

Legislative Assembly of Alberta

Title: **Wednesday, April 30, 1997**

8:00 p.m.

Date: 97/04/30

head: **Committee of Supply**

[Mr. Tannas in the Chair]

THE CHAIRMAN: Good evening. I'd like to call the committee to order. I think some of our colleagues are already anticipating what we're about to do. As committee members may recall, we are going to divide into two subcommittees. Subcommittee C is going to hear the estimates of the Municipal Affairs department and will remain right here in the Assembly Chamber, and subcommittee D will meet in room 512 on Economic Development and Tourism estimates. Those of you who are in subcommittee D, would you please head on to room 512, and we'll meet you hopefully earlier than later.

[The committee met as subcommittees C and D from 8:02 p.m. to 10:20 p.m.]

THE CHAIRMAN: I'd call the committee to order.

The hon. Member for Dunvegan.

MR. CLEGG: Mr. Chairman, subcommittee C of the Committee of Supply has had under consideration certain resolutions of the Department of Municipal Affairs, reports progress thereon, and requests leave to sit again.

THE CHAIRMAN: Does the committee concur in this report?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Member for Lacombe-Stettler.

MRS. GORDON: Mr. Chairman, subcommittee D of the Committee of Supply has had under consideration certain resolutions of the Department of Economic Development and Tourism, reports progress thereon, and requests leave to sit again.

THE CHAIRMAN: Does the committee concur in this report?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Hon. Government House Leader.

MR. HAVELOCK: Yes?

THE CHAIRMAN: We were trusting that you were going to request the committee to rise maybe?

MR. HAVELOCK: Yes. I move that the committee rise and report.

Thank you.

[Motion carried]

[The Deputy Speaker in the Chair]

MRS. GORDON: Mr. Speaker, the Committee of Supply has had

under consideration certain resolutions of the Department of Municipal Affairs and the Department of Economic Development and Tourism, reports progress thereon, and requests leave to sit again.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

head: **Government Bills and Orders**

head: **Second Reading**

Bill 7

Appropriation (Interim Supply) Act, 1997

MR. DAY: Mr. Speaker, I would move Bill 7, the Appropriation (Interim Supply) Act, 1997, for second reading.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Mill Creek.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I rise to speak to Bill 7, that being the Appropriation (Interim Supply) Act, 1997, as presented by the hon. Provincial Treasurer.

As I understand it, Mr. Speaker, this Bill seeks legislative approval to grant interim supply for the expenditures that are essentially taken out of the general revenue fund as well as a couple of additional items that come from the lottery fund. In particular, I guess we're looking at not only operating expenses that would keep the government afloat, as it were, but also some capital investments and some nonbudgetary disbursements as well.

It's curious that these are the same amounts of interim supply that were specified under certain special warrants which were brought forward through orders in council 112/97 and 136/97, which came out March 17 of this year and April 1 of this year. In total I understand that what this Bill covers is a request for this Assembly to approve \$3.757 billion. A quick calculation of that sum, Mr. Speaker, tells me that the government really is asking for almost 33 percent of the total expenditures forecast for the '97-98 fiscal year. I have some difficulty in understanding why the government would be asking for that large amount of money.

However, in looking at this and understanding that government does have to operate during the months of April, May, and perhaps even a little longer, depending on how long it takes us to debate and eventually approve or not approve Budget '97, I can perhaps understand why it is that the government is requesting an appropriation at this time. I don't think I can agree with the amount, however, that is being requested, especially given that it represents 32.9 percent of total expenditures. So it's one of those difficult situations for all members in this House, because it really goes against a lot of the things that government itself had promised it wouldn't do.

As we look over the business plans and performance measures and outputs and so on forecast in previous budgets, Mr. Speaker, we note that previous Treasurers – and I'm sure the Provincial Treasurer of the moment would also agree – were touting that all programs and funding would be results driven. What that means to us is that Albertans would be assured that they're receiving value for their tax dollars and they would also be receiving some explanations, certainly much more detailed explanation than is

provided in the schedules that are embodied in Bill 7.

We see a number of single-line entries that really don't give any explanation as to where the moneys are going. For example, we see \$3.546 billion in operating expenses for government ministries, and then we see an additional \$61.8 million in capital investments for government ministries, plus \$57.9 million in nonbudgetary disbursements for government ministries, an additional \$32 million for payments out of the lottery fund, plus \$23.6 million in operating expenses for the Legislative Assembly, and on top of that, another \$483,000 in capital investments for the Legislative Assembly. So once again we're talking about a very, very significant amount of money that is basically summed up in perhaps five or six pages of single-line entries with no explanations. Certainly that causes me some concern on behalf of my colleagues as well as on behalf of taxpayers in general.

It seems to me, Mr. Speaker, that a government that is committed to rethinking and redesigning the way it approaches business and conducts itself should be taking its business plans, enunciating on them, providing some detail, and giving us some proper benchmarks that would accompany these numbers that they are putting forth, but that is not what we see in Bill 7. What we do see is an ability for the government at this stage, if it's approved through this Bill, to actually receive approval, as it were, to go ahead, appropriate these expenditures, and then do with them as they please in terms of shuffling or reorganizing within each department, because the government does have the right to do that.

Now, we need to know how much is being allocated to individual programs in each of the departments under interim supply before we approve this, and I would think that in all good conscience all members would be asking that very same question, including the front bench, unless they would care to comment later as to why they don't think that that's appropriate to do. If that's the case, then I'd be very anxious to hear the explanations, and I'm sure others would too. Albertans want to know, Mr. Speaker.

10:30

We need to evaluate somehow the dollars that are going to these programs with the type of success being sought in each of the programs in terms of the stated goals and objectives, which again governments over the past couple of years have so clearly stated as being part of their fiscal accountability, openness, honesty, and transparency. "Programs and funding will be results-driven": a quote of one of the government's budgets of the past. "The government will be accountable to Albertans for how their money is spent," is another quote. There will be "progress in meeting identified goals," and this will be reported in "clear, measurable terms." So we're looking forward to those kinds of clear objectives being set, those kinds of clear and effective strategies being set with some sort of a performance measure built in.

I have some difficulty following where through this appropriation Bill any of that type of accountability is enunciated. I think these are very valid quotes and ones which I'm sure the government has tried to aspire to. But here comes an example of where either they are asking for a little too much at this stage, or perhaps they have some performance measures they aren't sharing with us that might accompany this Bill that would more clearly identify how these amounts were arrived at. I mean, they're fairly specific dollars here; for example, support to the Legislative Assembly, operating expense: \$13,432,000. It's a very specific amount of money, and I'm sure they didn't just pull that out of the air, Mr. Speaker. It would, I think, behoove the government

from time to time at least to explain to us what the background is to that figure and how it was arrived at. How else can we evaluate government performance? How else can we evaluate government projections? And how on earth can we ever do our job as an opposition in terms of working with the government on some occasions to hold them accountable if that type of information is not clearly presented?

Again, I flag the caution that if we approve this interim amount of money, Bill 7, what we're really doing is giving the government 33 percent of the budget without any kinds of explanations or accountabilities whatsoever because they are absent from this Bill. So this presentation of expenses and nonbudgetary disbursements, including the lottery fund, almost renders the Bill kind of meaningless, I suppose. I don't see where this is sort of accounted for in any specific way within Budget '97 either.

The amount that's being asked for here ought to have some benchmarks that the government presumably has established, perhaps in other documents that we're not seeing, by which they would come to evaluate and measure the outputs that they themselves have espoused by which they would come to evaluate the outcomes and performance measures that they have touted on an individual program-by-program basis.

Now, there is one thing that I would like to compliment the government on here, and that is with regard to the separation of operating expenditures from capital investments, which is a move that we have long been looking for. I note that in previous years the full expensing of capital expenditures within the GRF made it very difficult to measure the true costs of individual programs and services, but to their credit, at least this time we see the separating out of operating expenses from capital investments. It still begs the question, of course: what exactly is included under the operational side, and what types of capital investments are we looking at?

For example, we see in the case of the Auditor General's office an operating expense of \$3,188,000 plus a capital investment of \$483,000. I'm sure Albertans would be interested to know precisely what it is that the Auditor General and his office require by way of a \$483,000 expenditure. I'm not attempting to be critical of the Auditor General's office. That's not the point. What I'm simply asking is: what is the \$483,000 going to be spent on?

Similarly, we see capital investments, capital expenditures in all the different departments, but they are single-line entries with no explanations whatsoever. In the interest of having open, honest, and accountable government, what would it take for them to take an amount such as the \$55,000, for example, for the office of the Ethics Commissioner, which is listed as an operating expense – what would it take for the government to just put another two or three sentences below that, or two or three other costings, that would show us how that amount was arrived at? It wouldn't take too much, and then we'd know specifically what we're dealing with. Again, I don't doubt that the office of the Ethics Commissioner needs the money. We understand that they have to stay in operation, and we also understand that the general budget won't be passed for 28 legislative days, which could feasibly take us to about the end of May. However, some type of an explanation surely would be appreciated, if not required.

Now, the Auditor General, in fact, along with the Alberta Financial Review Commission, did recommend this separation of the operating and capital expenditures in a method intended to strengthen the accountability of management and also to provide some type of evaluation on the effectiveness of the various

programs. However, the government seems to have used this recommendation as a means to reduce the fullest level of disclosure that would be desirable on a program-by-program basis within the appropriation Act.

I'm sure all members have read the Act in question here and have looked at this, and particularly to new members who are experiencing this for the first time. If you take a look at this, tell me if you're comfortable – tell me honestly if you are comfortable – with approving 33 percent of the entire year's budget on the basis of one- or two-line items. If you are, then obviously you will be voting for it. If you're a little apprehensive, as I am, then perhaps you might reconsider your position and just ask the government to provide some additional details, bring it back in, we'll have a go at it, take a look at it like serious elected officials, and come up with a rational decision. No doubt we will approve it. I have full confidence that with that type of disclosure there wouldn't be any problem. Is there anybody who disagrees with that? Everybody agrees, Mr. Speaker. Accept that as just a suggestion to the Provincial Treasurer perhaps or to the House in a general sense.

Again, we do understand that government does need interim supply money, because without interim supply money the government would obviously grind to some sort of a halt. However, the fact is that before the Deficit Elimination Act was passed in 1993, this practice of appropriating supply was to include a program-by-program breakdown under each supply vote. What this did was give the Legislative Assembly and all Albertans a certain level of assurance that the proper amount of money, as set out in the general revenue fund estimates, was being allocated to each program within each different department.

Now, the Deficit Elimination Act, section 7, was presented by a previous Provincial Treasurer under the guise of streamlining this budget process and to provide some greater flexibility. We understand that. But section 7 has now, I think, been dealt a blow of weakness, and that weakness is in terms of accountability for expenditures.

By providing a simple global figure for each department under interim supply, such as we have here, without a breakdown on a program-by-program basis, I think the government is really lacking in some accountability and certainly lacking in some fiscal responsibility, which disappoints me because I had thought that they were very serious – in fact I'm convinced that they made a serious attempt at being serious – about fuller disclosure. But here comes an opportunity to act that out, and sadly the opportunity has been lost if this Bill goes through the way it is.

To quote from Budget '95, for example, Mr. Speaker:

The government will be accountable to Albertans for how their money is [being] spent. Progress in meeting identified goals will be reported in clear, measurable terms.

I don't see clear, measurable terms here. I see clear dollar amounts, I see clear totals, and I clearly see a huge amount of money being requested without any real explanation other than a single-line entry. That causes me and it certainly causes my constituents some concern.

10:40

I think the ministers ought to explain to this House by providing a breakdown of this interim supply on an individual program-by-program basis the elements and the details that back up the dollars requested within each of their departments. For example, if I look at the request from Treasury for \$8,112,000 in operating expenses plus 327,000 additional dollars in terms of capital investment, I have to ask how much of this \$8.439 million in

interim supply is being spent on vote 1.0.1 of the Provincial Treasurer's office? What is the breakdown of this expenditure on an object-by-object basis? Object-by-object means: what are the wages and salaries, what are the contract employees, what are the travel expenses, what are the communications, what are the hosting expenses, and so on and so on. This is spelled out in some detail on page 66 of Budget '97, the explanation, that is, of what object-by-object is, but I don't see it capitalized on. How much of this \$8.439 million is being spent on Vote 1.0.2, which is the Deputy Provincial Treasurer's office, and what is the breakdown of that expenditure on an object-by-object basis?

I know the government must have it because I don't think they just pulled the figure out of the air. All I'm asking for is a simple statement provided to me on a sheet of paper. You can write it out by hand, if you like. Give me your working notes that back up this document, and we can both go to town. I don't see any problem with that at all, if that's what the government would bring forward.

We see all kinds of questions surrounding this \$8.439 million in Treasury. Under Vote 1.0.3, financial support services, all we'd need there is a breakdown by object once again. Similarly in the human resources area, similarly in the systems area, in the records management area, in the communications area, on standing policy committees, in the regulatory reform area . . . [Mr. Zwodzsky's speaking time expired] Has the bell gone? I may have to hold my nose and vote for this yet. I'll determine that after I hear more debate.

Thank you.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. I know I won't be voting for this Bill. There's absolutely no way. I won't. I'm not prepared to vote for something that's really a special warrant. What it speaks to is two main problems with this government. One is their lack of respect for the budgetary process that we've been going through and that really should be a part of the legislative process in this Assembly. They just come in here with this flimsy number of papers and expect to commit 30 percent of the budget of the year. I think that's reprehensible on their part. They should be far more accountable to the people of this province than they are.

The second major problem with it is that there's a lack of ability on the Provincial Treasurer's part to properly plan. When you have to come in like this and demand 30 percent of the budget in special warrants, obviously he doesn't have a handle on how to run his department or how to properly allocate the funds that are required, and I think that is reprehensible. [interjection] I would plan. That is how I would do it, Mr. Minister. Definitely you do have to plan. You guys knew very well that the election was coming, and you know very well how much money is required.

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: Even though it is a late hour, hon. members, there's only one person speaking at a time, and we have too many people peeping in. If we could have some respect here for the hon. member, who will of course address the Chair when she makes her comments.

The hon. Member for Edmonton-Ellerslie.

Debate Continued

MS CARLSON: Thank you, Mr. Speaker. Someone over there said: show me the money. That's exactly what we've been asking them to do: to be open and accountable, to properly go through the budgetary process, and to ask for money and plan for the money in a responsible manner.

With those comments I'll close by stating one more time that I will not vote for this Bill.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. You know, this is not the first time that this House has been faced with this abomination against democracy. We've been told before that if we dare vote against these made in secret behind closed doors special warrants of government, we'd be voting against health care facilities in our constituencies, we'd be voting against schools in our constituencies, we'd be voting against seniors' lodges in our constituencies, and we'd be voting against highway pavement and maintenance in our constituencies. Of course that's not true. What we would be voting for is democracy. We'd be voting for openness. We'd be voting for accountability. No matter what the members of the government would have their own private members believe, the members of this opposition will always defend openness and accountability and democracy in this province. We do not believe in government by secret special warrants, 3 and a half billion dollars worth of government by secret fiat. It's not right.

Mr. Speaker, what we're faced with in Bill 7 is a six-page Bill. If I can paraphrase a former minister of the Crown, who used to pick up policy documents and say: "What kind of a thin policy document is this? It's only six pages long, and one of them is blank."

AN HON. MEMBER: Who said that?

MR. SAPERS: That was that former minister of social services.

Thirty percent of the budget. Six pages and one is blank. If the people of Alberta could only know that this is how their government spends their money, they would be ashamed. This government ought to be ashamed as well.

You know what one of the most offensive parts of this Bill is? The government would have us believe that they need to do this

because of the timing of the election. The government would have us believe that they need to do this because without it public services would grind to a halt. Well that's hogwash, Mr. Speaker. We all know that's hogwash. In fact, if that were true, then there would be a section in this Bill somewhere that would tie the hand of government from reaching deeper into the public purse in secret. But it doesn't do that. You know what this Bill does? This Bill says that you can spend over 3 and a half billion dollars any way you want, anytime you want during the whole fiscal year. Not just during this period of time between the budgets approved. Not just because of the election timing. No. Anytime in the next 365 days they can just go ahead and spend this money any way their heart desires without any more debate.

10:50

Now, the fortunate thing is that this caucus is here to make sure that that doesn't happen, and we're going to try to do that every way we know how. In particular, we're going to try to do that by holding this government to account during the few small moments they permit in budget debate. During the few hours, the scraps that are left over that we've had to fight for to examine the estimates of this government, we're going to have a chance to review in some detail, and in doing that review, we'll be holding the ministers individually to account. Those ministers are going to have to answer not just to this opposition but to their own constituents and to the people of this province. They're going to have to answer those tough questions about accountability. They're going to have to answer why they had to come in with this six-page Bill with one page blank, a 3 and a half billion dollar appropriation, and why they didn't just wait for the details to come out. What's their rush? What's their hurry to do this business in secret? I am very suspicious, Mr. Speaker, very suspicious. I have heard no justification from the front bench. They sit there; they hang their heads in shame. Look at them. Each and every one of them hanging their heads in shame.

Well, Mr. Speaker, I'm not ashamed to stand in this Assembly and fight for openness and accountability, and I'll be voting accordingly.

[Motion carried; Bill 7 read a second time]

[At 10:53 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]