

Legislative Assembly of Alberta

Title: **Wednesday, March 30, 1994**

8:00 p.m.

Date: 94/03/30

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I'll call the committee to order. Order. When everyone is seated, we'll begin. The committee is reminded that we are in Committee of Supply considering tonight the estimates of five different departments. This is the second year of our historic way of doing the estimates where we have subcommittee reports. Just so we all agree that we're on the same plan, last year an agreement was reached between the House leaders of the opposition and the government that we would receive the report of the designated subcommittee, the subcommittee chairman would speak for approximately 10 minutes, then two of the opposition critics would each speak for approximately 10 minutes, and then the minister would sum up his or her department for approximately 10 minutes. Those are the agreements that were reached last year and I understand have been reaffirmed. Is that substantially correct, members?

MS HANSON: I understood that it was 10 minutes for the lead critic and 10 minutes for the deputy critic also. Is that what you said?

MR. CHAIRMAN: Yes, we're agreeing. There are going to be 10 minutes for the subcommittee chairman, 10 minutes for the first Liberal critic, 10 minutes for the second one - I mean, they don't have to take their 10 minutes, although some may wish to do that - and then 10 minutes for the minister. Each one of them will be timed. Then we will have the vote and then, of course, have the subcommittee report moved. If that's in agreement and the committee agrees with that, let us begin, then, with the first report of the subcommittee.

head: **Main Estimates 1994-95**

Family and Social Services

MR. CHAIRMAN: We'll call for the chairman, the Member for Rocky Mountain House.

MR. LUND: Thank you very much, Mr. Chairman. I'll try to fall within the 10 minutes. It's very difficult to summarize a four-hour-plus meeting within 10 minutes, but we'll try to do that. First of all, I want to thank the minister and his staff for their participation in the meeting on March 11. It was a very extensive meeting, and I think everyone would have to agree that the minister and his staff did a tremendous job of giving an overview of the department and the expenditures and answering questions. I also want to thank the committee members for their intense work in that four-plus hours. As a matter of fact, the government members asked about 51 questions. The opposition members had the opportunity to ask about 69 questions. So as you can readily understand, there was a very thorough examination of the department.

The committee's deliberations centred around the 1994-95 budget as well as components of the three-year business plan as it relates to 1994-95. It is noted that the government will spend in '94-95 some 1.4 billion dollars primarily in areas of supports for independence services for children and services for the handicapped. The minister, as I said earlier, opened with a very

broad overview of programs 1 through 4. If you look in your book, you will find that there are in fact six programs that fall under this department. However, because of time constraints, we did not get to programs 5 and 6. The way the chair operated that evening, we allowed extensive questioning and comments on the programs. We allowed the committee to drive the proceedings within the committee. As I mentioned, questions were posed on the first three. We dealt first with vote 1, which of course is a very broad, far-reaching component of the budget. Then we went to vote 3 and then back to vote 2. The minister and his officials answered most of the questions, although there are about six issues that are still outstanding, and the minister and his department are currently working to answer those questions in those areas. I would highly recommend that members take a look at *Hansard*. If you want to get specific answers to questions within the department, there's a very thorough summary within *Hansard*.

The questions on program 1 really centred around the spending and how the spending fits into the Canada assistance plan and the cost sharing. That is a very important issue. Certainly the Auditor General has mentioned in his reports that it is very important we make sure that the programs there are fitting into the cost sharing. Of course, there was also interest there in the department's capital spending on the status of the department's EDP program.

Committee members were very interested and supportive of the employment initiatives of the ministry and the welfare reforms that we have been going through. While some of these questions tended to get into the philosophy and probably some of the policy, the chair tried to be lenient and tried to allow the questioning to get broad enough so members had a clear understanding of where the dollars were going.

The department's joint efforts with the federal government in the areas of services for children and pilot projects that combine the resources of federal and provincial government departments in the areas of employment and training were of great interest to the committee members.

In program 3 there was much discussion and questioning relative to the various aspects of child welfare. The minister noted that many of the child welfare issues will be addressed when the commissioner for child services gets through his review and looks at the entire integrated child welfare service delivery process.

As chair I found it really gratifying how all committee members on both sides of the House were extremely interested in seeing how the programs are laid out and trying to make sure that in fact they do work. I think there was real agreement on both sides.

The department's emphasis on income family support and foster care and the decreasing reliance on residential care was also noted. I noticed from both sides of the House that there was a real, genuine concern on how the government and Family and Social Services provide services to children that certainly are very vulnerable and do really require our attention.

There were questions from both government and opposition members regarding the increase in funding for the prevention of family violence, and of course while that is found in vote 3, that ties in a lot with what is happening under the Premier's Council in Support of Alberta Families, vote 6.

The increase in funding for handicapped children's services was also discussed. Clarification was requested in the area of standards and monitoring for staff employed in group homes serving the handicapped.

8:10

Finally, in program 2 there were questions and comments regarding the adequacy of supports for independence benefits and the success of the department in reducing the caseload by some

30,000 people. There was a lot of concern. Are we following those people? Do we know where they're going? Do we know how effective our programs are? Are they really finding meaningful work? What is happening to those people? There were a lot of questions surrounding the follow-up under the supports for independence.

The importance of the employment and training initiatives in lowering the caseload was noted, and the linkage between reduced caseloads and the ability of the department to respond to needs in other areas of the department, including the recently announced increase in assured support, was made. Now, there was a lot of discussion about how the department is shifting and making sure that the people who really need the support and are very vulnerable are receiving that support. Then some specific questions on benefit and policy interpretation were referred to the department by individual committee members.

So, Mr. Chairman, in conclusion, once again I want to thank the committee members for their very thorough and thoughtful discussion as it relates to this department. I must say again that I was a little disappointed that we were unable to get to program 5, but you can be sure that when people go in depth in the programs, a four-hour discussion on a department goes by very quickly.

Thank you.

MR. CHAIRMAN: Edmonton-Highlands-Beverly.

MS HANSON: Thank you, Mr. Chairman. I would like to make a few comments as critic on the 1994-95 Family and Social Services estimates summary. I would like to thank the Member for Rocky Mountain House for his chairing of the meeting. It was informative, and questions were asked by government members as well as members in the opposition, and they received good attention. Thank you.

However, I want to express my disappointment of one thing, and that was the lack of flexibility in the process for a designated subcommittee. We were restrained from asking policy questions that are directly derived from the budget. It constrained the process and led to a far less open exchange than it might have been.

In child welfare in this budget there is no indication that children will be any better protected with the minister's new proposals and the commissioner than under the recommendations of the former advocate. Services for children, especially those at risk, are still abysmal, yet the minister continues to delay any action while waiting for the commissioner to complete his 18-month report. Meanwhile, we continue to delay action on initiatives to put preventive programs in place.

Despite the government's assurances that they are committed to improving child protection services, there are a number of items in the budget that make such a commitment seem rather hollow; for example, the cut to intake and investigations indicates the government wants to reduce the number of investigations and the number of children brought into care.

We were also disappointed with the government's continued heel-dragging over needed changes to the existing adoption legislation, including those that govern records as well as the disturbing loopholes highlighted by the recent Baby M case in private international adoptions. There appeared to be no recognition of the importance or the urgency surrounding this issue. Further, in regard to adoptions the minister has indicated that steps are being taken to deal with both international and unlicensed adoptions. However, we urge him to also move to speed up the assessment process of parents waiting for approval to adopt.

Child welfare should not be driven by cost or the absence of placement, nor should the needs of the child. There was some concern over that issue.

We continue to find that the department is unwilling or unable to track appropriate data to determine whether or not the programs are working. That's supports for independence as well as other programs.

The business plan was a disappointment to us. The statements are sketchy and vague, and the performance measures also seem too subjective to act as accurate indicators.

Changes to eligibility for 16 and 17 year olds will set teens at risk. Demanding more parental involvement and responsibility is fine in a perfect world, but the reality is that the adolescent has all too often left home because of constant abuse and is not willing to have any further contact with the parents. Demanding mediation and parental involvement often only drives the child further onto the street or into shopping malls.

MR. CHAIRMAN: Hon. members, the noise level occasionally reaches that which drowns out the speaker. We don't object to your talking outside the Assembly.

MS HANSON: There appears to be no sign that the department is even monitoring the impact of this cut to 16 and 17 year olds and appears to be an unwillingness to even admit that they have a role to play in helping to curb the growing number of young Albertans that are living on the streets, turning to petty crimes or prostitution or whatever.

The opposition in the subcommittee has concerns in several areas of the Family and Social Services budget. We believe that the primary intent of these programs in this department should be to help people become as self-reliant as their skills and circumstances will allow, to protect those who can't protect themselves, and to support those who can't support themselves. From this perspective, it follows that all programs must be administered with the emphasis on individuals, both at the time they enter the program and at the time they are disqualified or leave the program in this department. Decisions need to be made on the basis of capacity and potential and need, not arbitrarily.

The situation, it seems to me, has resulted in financial cuts being set before thorough individual research or assessment has been done, and we see no evidence of change in this area from last year's budget. This is of concern to us as we have heard that many people who have received both supports for independence and AISH have not met their social workers for months, and in several cases it was one or two years. The department can't be up to date on what the potential or capacity of a person is at a given time, so there couldn't have been a valid assessment before benefits were terminated.

In further regard to AISH the fact is that when these people were accepted into the program, they did come in through a thorough and stringent application and medical assessment with certificates from physicians. I know that the requirement of the program is that the files be reviewed on an annual basis and that a doctor's medical should be done on an annual basis. Again, we have talked to a number of people for whom this hasn't happened. Some people say that they haven't had a medical done for two years or others say: I haven't seen my social worker for years. This is still a concern. I understand from the minister that lately more attention has been paid to individual AISH recipients, and he will continue to assess people as individuals. Individual assessments will be particularly important when the 3,000 more supports for independence recipients are cut in 1994-95 and another 3,000 in '95-96, as is indicated in the business plan.

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

8:20

We need to think about how the government expects an individual who has been physically or mentally unable to work for perhaps a number of years to suddenly be deemed ready for the job market. I don't have any idea where they could be expected to work when physically able Albertans have great difficulty finding jobs. As well, the Premier's Council on the Status of Persons with Disabilities has stated that what AISH needs is a total global review of the program, and as far as I know, it hasn't happened. I wonder why the government hasn't agreed to let the council conduct a review of the AISH program.

The 1994-95 budget does not reflect any change in direction, approach, policy management, partnership training, or caseloads. The budget reflects neither past history nor present situations. Instead, we see more studies in child welfare, reductions in intake and investigations, foster care, and residential care. If ever there were areas that needed beefing up, they are these.

Thank you, Mr. Chairman. Those are my comments.

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

MR. SEKULIC: Thank you, Mr. Chairman. I would like to extend thanks to the chairman of the Family and Social Services designated subcommittee, the hon. Member for Rocky Mountain House, who facilitated a smooth process for questioning the minister. I would also like to thank the minister and his staff for answering or attempting to answer the majority of the questions which were put forward to them.

Mr. Chairman, it was a difficult process in that we had to cover \$1.4 billion, \$1.5 billion in four hours. It was, I felt, a constrained time period to try to get beyond just the numbers. I must convey my concerns with the process in the designated subcommittee structure insofar as it really fell short of any real information exchange on what the budget change means for Albertans. Much of the questioning was limited to a form of spreadsheet analysis, simply saying that a program or a subprogram budget was reduced or increased by a certain amount. The questions that this process averted were questions regarding consequences of changes on those receiving benefits or services through the department. I look forward to any improvements which will address these concerns in future debates of estimates. After all, government budgets are about people and how they are served by their government.

Mr. Chairman, I will be focusing my comments on votes 1 and 2 of the Family and Social Services budget. These combined votes represented 72 percent of the department's total in the '93-94 budget and have dropped to 69 percent of the department's total in the '94-95 budget. While program 1 represents dollars allocated to an administrative area, it has taken less than a 1 percent cut. Program 2, the single largest program area in the department, at the same time has suffered a 15 percent cut. This program is the program that delivers financial support and a variety of services to Albertans who are unable to provide the basic necessities for themselves and their families.

Mr. Chairman, vote 1 houses the all-Conservative MLA committee that costs Alberta taxpayers \$72,000, \$3,000 less than the previous budget. That's an improvement. The \$72,000 standing policy committee on community services was previously described by the Minister of Family and Social Services as providing a forum to the public and MLAs for input into department programs and the budget planning process. The committee was to encompass both the departments of Family and Social Services and Health. My concern with this committee, once again, lies not in the purpose that it serves but rather with the lack of accountability and equitable representation from this Assembly. In lieu of the lack of this equitable representation I would suggest that the Assembly be regularly updated on the work and recommendations of the standing policy committee. This at a minimum would be a step towards openness and accountability.

Mr. Chairman, vote 2 is a very important program which is intended to help Albertans who are either temporarily or permanently unable to provide for themselves and/or their families. This is the program area that has seen the most dramatic change over the past year. The department's approach has changed from passive to one of active support. In short, this means that Albertans on assistance must pursue other financial alternatives which are or may be available to them. Some of the options which individuals have faced are loans or grants through the Students Finance Board, which in turn may result in training or upgrading, employment programs offered through the department, services offered through the government or contracted agencies, employment through the competitive labour market, or out-migration, a ticket to B.C. or Saskatchewan.

In any event, Mr. Chairman, the outcome, if it happens to be one of success, is difficult if not impossible to link to the minister's initiatives. In fact, the most recent report of the Auditor General clearly states that

the Department does not know why its clients stop applying for public assistance, or whether its efforts to help them find employment are succeeding.

The minister only speaks of 30,000 file closures and 60,000 fewer Albertans on assistance with no ability to substantiate how this occurred. This is a concern that I put forward during previous estimates, and I am concerned that it has yet to be resolved. Clearly, though, the minister at this point cannot assume responsibility for positive outcomes, as his department does not have a tracking system which would, if it existed, tell us what options Albertans are pursuing in order to restore their financial independence.

Mr. Chairman, the single greatest concern that I have with the 1994-95 estimates for the Department of Family and Social Services is that program decisions appear to be budget driven without any regard for consequences or impact. In fact, the minister has indicated that his department does not have any procedures for undertaking an impact analysis to prevent disadvantaged Albertans from suffering severe hardships as recently reported in the Lackey report. I would like to suggest that this minister immediately undertake procedures to ensure that there is a tracking process to enable outcome measurement, a process to monitor impact or change on the clients served by the department, and a more effective process by which individuals on assistance are given accurate and consistent information about their rights and responsibilities under the subprograms of program 2 and in fact all of the programs within this ministry.

When it comes to the vote on these estimates, they will be difficult to vote on, the reason being that it's hard to determine what is an appropriate expenditure in 1994-95 when we don't know the outcomes of '93-94 and which programs were successful

and which weren't. So it's going to be a difficult decision for both myself and my colleagues when it comes down to the vote.

I thank you for the time. Those are my comments.

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

MR. CARDINAL: Thank you very much, Mr. Chairman. I'd like to take a moment, first of all, to thank the chairman of the subcommittee for the fine work he's done in the past, the four hours we spent, and also his presentation today. I'd also like to thank the subcommittee members on both the government side and the opposition side for all the fine questions they asked during that four-hour presentation. I would also like to thank the members for Edmonton-Highlands-Beverly and Edmonton-Manning for the questions they've asked today and some of the recommendations. We'll take those very seriously of course.

Today I also have from my department Duncan Campbell, director of budget and financial analysis, and Frank Wilson, director of resource management. They're both seated in the members' gallery, and they will be taking notes and providing whatever information is required after today's presentation.

Last year I began my comments by emphasizing the Department of Family and Social Services' major contribution to the deficit elimination plan. Most of the savings that occur in the '94 fiscal year are a direct result of the reductions in budgets and implementation of training and employment initiatives that were introduced during '93-94. I want to go through the estimates of the \$1.4 billion budget that's proposed, highlighting the dollars that will be spent in each area. First, let me review the various proposed program expenditures.

8:30

In the supports for independence program we are budgeting to spend over \$655 million on those individuals and families who are unable to work or fully support themselves. We are also spending \$40 million on employment initiatives programs such as the northern Alberta job corps - there are 13 sites across northern Alberta - the Alberta community employment program, and the employment skills program. These are all programs which are intended to open the doors to self-sufficiency by providing work experience for our clients.

I would also like to note that in the last two years comparable transfers of \$60 million have been taken from the Family and Social Services budget and added to the Advanced Education and Career Development budget to provide Students Finance Board assistance to those individuals requiring education upgrading and training in the form of grants and in some cases a combination of grants and loans.

Mr. Chairman, this department will also be spending over \$245 million on the programs that support children and their families: \$159.9 million will be spent in the child welfare area, over \$65 million in day care, and almost \$20 million in the area of handicapped children's services.

In the area of prevention of family violence this government continues to add money to women's shelters. We have added a new women's shelter in Calgary for native women, and additional funding has been provided for rural shelters.

In the area of services for the disabled we have increased our spending by over \$12 million, going from \$418 million in 1993-94 to over \$430 million in 1994-95. Mr. Chairman, I believe that is a reasonably generous effort to provide services for those people. This spending includes support for individuals on assured income for the severely handicapped programs, individuals requiring personal support under the supports for independence program,

support for residential services, employment and vocational training programs, along with support for handicapped children's services. In particular, we have increased the assured income for the severely handicapped budget by almost \$7 million to meet increased caseloads.

The aboriginal affairs program, like all other programs, also has had the 5 percent manpower cost savings applied. However, the program funding has been increased by this same amount, thereby maintaining the '94-95 budget at '93-94 levels of \$4.8 million. The increased program funding reflects the government's commitment to enhancing the province's relationship with the aboriginal people of Alberta. The Metis Settlements Transition Commission budget was decreased by 4.7 percent, and the decrease will be achieved through the 5 percent manpower cost savings and administration efficiencies.

In the area of children's services I want to update the committee on Alberta's allocation from the federal government's community action plan of the Brighter Futures initiative, Mr. Chairman. As you are aware, there was a joint announcement between the province and the federal government and the communities at large of a program which is designed to address health and development needs of high-risk children. What we've announced here is a \$70 million expenditure earmarked for Alberta over the next four years.

Finally, when I was reviewing the welfare expenditures over the last number of years, I noticed a caseload increase from a monthly average of 67,000 cases in the 1990-91 fiscal year to 77,000 in 1991-92 and then up to 89,000 in the '92-93 fiscal year. In fact, the caseload topped at over 94,000 in March of 1993. I guess, Mr. Chairman, it was this reality of ever increasing caseloads and associated spending that made it obvious that the department and government had to bring in welfare reforms, which have proven so successful in bringing the spending under control. Of course, this allowed us to redirect a considerable amount of dollars to the high-needs area, and also it allowed the staff that are in the department, which is over 5,000 staff, to continue providing a higher quality of service to those clients that are left and require our services. We haven't really laid off any staff members, so the staff workload ratio is still good. For your information the welfare caseload has been reduced from 94,000 in March 1993 to 64,000 as of February 1994, a decrease of 30,000 cases, or over \$300 million annualized, Mr. Chairman, which I feel is a reasonably successful program. It allows us to redirect \$100 million this fiscal year, '93-94, to a high-needs area.

Mr. Chairman, on that note, I would like to conclude my comments on this ministry's '94-95 budget. Now that we have completed the debate of my estimates, I move that the vote be taken on these estimates.

MR. CHAIRMAN: Are you ready for the vote?

HON. MEMBERS: Question.

Agreed to:

Program 1 - Departmental Support Services	
Total Operating Expenditure	\$37,298,000
Total Capital Investment	\$826,000

Program 2 - Income Support to Individuals and Families	
Total Operating Expenditure	\$931,394,000
Total Capital Investment	\$511,000

Program 3 - Social Support to Individuals and Families	
Total Operating Expenditure	\$419,234,000
Total Capital Investment	\$2,067,000

Program 4 – Aboriginal Affairs	
Total Operating Expenditure	\$4,753,000
Total Capital Investment	\$18,000
Program 5 – Metis Settlements Accord	
Total Operating Expenditure	\$7,141,000
Total Capital Investment	\$10,000
Program 6 – Premier's Council in Support of Alberta Families	
Total Operating Expenditure	\$604,000
Total Capital Investment	\$15,000
Summary	
Total Operating Expenditures	\$1,400,424,000
Total Capital Investment	\$3,447,000
Department Total	\$1,403,871,000

8:40

MR. CARDINAL: Mr. Chairman, I move at this time that the vote be reported.

[Motion carried]

[Mr. Clegg in the Chair]

Municipal Affairs

MR. DEPUTY CHAIRMAN: Okay. If we can have order, we'll now move to the Department of Municipal Affairs.

We'll have the hon. Member for Little Bow.

MR. McFARLAND: Thank you, Mr. Chairman. It's a pleasure to rise before the committee this evening to present my report from the subcommittee of supply on Municipal Affairs. On March 14, 1994, the subcommittee met with the Minister of Municipal Affairs to discuss the '94-95 estimates. The minister was accompanied by five department officials, who were available to answer questions on their respective programs within the department. I'd like to begin by commending the Minister of Municipal Affairs and his staff for their ample responses to our questions on the 1994-95 estimates.

Chairman's Ruling Decorum

MR. DEPUTY CHAIRMAN: Order in the House. Could we have some quiet in the House? If you're going to talk, please sit down. You can go and talk to people, but we're not going to have everybody walking around and jumping. This man has got some very good reports. [interjections] Order.

Hon. Member for Little Bow.

Debate Continued

MR. McFARLAND: Thank you. [some applause] For all that thunderous applause, Mr. Chairman, I'll begin over.

As I was saying, committee members from both sides of the House went on record to express their appreciation to the minister for his straightforwardness in answering the questions and responding to the members. The initial procedural matters, which are not part of the four hours dedicated to debate on the estimates, took less than 20 minutes. Both sides agreed to keep preambles short and to the point to allow more questions to be allowed.

To open the discussion, the Minister of Municipal Affairs outlined the major areas in his department's '94-95 estimates with

special attention to new programs or those whose scope had changed in the last year. This overall view was very helpful, I believe, to the committee as a whole. A lot of the programs have been transferred to Municipal Affairs in the last year and either set up as a new division of the department or amalgamated with existing programs.

In his overview the minister explained how the new unconditional municipal grant affects the budgetary numbers. The addition of grants such as Family and Social Services from other departments increased the budget amounts for vote 2. However, over the long term this amount will diminish. As well, committee members heard how vote 3, the administration of housing, has been expanded to include programs from corporate and consumer affairs. Furthermore, the minister discussed the amalgamation of registries from four different departments to Municipal Affairs. This new division of Municipal Affairs includes vital statistics, corporate registries, land titles, the land information centre, and motor vehicle registration.

The minister then entertained questions from the subcommittee members on a broad number of issues. I'll highlight a few of those major topics, Mr. Chairman.

Considerable attention was given to the effect that the addition of registries has on the department's budget. The minister explained how the cost-cutting measures will impact this service. As well, he answered questions about the privatization of registries and the cost savings that would result.

Quite a number of questions were asked about social housing in general. Specific programs such as seniors' housing and rural and native housing were covered in detail.

The committee discussed the overall projected savings for the department. The minister outlined the initiatives that the department is taking to utilize new technology and to streamline programs in order to reduce costs.

Recently I've received additional written information from the minister to supplement two questions that were raised during the meeting. One answer is in response to the Member for Edmonton-Roper's question on rural and native housing. The other question, concerning the number of management positions that have been eliminated, was from the Member for Edmonton-Rutherford. Copies of this information will be in the subcommittee members' offices shortly.

The meeting ended with unanimous consent that the debate on the '94-95 budget estimates of the Department of Municipal Affairs was concluded and that the estimates had received due consideration by the committee.

Before I close, Mr. Chairman, I would like to thank all the members who participated in this particular subcommittee. Equally important, I would like to commend the minister and his department staff for their clear and thorough responses to all the questions. It was a privilege to chair this committee. It's a first-time experience for me. I believe the genuine atmosphere of co-operation towards the common goal was evident throughout the meeting and in the level of debate. The subcommittee was able to conduct its business thoroughly and within the allotted time.

As the chairman, I can say with confidence that the review of the estimates for the Department of Municipal Affairs is complete and further debate should not be necessary.

Thank you very much.

MR. DEPUTY CHAIRMAN: Thank you, hon. member.

The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. I'm going to put my timer on here. I'm going to cover 10 minutes, and my

colleague the co-critic from St. Albert will cover the other 10 minutes.

Mr. Chairman, I first of all want to comment on the exercise we went through. It's the first opportunity I've had of being part of a designated committee, and it was a good experience. The Member for Little Bow did a good job of chairing the meeting. The minister who was there was very, very frank and answered all the questions. We may not necessarily have agreed with his philosophies in a number of areas, but I do say that he didn't hesitate to answer the questions and tell it the way that he felt it.

There are three areas of concern that I want to dwell on in my remaining nine minutes. The first one, Mr. Chairman, deals with Alberta registries and the failure on the minister's part to have this Legislative Assembly approve, put into law, give power to Bill 11, which to me still leaves some doubt as to how legitimate the whole privatization aspect of Alberta registries is. Now, I would hope and I would anticipate that possibly as early as tomorrow morning the minister will stand up in the House and he will reintroduce that Bill or bring the Bill forward – it won't be number 11 anymore, because there's a new number 11 – and legitimize the process. That's very, very important, that it be legitimized, because it still is in limbo as far as I'm concerned. There are so many aspects – the potential breach of privacy, for example – that haven't been addressed in legislative form. So we must, to demonstrate this legislative body being the supreme power, have that properly approved, have that put into place, and not have a minister running it from his office, from his department.

8:50

Secondly, Mr. Chairman, I want to talk about consumer affairs. We did have a somewhat limited but very interesting discussion on consumer affairs. The minister has a very, very distinct philosophy on consumer affairs. I respect his right to have his opinion. Mine differs somewhat. I think in today's society, whether one lives in Alberta, one lives in Ontario, or one lives in B.C., consumers have grown accustomed to seeing government being there as a protector to a degree when the marketplace clearly shows that there are elements of irresponsibility and the innocent consumer is the one that is paying the price. My fear is that the minister has not given the attention to consumer affairs, the clout to consumer affairs that I believe it deserves. We've had many, many instances that have been highlighted where consumers have been burnt, where consumers have been ripped off, where consumers have been scammed. It's very, very difficult for consumers when they don't have that avenue of recourse that they looked forward to in the past. So I would like to get some indication from the minister that he would strengthen up that consumer protection somewhat. I recognize again that the minister has a different philosophy than I have when it comes to some of these areas, but nevertheless look at what's good for Albertans, just generally speaking.

I've talked about registries, I've talked about consumer affairs, and the other area I want to talk about is municipal affairs, the area that the minister of course concentrates on to the greatest degree. Many of us in this Legislative Assembly on both sides of the House have had the opportunity to sit at the civic level. We've experienced the front lines of representing people, and in my opinion there is no greater area of direct contact or accountability than there is being a civic politician. One is on the front lines. One is held accountable virtually day and night. It's interesting. I was speaking with the Premier earlier today, and we were talking about some of those days when he and I were involved in municipal affairs. He was pointing out phone calls

that he would get at 2 o'clock or 3 o'clock in the morning. Yes, those of us that were involved in civic politics – the Member for Edmonton-Gold Bar, the Member for St. Albert, and on and on – will recall those types of experiences where people held you that accountable. Whether it be 2 o'clock, 3 o'clock in the morning, they felt they had the right to phone you and tell you what they felt was being done wrong.

I've always respected that there are four levels of government in Alberta: the feds, the provincial, the civic, and of course the trustees. There is this tendency to refer to senior levels of government, being the provincial or the federal. I don't hold that there is a senior level of government. All levels of government in my mind are equally important. All levels of government consist of representatives that are elected, that have a mandate, that have a responsibility, and that are accountable. It is not the right of this Legislative Assembly to dictate to municipal politicians what should be done and what shouldn't be done, as if they themselves were not accountable or didn't have the responsibility to carry forward their functions; in other words, having this government play the Big Brother role.

I'm glad, Mr. Chairman, from all indications, that when the new Municipal Government Act is tabled in this House, the minister will clearly demonstrate that he doesn't hesitate in passing on that decision-making process to the municipal politicians, because it should be passed on. They've got the right to make decisions. Some may be wrong. More than those being wrong will be right ones. Nevertheless, they're accountable in their own right. If they don't make the proper decisions, of course the final checkmark comes when people have the opportunity to X or check or punch in a little hole beside the candidate's or the incumbent's name.

I would hope that that Municipal Government Act, when it is tabled, does three things: it recognizes the responsibility and the right of municipalities to make their own decisions; secondly, it consolidates a number of the pieces of legislation that are here, there, and everywhere, makes things a little easier for municipalities to deal with; and thirdly, it pays the respect to municipalities that they should be afforded. There should be something in the Municipal Government Act that gives them a degree of financial stability in the sense that they know they can count on certain things happening and not have to deal with the crunch, for example, that they've had to deal with this year because of major cutbacks. As to how the minister would put that type of framework in the new Act, I'm not sure, but that's his job, I guess, as minister, to try and come up with something.

I don't believe in simply giving the municipalities all kinds of taxing powers and saying: now your problems are resolved. Yes, give them the taxing powers, but assume the responsibility on their part that they're not going to go out there and impose all kinds of new taxes. I think both sides of the House are in agreement that we don't spend our way out of debt or we don't spend our way back into a more healthy economy than we have at the present time. The Municipal Government Act, which from our point of view will be kind of guided within this caucus by the Member for Leduc, is going to be one of the major Bills. I had the opportunity earlier tonight to speak to a councillor from the Edson area, and yeah, they feel, generally speaking, that they have had the opportunity to participate, and they are anticipating that the MGA is going to address many of their concerns. So I look forward to receiving that one in the next couple of weeks and allowing us to get on with it with that new framework in place.

Mr. Chairman, I've talked almost 10 minutes, so I'm going to conclude my remarks at this particular point and allow the Member for St. Albert to conclude the remaining 10 minutes.

MR. DEPUTY CHAIRMAN: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. I want to thank the minister and the chairman of the estimates committee for the fine job they did in answering the questions straightforwardly, not only on the estimates but also policy questions, which I greatly appreciated, from their perspective – and I just want them to know that – and the work the staff has done in finding information that was needed.

My questions tonight come from the seniors at a seniors' meeting in St. Albert a couple of weeks ago. As there was no member from Municipal Affairs there, the seniors have asked me to ask some questions of the minister, and I will do that. They're concerned, they're in a state of stress, they're not sure what's going to happen, and they would like answers so they can be more relaxed and enjoy life.

One question is: will seniors be forced to live on \$100 a month or less after paying for room and board? This \$100 would include clothing, drugs, toiletries, and other necessities. How are you going to ensure that this will not happen and that their needs will be met? They are looking for an answer to that.

Another question is: what will the market value rents for seniors be in lodges? Is there a maximum? Will there be a minimum? They're afraid because some market rents and lodges outside the foundations are as high as \$1,200, \$1,400, \$1,600 a month, and they're worried that if theirs went that high, they would have to move to other quarters. This is their home, has been their home, and they want it to continue to be their home as long as they're able to be there.

Seniors would also like to know what studies have been done on senior housing. Will the minister supply this information to the seniors in St. Albert both from the federal government, if you have any, and also from the provincial level?

9:00

Another question. They were fairly upset when they see some of the benefits being eliminated. They want to know about the gross mismanagement in your government that led to a \$30 billion debt and what you did to keep this from happening. They were very upset, very angry.

Another question they had: will you work with your government to eliminate the pensions of former Tory MLAs who were responsible for the \$30 billion debt that the province now has?

Point of Order Relevance

DR. WEST: Mr. Chairman, it's on relevance. I think you have to stay on topic. This is the estimates of Municipal Affairs; it's not a speech to the budget speech. It's now right on the topic of Municipal Affairs. The questions being brought forward are as broad as I've ever seen on a throne speech or any other wide open speech in this Assembly. I would ask correction in bringing this member into line so that we don't waste the time of this Assembly tonight on topics that aren't relevant to Municipal Affairs.

MR. DEPUTY CHAIRMAN: Thank you, hon. Minister of Municipal Affairs.

We've always been lenient. You have wandered, I guess, away from it. So please continue.

MRS. HEWES: Mr. Chairman, was that a point of order that was being raised by the minister?

DR. WEST: Yes, it was a point of order on relevancy.

MRS. HEWES: It was a point of order?

MR. DEPUTY CHAIRMAN: I guess so.

MRS. HEWES: May I speak to it, Mr. Chairman?

MR. DEPUTY CHAIRMAN: Sure.

MRS. HEWES: Mr. Chairman, I disagree. I believe that if we are going to debate the budget, we have to be able to understand and question the policies that drive that budget. Otherwise, I don't think there's any way that any one of us can be expected to accept or reject a number on a page, Mr. Minister. I believe it's very important for members to be able to ask questions where there's an absence of clarity on the policy that is driving the number. I don't think we can be restricted in these discussions to simply asking: what does that number mean; how many people does it serve?

MR. DEPUTY CHAIRMAN: Hon. member, what I did say is that anything to do with the estimates is certainly in order. Now, whether the Member for St. Albert wants to waste time or use his time to give a speech, if it is to do with Municipal Affairs, then I haven't got a quarrel. The hon. Member for St. Albert.

Debate Continued

MR. BRACKO: Thank you very much, Mr. Chairman. I appreciate your response. This has to do with the overall budget, and of course with senior housing. They are questions that they were unable to answer because no one from Municipal Affairs was at their seniors' meeting, nor was the Minister of Community Development. I've committed this to them, and I will want to continue so they know that their questions have been asked. We'll expect an answer from the minister.

They have planned their retirement . . . [interjections]

MR. DEPUTY CHAIRMAN: Order, order.

MR. BRACKO: I'll just be glad to show that to the seniors, that the minister feels their questions aren't important. They are to me, and I will continue to ask them. Thank you, Mr. Chairman.

Their government got them into debt \$30 billion, and they want to know. They're concerned about this budget, and they deserve to be. They want answers. [interjections] Thank you.

They've planned their retirement, and all of a sudden it's destroyed. They've been responsible; now they're losing their benefits. They're upset. Why is this happening? They want an answer from you, Mr. Minister. Our seniors want to know why you consider that seniors are a burden on the taxpayer or valueless. Another example, and this one may want a clarification. When they retired, part of the retirement plan was that the Blue Cross was paid for. When they turned 65, the government said . . .

DR. WEST: Mr. Chairman, I mean, Blue Cross?

MR. BRACKO: This is dealing with senior housing, Mr. Chairman.

Point of Order Relevance

MR. DEPUTY CHAIRMAN: A point of order?

DR. WEST: *Beauchesne* 459, on relevance and repetition. I again ask for your consideration. He's on to Blue Cross; he's on

to Health. He'll have ample time during the estimates of Health to cover those things that are related to seniors' benefits. Indeed, focus back on Municipal Affairs. I can't be responsible and try to answer questions on every estimate in this House. [interjection]

MR. DEPUTY CHAIRMAN: Order. I've been listening very carefully to the hon. Member for St. Albert, and I was just waiting to see if I could connect Blue Cross with Municipal Affairs. I'm waiting to see whether he can.

MR. CHADI: Mr. Chairman, I'd like to speak to this point of order.

MR. DEPUTY CHAIRMAN: You're too late. I've already made a ruling on it.

The hon. Member for St. Albert.

Debate Continued

MR. BRACKO: Thank you. It's to do with senior housing, the cost. Every benefit taken away affects the amount they can pay for their housing. They want answers. They want to know this. Their Blue Cross was paid by their company. When they turned 65, this government said that, no, the company cannot pay for it; the government will. Now they change the rules. Now they've forced the government to pay for the Alberta health care benefits. What was the logic behind that?

The seniors in St. Albert are especially angry. Not one member was consulted about the changes made to senior housing.

AN HON. MEMBER: That's not true. Gary's out consulting all the time.

MR. BRACKO: It is not. He didn't come to St. Albert. They want to know where he was. They want to know where members from Municipal Affairs were. [interjections]

MR. DEPUTY CHAIRMAN: Order. [interjections] Order. I think what's happening here is that there's yelling going on across the floor. [interjections] Please, through the Chair. I know, I know, hon. members. [interjections] I'm not saying, but all members come through the Chair. Only one person can talk at a time.

The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. They want to know why they weren't consulted until after the fact. They're very angry about that. The government does not seem to have any stats on seniors' income in the lodge program. My question is: why didn't he get this information before he made any changes or talked about changes so he could make intelligent, responsible changes? In fact, the Sturgeon foundation, the Greater Edmonton foundation, and the Leduc foundation are all doing a survey to find out exactly what the senior incomes in lodges are so they can make some good decisions. All of a sudden Municipal Affairs comes along and they decide: oh, that's a good idea; we can use that information. So they're paying for it. We thank them for doing that, but why hadn't they done that in the first place?

Moving on to social housing, I'd like to ask the minister the number of properties that are left to be sold in that area.

Moving on to the housing plans for the future, I know that they're being privatized. The federal government plan and the provincial plan, if you could give us more information on that, what's happening, where you plan to go in the future.

There are also concerns about affordable housing for seniors. Many of the renter units are being sold off as condos. The community would like to know what steps the government is taking to work with business to make sure there'll be affordable housing as the needs arise.

Another question: will you work with municipal governments to give them the facts, the information of the demographics for seniors so they can plan needed changes in bylaws for senior housing?

Another question they'd like to know is: how many seniors from rural Alberta are moving to urban areas? This can assist the municipalities in planning for senior housing and also private enterprise that will be looking after senior housing in the future.

With that I would conclude my questions and look forward to his responses so I can take them back to the seniors in St. Albert. Thank you.

9:10

MR. DEPUTY CHAIRMAN: The hon. Minister of Municipal Affairs.

DR. WEST: Thank you very much, Mr. Chairman. I appreciate the comments by the hon. members. The meeting that we did have in special committee went so well. I appreciate the chairman, too, his efforts that kept it in line, and the members from the opposition that really did conduct themselves, I think, in a professional manner and brought forth some very good questions. I must say that the questions that day were a little more professional than perhaps the ones that were just given by St. Albert.

It has been a year of change – there's no doubt about it – in Municipal Affairs. We've brought forward three-year plans that really have taken the last 30 years and changed direction once and for all. Municipal Affairs will evolve into the future as a department that facilitates and gives service to municipalities and other areas but no longer takes on the heavy clout of I call it "administrative overlord" on the municipalities. That old style of paternalism, as we've seen through many regulations and Acts, will be gone once and forever when the new Municipal Government Act comes forward.

The Member for Edmonton-Rutherford had indicated that he wanted to see that there was more autonomy and that the spheres of power and taxation were broadened somewhat to give more flexibility to the municipalities during these economic times. Indeed, the new Municipal Government Act will give municipalities all the powers of a natural person, which gives them just about every flexibility to serve the people and their ratepayers in their day-to-day needs and address the changes that may take place in different services quicker than they had in the past, in which we were governed by 21 other Acts that will be combined in this Municipal Government Act and some 80 regulations that will be eliminated.

You made reference to registries, hon. Member for Edmonton-Rutherford, and Bill 10. It wasn't Bill 11; it was Bill 10 in the last session that was removed. In sober second thought in the break between coming back to session we looked at this, and some of the arguments given by the opposition were listened to in reference to Bill 10. I guess some of my own arguments against Crown corporations and their faults and some of the traps that lay therein in building a new bureaucracy – some of those arguments convinced me that we should just make the registries another division of Municipal Affairs or wherever it would go in any department, to have a director in charge of it rather than a stand-alone corporation with a president, and to accommodate it in other legislation, the reorganization Act that will be coming forward,

and indeed fill all the needs for checks and balances and delivery of these services without forming a Crown corporation. So, no, Bill 10 will not be coming back. It will be historic as the Bill that we closed down the last session with and caught you all with your pants down.

Now, the hon. Member for Edmonton-Rutherford brought up consumer affairs and said that philosophically he doesn't agree with this minister. Well, there are 37 Acts in consumer affairs that are administered by this ministry now. Those Acts cover everything from fair trades practice to the condominium Act to the Landlord and Tenant Act to the Cemeteries Act, real estate Acts that govern just about every form of commerce that there is in the province of Alberta. Breaches of those Acts where fraudulent misrepresentation or devious trade practices are taking place will be dealt with by consumer affairs.

When I got into consumer affairs, one of the things I noticed was that we were intervening and arbitrating between a supermarket that had sold sour milk and a client who perhaps had brought back the tenth quart of sour milk in the last month that wasn't getting due respect from the manager of that supermarket. They'd phone consumer affairs, who would send out somebody to arbitrate, who was doing that under a salary paid by the taxpayers, for what I called something that should have been settled between the buyer and the businessperson. I mean, there are all kinds of examples of that throughout.

I remember people phoning in about their Lincoln and saying: "What's the government going to do? I bought a brand-new Lincoln for \$38,000. They picked it up with a tow truck and towed it the wrong way, and now I'm having trouble getting satisfaction from the dealership that's been in business 50 years and won't repair the back because I didn't unlock the wheels before the tow took place." I said: you know, here's a person that bought a \$38,000 vehicle, dealing with a dealer that's been in business 50 years. What is the government doing sending an arbitrator out and sitting down between the two of them when amazingly we have courts and motor dealers' associations and all types of things to correct that? Philosophically, if that's what you're against when this minister pulled back on some 20 people that were hired to go around this province and arbitrate between hundreds and hundreds of things like I just mentioned, then I'll take your criticism but continue the way we're going in this government. There is a certain responsibility by the consumer, actually buyer beware.

You know, years ago I can see where paternalism by a government might have been in order, because education and the type of individuals that were moving around the country may have been a great problem, but now 32 to 40 percent of our country has got a postsecondary education. Many of us are raised in a very, I guess, progressive environment. We have telecommunications and television and all types of things to bring you into focus to beware of misleading and misrepresenting advertising or business.

Now the Member for St. Albert, an interesting direction he took in his debate, crossing just about every department in government. I want to show my sensitivity to the seniors of St. Albert. By all means, I understand their sensitivity as they look at their incomes as it relates to housing and have some anxiety and concern with the future as it relates to increased costs. One of the directions through studies that you asked we provide – and I'm sure that the seniors' secretariat and that could find those studies for you on future housing. One of the directions we know is coming is that as the population of seniors doubles in the next 20 years, we will never be able to keep up with the bricks and the mortar in order to accommodate their housing needs. Therefore, we're going to have to depend on the private sector to build those housing units,

and we will have to follow the seniors who have diminishing incomes and can't afford the housing rates of the private sector with liquid resource, give them the cash to top up whatever income they have so that they can live in respectable accommodation alongside other seniors. There is no doubt that we will not be able to keep up with some half million, 500,000, seniors by the year 2016 with public resources in order to do that. Right now with 240,000 seniors – and you've heard me say this before – we only provide some 20,000 units. Twenty thousand units. That's less than 10 percent of the required housing for seniors in this province. Therefore, that housing should be in the future for those that can't afford it and maybe need help, but those that have the wherewithal will find that accommodation in those \$1,200 units you've talked about.

9:20

HON. MEMBERS: Question.

Agreed to:

Program 1 - Departmental Support Services	
Total Operating Expenditure	\$16,817,000
Total Capital Investment	\$224,000
Program 2 - Support for Municipal Programs	
Total Operating Expenditure	\$258,459
Total Capital Investment	\$21,000
Program 3 - Administration of Housing Programs and Consumer Services	
Total Operating Expenditure	\$228,894,000
Total Capital Investment	\$1,000
Total Nonbudgetary Disbursements	\$128,500,000
Program 4 - Registries Information and Distribution	
Total Operating Expenditure	\$43,116,000
Total Capital Investment	\$1,447,000
Program 5 - Multimedia Education Services	
Total Operating Expenditure	\$16,100,000
Summary	
Total Operating Expenditure	\$563,386,000
Total Capital Investment	\$1,693,000
Department Total	
Budgetary	\$565,079,000
Nonbudgetary	\$128,500,000

DR. WEST: I would move that the votes be reported, Mr. Chairman.

[Motion carried]

[Mr. Tannas in the Chair]

Health

MR. CHAIRMAN: The committee is reminded we're now going to go to the estimates of the Department of Health, and we'll call upon the chairman of the committee, the hon. Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Chairman. On March 24 the subcommittee met for in excess of four hours to deal with the

Department of Health. I want to commend the minister and thank her and her staff for the tremendous job they did in answering the questions. I'm sure that all members present quickly realized that the minister certainly does have a plan, does have a vision, and it is from a very caring point of view that she has developed this vision of the health care system for the upcoming years. Of course, it's extremely difficult to answer all of the questions as they relate to what is going to happen over the next short time. Clearly from the minister's comments it was plain to see that this is a process that is driven from the bottom up and not from the top down, so of course a lot of it is being developed.

I also want to take this opportunity to thank the members of the committee for the very caring attitude that the members had. That became very evident in their questioning as they showed that in fact they are very concerned, very interested, and I think really basically very anxious to work with the government to see that this plan is developed as we move forward and develop a system that will provide an extremely good health care system but at a rate that we can afford.

I'm pleased to report that in the questioning the government members had the opportunity to ask some 51 questions, and the opposition members asked some 69 questions.

The Department of Health, of course, has five programs under it. The committee started out on vote 1. There was a lot of discussion about the operation for the '94-95 year, but it also got into a lot of questioning and discussion about the business plan and how that relates to the '94-95 budget. It did spill over a little further than '94-95, but I think it was very useful, as members got a better understanding of how the system is going to work.

There was a lot of time spent on program 4, mental health. I found as chair and I want to report to the Assembly that that was very gratifying. I think members recognize that in fact those folks are very vulnerable. It is extremely important that we develop a system that will demonstrate a continuum of care. The points were made that we have to be extremely careful that folks don't fall between the cracks, that as we move to the community model, the support is there all through the life of the individual, and that as they're taking services from our providers, that in fact is a continuum.

Program 3 engendered a lot of questions, of course, because that is really getting down to delivery of the services. It's in a somewhat different format this year than other years, as it's more identified by services in different areas, so there were a lot of questions about how that relates to former budgets, exactly what these numbers mean, where we are going, and what we are doing within those areas.

Of course, there were a lot of questions relative to program 2 and some of the changes that are being made in there, especially as we get down to the Blue Cross, the extended health care benefits for seniors, and those types of programs, and a lot of discussion relative to the rural physician action plan, how the out-of-province health care services are paid for, that sort of thing.

I would really strongly urge members to read *Hansard*. I think that rather than go through and demonstrate the broad range of questions and discussions, I would simply invite members to read *Hansard*. There was a very thorough discussion. I think the minister would be only too happy to entertain further questions. If you have concerns or questions, you could meet with her and talk to her privately.

9:30

So, Mr. Chairman, with that, once again I want to thank the committee. It was actually easy to chair because of the flow. We tried to keep it not too formal so that people had a good opportu-

ity to dialogue. I might say that while I mentioned how many questions people had the opportunity to ask, there was a lot of dialogue back and forth, and we tried to allow that to happen so that people could feel comfortable with the answers. I know there were a couple of issues that the minister took under advisement, and those will be given to the members.

Thank you.

MR. CHAIRMAN: Would the committee agree to reverting to Introduction of Guests. All in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no.

head: Introduction of Guests

MR. MITCHELL: Mr. Chairman, I appreciate the committee allowing me to introduce to you and through you to the members of the committee a guest that I have in the public gallery this evening. He is a very, very good student. He is a great supporter of mine, I understand. He is always waiting for the next election so he can knock on more doors, although we do knock on doors between elections as well. He is, I should say, a dedicated and committed Liberal. He is my eldest son, Lucas Mitchell, and I'd ask that he stand in the gallery and receive our welcome.

head: Main Estimates 1994-95

Health (continued)

MR. CHAIRMAN: Edmonton-McClung, to continue the estimates.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to begin by saying that we on our side of the Legislature, on our side of the designated supply subcommittee were very impressed by the minister's dogged determination to respond to each of our questions. She has tremendous endurance. It was a long four hours for us, and I'm certain it would be even longer for her given that she had to speak much more than the rest of us did. She acquitted herself very well. I would also like to extend our thanks to her staff, who sat through that session and provided great support for the minister and some insights to the committee as a whole as well.

I will say that we are not entirely pleased by any means with the manner in which the Department of Health, its policies regarding a variety of things have begun to unfold. I would like to summarize some of our discontent with matters as they are this evening just briefly.

First of all, regionalization. We believe, of course, that regionalization is essential. We campaigned on that in 1989. We campaigned on that in 1993. I should point out that the government actually campaigned against it in both those cases. The leading contender next to the Premier for the leadership of the Conservative Party campaigned on regionalization and in fact probably lost because she was actually beginning to make health care decisions based on health care driven considerations rather than on political considerations.

So we're not unhappy to see the about-face on the part of government to implement, to bring in regionalization very shortly after the election in which they denied a commitment to regionalization. The question, Mr. Chairman, about which we're not happy with the answer, is the manner in which the government is regionalizing. They have begun a massive regional

decision-making process. They have precipitated that in Edmonton and Calgary by sucking away \$100 million in two days. The existing regional councils simply are not up to the task of making the kinds of decisions that kind of funding change requires and precipitates.

How do we know for sure? Well, the regional council in Edmonton has stated very clearly that it is no longer in the process of trying to make recommendations to government about how to restructure health care in Edmonton. It is clear that the council in Calgary is deadlocked and has literally thrown up its hands in despair and has now gained some kind of assistance from an externally imposed Mr. Hyndman, who will be helping in that process. That's not perhaps all bad, but if you ever had to know that there was fundamental doubt and disagreement between the minister and the Premier over whether or not the regional council planning processes in Edmonton and Calgary are, as the minister would say, advanced and well under control, if you ever had to have doubt about that particular statement, you just have to read what the Premier was talking about last week, March 17 in fact, where he's very clearly stating that it will become his decision to move in and close hospitals in Edmonton and Calgary. He can't have it both ways. He can't say that there is a regional process in place that is working, that is well advanced, that can absorb 100 million dollars' worth of cuts in very short order and on the other hand say that he's going to move in and make the decisions.

In fact, not only did he say that, but he was quite derisive of the efforts of the regional council in Calgary. He said that they can't even determine where to put radiology. He said that he didn't think the Grace hospital would exist, that the services might but they would be somewhere else. This is quite disconcerting. If the regional council process is working, if it is in a position to consult local communities, which it hasn't done yet, and if it is in a position to have the data, which it hasn't got, and if it is in the position to make the kinds of decisions the minister is saying it's in the position to make, then why is it that the Premier is stating so blatantly and so clearly that he's going to have to step in and make the decision? Because it is not working, Mr. Chairman.

That's not to say that things aren't happening. Some would suggest that in actually trying to deke the new regional structure or simply being forced to have to make decisions, Caritas is talking about moving geriatrics from the General, the Youville, over to the Grey Nuns. No public consultation on that, no discussion with the communities, no real sense that that's the right place to put it, and in fact it mightn't preclude the proper kind of decision that could be made by a proper regional board. It might be that it should go to the Glenrose. It seems, as my colleague from Edmonton-Gold Bar is suggesting, that this could in fact be survival. This is not a co-ordinated, a proper regionalization decision-making process.

It is evident that the Premier himself is saying that it is not working properly, and Mr. Chairman, it is not too much to ask, it is not unreasonable to expect that the minister would simply say "a moratorium" until she can get her proper regional councils in place and perhaps some sense of co-ordination can be given to the kinds of decisions, the magnitudes of decisions that are being required of these ill-equipped regional councils, not misintentioned, not incapable people, to make the kinds of decisions that are being forced upon them.

A second major area of concern is the ambivalence that this government demonstrates towards the Canada Health Act and its five fundamental principles. It isn't as though the government is creating uncertainty by mistake, Mr. Chairman. It isn't as though they're doing that by mistake. We believe it's quite calculated, either to distract people from the real issues or simply to test, to trial balloon ideas about how they would like to restructure our

health care system through a more commercialized, privatized process. It is a very . . .

MR. CHAIRMAN: We have several hon. members who are carrying on a conversation. I wonder if they would find a place to sit, whether it's in the Chamber or outside.

Edmonton-McClung.

MR. MITCHELL: Thank you, Mr. Chairman. We've often thought that if the Minister of Municipal Affairs would listen to some of these arguments, he might learn something once in a while. It's evident that he's not listening.

The fact of the matter is that talk of private hospitals, talk of commercialized hospitals is a slippery slope. If we begin to allow that to occur, Mr. Chairman, we will see the erosion of our public health care system. This isn't liquor stores that we're talking about. This is a fundamental and important value to the people of this province. This health care system, as efficient, as well structured, as effective as it is even today, although it can be improved, is a remarkable feature of our society. It makes us special, it makes the people within this province secure, and if you want to put it in pure economic terms, as Conservatives happen to do, it gives us a healthy, productive work force which can compete with anybody anywhere around this world. If we begin to move to privatization, to commercialization in the way the Premier is conjuring up in his musings, we begin to erode a very, very significant and important value in our society.

9:40

Talk of user fees similarly should be dispensed with. The minister should draw the line. She should say: I am not going to allow us to descend down this slippery slope to the destruction, the erosion, the corrosion of our health care system, and I am not going to allow us to launch ourselves down the slippery slope of user fees. We always say that user fees won't be imposed, Mr. Chairman, on anybody who can't afford them. Well, then, that wouldn't reduce this supposed abuse that some of these people somehow may be perpetrating on the system. If people could afford them, then of course it wouldn't reduce their abuse either. So what would user fees accomplish? Nothing. It might satiate some obsession on the part of this government to get to an American system for who knows what reason, but it would accomplish very little.

Remember, Mr. Chairman . . .

Point of Order Imputing Motives

DR. WEST: Mr. Chairman, *Beauchesne* 484. This member tonight is continually imputing motives. He imputed a motive that was not true about the Premier and his direction in health care. He's imputing motives to this whole government. He's making an innuendo as to the direction we want to take in health care which isn't true. The more this individual does this, the more he inflames this side of the House. I do not believe you can stand here and incessantly impute motives to the other side and make allegations and innuendos that are not true.

MR. MITCHELL: I think I liked it better when he wasn't listening, Mr. Chairman, but if I've offended the minister, I certainly withdraw any of the suggestions that might have offended him. The fact of the matter is that I'm not imputing motives. It's very clear. The Premier's talking about it. He says he'll consider anything. He'll consider commercial hospitals. It's

not an intention. I'm not imputing a motive. It's very clear, unless of course the Premier is saying things that the minister doesn't believe he believes.

Debate Continued

MR. MITCHELL: The fact of the matter is, Mr. Chairman, that we must go beyond the economic terms. Let it be remembered that in fact the American system costs Americans 50 percent more relative to their economy than our health care system costs relative to our economy, and they don't insure 38 million people. That's quite an achievement, and it's amazing that the Premier would want to pursue that model of health care.

I would like to make a number of other quick points. We are very, very concerned about the cutbacks to physio, for seniors in particular. I think that is very shortsighted and that it will cost far more money than it will save. Physiotherapy keeps seniors out of long-term care facilities longer, gets them out of hospitals sooner, keeps them mobile, keeps them closer to their families, keeps them within their communities, where they are more productive, where they live happier, healthier lives with far less expense on the health care system.

Home care and community care. The government has laid out that they are going to increase that funding on the very same day they are going to cut acute care funding. There is no transition period to get the one up and running while the other is trying to absorb the reduction in funding. Of course, Mr. Chairman, that makes very little sense and underlines, as we've all known, the lack of planning this government has indulged in.

Thank you.

MR. CHAIRMAN: Thank you.

The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thanks, Mr. Chairman. I'd also like to compliment the minister on answering as many questions as she could during that marathon. I appreciate that, Madam Minister, but of course we have many more unanswered questions as well. I'd like to continue the theme that my colleague from Edmonton-McClung started on in talking about the soon-to-be-imposed regional authorities, the regionalization now that is about to come thundering into the Alberta health care system.

Madam Minister, I wish that you would inform us and the rest of the province . . .

Point of Order Imputing Motives

DR. L. TAYLOR: Point of order.

MR. CHAIRMAN: The hon. Member for Cypress-Medicine Hat is rising on a point of order.

DR. L. TAYLOR: Yes. Imputing motives: Standing Order 23, *Beauchesne* 484, *Beauchesne* 69. He's suggesting that these health care boundaries are imposed. They're not. In my area the people voluntarily got together. They came up with a reasonable one on a voluntary basis, and he's suggesting that they are imposed. [interjections]

MR. CHAIRMAN: Hon. members.

That's hardly imputing a motive. It may be a legitimate difference of opinion, but imposition of one thing as opposed to - it's hardly a motive.

Hon. Member for Edmonton-Glenora, please continue.

Debate Continued

MR. SAPERS: Thank you. At what point, perhaps the minister could tell us, will she consider that there is too much variation between regions? How will the variation in the type of care available and how it is delivered be monitored and controlled? There is absolutely nothing that we've seen in the budget that suggests that there are any funds to evaluate this experiment in health care administration and service delivery that we're now embarking on. How will we know in fact that this is an improvement? How will we know in fact that what is happening is saving us money and is providing more efficient services to those Albertans who need them at the point they need them?

I would also like to know: what would the new relationship be between the regional authorities and their employees? The provincial government, it seems, will now have a whole new role to play in the negotiated relationships between regional health boards and all of those workers in the health care system. Now, if it is true that in Alberta we are moving towards generic, blanket, provincewide agreements with groups such as registered nurses, then what role is there for regional negotiations? At what point will the government be imposing settlements for wages and benefits and other working conditions? To what extent will the regional boards have the authority to reflect local and regional interests in those matters? This is of particular importance because right now the minister won't intervene in current labour negotiations even when there are flagrant violations of labour laws. Now, what comfort can health care workers have that the government will protect their interests when it comes to future disputes that are sure to arise as the rearranging of the health care system proceeds?

Now, in regard to the funding of acute care hospitals, during the subcommittee budget review the minister said that regional funding of such facilities will be based on history, on historical trends, historical patterns. Historically these hospitals are funded according to the hospital performance index, the HPI. The Auditor General has slammed this index and the method of funding. Given this, what faith can we have in this current budget, which still depends on this discredited funding formula? The history of the HPI has been discredited. Why would the minister still rely on this to fund acute care hospitals?

Madam Minister, there is also a tremendous amount of confusion about what role physicians are playing in the changes being negotiated in the delivery of health services. The minister has acknowledged that physicians have been asked for and have agreed to a 5 percent reduction in their fees. At the same time, physicians are being asked to figure out a 20 percent reduction in the overall envelope or package of fees and expenses that they have some influence or control over. Now, while that makes sense, physicians that I've talked to don't seem to understand why the government doesn't understand that as a group physicians are being asked to give up much more than just the 5 percent. A 5 percent cut in their fees and a 20 percent reduction in the overall envelope that they can bill against for them at a minimum will equal perhaps a 10 percent reduction in their own personal incomes.

There are so many variations in what the government is asking of physicians and other health professionals that this has created a tremendous degree of insecurity and confusion. One group of health care professionals feels as though they are pitted against another. What we are seeing is: instead of agreement that these groups must all work together, the government seems to be driving wedges between them and forcing one group to protect their turf at the expense of another. Even within the group of

physicians – because of foot-dragging on things like the relative value guide and some of the other issues, the health work force rebalancing committee, and some of the other things that the government has involved itself in – we see that family practitioners feel that somehow they are being pitted against specialists. They're very concerned that there'll be a group of winners and a group of losers, and it'll really be the government that continues to hold the cards.

The same with these musings that we see now that only Alberta-trained physicians will be allowed to practise in this province. Now, how does that relate to the stated intentions of the rural physician action plan, where we are actively, supposedly, trying to recruit and place more doctors in rural Alberta? Now, in the document called Pockets of Success – and they must be very shallow pockets indeed – there are some successful placements of rural physicians. That recruitment seems to have been marginally successful, but certainly now this thinking out loud by the Premier about limiting out-of-province doctors will put holes in those pockets, Madam Minister, and I'd like to know whether or not this will proceed and whether the Premier will reconsider.

9:50

During the subcommittee review we didn't get a chance to explore program 5, the program relating to the budget elements for the Alcohol and Drug Abuse Commission. There is now a \$10-a-day charge for residential programs in AADAC, and I'd like to know on what needs analysis or cost/benefit analysis it was decided that this is an adequate fee. Why is there a fee at all? What is this trying to accomplish? Is it cost recovery, or is it simply a way of imposing a new tax on people in need? People who need the program may not be able to afford the \$10 a day. What allowances are being made for those individuals? Have there been any studies done at all in terms of whether or not a user fee in this very sensitive area will discourage perhaps those people who are most in need of attending rehabilitation centres from in fact doing so?

We also don't see in the budget any real indication that the province is going to get serious about the abuse of opiate and other restricted drugs. We know that Alberta has the second highest rate of prescription forgeries for opiates and stimulants and hypnotics in this country. Now, what measures is the minister taking to reduce this? Can we expect anything in the near future, and how will this be affected by the regionalization? Are we going to see several strategies emerge, or is the Department of Health still going to take responsibility for overall coordination in this very important area?

We also know that Alberta has the second highest rate of loss of controlled drugs. Again, we see no mention in the budget plans or the business plans about steps being taken by the department to counter this serious problem.

Mr. Chairman, we don't know, in fact, if the department has done any studies – I'm sure they have, but I'd like the minister to confirm that they have – to determine where it is best to spend money on education to discourage young Albertans, teenagers from the use of illegal drugs, from the abuse of legal drugs, and other very important preventative programs.

I'm very concerned that we don't see any really strong commitment to the issue of tobacco use, tobacco use by women, particularly young women. We know that the growth in tobacco use is highest in adolescent girls, Mr. Chairman. In fact, the minister's department was involved in a national study which examined the impact of tobacco use on women, yet in spite of the recommendations and the findings of that study, we see very little

evidence that what we learned is being put into practice or being acted on.

Mr. Chairman, the business plans and the estimates of the Department of Health talk a good talk. They talk about moving from a sickness-based model to a wellness-based model, looking at ways that we can ensure a healthy Alberta, talking about regionalization and local decision-making, but it's certainly not clear from the estimates or the business plans exactly how that'll happen. In fact, I would argue just the opposite. What we're left with is an impression of confusion, an impression that there is a lack of careful thought and planning.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. Minister of Health, in summation.

MRS. McCLELLAN: Thank you, Mr. Chairman. I really am at a complete loss for words for what I've just heard from the opposition critics, I must say. The hon. members had an opportunity to review the estimates in subcommittee for four hours. I think it was mentioned that there were some 69 questions from the members, and all I can say is that the questions were given – they must have shut something off between the time of the question and the answer. I do appreciate the keen interest that members on that committee showed at that, but I am very dismayed at the lack of understanding by a couple of members that have just spoken. They somehow have missed the whole point of rationalization of services. The hon. Member for Edmonton-Meadowlark launched into a discussion of \$100 million being sucked out of Edmonton and Calgary in two days, which completely shows a total lack of understanding of budgeting, of how you allocate dollars, of how you do planning. A hundred million dollars is not going to be sucked out of Edmonton and Calgary in two days, but over the period of this year, yes, it will be reduced, and of that, \$30 million will be returned to community-based programs.

I take extreme exception to the . . .

Point of Order Clarification

MS LEIBOVICI: Point of order.

MR. CHAIRMAN: The hon. Member for Edmonton-Meadowlark is rising on a point of order.

MS LEIBOVICI: Thank you, Mr. Chairman.

MRS. McCLELLAN: Oh, I'm sorry I called . . . Mr. Chairman, I can avoid the point of order.

MS LEIBOVICI: Thank you. I just wanted to get that clarified.

MRS. McCLELLAN: Now you know I'm upset. It should have been Edmonton-McClung. I said Edmonton-Meadowlark. I apologize, Edmonton-Meadowlark. I'm sure you would want that corrected.

Debate Continued

MRS. McCLELLAN: To suggest that the Edmonton planning council is not capable of working through the rationalization of how they deliver health services in the city is wrong, it's unfair, and I think it's an insult to the fine people who are responsible on those boards and the staff and the administration in those institutions that are going through that work.

The same for Calgary. The very fact that they have done the work they have and have brought in an outside review to assure a very objective view of that rationalization I think speaks very highly of their commitment to deliver services not only to the communities of Calgary and Edmonton and to the surrounding areas north and south in Alberta, but in many cases those high tertiary care programs are delivered to the whole province.

Of course the minister, this government has the ultimate responsibility of decision of closure or opening of a hospital. Their role is to recommend how services be delivered. I want to repeat again that there has been no decision made on openings of hospitals in either city or of closing of hospitals in either city. When we receive those recommendations, which have been worked on very carefully and very thoroughly by a group of experts – not just the board chairs, not just the CEOs – involving a complete clinical analysis of how they deliver programs, the minister will give those recommendations the very careful consideration that they deserve.

I would really expect that the hon. members would do their research in other ways than in media reports. To suggest that this government is ambivalent to the Canada Health Act when the federal minister was in Alberta yesterday and said publicly that she was satisfied that Alberta was operating within the Canada Health Act and agreed that Alberta had approached the federal government on private facilities – not that the federal government had approached Alberta; Alberta Health, this minister directed that we approach the federal government to discuss the private facilities in this province to ensure that we were complying with the Canada Health Act, a federal Act, and we are within that – I am really surprised at that.

This evening, Mr. Chairman, I had the opportunity to participate in the opening of an MRI in Calgary, which will give Alberta the highest capacity for MRI per capita in Canada.

10:00

Mr. Chairman, I'm not going to speak on user fees. That's really not worth consideration. We've made it clear that we will not contravene the Canada Health Act, and I think that speaks for itself.

Physiotherapy for seniors. Mr. Chairman, we did introduce a cap this year, and we did introduce an appeal process, and it's working very well. The hon. members I know were present – at least one of them was present – when I spoke at the northern rehabilitation association not two weeks ago and again at our estimates, when I'm sure – I'll review *Hansard* – we discussed the community rehabilitation program at some length. I'm sorry if they don't understand what this means, but I would refer them to the Health business plan, green book, page 9, item 4.

AN HON. MEMBER: I read it.

MRS. McCLELLAN: Then understand it.

The discussion of restructuring and the role of the minister in collective bargaining. I am going to repeat one more time for the record that the Minister of Health clearly understands her role. She does respect the collective bargaining process fully, not selectively. I will not interfere in the collective bargaining process, where there is a method of dealing with disputes that has been agreed upon.

Mr. Chairman, HPI was mentioned. The Auditor General did not slam HPI. He gave us some very constructive comments regarding ways to make it more effective, and we fully appreciate his very constructive comments and are working with that.

AMA negotiations were mentioned. I believe that the physicians in this province, through the AMA, are very responsible in understanding the fiscal restraints of this province. They have agreed on two occasions this year to a reduction. They have agreed, again, to a 5 percent reduction. They have agreed to work with us over the period of the next three years to have the ability to reduce expenditures in that area.

The hon. member that last spoke also raised the issue of tobacco use. I would draw to his attention just one more time how disappointed this minister and several other ministers of health in Canada were when the federal government chose to lower the tax on cigarettes, because we do have studies that do show a direct correlation between cost and consumption, particularly with young people. We're very concerned about that, and certainly we look forward to working with a number of people in this province to lower consumption in other ways.

Mr. Chairman, the key thing about this budget is that it is one based on extensive consultation with Albertans. I have repeated the consultation process in this Legislature more times than you would want to count. I have tabled it in the House. I will not go through it again. After hearing from Albertans, this government realized that we can create a more effective and affordable health system while keeping it accessible to all. We recognize that closing our eyes to spiralling health costs is far more risk to the health system that we have in this province that we are so proud of than the effort it will take to work with all Albertans that have shown their commitment to a restructured health system that will provide quality care that we can afford.

Thank you.

HON. MEMBERS: Question.

MR. CHAIRMAN: The question has been called. Are you ready for the vote?

Agreed to:

Program 1 - Departmental Support Services	
Total Operating Expenditure	\$27,830,000
Total Capital Investment	\$594,000
Program 2 - Health Care Insurance	
Total Operating Expenditure	\$625,291,000
Total Capital Investment	\$211,000
Program 3 - Institutional and Community Health Services	
Total Operating Expenditure	\$2,392,914,000
Total Capital Investment	\$39,000
Program 4 - Mental Health Services	
Total Operating Expenditure	\$140,749,000
Total Capital Investment	\$243,000
Summary	
Total Operating Expenditure	\$3,213,649,000
Total Capital Investment	\$1,087,000
Department Total	\$3,214,736,000

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

[Motion carried]

Advanced Education and Career Development

MR. CHAIRMAN: We would call on the hon. Member for Calgary-North Hill to begin debate.

MR. MAGNUS: Thank you, Mr. Chairman. It's a pleasure for me to be able to rise today before this Assembly and report on the progress of the Advanced Education and Career Development subcommittee meeting held on March 10 of this year. Consistent with the manner in which the members conducted themselves during the subcommittee of supply process last session, the level of decorum and co-operation practised by all members on the committee was appreciated.

I would like to begin my remarks by extending thanks on behalf of myself and the members of the committee to the Hon. Jack Ady, Minister of Advanced Education and Career Development, for taking the time to appear before the designated subcommittee and for his gracious and open manner in answering questions. On that same note, I would like to acknowledge the efforts of all those who attended the meeting, which was held on a Thursday evening from 6 o'clock till 10:30. Most members like to return to their constituencies once the business of the House is concluded for the week. The fact that this meeting was so well attended indicates the dedication all members share in representing their constituents.

In reviewing the Department of Advanced Education and Career Development's estimates, the committee covered four programs: departmental support services, assistance to higher and further educational institutions, financial assistance to students, and labour market services.

[Mr. Clegg in the Chair]

Under program 1, departmental support services, the minister responded to questions regarding the overall impact on the department of the '94-95 budget and implementation of the three-year business plan. The minister's committees were also discussed, including the advisory committee on immigration and settlement, the adult learning forum, and labour market training. Questions also focused on the department's plan to continue its consultative processes through the roundtables as well as how that process has impacted the budget-planning process for the department.

10:10

The minister was also asked what the role of Advanced Education and Career Development would be in immigration planning for the province. Would they be involved in future negotiations regarding a Canada/Alberta agreement on immigration?

Under program 2, assistance to higher and further educational institutions, the minister responded to questions regarding the access fund and how it will operate. The further education council, hospital-based nursing education, and community consortia were also topics of discussion under this program. Specific questions regarding private colleges, technical institutes, public colleges, and universities were also asked by the committee members. These questions included the role that Athabasca University, Banff Centre, and Olds College will play in the restructuring of advanced education. Funding levels to the various universities, tuition fee caps, and access to postsecondaries were also topics of discussion under this program.

Program 3 is financial assistance to students. The minister responded to questions regarding the student loans program and the Students Finance Board and the remission policy for loans and

default rates for the various institutions, whether or not his department has looked at the possibility of implementing an income contingent repayment plan. The minister also responded to questions regarding the supplemental assistance grant and skills training support programs.

The fourth program we looked at, Mr. Chairman, was labour market services. The minister responded to questions on immigration and settlement services and the apprenticeship and occupation training programs. He was also asked where the provincial government stands in regards to negotiating a new agreement with the federal government over immigration and labour market training.

There is not enough time, Mr. Chairman, to adequately convey all or exactly what was discussed in our subcommittee meeting, but for any of those members who wish a more detailed report, I'll direct them towards *Hansard*.

I would like to thank the minister and his staff again for attending and for responding to the members' questions in a very forthright and direct manner. To the members of the committee: your co-operation during the meeting was helpful, and it resulted in what I would best describe as a worthwhile and successful discussion. The intent behind changing the estimates process was to allow for greater discussion of departmental estimates. It's my pleasure to report to the Committee of Supply that the review of the Advanced Education and Career Development estimates was complete and should not require further review by the committee.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I, too, would like to thank the minister and his staff for the manner in which they responded to our questions. They were courteous and accommodating. I would like to say that they were completely open, but their reluctance to share their briefing books with us has left me with a few nagging doubts on that order. The chair also did his usual excellent job of refereeing the action, and I thank him for that. However, I did come away from the meetings convinced that we must review the rules under which those subcommittees operate.

Point of Order Clarification

MR. MAGNUS: A point of order, Mr. Chairman. I'm sorry. I'm at a bit of a loss here to understand what the member is chatting about. Frankly, there was no discussion with me or anybody else in my committee that I'm aware of that he'd asked for briefing books. Frankly, we didn't have them. So I'm not sure what he's getting at.

Debate Continued

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. As I was saying, I came away from the meeting convinced that we must review the rules under which those subcommittees operate. We have not accommodated what must now be a major part of the budget estimates, the business plans. I'd like to spend a few minutes with those.

Donald Kuratko and Catherine Stover, in their guide called *Cutting through the Business Plan Jungle*, list the 10 basic

components of such plans. Under the section entitled "Financial," they make the following comments about business plans:

This section of the business plan will be most closely scrutinized by potential investors, so it's imperative . . .

**Point of Order
Relevance**

MR. DEPUTY CHAIRMAN: The hon. Deputy Government House Leader.

MRS. BLACK: Mr. Chairman, *Beauchesne* 459, relevancy. We're here to discuss the estimates of advanced education, not the development of business plans.

MR. DEPUTY CHAIRMAN: Hon. Deputy Government House Leader, you certainly have a point of order, but the hon. Member for Edmonton-Mills Woods is just getting going, and I know he's just leading into the estimates of advanced education.

The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I appreciate that.

Debate Continued

DR. MASSEY:

This section of the business plans will be most closely scrutinized by potential investors, so it's imperative that you give it the attention it deserves.

With that background, Mr. Chairman, and the estimates, my questions to the minister are as follows. If you look at the business plan, where is the money for goal 1 to be found in the budget estimates? How much money is being spent on this goal? Where are the projections to 2005 on which this goal is based? Who will the investors - in this case, the taxpayers - hold accountable if at the end of the three years the system is inflexible, less accessible, and unaffordable for students? So I would like to know how the money in the budget estimates is related to the achievement of that goal and how it's going to be accounted for by the minister and his staff a year from now, a year after that, and in the third year of the business plan.

Goal 2. I guess it's the same question: where is that money to be found in the budget estimates? We seem to have a business plan that lays out a series of strategies and spending actions that the government is going to undertake. We have a separate document containing the budget estimates, and there's no linkage between those two. The kind of accountability that the budget plan says is going to be there is impossible if we don't have the dollars attached to those decisions.

Under goal 3, which is to "increase access for Albertans to quality learning opportunities," where will those costs be incurred? Again, where in the budget estimates would a taxpayer or a ratepayer be able to trace the costs and the kinds of moneys that are going to be spent, supposedly, in achieving that kind of goal? Institutions are to be penalized financially if they don't meet the government's targets for student enrollments. Who will be penalized, and how, if the results listed here aren't met, will they be penalized?

If we look at goal 4, the same questions arise. If the price tag for the strategies that are proposed - they're going to "reduce the cost of salaries and benefits." It's one of the strategies that they've indicated. Again, there are no dollar bills attached to that. Where would a taxpayer turn in the budget estimates to see reflected that kind of action by advanced education and to find out for each one of those strategies under goal 4 what they're going to cost ratepayers?

Goal 5. The goal is the same; it raises the same kinds of problems. To "increase accountability for the use of resources and for outcomes achieved." How much will be saved? How will the money be accounted for? Where in the budget estimates is the money trail that can be linked to those strategies?

The so-called business plan, Mr. Chairman, violates the basics of such plans. There are no costs attached to the actions. I would ask: would the government lend money to a business that presented a plan that had costed out none of the elements? Maybe I should withdraw that question. They have had some experience in that area.

10:20

Why has the government chosen to treat education as a business and insisted on producing a so-called business plan to guide its operation? When it says that it's in the business of getting out of business, why has it chosen now to treat education as a business? If one were to follow that logic, one would assume that in the future the government intends to withdraw from providing adult education services for Alberta students. What is even more disturbing in this whole budget estimate/business plan boondoggle is the pretense that somehow the destruction of advanced education in the province is preordained by some carefully applied and researched information into the needs and nature of adult Alberta learners and that over the next dozen years predictions from such an examination have led to the conclusion that the system could provide accessible and affordable education now and in the future with the proposed budget slashes. Such doesn't seem to be the case. Why has the minister not provided even the pretense of a business plan and attached costs to the proposals that again can be tracked and accounted for in the budget estimates?

Mr. Chairman, I appreciate that the government has been extremely busy as it tries to bring some form of rational planning to the whole business of budgeting, but I think in the long run they have an obligation to make sure that the pieces fit. There has to be some logic, and right now that logic seems to be missing.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. Out of deference to the Minister of Municipal Affairs, I'll be the essence of relevance.

I would like to specifically focus on a couple of items that have to do with advanced education that are to be found in the budget. I'd like to specifically focus on the consortia, the institution of the educational consortium, which are to be found in several parts of the province. I think there are four in total if I'm not mistaken. There's one of them in my riding. It's called the Yellowhead regional educational consortium. There's another one in the riding of Whitecourt-Ste. Anne next door, of course the riding of my favourite buddy. I'm sure that he's as concerned as I am as to what is going to happen to these consortia, because these institutions offer all kinds of postsecondary courses by contracting instructors from existing postsecondary institutions such as the U of A, adult vocational centres, Grande Prairie college, and so on.

Now, the provincial funding that is granted or given to the institution in my riding, to YREC as it's called for short, consists of about \$30 per student per year, which is really peanuts compared to what it takes all the other institutions to educate each individual student. Now, the authorities in that particular institution, in YREC, have asked repeatedly for an increase in funding. I thought their request would have been very modest if

they had asked for double that amount, which still would be far, far lower than the average funding for college students. So the question that I have for the minister there is: what are his plans for those consortia? Does he in fact plan to expand on this particular concept because it is so inexpensive compared to the traditional institutions?

In addition to that, it has an additional advantage in that it allows the local students to remain at home, to take their courses in the vicinity, in other words. It means less of a run on student loans, which I think is good for everybody concerned. Also, it has beneficial effects on the purchasing power in the local area. Those are important criteria and at low cost to the province. It enables local students to stay close to home, encourages further study, and there is an economic spin-off locally. Mr. Minister, if you could tell me what you plan to do with those consortia, I would be very happy.

On a different area, the area of student loans, I'd like to ask a few questions, because as I understand it, students in programs with a high rate of defaulting on repayment of the loans will not be or tend not to be eligible for further loans, at least not as readily as others. Somehow I find it strange that you would penalize a whole category, although I do understand that there is a link between high defaulting categories, if you wish, and a lack of jobs probably. So I can see where you might want to steer students away from those areas, but perhaps you could do that by slapping a quota on those particular programs. Perhaps you could explain that particular point.

Finally, Mr. Chairman, I must register my firm opposition to the across-the-board cuts, which are doing absolutely nothing to create new spaces for students in postsecondary education. We need far more spaces than we have now. We're not encouraging further study by not increasing the number of spaces, and we're not investing enough in the future of our youth.

Thank you very much.

MR. DEPUTY CHAIRMAN: The hon. Minister of Advanced Education and Career Development.

MR. ADY: Thank you, Mr. Chairman. I'd like to begin by mentioning to the Assembly that I believe the process we've been involved in has allowed the designated subcommittee of supply an opportunity for a thorough review of the departmental estimates, with ample opportunity for members to follow up on initial and supplementary questions. I'd like to thank the committee chairman, the MLA for Calgary-North Hill, for his role in guiding us through the process and thank the committee members for their interest in the programs and policies of our department. I was also hoping that I'd done such a good job at the subcommittee that I wouldn't need to come back here for the entire committee, but since I have to, I feel it would unfair not to share with the entire committee the more important highlights from my remarks to the subcommittee of supply.

This budget is one step in the process of renewing education and training opportunities for adults in Alberta in order to meet social and economic needs in the province. Although expenditures are being reduced, adult learning in Alberta remains a priority. In Advanced Education and Career Development, spending will be reduced by a total of 15.8 percent by 1996-97. Beginning with a 10 percent reduction in 1994-95, the department will reduce its central administration budget by 27 percent.

All members have seen our business plan, and the hon. member across the way has expressed some concerns with it. The business plan as set out is just that, a business plan that sets the direction over the next three years. As far as the specifics of his questions,

I'll endeavour to deal with those in written form back to him. The business plan sets out the building blocks in the development of a policy framework for adult learning in Alberta. It reflects the input received from Albertans during 17 public meetings that resulted in 1,417 verbal presentations and 533 written submissions during round one of the consultation process, Adult Learning: Access through Innovation. It reflects many of the issues raised at our budget roundtable held in Calgary in November. For example, our stakeholders asked us to move towards a more responsive funding system that recognizes and encourages productivity and efficiency, and we've done that. Stakeholders said that they want to see movement towards a more efficient application and transfer system, and we've done that. They also wanted us to encourage program rationalization, and we've done that too. This is a living plan while the fiscal framework for the next three years is being established. The strategies included in the plan are subject to change or confirmation through further consultation.

Today I released a draft white paper which we will be discussing with Albertans over the next several weeks. The opposition has said that it's a waste of money, but let's be clear: the challenge we have to change and restructure a \$1.2 billion adult learning system for the future and the \$500,000 we are spending to consult with every sector of society on building a new future for high learning is well spent. We heard during the first round of our public consultations that Albertans want education and training in this province to be learner driven. This focus on learners is vital. We must ensure that the results achieved meet the objectives of people our learning system serves. The plan calls for the development of program performance indicators that will be widely available. These will enable students to make informed choices about their program of study, to provide feedback to institutions and taxpayers on the results achieved, and to effect what is delivered and how. Student access will be increased by lowering the unit cost of student places. Basic grants to institutions will be reduced by 11 percent in 1994-95, 7 percent in '95-96, and 3 percent in '96-97.

10:30

We do not intend to put more physical infrastructure in place. New capital construction is frozen for at least three years. This generates a budgetary saving of \$52 million this year. In future, institutions will have to make more intensive use of existing structures.

We will restructure the funding of our education system while maintaining the high quality of programs in Alberta. I'm encouraged by the many excellent ideas brought forward in the public consultation process. Individuals and institutions all over the province have suggested many methods to increase revenues, decrease administrative costs, and find new ways of providing high-quality education. Forty-seven million dollars will be reallocated from institutions' base budgets over the next three years to increase the number of places available to students by 10,000 by the end of the plan. I do not question that we will need more places by the end of the decade, and this is a significant first step. The innovation and new ideas that this access fund will generate will open many doors to students that we have now.

We are reaching out even more to those disadvantaged Albertans who have historically been underrepresented in adult education and training. The skills development training support program will provide \$79.4 million in grant support for academic upgrading to 14,000 Albertans, many of whom would otherwise be on welfare. A further \$6.3 million in grants and \$17.2 million in loans will be provided to disadvantaged students in short-term

training programs. The supports for independence initiative is working well. High-needs students should have no cause for concern. Through our adult development program we will ensure that those students now in programs previously supported by extension grants from the Department of Education are able to complete their educational objectives, perhaps at another location. Other adult students in high school upgrading may see their course selection narrowed and fees increased to some gradual extent. Nonetheless, Albertans will continue to lead the country in availability of quality upgrading opportunities.

Total financial assistance available to students will increase, and its composition will be changed. Supplemental assistance grants will be replaced with loans. The remission program will remain in place to reduce debt to levels that can be supported by the student's income upon graduation. Assistance limits will be increased annually to accommodate tuition increases. This year the total assistance available to students will rise by \$300. If you're a single parent, you're eligible for up to \$14,600 in student assistance for an academic year, \$6,000 of which would be in the form of grants. For most undergraduate students the limit will rise to \$8,600. Performance indicators and the proposed adult learning forum will be an ongoing test of the quality of the outcomes of education and training delivered by taxpayers' support, and we will encourage and reward quality. By 1996-97 we will have in place a new funding formula for institutions that rewards productivity and performance. I think our institutions are in the best position to make the decisions necessary to adjust the government's business plan.

Mr. Chairman, I'd like to address just for a moment the hon. member's concerns about the consortia and give him some idea as to just what the consortia program does in this province. We allocate some \$3,572,000 to the four consortia in this province. The objective of this program is to make available the programs and services provided by the public postsecondary institutions to adults who live in regions not directly served by a single institution. Results achieved: there are 3,396 program enrollments in 28 credit programs funded by the community consortia program grant, 5,740 course registrations in more than 200 courses funded by community consortia grants, 4,536 program enrollments and 9,260 course registrations funded by sources other than community consortia grants. Nineteen communities are served by the four consortia. I believe that's a pretty good accomplishment for the consortia programs in our province.

Mr. Chairman, the world around us is changing. No jurisdiction is immune from the sweeping changes taking place. As the minister of advanced education, I plan to have our adult learning systems prepared to compete with the best in the world. Education is the future, and we need to be able to restructure now so that when we emerge from this period of fiscal restraint we have a system that is stronger and more efficient. It would be great if we had a system where a student anywhere in this province could access an application on his home computer for all the institutions in the province. The program could tell him where and when space is available. It would be great if a student could examine performance indicators in the province or the institutions he is thinking of applying to.

MR. DEPUTY CHAIRMAN: Could we have a little more quietness, please?

MR. ADY: A student would know the student loan default rate for that program and have some information as to the labour market demand for the career he plans on choosing. This is not too far off, Mr. Chairman. We can have a responsive, account-

able, and affordable adult learning system that focuses on quality and student needs. Our business plan aims to give Albertans the knowledge, skills, attitudes, and experience they need

- to take responsibility for shaping their futures,
- to participate in a changing economy and workforce, and
- to enrich the quality of life in their communities.

Thank you, Mr. Chairman. That concludes my comments for this evening.

MR. DEPUTY CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

Agreed to:

Program 1 – Departmental Support Services	
Total Operating Expenditure	\$9,456,000
Total Capital Investment	\$418,000
Program 2 – Assistance to Higher and Further Educational Institutions	
Total Operating Expenditure	\$881,018,000
Total Capital Investment	\$10,208,000
Program 3 – Financial Assistance to Students	
Total Operating Expenditure	\$123,581,000
Total Capital Investment	\$100,000
Total Nonbudgetary Disbursements	\$57,742,000
Program 4 – Labour Market Services	
Total Operating Expenditure	\$48,993,000
Total Capital Investment	\$56,000
Budgetary Provision for Future Costs of Student Loans Issued	
Total Budgetary Provision – Operating	\$73,412,000
Summary	
Total Operating Expenditure	\$1,063,048,000
Total Capital Investment	\$10,782,000
Department Total	\$1,073,830,000
Operating Disbursements	\$57,742,000

MR. ADY: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Education

MR. DEPUTY CHAIRMAN: We now move to the Department of Education. The hon. Member for Calgary-North Hill.

10:40

MR. MAGNUS: Thank you, Mr. Chairman. It's again a pleasure to rise to present my report to the Committee of Supply pursuant to Standing Order 57(5). The Committee of Supply subcommittee on the Department of Education was the sixth such subcommittee that I've had the honour to chair since this new process was put in place last fall. As has been the case in the previous meetings, members from both sides conducted their questioning of the estimates in a direct and professional manner. The co-operation afforded by members from both sides of the House allowed the committee to get a substantial amount of work done. On behalf of all members of the committee I would like to extend our thanks and appreciation to the Hon. Halvar Jonson,

Minister of Education, and the department officials which were in attendance with him. As the questions to him were very direct so, too, were his answers.

[Mr. Tannas in the Chair]

The designated subcommittee of supply on Education met on Friday, March 18, from 8:30 a.m. to 12:45 p.m. The members of the committee had approximately four hours in which they could ask questions of the minister and department officials regarding the budget estimates for Education. Also, some time was devoted to the budget estimates for the Premier's Council on the Status of Persons with Disabilities, for which the minister is also responsible.

I would like to mention, however, that all members should be mindful of the fact that the Committee of Supply, including the designated subcommittee of supply, are to focus their efforts on the budget estimates themselves. In the past some members have pursued policy questions, which are not part of this committee's mandate or any other subcommittee. The intention of the subcommittee process is to allow for a more detailed and comprehensive review of departmental estimates.

In reviewing the departmental estimates for Education, the subcommittee covered the following four programs: departmental support services, financial assistance to schools, development and delivery of education programs, and the Premier's Council on the Status of Persons with Disabilities.

Under program 1, departmental support services, the minister responded to a number of questions regarding information services and an information and tracking system on students; amalgamation of school boards; the cost of administering education in Alberta; educational grants to individuals, organizations, and agencies; financial operations and administrative services; policy and planning; and the overall impact on the department of restructuring and budget reductions.

Under program 2, financial assistance to schools, the minister was asked a number of questions on contributions to the Alberta school foundation fund, including questions on the capital amortization provisions, equity grants, special ed grants, transportation grants, and basic instruction grants. Early childhood services were also discussed, including special-needs ECS. Contributions to the teachers' retirement fund, private school assistance, and community schools were other items that were discussed by the subcommittee under program 2.

Program 3, development and delivery of education programs. The minister responded to questions on regional services, student programs and evaluation, language services and the per pupil funding provided for ESL, native education, curriculum services, Alberta Distance Learning Centre and distance education, and the incorporation of technology to offset reductions in funding, appeals and student assistance, and student evaluation services.

Program 4 was the Premier's Council on the Status of Persons with Disabilities, and the minister responded to questions regarding the impact on the council in terms of programs and services, if there will continue to be assistance for disabled students moving into the work force in light of budget reductions, and general questions on the community support process.

I would direct those members who wish a more detailed review of what transpired in the subcommittee again to go back to *Hansard*. The minutes are available to all interested parties who wish to have a more detailed account of what was said during the committee meeting.

Before closing my remarks, I would once again like to thank the Minister of Education and his department officials for their participation. The members of the committee were very straight-

forward in their questions and received the same in response. Mr. Chairman, I say without hesitation that the review of the Department of Education's estimates was complete and that they should not require further review by the Committee of Supply.

Thank you, Mr. Chairman. [interjections]

MR. CHAIRMAN: Hon. members, some of us are forgetting. Thank you.

The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. I'd like to start off by speaking well of the minister, which we don't do very often. We've had a good working relationship with the minister. He responds quickly to our questions, our letters, and probably the crowning glory, he received me warmly when I accompanied a delegation from my riding, which is lot better than I can say for another minister, who canceled an appointment after he knew I was coming. So thank you very much, Mr. Minister.

Unfortunately, I was unable to attend the subcommittee meeting, but I did receive all the minutes, and I plowed through them with great interest. I was struck by the eloquence with which you spoke. The minister spoke about education, and I quote here:

We recognize that education will be the foundation for the future economic and social prosperity of our province, and as such our government is committed to ensuring a quality education system.

That then is followed immediately by:

Alberta Education and education overall, K to 12, have certainly been given a very significant priority relative to the overall expenditure of the government.

That is great. Unfortunately – and here I'm dropping the other shoe, I suppose – the minister is not walking his talk, as I shall prove. When we look, for instance, at that K that he mentioned there – the K, of course, being an indication of kindergarten – it was cut by 56 percent. That does not indicate a very high priority, I think.

Why does he insist on maintaining that ECS is so important when it is cut in half, when in fact this is the only government in the whole developed world that is reducing its funding for kindergarten? It is clearly out of step with European countries. It is out of step with Japan, where they have two years of compulsory kindergarten, the same Japan, by the way, with which our students are always being compared because they supposedly can't compete. Well, I've got news for the minister here. The Japanese wouldn't dream of reducing their kindergarten program. They consider it an indispensable basis for their scholastic achievement. By contrast, our government reduces Alberta to the same status that one would find in Chad, in Botswana, which is a part-time, optional, partially funded kindergarten program. When the minister gives K to 12 education priority, he must have had his fingers crossed behind his back when he uttered the word K, because a 56 percent cut does not indicate much of a priority.

I won't touch on all the other cuts in education funding, even though they are wrong in my view and totally misplaced. I would like to go on. I will even leave alone the structural changes because, after all, they will come out I think tomorrow in the form of a Bill. Although, interestingly enough, I do know that the minister has come out with some implementation teams on which almost everybody and his dog will be able to find a place and garner some extra remuneration as they travel around the province and I think are going to find out whether the government is going in the right direction, what really baffles me, Mr. Chairman, is that these are education MLA implementation teams. What the minister forgets to mention is that they are strictly government members. There is absolutely no member of the opposition on it.

DR. L. TAYLOR: Do you wonder why?

10:50

MR. VAN BINSBERGEN: No, I don't. I know why.

Mr. Chairman, it is not because of the remuneration, although I would dearly love to have it. It is simply that it would make everything so much more legitimate. Nevertheless, on we lurch. Those are the teams that the minister is sending out.

Then we're talking about expanded achievement testing and diploma examinations, about which the minister is talking in his subcommittee meeting there. Now, I can see where an increase in diploma examinations make sense. Social studies 33: I will buy that. I'm not sure about any others. Achievement testing I've mentioned before, but I'll do it again. I think it's really questionable how effective it is to increase that at the grade 3 level when those kids find one test hard enough to handle. Perhaps at the grade 6 level. At the grade 9 level I think most people in the field will agree that they are relatively useless because grade 9 students do not tend to take them seriously at all, unless one attaches a meaningful criterion, perhaps passage into grade 10. Then it would start to mean something.

Then we go to the enhanced opportunity grant of 2 and a half million dollars to assist disadvantaged students in inner-city schools in Edmonton and Calgary. I think that's great. I'm impressed. But it begs the question: what about the disadvantaged outside of those two major centres? Now, does the minister think that there are none of those students in Ponoka, for instance, or Lethbridge or Hinton even? Clearly we do have them too, and I think it would be fair if something were made available for those students as well.

I've mentioned the MLA committees here. I'm moving on rapidly here.

**Point of Order
Relevance**

MR. MAGNUS: Point of order, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Calgary-North Hill is rising on a point of order.

MR. MAGNUS: *Beauchesne* 459, on relevance. This has nothing whatsoever to do with what the subcommittee was looking at. The Member for West Yellowhead admits that he was unable to attend that but had gone over the *Hansard* record. His whole debate for the last five or six minutes has nothing whatsoever to do with the subcommittee's report.

MR. CHAIRMAN: Be that as it may, the opposition party is entitled to bring the minister to account for his department and expenditures. It's not a strict reportage. Now, certainly the chairman was reporting, and perhaps the minister will sum up the events of the time, but relevance has been widely interpreted throughout these debates, and as long as they're generally on the topic, it has been allowed. I've been listening carefully to the Member for West Yellowhead, and although you're quite right that he may have strayed from what occurred at that subcommittee meeting, he does have the freedom to move throughout the departmental estimates and bring that department to account.

West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. I don't understand why members opposite keep dragging this out by all this interference. So let me continue. [interjections]

MR. CHAIRMAN: Hon. members.

West Yellowhead, you're sustained in your issue, so if you would proceed now to bring the minister's estimates to account.

MR. VAN BINSBERGEN: Mr. Chairman, you do rule so wisely.

Debate Continued

MR. VAN BINSBERGEN: Now, I spoke about MLA committees. There's one item that I missed on it, and that is that we haven't seen the terms of reference for these committees, but I'm sure they will be coming.

Finally I think I'm reaching the end of my summation here, Mr. Chairman. I would like to say that I strongly disagree with the overall across-the-board cuts. I've said that I wouldn't dwell on each one of them, but I just want the minister to know that this is not the right approach to investment in our students.

Thank you very much.

MR. CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: I, too, would like to thank the minister and his staff for the courteous and kind way in which we were attended at the subcommittee meeting.

I guess I would like to preface my remarks. I'm somewhat astounded that the Deputy Government House Leader would rise on a point of order questioning the relevance of business plans to budget estimates. I'm sure the taxpayers' association, auditors, and the general public will be interested in that observation. It's new government planning: business plans with no finances. It's quite an innovation, Mr. Chairman.

I would like to turn again to what Kuratco and Stover had to say about business plans. Exactly what is a business plan? A business plan, they say, describes every aspect of a business. It includes a marketing plan, clarifies and outlines financial needs, identifies potential obstacles and alternate solutions, establishes milestones for continuous and timely evaluation, serves as a communication tool for all financial and professional sources. Given those criteria for a business plan – and I think if you review the literature and the guidelines for the preparation of business plans, those criteria are fairly consistent – I would like the minister to link his budget estimates with the goals that are under the three-year business plan schedule for restructuring education on page 11 of *A Better Way*.

I would like to know in terms of goal 1, setting high standards for education, how much that is going to cost. How much money is going to be spent on achieving that goal? Again, if the goal is not achieved, what will be the result? What will be the penalty if that goal is not achieved, and who will pay the penalty?

Goal 2, provide more choice and increase parental involvement. What if at the end of three years there is less choice and there's less parental involvement? Again, how much is that going to cost? Who's going to measure it, and what are the implications of that goal not being achieved? Again, if a ratepayer was looking and tried to determine how much that was going to cost taxpayers in this province, where would they go in the budget estimates to find that?

You can go through the list. Improve teaching: again, where in the budget estimates is that found? Where is that detail?

To develop competencies for beginning and experienced teachers: again, who's going to do that? What will we pay them to do it, and how will we judge whether or not they're successful? Again, where is the trail back to the budget estimates?

The restructuring of the education system, reducing school boards, changing the roles and responsibilities of school boards, getting Francophone governments in place: where in the estimates

is that accounted for? Again, how is it going to be measured, and if the goals are not met, what are going to be the consequences?

Ensure equitable and adequate funding. Again the question: where in the estimates do we find this accounted for? The same for reducing and restructuring education. We can go on, Mr. Chairman, linking each and every goal in the business plan and asking where in the estimates would one find the money. How do you account for a business plan? Because surely we can't have a business plan that doesn't have money attached to it.

11:00

I'd like to move, then, from the business plan specifics and pose some questions to the minister about what sits behind the business plan, because I think it's an interesting notion that an education department would choose a business plan, a business model as the management vehicle to control schools and to control their operations. I think it really is interesting that in their search for plans they decided that the business model was the appropriate model.

I think there are some underlying beliefs about education that the minister and his staff might examine. What exactly do they believe is the government's role in providing education for students, and how does this business plan fit in with those beliefs? I would ask: is the business plan a metaphor, an appropriate metaphor, for dealing with human services such as education? When you apply that metaphor, the business metaphor, to education, what kinds of distortions arise?

I'd ask: how is the plan internally consistent? The dollars that are going to be spent seem at places in the plan to be at odds with each other. There are obviously going to be higher instructor/student ratios across the province. How does that fit with the claim that there will also be improved quality? I'd ask: what kinds of new problems does the plan create for education?

What ideas does the plan promote in terms of centralization? If the business metaphor is the one that's being borrowed from Gaebler and his coauthor, the notions of centralization in the plan seem to be at odds with statements about local control, the sharing of decision-making, local decision-making, asking schools. I think Edmonton public is quite flattered that the minister has chosen to use school-based decision-making as his model for the province, but that carries with it a lot of baggage. I wonder in terms of the business plan if those things have been thought through.

Is the plan consistent with government past investment? I think there are some glaring exceptions here where the government in the past has put a tremendous amount of money into plant, into staff, yet the plans don't seem to be consistent with that past spending.

How are individuals that are going to be displaced by this plan going to be handled? Where in the budget estimates are those people accounted for?

I guess maybe the last question I'd ask is: what transitions are included in the plan as we move from the "what is" to what the government has determined through this plan and through those budget estimates to the "what should be"? Where in the plan? What transitions have been accounted for?

Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. Minister of Education.

MR. JONSON: Thank you, Mr. Chairman. First of all, in making my remarks this evening, I would like to thank the chairman of the subcommittee for I think conducting a good meeting. Also, a thank you and a commendation is due to all the members that were there that morning. The questions were many

and varied and I think certainly were in keeping with the intention of the whole idea of having a subcommittee examine a department's budget.

I'd like this evening just to make some general remarks, and then I will comment on the questions that the hon. members opposite have posed. I think at the committee we had the opportunity to both examine some of the specific expenditure items in the budget as well as the overall directions being taken in education, and I'd like to just talk about those general directions for a moment.

We recognize, as was indicated in the Member for West Yellowhead's remarks, that education is certainly a foundation for the economic and social future and prosperity of our province. Certainly the government is committed to maintaining quality education in this province and meeting the needs of Alberta students.

I think we have to remember here, Mr. Chairman, that overall the government has a clear goal of eliminating the deficit and balancing the provincial budget. Perhaps it seems as if this is not directly related to the budget of the Department of Education. However, the Department of Education, the Department of Health, the Department of Family and Social Services, and the department of advanced education are such a large proportion of our budget that they have to be part of the overall effort.

In terms of Education's part in that overall effort I think the clear priority that the government has placed on ECS to grade 12 education is evident in the estimates that are being presented. We have a 12.4 percent reduction over the four-year period, '92-93 and onward to '96-97. If you consider along with that, Mr. Chairman, that the local contribution to education in the province is maintained at its current level or slightly increased by way of the growth in the assessment, then I think the percentage is significantly less than that 12.4 percent. I think a clear priority is there over other areas of government.

Now, there was a question, Mr. Chairman, raised about the linkage between the budget and the overall business plan. By the way, I do not find the use of the term "business" in relation to education at all unacceptable. We have to be businesslike in the way we operate hospitals or in the way we operate schools or in the way we build roads. That is in no way not still considering the fact that in education we're dealing with individual people as opposed to perhaps material or concrete things.

Achieving the expenditure reduction, Mr. Chairman, is taking place in consort with the major restructuring of the governance funding in delivery of education. This will give Alberta an education system that is both more efficient and more effective. That is what Albertans have repeatedly told us during the past number of months: "We want to see that effectiveness and efficiency in the system." They told us to define a basic education and fund it. They said to cut administrative costs and focus resources on the classrooms. Albertans told us to put in place a funding system that was fair and provided an equitable opportunity for all students to access a quality education. They said, and I repeat, that education should be the government's top priority.

Our restructuring plan will see an education system where the focus is moved back to the students, classrooms, and communities. In response to one of the questions that was posed, Mr. Chairman – also I think it links into both of the previous speakers' remarks – if we're looking at other countries in the world to the degree that their lessons can be applied in our nation and in our province, the education systems that seem to be highly regarded in the learned articles which are written are those in which there is, yes, direction from the top, strong direction in terms of standards and in terms of core curriculum but also that the maximum flexibility is left at the delivery point, the school level,

the student level, the community level to meet those standards, to meet those goals in the most effective and locally based way possible.

That, really, Mr. Chairman, is what we heard, what we have acted upon in terms of the model, the restructuring of education that we're pursuing for the future. It is a system, a restructuring program that's outlined in the business plan which directs the resources to the school level, to the site, to the community, to the students, and that is what we are aiming towards accomplishing here.

11:10

I won't be able to cover all of the questions that were posed – and I thank the members opposite for bringing up many of these issues – but there were three or four items which I just have to respond to this evening.

First of all, the reference to the implementation teams. Certainly if members do not already have the material, I'm quite prepared to make the terms of reference available to you. Possibly they have found that. Mr. Chairman, the other thing is that it should be clear that the people who will be serving on these implementation teams are not receiving any special remuneration, and I think that should also be cleared up this evening. In terms of the fact that they are members of the government, we are implementing government direction here. They are going to be discussing with the stakeholders, and there will be other types of approaches involving the publics that are involved in these particular areas. So that will certainly occur.

There was also a comment and a question with respect to achievement testing. I think that is somewhat new. I do not recall that being focused on a great deal in the subcommittee discussions. When you consider, Mr. Chairman, that teachers typically administer perhaps 20 or 30 tests during a year, the fact that the government wishes for the benefit of being able to assess how progress is being made in the province that they would administer two at the grade 3 level in language arts and mathematics, four at the grade 6 level, and four at the grade 9 level, I do not think this is particularly onerous. The other thing I would like to mention is that we are examining how these tests could be marked at the jurisdiction level and how the results could be turned around so they could be meaningfully used in the assessment of students.

I think my time is possibly running out, Mr. Chairman. I note the points that have been raised this evening. I would like to just conclude by indicating that there is a plan designed to have strong direction from the top in the key areas of the performance of the system and its accountability and openness, but it is a plan which is focusing on site-based management, maximizing the impact of the resources that are available at the school level.

Thank you.

MR. CHAIRMAN: Are you ready for the vote?

HON. MEMBERS: Ready.

Agreed to:

Program 1 – Departmental Support Services	
Total Operating Expenditure	\$14,712,000
Total Capital Investment	\$388,000

Program 2 – Financial Assistance to Schools	
Total Operating Expenditure	\$1,479,337,000
Total Capital Investment	\$4,200,000

Program 3 – Development and Delivery of Education Programs	
Total Operating Expenditure	\$34,990,000

Total Capital Investment	\$437,000
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Program 4 – Premier's Council on the Status of Persons with Disabilities	
Total Operating Expenditure	\$593,000
Total Capital Investment	\$3,000

Summary	
Total Operating Expenditures	\$1,529,632,000
Total Capital Investment	\$5,028,000

Department Total	\$1,534,660,000
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MR. CHAIRMAN: Are you going to report it, hon. Minister of Education?

MR. JONSON: Mr. Chairman, my apologies. I would move that the vote be reported.

[Motion carried]

Community Development

MR. CHAIRMAN: I'll call on the Minister of Community Development.

MR. MAR: Thanks, Mr. Chairman. I was here last on March 10 when I talked about the costs of doing Community Development business, and today I want to talk about the value of my business. Some of that value is economic. The direct economic benefits are real, and they can be measured, first of all, in terms of the amount of money that they bring into the province and into its communities and regions; secondly, in terms of the economic spin-offs generated by that income; and finally, in terms of the quality of life measured by standard statistical indicators. I believe that the people here know and understand about those economic benefits.

You also know that such economic benefits are not unique to my department. Other government departments and other important activities public and private can make similar claims. But our activities also have social, cultural, and political value and benefits. First among such benefits is the quality of opportunity and knowing that we can take advantage of opportunity as individuals and as communities. Let me give some details and examples by looking at program 2, community services. In my department we do much of our work in Alberta's towns and hamlets, places that do not always have a critical economic mass, places where people do not always have a feel for regional, national, and global markets. These communities do have assets, and they do have resources. They're not a collection of deficiencies. All they need is a chance to stand back and look at what they have.

We all know how hard it can be to appreciate our own strengths. Our community services field office staff know how to identify strengths and the people who build on them, people who can generate community-driven projects that improve the quality of opportunity in their communities. Do our staff do the work themselves? The answer is no. Their skill is in broker and community partnerships. They get people who have capacities, ideas, and talents together with people who have resources, and they help things happen. They are catalysts. They do valuable work, Mr. Chairman. The value of that work is reflected in the fact that the community services field office expenditure under program 2, community services, management and operations, accounts for \$4.080 million.

11:20

The next largest management and operations expenditure is for the recreation and sport services and arts services. Here we continue to look at quality of opportunity. Twenty-five percent of Canada's 1994 Winter Olympics team came from Alberta, and I'm sure that every one of those Albertans benefited from our recreation and sports services during their development. So the question is whether this is a worthwhile investment for Alberta and Albertans. I'll ask people this: how much do think Kurt Browning contributed to the Alberta advantage – Alberta's image as a place to live, raise children, and do business – at the 1994 Olympics? Kurt was at the end of a distinguished amateur career this year. Many of Alberta's Olympians are beginning their international careers. Some of them will also join the ranks of Alberta's distinguished recreation and international sports ambassadors: Kurt Browning, Mark Tewksbury, Ken Read, and Susan Nattrass. At the same time, many thousands of Albertans are living happier, healthier life-styles through recreation and sport.

[Mr. Clegg in the Chair]

There are, of course, similar stories and similar opportunities in our art services activities, and we think of the national and international attention that comes to Alberta through its home-grown artists and through our important arts and cultural communities.

Mr. Chairman, there is much that I wish to continue to say. However, in light of the lateness of the hour I move that we rise and report.

[Motion carried]

[Mr. Sohal in the Chair]

MR. ACTING SPEAKER: The hon. Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1995, for the departments and purposes indicated.

Department of Family and Social Services: \$1,400,424,000 for operating expenditure, \$3,447,000 for capital investment, for a grand total of \$1,403,871,000.

Department of Municipal Affairs: \$563,386,000 for operating expenditure, \$1,693,000 for capital investment, \$128,500,000 for nonbudgetary disbursements, for a total of \$693,579,000.

Department of Health: \$3,213,649,000 for operating expenditure, \$1,087,000 for capital investment, for a grand total of \$3,214,736,000.

Department of Advanced Education and Career Development: \$1,063,048,000 for operating expenditures, \$10,782,000 for capital investment, \$57,742,000 for nonbudgetary disbursements, for a grand total of \$1,131,572,000.

The Department of Education: \$1,529,632,000 for operating expenditures, \$5,028,000 for capital investment, for a grand total of \$1,534,660,000.

The Committee of Supply has had under consideration certain resolutions of Community Development, reports progress thereon, and requests leave to sit again. What a big pile of figures.

MR. ACTING SPEAKER: Does the Assembly concur with the report?

HON. MEMBERS: Agreed.

MR. ACTING SPEAKER: Opposed? Carried.

[At 11:26 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

