but right now we have a stock of debt of \$28 billion. We got there bit by bit because of a structural deficit, a level of expenditures that was systemically higher than the revenue base to match it. It's clear, if we look at a variety of government departments, that we have creative accounting by the former Treasurer, which is, I would argue – we would see that in many government departments we still have a very high cost structure in place. Although the government is undertaking expenditure reductions, what they are doing is aggressively downsizing the status quo without actually changing the structure of government services or the manner in which they're provided.

What an efficiency or value-for-money audit amendment does, then, is allow the Auditor General to assess whether or not government services are being provided in a cost-effective manner. A number of jurisdictions have this in place. They've moved away from simply having the arms-length Auditor General assess the legality of expenditures, and they have moved now to a method where he or she assesses the efficiency of those expenditures: is it the most realistic way of achieving the given set of objectives?

Now, the government has said that they're moving towards setting up three-year business programs. I applaud that, because at least setting up business plans will give Albertans, civil servants, and those that are clients of those government departments a planning horizon to assess the delivery of those services. It will provide a planning horizon, then, for municipalities and other agencies that draw transfers from government. However, setting up a business plan, setting out performance indicators, while useful, in itself doesn't guarantee that those objectives will be met in the most efficient or least cost manner. Ensuring that the Auditor General can conduct value-for-money audits then ensures that those objectives are met in the least cost manner.

You combine the fact that the government is moving towards three-year business plans with the fact that they are moving very significantly towards net budgeting, and you've got two potential problems. One is that government departments will be setting up basically their own performance indicators, and their audit mechanisms they have in place will be assessing how they achieve those goals. Again it's like having the fox run the chicken coop. You don't want departments setting their own goals and assessing whether or not they make them, with the Auditor General just coming in and saying: "Yes, you spent the money legally. Yes, you achieved the targets that you set out." The issue is: was it done in the least cost manner? That's what value-for-money checks do.

The other issue is that as the government moves towards net budgeting, this will give government departments their own mechanism for raising revenues to finance purchases of equipment, possibly administrative bloat. They're going to have a mechanism by which they can finance their own activities. That is possibly a recipe for disaster, because to the extent that government departments have monopoly power in the market and in many instances don't have competition as they set their user fees, two things may drive them. One is that they have an independent source of revenue to finance their own activities, so we may have a high cost structure being built into government. The second is that those various clients who draw upon those government

services may be hit with fees that really don't reflect the cost to society of providing those government services.

What a value-for-service audit would do is provide us with peace of mind and the certainty of knowing that government services are being provided at the least cost. It would provide us with the certainty and peace of mind that the objectives which departments have set for themselves in their three-year business plans make sense and are being achieved efficiently. It would give us an indirect check on the use of the net budgeting process, because net budgeting provides certain positive incentives. As I say, from the perspective of a bureaucrat it provides them with every incentive possible to generate revenues that they hold onto rather than shipping into general revenues for use by the Treasurer according to the priority needs of the government as a whole.

4:50

I view the ability of an Auditor General to be able to come into a department or a Crown agency and assess the efficiency or the value for service being undertaken as being essential. Now, this Act doesn't require the Auditor General to do that. You must understand that. What it does is give the Auditor General the potential to do that if the Auditor General chooses to do so. So it is not in any way constraining the power of the Auditor General. It is not in any way forcing the Auditor General to do something that he might not wish to do because it's clear to him that what is being undertaken is providing value for service. All it does is give another arrow in the quiver of the Auditor General to ensure that our funds are being spent wisely, that the structural deficit we have in place is being hammered down bit by bit, increment by increment, because if you chase pennies, you often save dollars. What value-for-service audits do is generate the potential, then, for these types of cost savings.

[Mr. Deputy Speaker in the Chair]

As I say, this is not a Bill that constrains the Auditor General. It is not a Bill that requires the Auditor General to do anything. What it does is provide the Auditor General with a vehicle for undertaking these types of audits if he or she chooses to do so in the future. In that sense it's nonthreatening. Should the Public Accounts Committee inquire, then, of the Auditor General, "Why haven't you done this?" he can provide an explanation of why he had not taken a value-for-service audit of a particular department. He would be able to justify why he did it or why he didn't.

In that sense I think the principle is very straightforward. You're providing the arm's-length mechanism that we have out there, which is the Auditor General, with another mechanism to deal with waste and inefficiency in government. All of us that were knocking on doors during the election heard the same message: we want less government, but we want value for service. Across-the-board cuts do not necessarily ensure value for service if there has been waste and mismanagement built into the system, because you still have a significant share of that waste and mismanagement left in place after you impose across-the-board cuts. What a good value-for-service audit does is get at precisely those expenditures that you don't need to reach a given objective. So in that sense I argue very strongly that this Bill should be considered, because it is just another vehicle, then, that gives the Auditor General the ability to get at waste and mismanagement.

Now, in the Public Accounts Committee - I know some colleagues on both sides of the House were there - this issue came up in discussions with the Auditor General. I think it's fair to say that the Auditor General did not leap forward with great enthusiasm at the thought of being given yet another tool. In part it

causes further headaches to the Auditor General because it increases the degree of accountability of the Auditor General at getting at waste and mismanagement.

The argument the Auditor General brought forward was that really once a government department sets out a business plan and sets out its objectives, the Auditor General has the ability to suggest or to evaluate whether or not those objectives are realistic, and he can then evaluate the systems that are in place within those departments to ensure that it's being addressed in the least cost manner. Obviously, the format of the Public Accounts Committee meetings doesn't allow you to engage in extensive repartee with the Auditor General. The response to that was that in many instances the internal mechanisms that exist in departments do not generate the least cost outcomes. They're sort of institutionalized bureaucracy. It's very difficult for the Auditor General, when he's doing an assessment of the legality of expenditures, to get at the type of bureaucratic inertia that exists in many departments. So I think the response that he can basically use systems analysis to get at these types of inefficiencies is really not a compelling argument, because the reality is that if that were true, we would not now be staggering under a \$28 billion debt, there would not be \$2.1 billion in loan guarantees that emerged out there as by happenstance, that nobody is responsible for.

I mean, I've sat here since August 30 and not heard a single person on the front row there in any way accept responsibility for any of the debt that emerged. I've heard: that was then; this is now. I've heard the Auditor General in a sense stand back and talk about the legality of these expenditures, but there is nobody that seems to be responsible for the present fiscal position we're in.

AN HON. MEMBER: The national energy policy.

DR. PERCY: It's interesting that a number of members bring up the national energy policy. I will digress now, Mr. Speaker, for a little bit, because the national energy policy was 13 years ago. It's very interesting, because when you look at seven or eight members of the front bench who were in the Getty cabinet who somehow now were not there when the issue of loan guarantees comes up, when the issue of \$28 billion in debt comes up, although they were sitting at the cabinet table, although they were undertaking all these decisions, somehow they're not responsible. But now something that happened 13 years ago with the federal government when their Premier sat down and drank champagne with Pierre Elliott Trudeau and celebrated the deal that they had reached - well, that's a different story.

So I'd like to see a little consistency on the part, then, of the government. If they were in the cabinet, if they were elected in the period from 1986 to the present, surely they bear some responsibility for the state we're in. Yet to hear them, nobody was responsible except the former Premier; you know, that hard-driving taskmaster who forced them to go out and spend money. As they bring up the NEP, I think it's incumbent on them to suggest what they were doing from 1986 to now under Premier Getty as in fact we slipped into this financial chaos that has now required us to lay off nurses and will now require them to bring legislation forward to roll back the wages of public-sector employees. How do they justify their silence for that period 1986 to the present? Or how do they justify, for example, their acquiescence and their positive campaigning for the Conservatives who brought in the GST, the Conservatives who taxed books, the Conservatives who in fact shifted the CF-18 contract from Winnipeg to Quebec? Where were the voices then? I didn't hear them. As they bring up the NEP, I think it's sort of incumbent on them to cast their minds

back just from '86 to the present, to think about the CF-18, to think about the GST and sort of reflect on more recent history as well as ancient history.

I have digressed and I apologize for this digression, but, again, question period doesn't allow you to respond in the way that you would like. I will now cease my digression and go on to talk about what I think is a pretty darn good Bill, which is Bill 206. As I say, it's a Bill that really attempts, then, to get at some of this mismanagement that has gotten us here. I'm now not casting aspirations. That is, in a sense, history. Let's . . . [interjection] Yeah, aspersions. Excuse me. I got carried away. I hope *Hansard* corrects that slip of my tongue.

That was then. What we can do now is get systems in place so it never happens again. This is why something giving additional powers to the Auditor General, forcing those powers on the Auditor General even if he shrinks back, I think is required. We want to know that the Auditor General can conduct unannounced strikes on a department to find out where the mismanagement is and that he doesn't have to rely on the internal systems of those departments to figure out how the money has been spent. Again, I think there are sometimes bureaucratic imperatives that emerge by which the status quo governs expenditures. I think in part that's why we are in this financial mess that we are today. We had lots of money at one point in time. Oil prices slumped, yet we kept in place the same structure of providing government services, never evaluating whether or not we were doing it in the most efficient manner. Now, again the Auditor General and the Public Accounts Committee have said that this move to three-year business plans will provide a vehicle for setting out performance measures. He can assess the efficiency, then, by saying that the realism of those performance indicators and the systems in place ensure that they're met.

5:00

What the value-for-money audit function does is allow him to come in directly to assess whether or not those goals are being met and sometimes cut through the baffle-gab that exists within departments in their own audit functions. Though, again, I'm not in any way suggesting that civil servants, you know, do that constructively. It just sometimes emerges that they try and justify what presently exists.

As I say, when you look at the experience of a variety of other jurisdictions, which I suspect some of my colleagues will discuss, it's very clear that you can't lose from having value-for-service checks. At the very worst, we're no worse off. At the very best, we may save 5 or 10 percent of our expenditures, and that would then mean that we wouldn't have to increase this magnitude of the cuts that are coming in line in terms of laying off individuals or cutting back programs.

In some instances you'll hear it. I'm an economist arguing that sometimes there is a free lunch, if you can get at waste and mismanagement. What a value-for-service audit does is allow you to get at those margins where there may be the free lunch. I mean, let's have the free lunch before we, you know, order à la carte. So all this Bill does, then, is give us a potential to ensure that we can try and get that free lunch with value-for-service audits. If we can downsize humanely, if we can downsize while preserving the structure of our programs, if we can downsize while still meeting the legitimate needs of Albertans, without reducing the services that we provide them, we should leap at the opportunity. So I think value-for-service audits are one vehicle for doing that.

As I say, this doesn't constrain the Auditor General in any way. It doesn't require him to do anything that he or she would not

want to do. It just provides them with additional opportunity, when circumstances warrant, to do value-for-service or efficiency audits. So I can't see how any reasonable individual could vote against this Bill, because, as I say, you can be no worse off. I mean, there are very few things in life that you can do that make you no worse off and possibly make you better off. This is one of them. I'm just very pleased to have the opportunity to be able to bring this Bill forward, because it's one of those Bills that in fact can only make everybody better off and at least no worse off than they presently are.

So thank you very much, Mr. Speaker.

MR. DEPUTY SPEAKER: Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. I appreciate the enthusiasm and I daresay the passion with which the hon. member has introduced this legislation.

DR. PERCY: How's the grammar?

MRS. BURGNER: I aspire; I have no aspersions.

Mr. Speaker, it's interesting to rise today and speak to this particular Bill, Bill 206, the Auditor General Amendment Act, 1993. I have some opening comments that I wish to just address. I hear the concerns raised by the hon. member, and I'm not here to suggest that they aren't very valid. In fact, I too darn often heard the concern of accountability. However, I have a concern, and it's one from a background that has some interest in accounting and the processes of professional ethics and different areas of responsibility.

What I see in this particular Bill is an opportunity to revisit the role of the Auditor, specifically the role of the Auditor General, and I question at the outset that we as government have that responsibility or even that obligation to revisit what the role of the Auditor is. My understanding would be following on my own attendance at Public Accounts that there are professional associations which set up guidelines . . .

MR. MITCHELL: But you haven't listened to them for years.

MR. DEPUTY SPEAKER: Through the Chair, please.

MRS. BURGNER: . . . and indicate the areas of responsibility of an Auditor. In fairness to the comments raised, my next comment would be that what is at stake here is not the role of the Auditor but the responsibility of government to act upon the recommendations that he brings to bear on this House and the government of Alberta.

I also have concerns that if we were to revisit the role of the Auditor, we would in fact short-circuit a process wherein we are trying to get various departments to be more responsible for the dollars that are budgeted to them in reaction to policies and direction that we set as government. So my concern would be, as I commence the rest of my debate, that placing the sole responsibility for efficiency, accountability, and responsible actions to the citizens of Alberta on the shoulders of the Auditor General is not consistent with the way we are trying to do business in 1993.

Mr. Speaker, we also have before this House Bill 5, entitled the Financial Administration Amendment Act, 1993. It is a government Bill, and it actually incorporates the main theme of Bill 206. It continues to be an interesting process where this government was elected on June 15 with a mandate to redo and revisit how we do business in this province, and in many facets we are in tangent with the opposition with particular pieces of legislation.

Mr. Speaker, Bill 206 proposes several amendments to the Auditor General Act. The main focus of this Bill is to expand the Auditor General's jurisdiction to include those corporations whose voting shares owned by the government are more than 50 percent but less than 100 percent. This Bill would also expand the mandate of the Auditor General to include efficiency audits as well as extend the term of office and make the Auditor General ineligible for reappointment.

Mr. Speaker, Bill 5 is a much more comprehensive Bill and worthy of brief consideration at this time. I can only assume that the principle behind Bill 206 was to increase the accountability of government, not the Auditor General, regarding those organizations of which the government owns more than 50 percent but less than 100 percent of voting shares. When comparing these two Bills, I find the government Bill to be more complete in this regard.

**Point of Order
Items Not Debatable**

MR. MITCHELL: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. member, a point of order has been called by Edmonton-McClung. Do you have a citation?

MR. MITCHELL: I'm referring to the Speaker's ruling several weeks ago that a member couldn't speak about a vote already taken in this Legislature. As I understand it, Mr. Speaker, we voted on Bill 5. So to continue to debate Bill 5 certainly may not be relevant to this particular debate, one, and two, is discussing a vote that was already taken in the Legislature.

MR. DEPUTY SPEAKER: Well, it would be the Chair's understanding – maybe I better let someone else speak to that one.
The hon. Member for Stony Plain.

MR. WOLOSHYN: Yes. I think on the point of order, Mr. Speaker, that although the hon. member may have a view, an opinion, he hasn't given the debater a chance to complete the idea. She certainly was not in any way, shape, or form reliving Bill 5 or its intent. This particular Bill is tied in very close to it, and the debate relies on it very heavily. So for the record we can set the stage from whence Bill 206 is coming from, and I would feel on that particular point that the member continue on her particular line of debate because she certainly has not gone off line. There was no point of order, no citation listed.

MR. DEPUTY SPEAKER: It's the Chair's opinion that the issue is really questioning a vote that was taken on an issue. If you're referring to the merits of it, that kind of thing, or the demerits but not questioning the vote and the action taken, that would be the matter. Anyway, the Chair will listen with renewed interest to the comments from Calgary-Currie.

Calgary-Currie.

Debate Continued

MRS. BURGNER: Thank you, Mr. Speaker. Currently the Financial Administration Act does not define Crown-controlled organizations. Bill 5 would include the definition for Crown-controlled organizations and their subsidiaries. This accomplishes two things. One, it addresses the concerns of the Auditor General in relation to Crown-controlled organizations, and two, it facilitates other controls over Crown-controlled organizations which did not previously apply to them.

Bill 5 also proposes that changes be made to allow the Provincial Treasurer and the Treasury Board greater access to information from Crown-controlled organizations. This would include information such as budgets and business plans. Bill 5 would require that financial statements of Crown-Controlled organizations be included in the public accounts of this province. This Bill would require the approval of the Lieutenant Governor in Council before provincial agencies and Crown-controlled organizations and their subsidiaries could be started or terminated. Mr. Speaker, Bill 5 would also require that this Legislature debate the rationale for maintaining provincial agencies and Crown-controlled organizations every five years. This particular amendment would strengthen the Legislature's control over the government's use of provincial agencies and Crown-controlled organizations to accomplish policy objectives.

Bill 5 goes farther than Bill 206 in its attempt to make government more accountable to the people of this province. Bill 206 would transfer to the Financial Administration Act only those Crown-controlled organizations for which the provincial government owns more than 50 percent of the voting shares. The government Bill enhances the definition of a Crown-controlled organization to include a 50 percent or more interest and transferred that definition from the Auditor General Act to the Financial Administration Act. This is a much more comprehensive way of dealing with reform than which is proposed in the Liberal Bill.

Mr. Speaker, the Liberal Bill proposes to . . .

5:10

MR. DEPUTY SPEAKER: Hon. member, you're referring to a Liberal Bill. We are debating private member's Bill 206.

MRS. BURGNER: Thank you, Mr. Speaker.

Bill 206 proposes to change the requirements for term of office in the Auditor General Act. I have little difficulty with extending the term of office to 10 years. However, I fail to see the reason behind limiting the term of office to one term. This Assembly, through the Legislative Offices Committee, handles the process of seeking potential applicants to fill the various offices of this Legislature. It is an all-party committee with proportional representation from all parties in the House. If the present Auditor General seeks reappointment, he should be subject to the same screening process as those seeking the position for the first time. If in fact he is the most qualified candidate, then he should be allowed to carry on this position. Again I do not see the point to this amendment. In a brief survey of other jurisdictions I could find only one jurisdiction in Canada that has a similar limitation placed on the term of office of the Auditor General.

Bill 206 is proposing amendments to the Auditor General Act which would expand the Auditor General's jurisdiction in the area of Crown-controlled organizations. Specifically, this Bill would make the Auditor General responsible for performing the audit or designating an agent to perform an audit for these organizations. Presently, Mr. Speaker, the Auditor General has access to the working papers of these organizations. He also has due authority and jurisdiction to publicly raise questions with regards to that audit in his annual report to this Legislature. I see very little difference in having either the management of these organizations or the Auditor General appoint an audit agent, because in the final analysis the audit agent must comply with the generally accepted accounting principles in performing an audit.

I would like to now deal specifically with the proposal to allow the Auditor General to release the financial statements to the public. Why should these organizations be treated differently from other provincial agencies? Bill 5 is proposing to release financial

statements from Crown-controlled organizations in the public accounts with other departments and agencies. Mr. Speaker, I find this to be a much more reasoned approach than that proposed in Bill 206.

Mr. Speaker, Bill 206 would also see the Auditor General performing efficiency audits. I would direct all members' attention to page 183 of the 1991-92 Auditor General's annual report, which has been tabled in this House. This page details the systems audit that is currently being applied by the Auditor General, whether his department performs the audit or is reviewing the working papers from an audit agent. This page states that the systems audit being used is

designed to help management improve internal control, manage and control resources, promote economy and efficiency, and improve reporting. The change brought about by the successful implementation of these recommendations improves the financial administration of the Province.

As far as I'm concerned, it deals with the matter quite directly. The Auditor General already looks for economy and efficiency in reviewing the financial statements of all provincial entities. What Bill 206 proposes is that the Auditor General's mandate be fundamentally altered to include an audit of the management systems in place. I must say that I see a potential conflict of interest in this proposal. On the one hand, the Liberals would have the Auditor General performing all the audits for provincial departments, agencies, and corporations. They would then have the Auditor General review the management systems of the various organizations and entities. The Auditor General would, in fact, be auditing their own role in the management systems of these very entities. Because they performed the original financial audit, this would be a conflict of interest. This Bill fails to take this into consideration. The Auditor General can do one or the other but certainly not both.

I would offer to this Assembly at this time that as the Crown-controlled organizations that this Bill deals with are commercial entities, the individual boards should continue to make management decisions. An audit of the management system of any commercial entity should be carried out by the management team. This is a responsibility of the board and major shareholders, including the government. Ultimately it should be the goal of this government to return these entities to 100 percent private ownership. To emasculate the board of responsibility in this instance would seriously damage the ability of the management team to set and control the direction of their commercial enterprise.

The Auditor General should continue to have as his primary mandate a system audit of the various provincial agencies. To consider any changes to this mandate, we deserve a much better framework for discussion than that which is before us today. We would certainly have to include input from all the stakeholders, including the Auditor General.

Mr. Speaker, the strongest reason I or anybody else could offer for debating this Bill in second reading is because we already are dealing with Bill 5, the Financial Administration Amendment Act. It deals with the issues of accountability and efficiency in a much more detailed and straightforward way than Bill 206. I would strongly urge all members of this Assembly to vote against that Bill.

Thank you.

MR. DEPUTY SPEAKER: Edmonton-Roper.

MR. CHADI: Thank you, Mr. Deputy Speaker. I rise today to speak in favour of Bill 206 because Bill 206 extends the mandate of the Auditor General, if you will, inasmuch as it allows the

Auditor General to conduct efficiency audits, efficiency audits that we feel are so necessary. Not only members on this side of the House feel that they are necessary; a number of authorities throughout this province and throughout this country have stood up and suggested that they are highly important. Perhaps I could even mention that other countries have, in fact, implemented such audits.

I want to congratulate our Member for Edmonton-Whitemud for bringing forward this Bill. This is truly an important one, and I would hope that we would take into consideration what this Bill is all about. The concept of efficiency audits or value-for-money audits is really not unique to us. It's not unique to us inasmuch as we do it all the time. In our homes, for example, we look at ways to be more efficient even in our phone bills. You know, there are these AGT advertisements now that say that if you're spending so much in long-distance calls, what you should do is look into ways of saving money. What we do normally is immediately pick up the phone and contact these companies and look for ways to save money. We do it with our insulation to be more efficient in our heating bills. We consider putting more insulation into places like the attic, and then we find out how much we're indeed saving. We firstly find out how much we're spending and then calculate the costs of insulating, and then we go on to determining how much we will save.

5:20

In our businesses we do the same thing. We do efficiency audits. We review our financial statements. It's not unique, not only to businesses but to the Auditor General. I'll refer the Member for Calgary-Currie to page 7 of the Auditor General's report, which clearly states:

In the private sector, where profit is used as a measure, financial statements disclose the profitability of an organization. The financial statements are a primary indicator of an organization's effectiveness, as profits are viewed [obviously] as good, and non-temporary losses as bad.

These are efficiency audits at their best, Mr. Deputy Speaker.

When we look at other jurisdictions that have implemented efficiency audits, let's look at Texas. The state of Texas in 1991 was faced with a massive \$4.6 billion deficit in their budgets. They could have quite easily imposed across-the-board cuts. They could have imposed across-the-board user fees, but the Texas government decided to develop a plan of action. It was called the Texas Performance Review. Working out of the state controller's office, the Texas Performance Review sent out a team of 100 staff members to conduct an intensive six-month review of all the government programs and agencies in that state. When it was completed in June of 1991, the Texas Performance Review had identified \$5.2 billion in potential savings. Since June '91 the state of Texas has implemented a number of recommendations from that Texas Performance Review report, and lo and behold, they've saved so far \$2.4 billion for the Texas taxpayers. In January of 1993 they estimated that they will save a further \$3.7 billion in potential savings.

Jurisdictions that followed Texas' lead are states like Alabama, Colorado, Louisiana, New Jersey, Georgia, Indiana, Minnesota, North Dakota, Iowa, Ohio, and it seems that we should follow the lead of a jurisdiction that has actually got a battle-tested plan. It's worked. Efficiency audits work. Clearly these jurisdictions wouldn't have gone ahead if indeed that wasn't the case.

We all campaigned on fiscal responsibility. I did. You did. We all did because we've had eight deficit budgets, Mr. Deputy Speaker. It's high time we changed the system. It's high time we looked at what we're doing wrong and tackled those areas that we

know we can cut back on, not cut back in areas like across-the-board cuts, for example, in Health. We have a hospital in Swan Hills, I believe, that has a 9 percent effectiveness. Nine percent is what this hospital is currently functioning at, a potential capacity of 9 percent. To cut it back 1.5 percent and to cut back a hospital that has an 80 or a 90 percent efficiency is just criminal. We should be cutting back in areas where we know we can cut back, and we all know that. We understand that. It can't be that difficult to comprehend.

[Mr. Speaker in the Chair]

Many authorities have urged us to create a formal system which allows for intense evaluation: efficiency audits. The Institute of Chartered Accountants of Alberta in a January 1993 report – that report was called Facing Fiscal Facts II – pointed out, and I quote:

We believe government must become a better steward of these funds, ensuring these dollars are spent in the most prudent fashion possible. Without some sort of value for money evaluation of current expenditures, there will not be confidence that the public sector is efficient, thus resulting in a continuing reluctance to accept any future cutbacks.

The Institute of Chartered Accountants of Alberta are saying this. I mean, they're the ones saying: implement an efficiency audit system.

I once again want to refer the Member for Calgary-Currie to page 7, where the Auditor General clearly indicates in his report, and I quote:

Government departments and Provincial agencies are generally not assessing and reporting on their effectiveness. As a result, there is very little public information on what was intended and achieved as a result of spending public resources.

It goes on to say:

Government expenditures should be as effective as possible to avoid higher taxes than necessary. Whereas a non-temporary government deficit is obviously bad, a balanced budget or a surplus provides no assurance that expenditures are effective since both could be achieved through higher than necessary taxes. If sensible decisions are to be made on program expenditures, it is essential that the financial statements be supplemented with information on effectiveness.

He goes on further to say that

when considering the actions necessary to correct Alberta's operating deficit, I believe that members of the general public will first expect

the government to assess the scope for delivering existing programs at less cost. If programs have to be cut, the public will expect that the least effective be cut first. And if the general public is asked to contribute significantly more by way of taxes and fees, then they need to be convinced that their funds are used effectively.

In the Auditor General's view, it is members of the general public who need information on program effectiveness, because they're inescapably the decision-makers when it comes to accepting a government's budgetary plans. The Auditor General is clearly indicating that right here in his report. It is not as the Member for Calgary-Currie suggested that indeed the Auditor General wouldn't be supporting efficiency audits. It's clear that it's in here, Mr. Speaker.

I have some signals, some hand signs to suggest that I should perhaps adjourn this debate. So in view of that, Mr. Speaker, and in view of the hour, I would move that we adjourn debate on Bill 206.

MR. SPEAKER: Having heard the motion by the Hon. Member for Edmonton-Roper that debate be adjourned at this time, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.
The Deputy Government House Leader.

MR. DAY: Mr. Speaker, I move that when we reconvene at 8 o'clock tonight, we do find ourselves in the Committee of Supply considering estimates of the Department of Justice.

MR. SPEAKER: Having heard the motion by the hon. Deputy Government House Leader that the Assembly adjourn until the Committee of Supply rises and reports, all those in favour, please say aye.

HON. MEMBERS: Aye.

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

[The Assembly adjourned at 5:29 p.m.]

