

Legislative Assembly of Alberta

Title: **Monday, March 15, 1999 8:00 p.m.**

Date: 99/03/15

head: Committee of Supply

[Mr. Tannas in the chair]

THE CHAIRMAN: Good evening. The Committee of Supply will now reconvene. We have before us a motion moved by the hon. Government House Leader that

pursuant to Standing Order 57(1) four subcommittees of the Committee of Supply be established by the Committee of Supply with the following names: subcommittee A, subcommittee B, subcommittee C, and subcommittee D.

That's where we were at 5:30 when the committee was adjourned.

The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. I was waiting for the Member for Medicine Hat to get up to continue speaking, but I guess if he's not, I'll make a few comments with respect to this process that we're approving with the motion on the floor at this time.

The motion basically sets out four subcommittees and has the group meet. I pointed out to the Government House Leader, who moved the motion, that if we truly followed subsection 4, it brings forth a conflict in the process of the operation of the subcommittees because it stipulates:

When the Committee of Supply is called to consider the main estimates, it shall on the six calendar days after the agreement of the motion establishing the subcommittees, excluding Thursdays designated by the Official Opposition, when main estimates are under consideration, resolve itself into two of the four subcommittees, both of which shall meet and report to the Committee of Supply.

If we look at that, Mr. Chairman, if we approve this motion this evening, that means that on the six subsequent calendar days we will be meeting in subcommittee. That means that we will be meeting from now; we'll meet Tuesday; we'll meet Wednesday; we'll skip Thursday. Then the "calendar days" means we'll have to meet on Friday, on Saturday, and we'll have to meet on Sunday. When I pointed this out to the House leader, he said: whoops, you're right. But, by gosh, he saved himself, because what happens is that the Standing Orders, which stipulate the order of sitting for the House, actually says that we don't sit on Friday, Saturday, and Sunday. Does that mean now that the subcommittees do not sit next week when we come back? They are officially designated only for six calendar days, so that means that by Sunday, which is the sixth calendar day after they've been approved, these committees now are defunct.

What we've got is a situation where we are now only approving subcommittees to sit on six calendar days. Even though the Standing Orders are the ones that control when the Legislature sits, we now have a conflict that's going to come up. Does that mean that next Monday, when we return to the Legislature, officially we have to again appoint subcommittees for the four remaining days? We'll only sit Tuesday and Wednesday of this week under subcommittee rules because Thursday is a designated committee. So effectively what we've got is a little bit of a conflict in the relationship between what we're approving here in the subcommittee structure and the Standing Orders, which control and regulate the sitting of the House.

Mr. Chairman, when I looked back to last year, this is exactly the same motion that we approved at that time. It's not something for which we can really put the onus of correction or the onus of mistake on the current House leader, because this was done previously. What we've got to do now, then, is look at it from the perspective of

how we can make this work so that when we come back next Monday to finish the remaining four days of our subcommittees, they are legitimate. I think that on Monday of next week we'll have to have a point of order to determine whether or not the actual committees are legitimate, because they've only been authorized for six calendar days under this motion. Even though it doesn't mean that we have to sit Friday and Saturday and Sunday of this weekend in order to complete our business under the subcommittee because the Standing Orders take precedence, maybe what we'll have to do is reintroduce a motion like this to complete the process at the end of our four days so that we can actually deal with it from the perspective of those -- what shall we call them? -- departments that are left out, departments that are not debated.

I do not have in front of me the official departments that we'll be dealing with this week. At least I don't think so. Let me just check for a minute. Yes. Executive Council will be dealt with tomorrow, so will Community Development, and then on Wednesday evening Labour. So effectively what we've got is Advanced Education, Treasury, Community Development, Intergovernmental and Aboriginal Affairs, Transportation and Utilities, Justice, Agriculture, Public Works, Energy, Economic Development, and science, research, and information technology: all those will not be dealt with under the approval that we're giving them today under this motion, because this motion only strikes committees to stand for six calendar days. Now, I hope that the House leaders can get together and deal with it in the context of how they will bring this into the main estimates.

What we've got to deal with also, Mr. Chairman, is a couple of the other issues that come up because we have this subcommittee structure. I look at the subcommittees. I sit on subcommittee C, but I also am the critic responsible for one of the departments that is going to be heard by subcommittee D. Now, I can go to subcommittee D; I can speak relative to Economic Development. But when the vote comes on Economic Development, I can't vote because I'm not a designated member of subcommittee D. Now, in the context of legislative responsibility, recognizing the role that opposition members have in the responsibility of keeping the minister accountable on behalf of the people of Alberta as the opposition critic, what this is saying is that I get to deal with the Minister of Economic Development from the perspective of asking a series of questions, raising a series of issues, but I am not allowed to vote and express my view as to the correctness of the Economic Development budget in my role as opposition critic.

Mr. Chairman, I find that somewhat ironic in the context of the British parliamentary process. The whole deal here is based on the fact that there is a role for opposition, yet I was not allowed to sit on subcommittee D as a voting member, but the department that I serve as critic for is being heard by that subcommittee. So when the time comes to vote on that allocation of the budget, as the critic responsible I cannot vote. I can speak, but I cannot vote. I find that somewhat ironic within the context of the role of government and opposition.

Now, had we not had the subcommittee structure, had we had the full debate before the Committee of Supply, I would be able to stand, question the Minister of Economic Development with respect to any issue I wanted, and when the time came for a vote, I would be a full member of the committee. I would be fully authorized to stand and vote on the budget for Economic Development. Now, Mr. Chairman, what they're going to tell us, because I can already hear what's going to happen, is: well, Ken, when it comes back to full Committee of Supply, you can actually vote. But that's only part of the process that we're defining here under our rules of budget debate, our rules for the Committee of Supply. I will not be allowed

to vote when subcommittee D meets. So if I can't vote, why is it that anybody votes?

What we need to deal with is the issue of what is fair and equitable. Well, maybe if even as the critic I can't vote on that Economic Development portfolio and that Economic Development budget in the subcommittee, maybe nobody should be voting on them. We should be talking, raising issues, dealing with the point of view, and then only voting when it comes back to the full committee.

8:10

Now, Mr. Chairman, I want to take exception to the Minister of Energy over there. He's telling me that it doesn't matter if I'm not here anyway, if I can't vote, because I'm usually not here. Well, it just so happens that most evenings I'm here. He said that most evenings I wasn't. Well, in actual fact, most evenings I'm here because I come from out of town and I make an arrangement with my caucus members to serve evenings in this Legislature so that they can have time with their families. Now, that's a trade-off that we do make. So in actual fact that minister is not speaking the full truth of the facts in this Legislature. He hasn't got his data correct when he says that I'm usually not here in the evenings.

Now, Mr. Chairman, we have to move to looking at how this deals with fairness, with full representation. When we get back to my responsibility as critic for Economic Development, maybe the process should be modified if we have to deal with it in the context of subcommittees. Maybe nobody should vote in the subcommittee, because that way I get full and equal responsibility and authority as critic. When you have people who vote in a subcommittee on the budget, I have no problem with their voting to report, but when they vote to approve that budget, as critic I lose that opportunity, and as critic that is my responsibility. I was assigned that responsibility by the Leader of the Opposition. Now, what you're telling me is that just because somebody in their infinite wisdom over there decided that I was not going to be on subcommittee D or, in the reverse, that Economic Development would not be heard by the committee which my caucus asked me to serve on, I am stripped of some of the responsibilities of my critic position.

I see that as something that we need to look at and deal with if we have to have these committees in the context of how they work, because I see that as a real move to undermine the true parliamentary responsibility and obligation of an opposition critic when we deal with responsibilities. It would be very easy for the House leaders to deal with this assignment in the context of making sure that departments appear before the subcommittees that critics are assigned to. But we all know how this works. The ministers, being all powerful in this Legislature, get to decide on which committee they want to go based on which one meets on which night and who's on it, and the rest of us have to fit in.

Well, that doesn't work out. It strips us of our responsibility and our obligation as opposition members. I feel that as the critic for Economic Development I should have a right to vote in subcommittee just like everybody else who's on that. It's part of the obligation that the Leader of the Opposition assigned to me when she gave me that position as critic.

Mr. Chairman, we've debated at length the legitimacy and the functional responsibilities and the legislative authority and the powers that subcommittees take away from MLAs, when they're elected to represent their constituents. I don't want to belabour that point. I've covered the two issues that really reflect my concerns about how we're structuring these subcommittees tonight, how we're dealing with them in the context of the responsibilities that I see that critic having within the context of the British parliamentary system. I would suggest that if we're going to use subcommittees, we at least

make an effort to make sure that the parliamentary system still works within that framework. The critic responsible for a department should be provided the legitimacy of this process so that when they vote on those allocations at subcommittee, that critic should be there and should be eligible to vote.

With those few comments, Mr. Chairman, I think I'll take my seat. We know that I don't support this idea. I don't like the idea of subcommittees because there are a lot of areas where I have been approached by constituents in Lethbridge-East, and they've said: "Now, this is an issue I want you to bring up. I want you to ask these questions when you're doing budget debate. I want to know why the dollars are allocated the way they are," or "I want to know why dollars are not allocated to the areas that I think they should be." That constituent expects me to be given the opportunity to stand and question the minister with respect to their wishes. We all know that under this subcommittee process that cannot happen.

Mr. Chairman, within the context of democracy and especially within the concept of elected representation as an operational form of democracy, we should be doing everything we can to make sure that that kind of openness, that kind of opportunity is given to every MLA to express the wishes of their constituents.

So with those comments, Mr. Chairman, I think I'll take my seat, because it is a frustrating process when I have to go back and explain to my constituents: "I'm sorry; I couldn't vote on something you wanted me to because I was on the wrong subcommittee. I couldn't make a presentation on your part because I was on the wrong subcommittee." I think in the context of how that works out with the public of Alberta, it embarrasses all of us as elected representatives.

THE CHAIRMAN: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Mr. Chairman. I rise to speak to this motion also. This particular motion is one that we deal with on a regular basis in this Legislature, and we should not. We should actually be pleased and proud to serve and to speak in this Legislature, particularly on matters that have interest to our individual constituencies. I happen to be on one particular committee but do have an interest in two others in particular. One of them happens to be on the same evening. I am structurally disenfranchised by this motion, which I take exception to. The good people of Edmonton-Calder should take great exception to it also.

Parliaments throughout the world, particularly those that are modeled after the Westminster model, have a duty to make as many allowances as possible for reasonable participation by individual members. We have this system that is all powerful. I don't think there's a state in the United States -- certainly there's none in Australia. In India I suspect there may be; I don't know. I haven't checked. But certainly the Legislatures that I'm familiar with under the Westminster model do all they can to serve an individual member so as to perpetuate the system of democracy. This does not seem to be the case in this Legislature, perhaps because of Alberta's long history of one-party rule. What happens in that case is that the administration operates as an extension of the party because there isn't a changeover often, and that is not particularly good.

8:20

Even though I am a federal Liberal, I believe that every once in a while, perhaps every 10 years, there should be a change in government so as to revive the notion that a civil servant is absolutely separate and distinct, so that an assistant deputy minister is a civil servant and is known as such and can serve that way. In doing so, one would think that then those civil servants would come before a committee, a budget committee in particular which is predicting the

work for the next year, and be able to explain their recommendations to the minister. In fact, I'm told there are some standing orders in most Legislatures that require upon request that those members of the senior levels of administration would attend so as to answer those questions. But it's hardly worth having those members attend a meeting called for the purpose of reviewing that particular budget without having the opportunity for every member to come and make representations and question the validity of various parts of an administration's budget.

Now, I don't have the power to change this across the land. If I did, it would be a worse error than the motion that is before us, because no single individual should have that power. But we do have a legislative system that allows one member of this Legislature -- that is, the leader of the governing party -- to have an enormous amount of power. That power must be checked and balanced, and in fact it is not. With a committee that is stifled such as these committees are, it leaves no option but to obstruct, and that certainly isn't this member's first desired option. This member would much prefer to be able to deal with questions of import to the citizens of my constituency in a straightforward and reasonable manner. However, that does not seem to be the option that is allowed in this Legislature, and it is most disappointing.

Mr. Chairman, I have not a great deal more to say other than that this is another blight on this Legislature that serves us not well. If those members opposite had an opportunity to spend some time in an opposition rank, it would certainly help out in being able to see what Legislatures actually can accomplish when in fact there's a balance between the government's need to get on with business and the opposition's need to ask and answer questions on behalf of the citizens.

Thank you for your time, Mr. Chairman.

THE CHAIRMAN: Are you ready for the question? We have then for our consideration in Committee of Supply the motion as moved by the hon. Government House Leader that as in Standing Order 57(1) and (4), subcommittees of the Committee of Supply be established. All those in support of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE CHAIRMAN: The motion is carried.

[Several members rose calling for a division. The division bell was rung at 8:25 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Amery	Havelock	O'Neill
Broda	Herard	Paszkowski
Burgener	Hlady	Renner
Cardinal	Jacques	Severtson
Coutts	Johnson	Shariff
Day	Jonson	Stevens
Dunford	Klapstein	Trynchy
Forsyth	Laing	West
Friedel	McClellan	Woloshyn

Fritz	McFarland	Yankowsky
Graham	Melchin	

Against the motion:

Dickson	Massey	White
Gibbons	Nicol	Wickman
MacBeth	Sloan	

Totals:	For -- 32	Against -- 8
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[Motion carried]

THE CHAIRMAN: The hon. Deputy Government House Leader.

MR. RENNER: Thank you, Mr. Chairman. Just before the committee rises, I have one further motion to bring forward, if I could have copies of it distributed. It's come to our attention that there were some typographical errors in the original list of members designated to designated supply subcommittees, and I would like to move the following motion in that regard.

Be it resolved the following changes in membership be made to the designated supply subcommittees: on Education, Mr. Hierath to replace Mr. Trynchy; on Environmental Protection, Mr. Yankowsky to replace Mr. Thurber; on Municipal Affairs, Mr. Ducharme to replace Mr. Yankowsky.

Along with a copy of the motion, the pages also are delivering the corrected sheet with the correct names of both government and opposition members that will be serving on the designated subcommittees.

[Motion carried]

THE CHAIRMAN: The hon. Deputy Government House Leader.

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

THE CHAIRMAN: The hon. Deputy Government House Leader has moved that the committee do now rise and report. All those in support of this motion, please say aye.

HON. MEMBERS: Aye.

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

[The Deputy Speaker in the chair]

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

MR. HERARD: Thank you, Mr. Speaker. The Committee of Supply has had under consideration a motion as amended proposing the establishment of five designated supply subcommittees of the Committee of Supply and reports approval thereof. I wish to table for the official records of the Assembly copies of the resolution agreed to by the Committee of Supply on this date proposing the establishment of designated subcommittees of the Committee of Supply. I would also like to table copies of a document tabled during Committee of Supply this day for the official records of the Assembly.

Mr. Speaker the Committee of Supply has had under consideration a motion proposing the establishment of four subcommittees of the Committee of Supply, reports the approval thereof, and requests leave to meet again. I wish to table copies of this resolution agreed

to in Committee of Supply on this date for the official records of the Assembly, and I wish to table copies of all amendments considered by the Committee of Supply on this date for the official records of the Assembly.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

head: Government Motions

8:40 **Provincial Fiscal Policies**

18. Mr. Day moved:

Be it resolved that the Assembly approve in general the business plans and fiscal policies of the government.

THE DEPUTY SPEAKER: The hon. Leader of Her Majesty's Loyal Opposition.

MRS. MacBETH: Thanks, Mr. Speaker. I was just trying to read the Treasurer's sign language. I'm sorry I was a bit delayed in getting up.

I am very pleased to rise to speak Motion 18. Over the weekend, Mr. Speaker, I, like I'm sure many other MLAs, had an opportunity to talk to Albertans, those with whom I came in contact, and it was interesting to hear some of the responses that Albertans gave to the Provincial Treasurer. I thought he might be interested in some of their comments.

One person, actually more than one person, said: you know, the budget is clever; it's a clever document. When I asked them to explain what they meant by that, they said: well, it kind of gives everybody what they want until people start to dig into it, until people start to review the impact of the announcements. While the expectations are high, certainly some of the principals and teachers that I spoke with over the weekend, several physicians, a group I met with on Friday night, a city council on Friday morning, all were aware of some of the gaps in this budget while it was very clever on the outside.

One person told me that they thought it was really weird -- that was the adjective used -- weird because it was really difficult to determine where all the revenue was going to be coming from for all these promises and tax cuts and expenditure increases and debt repayments. Interesting adjective.

Finally someone said: you know, if government was as good at governing as they are at spinning out the message, Alberta would probably be a lot better governed. It was a sort of interesting summation of comments.

I think it's interesting that the resolution is that the Assembly approve "the business plans and fiscal policies of the government," yet we know that these continue to change, don't we? The fiscal policies and the business plans are effectively written in pencil, because each year, although some of them are on a three-year span, they keep changing. So to base any kind of long-term planning on any particular year doesn't give anybody much of a solid base from which to build.

In terms of highlights of the budget, Mr. Speaker, certainly Budget '99 strikes a chord of concern about unsustainability and political expediency at a time when Albertans were looking for a more realistic framework for balancing the priorities of health care, of education, and of tax reform. The instability comes from the fact

that it's also a period of economic uncertainty and a period of commodity price weakness, certainly periods within Alberta's fiscal economic cycle which create this unsustainability and really an issue of expediency.

[The Speaker in the chair]

On the expenditure side, Budget '99 is an inputs-based budget that creates some very unrealistic expectations in health care and education and other social programs, certainly those affecting children, that will not be sustainable over the longer term.

Thirdly, on the revenue side there is some real skepticism that the revenue base can realistically support and sustain the level of fiscal action that's been contemplated: \$1.6 billion in increased spending, \$600 million in tax cuts, \$1.4 billion in debt repayments and some very questionable assumptions on GDP growth underlie the revenue projections.

Finally, in terms of highlights, some very questionable priorities as it relates to tax reform: elimination of the high-income surtax before the .5 percent flat tax and somewhat optimistic projections of feedback from the tax cut.

So, Mr. Speaker, I thought I would go through the overall themes of the Budget Address and then deal with some of the more classic areas of spending, including education, health care, and municipal infrastructure, go on to the whole issue of volatility and the revenue base for Alberta, and finally, touch on the issue of the tax changes which may or may not be coming down the road.

To lead off, then, in terms of the overall themes, I thought it was interesting that the Premier in his televised address in February of this year said: "More money isn't always the answer." Paul Boothe, who certainly has done a good deal of business with this government, said in December of '98: budgeting in Alberta is about planning for volatility; that's the nature of the business. Then in December as well our Premier said: I think everyone's got to be clear that our budget expectations are not what they were at the beginning of this fiscal year, '98-99; they've changed dramatically; perhaps the expectations should change as well.

How we went from that point of view at the end of December to the very major increases in spending is something that we can only surmise. Perhaps it was through polling that the government realized they were off base on both the education and health sides. Unfortunately, they've gone from being the government which had the reputation of cutting the deficit and getting rid of the debt -- certainly areas that needed to be addressed, albeit in a little different way, in our view -- to a government which is spending at a level where it's hard to discern how they're going to maintain it. To have gone from having cut back too much to now pushing forward very hard on a three-year plan that appears to be unsustainable, or at least there's no documentation in terms of how it will be sustained, certainly leaves all of us with many questions.

This budget was written, many would say, for an audience perhaps other than Albertans. There has certainly been some interest in watching the Provincial Treasurer over the last little while build up his budget messages to the point where many have asked whose future it is he's trying to sustain -- Albertans' or his own -- in terms of whatever might be his future plans. I want to put on the record very clearly that I wish the Provincial Treasurer all the very best in whatever it is that he chooses to do in his future. That's really his business, but the budget is certainly our business, and that's what we're here tonight to discuss.

This is a budget clearly that borrows from Albertans' future to pay for the political expediency of the present. In terms of the expenditure side, the budget continues, unfortunately, with the same ad hoc

pressure point, as it's dubbed, a crisis-induced approach for health care, education, and other social program areas that has really been the hallmark of government over the last three years. The government has committed a \$1.6 billion, or 11 percent, increase in new spending over the next three years without any idea of what it wants that spending to accomplish. The budget is about how much money is being spent, which is an inputs measure, rather than the results that this spending is meant to achieve, which is outcomes.

I'll be talking about this more, Mr. Speaker, in the health care and education areas, but it's very clear that the government really doesn't understand the difference between inputs and outcomes. In the case of health care it's important to look not just at the number of dollars going into health care but at the health status of Albertans on the outcomes side, some way to measure whether or not these taxpayers' dollars, that come out of your pocket and my pocket, are going towards improving the health of Albertans and how that's being measured.

8:50

What assurance can the Premier and the Provincial Treasurer give to regional health authorities and school boards that if there is a revenue downturn during the next three years -- nobody wants it to happen, but we're in Alberta after all, and that's the reality of this province -- these increases that have been announced to the regional health authorities and school boards will be sustainable? If the government is forced to re-engage in a cost-cutting exercise at some point over the next three years, the pain will be even greater than it was in 1993 because the government has been unable to tie the fiscal plan to actual reforms of public health care and education in order to meet the challenges and the opportunities of the next millennium.

On the revenue side, the government is projecting a \$1.6 billion or 9.6 percent increase in total revenues, including a \$306 million increase in corporate income taxes, excluding extraordinary refunds of \$72 million; a \$665 million increase in personal income taxes, excluding \$461 million in prior year adjustments; and a \$478 million increase in natural gas royalties. Albertans should certainly be skeptical whether the revenue base can realistically support and sustain the level of fiscal actions that are planned over the next three years. Is the revenue base predicated on prudent economic assumptions, or is it an example of the application of Day economics 101 to artificially increase the revenue base in order to make his tax cuts for the rich look achievable? It's a very big question and one that has not been answered by either the Treasurer, who actually refused to answer the question in the House today, or any documentation backing up the budget.

Some other interesting points on the revenue side in terms of the revenue forecasting purposes that have been identified. In Budget '98, for example, not this one but the year previous, real GDP growth was estimated to be 2 percent for 2000 and 2 percent for 2001, and that was for revenue forecasting purposes. Yet in Budget '99 the real GDP growth is estimated at 3.5 percent for 2000, 4.2 percent for 2001, and 5 percent GDP growth for 2002. So why did the government decide to change its revenue forecasting policies?

Now, let's look at it in another way. In Budget '98 the average consensus of private-sector forecasts for Alberta's real GDP growth in 2000 and 2001 was 3.1 percent and 3.1 percent respectively. The Alberta government forecasts for real GDP were for 2 and 2. That was last year's budget. Let's look at Budget '99. The average consensus for private-sector forecasts for Alberta's real GDP in 2000, 2001, and 2002 was 2.7, 3, and 3.2 percent respectively. But the government's forecasts for real GDP were 3.5, 4.2, and 5 percent, consistently above the private-sector prediction range. So the question is: why did the government go from last year underesti-

ating GDP growth compared to the private-sector measures to, this year, major increases in GDP growth compared to the private-sector measures? It's a change in pattern, and a change in pattern is always something that causes at least me and many others to look at what's really going on.

Assuming that the government adhered to last year's prudent revenue forecast principles and used a 2 percent real GDP growth rate for 2001 and 2001-02 respectively, the revenues would have been reduced by \$132 million in 2000-2001 and by \$194 million in 2001-2002. The Treasurer wants to make tax cuts of \$95 million in 2000 and 2001 and \$238 million in the following year. So it's very clear, or at least one interpretation, which the government has not refuted, is that the government is artificially increasing revenues to justify the affordability of the tax cut. This is clearly, well, a new form of mathematics, but at least voodoo economic forecasting at its worst.

Albertans need to be worried, in fact are worried about the sustainability of public health care and education in a period of revenue volatility. When the current Minister of Energy -- and the future Provincial Treasurer, at least we think -- has said that any looming budget shortfall would force the Tories to slash program spending, he said on March 11: do people really want to call me out again? Well, most Albertans would probably give a resounding no to that question.

So the point I'm making here, Mr. Speaker, is that sound, practical budgeting emphasizes the principles of sustainability and predictability. This budget is about unpredictability and, it appears, unsustainability in the absence of any information, of hard data to show why the government has changed its revenue projection methods and certainly its forecasts for the coming years at a time when our revenues are uncertain at best.

While the budget certainly talks about striking the right balance, neither the Treasurer nor the Premier has told us how over the next three years they are going to increase the spending by \$1.6 billion, cut the taxes by \$600 million, pay down the debt by \$1.3 billion, respond to economic and revenue volatility, and still balance the provincial budget. They haven't done it, Mr. Speaker. It's nowhere. We've been through the whole thing.

This is a government that budgets, as we know, on the basis of extremes rather than on the basis of moderation. It's either slash and burn or it's the roller-blade spending model. The problem is that if the revenue picture doesn't pan out, Albertans may well be hurtling down a ramp without any brakes and without a crash helmet. There's no moderation in this budget, and above all there is no sense of what the ultimate goals or the objectives in our health care system, our education system, or our taxation regime should be. How can a government determine how much is enough for health care and education and how large a tax cut is needed to generate economic growth and prosperity for all Albertans if it doesn't know what it wants to achieve, a plan, if it doesn't know where it's going, a vision, if it doesn't know how to get there, a road map, and if it doesn't know when it is there, the final destination?

So, Mr. Speaker, that sort of sums up of some of the overall themes and questions that certainly we've heard from Albertans over the past several days. Let me move to the issues, the more direct spending allocation areas, first of all in the area of health care. In his speech to the convention and the annual general meeting of the Progressive Conservative Party on November 6 the Premier said: there will be no more ad hoc throwing of money into the health care system. On December 13 of '98 the Minister of Health said: more than \$200 million in Alberta health care spending is under review in the wake of Ralph Klein's warning that sagging revenues are raising the spectre of a deficit budget; we do have lower oil prices than last

year's forecast, and there are other parts of the economy that we have to be concerned about, such as lower agricultural prices, particularly in the hog industry. Remember that this is in December.

9:00

That was December, Mr. Speaker. A health administrator hearing that statement would be concerned. Many of them were building minus 3 percent planning forecasts and scenarios, yet lo and behold there has been an increase in health care revenues, certainly one that I don't think most Albertans would argue with in terms of the dollars. What's puzzling is why the government fell into that age-old trap of throwing money at the health care system as opposed to saying what it is they hope to achieve by those dollars.

From a fiscal accountability point of view, Mr. Speaker, it is very, very important that Albertans be assured that this government is not just using money to try and quiet down the health care system. Albertans need to know that their tax-earned dollars, our tax dollars, are being used to improve our health care system, to restructure it, to move more into the community, away from the acute care model, none of which is contemplated in these announcements that have been made in the last four days. When you don't have a long-term vision or a plan for health care, it results in this simplistic mode of thinking that you just have to choose between the two extremes: deep cuts or throwing money at the system. The '99 budget continues this simplistic mode of thinking.

You know, Mr. Speaker, it is an old, old Tory pattern. I today went through some of the past spending records, back into the early '80s when Alberta started jacking up the spending in health care. That spending just kept rising and rising and rising. In 1986 when the oil price hit \$10 a barrel and in one fiscal year \$3.5 billion in revenue was eliminated, then came the problem of trying to deal with that reality. A deficit was created. The people over there might want to cheer at that, but not a lot of other people did. You know, this is a government which in the past has resorted to spending when they get into a tight, tough political situation, particularly in an area like health care. That's when all the hospitals were built, in the late '70s. That's when a lot of the spending was built up.

Certainly from '88 to '92, when Alberta had in fact the best cost control record in Canada compared to any other province, that adjustment, if you like, during that time period when Alberta moved from being the top per capita spender to around the middle per capita spender, was a time of management, a time of adjustments. Then of course this government came along and started their track of unplanned cuts and has now moved back again to spending. It leaves Albertans rather reeling instead of having any kind of sense of a plan.

For example, how can the government pour \$935 million into the health care system when it has no idea what it is trying to achieve? No wonder the Auditor General says in his '97-98 annual report -- and I know, Mr. Speaker, that this government doesn't like to hear any advice or factual information from this side of the House. Let's go to the Auditor General, who says in his '97-98 annual report that "measurements of health outcomes, outputs and costs are missing or incomplete." Well, Mr. Speaker, they still are incomplete.

You know, one of the really good measures the government could have contemplated going after in this budget, a rather simple one, would be to look at how the proportion of private health care has grown in this province from the period of 1992 to 1998. Where is the data to show where those dollars are being spent? Some of that data is not available because of third-party allocations. But you know what? Those regional health authorities are spending taxpayers' dollars to ship things out to the private sector, yet there's no way that one can get any kind of record or measurement of how much those costs are and whether it's in fact less expensive than what is

being paid for or was being paid for in the public-sector system.

One would think that a government that purports to be one of fiscal accountability would want to explore that kind of growth in one particular sector of health care spending. It's certainly something that, if we were in there, we would be digging after. We would be finding out why it had gone from 22 percent to now over 31 percent of total expenditures in health. There's no indication of where those dollars are coming from, whether it's the complete accounting of the costs, and it's something that would be a very easy one to go after. But the government only talks about getting accountability measures; it doesn't really go after them.

How can the government claim that it is developing a system to measure results in outcomes in health care when we have seen at least three previous announcements about accountability frameworks that didn't pan out and when the Auditor General makes the lack of health care outcomes the subject of his annual report each year? Why should Albertans trust a government to get it right the fourth or the fifth time?

What Albertans really want to know, the question that has not been answered by the government, is: what results will be achieved by putting these \$935 million into the system? Albertans are owed an explanation of what those dollars will be used for. The government certainly talks about the old medical model of putting more dollars into, say, cardiac surgeries. What's to say that at the end of the three-year period, with the increased number of baby boomers, who are prone to heart attacks, moving into that period, the waiting list for that cardiac surgery won't be just as long again three years from now?

The question becomes: what are we doing to try and improve the health of Albertans so that people are changing their lifestyles, their eating habits, changing their general health practices in order to avoid the reality of ending up on a cardiac waiting list? If the government only pumps the money into putting in more beds in order to deal with that, they are not really improving the health of Albertans.

Let's look at Japan, which has a very, very, small rate of heart attacks. Let's look at what we can learn from other parts of the world whose health status is far more improved than Canadians'. Some of the output measures that would be useful in terms of tracking these new \$935 million are, for example: what about teen suicide rates, in the province of Alberta the highest of any province in Canada? Will we be able to at the end of a three-year period look to a reduced rate of teen suicide? Now, wouldn't that make Albertans feel good about these new dollars going into the health care system? Wouldn't it be good if suddenly we could get away from this mentality that only health care dollars are spent on so-called health issues and we could move towards some integration of some of these issues and not just look at issues that are health related in terms of that teen suicide rate but look at the social factors, the education factors, the kinds of things that would make life better for our young people? As a legislator I would be so supportive of this government if it would put some of those kinds of measures in place to make sure Albertans can account for almost a billion dollars into health care.

What's another one? Well, another very good one is teen pregnancy rates, one of the highest, again, in Alberta. Isn't there something we want to do as a community to lower teenage pregnancy rates? Couldn't we track this \$935 million through the system and take measures that would improve that health outcome?

9:10

Accidents. Accidents are the biggest killer of Albertans for those in the age group of one to 44. We have some incredible research

going on in this province in terms of preventable injuries. Wouldn't it be great if we could take the accident rate, the largest killer of people from one to 44, and reduce that rate? You know, the Member for Lethbridge-East today stood and raised the question of farm safety. [interjections]

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: Hon. members, the chair was in the House last Thursday afternoon when the Provincial Treasurer gave his budget speech, and the chair observed that there was a great deal of attention and a great deal of courtesy extended by all members to the speech given by the Provincial Treasurer. In fact, there were no interruptions. There were no interjections. There were no speeches out of turn or anything else. The chair would ask that the same degree of courtesy now be extended to the Leader of the Official Opposition.

Debate Continued

MRS. MacBETH: Thanks, Mr. Speaker.

Anyway, there's a third possible outcome that would give Albertans a sense that the government knew what these dollars were at least trying to achieve. You know, many accidents occur within our health care facilities. If you look at the accident rate for seniors in long-term care, there are accidents that occur there. Wouldn't it be great if Albertans could know at the end of this period of time, the three years, that in fact those accident rates had gone down? That's an outcome. That's the kind of thing that needs to be brought in. That's what the Auditor General's talking about.

Another suggestion would be to look at long-term care. I know that the Member for Redwater has been working hard on a long-term care report. We can't wait, frankly, to get it. You know, one of the areas of long-term care is not just about building new long-term care beds. One of the issues in long-term care is building a community infrastructure support base: day programs, a break for people that are caring for an elderly person, respite care, recreation programs, community supports. It doesn't have to all be in hospitals and acute care settings or long-term care settings. If we could use that long-term care entrance as the last option after all the community options had been exhausted, we would be serving the health needs of this province far better than is going on right now. Actually, you know, the government might want to go back and look at their dreaded Rainbow Report because there were some very excellent suggestions in there about some of the long-term care issues.

Okay. Mr. Speaker, next I'm going to go on to the issue of education. Certainly the most important area of support for a provincial government, in fact the improvement of public education we believe should be the first priority, first beyond everything else, the first priority of any provincial government in this country. Yet let's look at what's happening in education by this budget.

The \$568 million in funding for education almost returns us as a province to where we were five years ago when the government began its deliberate program of devaluing the public education system. In fact, only \$381 million, or 67 percent, of the \$568 million in funding for education is actually new money. That message wasn't clear last Thursday. This Monday it's very, very clear, Mr. Speaker. Based on the projected increases in student enrollment for 1999-2000 the additional per pupil funds will not permit many schools to hire even one additional teacher. I talked to a principal over the weekend who told me that he had been instructed to make no changes in his budget plan for September of '99 based on the budget. That's a very strong message, Mr. Speaker.

Although the dollar amount of \$568 million sounds like a lot, it doesn't meet the expectations which have been built by the hype, by the spin, by the budget leaks, by the rollerblades. The expectations were built.

I think one of the things the government is going to need to be aware of is that when the message comes home to the parents of what's really going on in education in the province, once they are able to work their way through these numbers and realize that the adjustments within their own son's or daughter's classroom are minimal, about those waiting for special education or speech therapy placement, as we heard today in the Legislature, that there's really no real change in those areas, there's going to be a real letdown for those parents. I guess that explains why the petitions keep coming, why rallies for public education will be going on this weekend, for example, why the Speak group in Calgary is organizing a huge event in the next couple of weeks. It's because people are finally figuring out to look through the PR message and get to the real essence.

The government's, I would say, misguided priorities for education become clear when funding for private schools increases by 52 percent between '98-99 and 2001-02 -- that's private schools, a 52 percent increase -- while funding for severe special needs increases by only 13 percent over the same period. It's very much a statement of priority.

The government's priorities for education become clear when funding for the ministry operations increases by 14 percent between '98-2002 while funding for kindergarten only increases by 11 percent for the same period. You know, this is the government that had everybody kind of thinking that they didn't like big government, I guess except when it comes to supporting their friends who happen to be involved in a mall or increasing funding for ministry operations. This is very much a government whose priority seems to be on building government in an inappropriate way, we would say, and away from student support.

In 1993-94 the government was investing \$5,714 per pupil in this province. Today it is investing \$5,070 per pupil. By 2001-02 the investment will be \$5,384. In '93 Alberta was investing 3.78 percent of its wealth in education. Today Alberta is investing 3.36 percent of its wealth. By 2002 Alberta will only be investing 3.19 percent of its wealth in education. It's very much a statement of priority of this government against public education.

A public education system that produces concrete results for our children is the most important investment we can make as a society. Albertans want to know how many new teachers will be hired. They want to know how the \$381 million will contribute to reducing classroom size from 19 students per teacher, which currently is the highest pupil/teacher ratio in the country. Parents, teachers, and students want to know how many fewer fund-raising events they will have to do as a result of this increase, and they want to know how much of that \$381 million will be used to provide fully funded 475 hours of ECS or kindergarten.

There hasn't been a comprehensive review of education in this province since 1968. Thirty-one years later we in the Liberal Party believe that it's about time this government developed a long-term plan to sustain our public education system and to sustain it into the new millennium rather than tinkering on the margins through emergency cash infusions.

9:20

There is a third component that I wanted to speak on tonight, Mr. Speaker, and that's the component of the municipal infrastructure. This government has ignored the calls from our municipal associations in this province, both the Alberta Association of Municipal Districts and Counties and the Alberta Urban Municipalities

Association, in their collective voice about the need for a predictable, sustainable funding framework for municipalities, municipalities that have suffered from six years of provincial government downloading and offloading.

It was puzzling why the government decided to ignore this issue in this budget. Reading through the sector reports to the Alberta growth summit, the comments of the municipalities and advanced education and schools and hospital sectors on the growing hidden deficit occurring within our local communities, was quite disconcerting. It's, I think, important to restate the concern of the growth summit, one that was ignored by this budget and one which -- well, as I say, it's puzzling as to why the government did ignore it. I guess they didn't scream loud enough.

The quote that I wanted to highlight from the Alberta growth summit is this:

Immediate cost reductions have sometimes been achievable only by delaying or reducing investment in longer-term prevention and maintenance. The results are beginning to emerge in lack of sufficient resources for preventative care, increasing financial and social barriers to access, an 'infrastructure deficit' as maintenance and upgrading have been delayed and, in some cases, deteriorating service standards.

Mr. Speaker, it's very short-term expediency to avoid repairing a road over a period of time. I know from roads within my own constituency and roads that I travel on throughout the province. People that are more expert in road building than me have said on more than one occasion: "You know, the problem is when the roads are left to deteriorate. When they aren't repaired, when they aren't kept up, there is a point beyond which you have to start over. You can't just repair it anymore." So the short-term expediency which was forced upon municipalities, rural and urban, because of the downloading of the deficit on to them and the reduction of about 49 percent of municipal grants in the province is one that is finally catching up not just to the municipalities but to all Albertans, including this government.

Rather than eliminating the provincial deficit through the development of some responsible fiscal and economic policies that respond to the pressures of growth, the provincial government has effectively transferred a portion of its deficit on to local governments over the past six years, and they are now living with that reality. They have the consequences of that choice that was made by this government.

It should also be noted that the Alberta government has reduced general and specific purpose grants to municipalities and local governments by the 46 percent that I mentioned while downloading program and responsibility.

Mr. Speaker, we believe there is another way. The provincial government needs to work closely with local governments to identify and prioritize needs. Our municipalities have assessed their needs, and that information should form the basis for a very comprehensive infrastructure strategy for Alberta. Service providers at the community level must be able to define their own needs and priorities by being directly involved in the planning. Yet this government is one that doesn't really like to consult meaningfully with local governments, whether it's health authorities which get overstepped, and instead a health summit is created without them having a chance to work through some of the issues. School boards are overstepped. Professionals like physicians, teachers, nurses are deemed to be special interest groups and therefore not to be consulted.

You know, our municipal councillors throughout this province have a wealth of knowledge, a far greater knowledge than a lot of the MLAs do, about what is needed in terms of municipal infrastructure. Does it mean they get everything they want? Of course not, but those municipal councillors know full well what the realities are from a fiscal point of view. What they need is a long-term, predict-

able, sustainable funding framework to work within. Instead, of course, the government has responded again with the onetime infrastructure grants and the pressure point funding. They're really still trapped in that old child-of-the-province syndrome of the '70s enunciated by a former minister and actually Deputy Premier of this province.

We need to establish a new deal between the provincial government and municipalities. This is something we have been calling for for some time. It would involve a clarification and a rebalancing of the roles and the responsibilities between the province and municipalities, something which has been very much skewed over this last six years of downloading. It would be based on some principles of accountability, efficiency, responsiveness, and predictability. Local governments that are held responsible for service delivery must have control over policy and funding. We must ensure efficiency by eliminating the overlap and the service duplication, and there must be far greater clarity as to who provides what services.

We believe that to build this new deal and create a strong partnership between our provincial government and our local authorities the following three principles must apply. Number one, the roles and the responsibilities of municipal governments must be clarified and respected by the provincial government. Secondly, a three-year funding framework must be created so that municipalities can plan responsibly as they determine infrastructure and community service needs. Thirdly, Mr. Speaker, any changes in personal and corporate income tax or revenue policies can be undertaken only after the impact on municipal funding arrangements has been carefully examined. That's what we believe is needed in working in partnership with our municipalities.

You know, the model of our municipalities simply being another junior layer of government is not contemporary with Alberta moving into the 21st century. Instead, our municipalities are a major part of what attracts investment to our province, of what attracts people to come to Alberta for the recreation, the cultural, and the infrastructure needs that are met through our municipalities. People come to Alberta and they settle for the most part in some form of municipality. Making those municipalities attractive, making them sustainable from a funding point of view is something that we believe is extremely important for the future and long-term viability of those municipalities and the quality of life of our citizens.

I'd like to move on, then, to the whole issue of the volatility in Alberta's revenues, again quoting from Paul Boothe, who said in his Making Choices document of February, last month: "Alberta has the most volatile economy in North America. In the past 15 years one in every four revenue changes has exceeded 10 percent." He said on January 11: if I was setting the budget, caution would be my watchword because volatility is a part of this province.

Well, Budget '99 has basically ignored the reality of the high variability of Alberta's economy. A recent report by Informetrica illustrated the variability and the instability of Alberta's revenue base through a historic examination of the absolute differences between the actual and the forecast revenues for each province. For the period of '81-97 Alberta had the highest deviation of its revenue forecasts from actual revenue with a standard deviation of 7.71 percent. This level of variability is over double the national average.

9:30

The average annual variance in crude oil revenues between the years '94-95 through '98-99 in Alberta is \$251 million per year; of bonuses from the sale of Crown leases for the same period, \$415 million a year; of corporate income tax revenues for the same period, \$318 million per year; of personal income tax revenue, \$272 million per year; in natural gas royalties, \$239 million per year. In a worst

case scenario, a year in which the annual variance on these revenue sources was in the negative direction, the result could be a \$1.5 billion loss in revenue.

Mr. Speaker, lots of Albertans would say: it's not going to happen; it's just not all going to happen like that. You know, I'm very grateful for the experience I had in 1986, when we saw the revenues in this province drop by \$3.5 billion in one fiscal year. I'll never forget it. So when we look at a worst case scenario on these more traditional variances of \$1.5 billion, it can happen.

While Budget '99 sets aside \$154 million for an economic cushion for contingency purposes, it should be noted that this government and the Provincial Treasurer are, in fact, the king of supplementary supply as we affectionately have dubbed the Provincial Treasurer, but maybe collectively we could call them the kings of unbudgeted spending. For in the past two fiscal years, '97-98 and '98-99, the government has brought in \$1.25 billion in unbudgeted spending, including \$532 million in '98-99 alone. The \$154 million contingency fund is not large enough for a government that has a habit of spending more than it's bringing in and more than it's budgeting for.

Corporate income taxes are also expected to increase by nearly 18 percent in this budget between '99-2000 and 2001-02. This is occurring at the same time that some of the major projects in the oil and gas sector and forestry sector are being delayed due to less than favourable commodity price fundamentals, but there's no information in this budget of the assumptions on corporate profits that government is using to underpin its corporate tax income projections over the next three years. It's not good enough, Mr. Speaker, but that's the way they work it.

So let's move, then, to the issue of taxes. The Treasurer has put together -- and this is actually quoting from an article in the *Edmonton Sun* -- an impact study outlining what the provincial tax cut would do to spur additional economic activity. The private report shows that a tax cut would have a positive impact after the first year. The problem is that we haven't seen the study, Mr. Speaker. We'd very much like to believe the Treasurer at his word, but we still haven't got the study that's been reported.

An effective taxation system must balance the principles of simplicity, efficiency, stability, fairness, and sustainability. The Premier and the Treasurer haven't told Albertans whether the \$600 million flat tax proposal strikes the right balance and whether it's actually affordable within the context of the fiscal plan which proposes to increase spending, as I've said, by \$1.6 billion, pay down the debt by \$1.3 billion, and still balance the budget. You know, Mr. Speaker, it's good news. It's just that it's not substantiated. There's no laying out of how this is going to be achieved.

The Premier and the Treasurer still aren't giving Albertans any complete answers on who gains and who loses on these tax proposals. After the first two years of the government's tax cut is there relief for some Albertans across all income classes? Certainly in the federal government's budget tax cut there is a tax cut at all income classes, while this Provincial Treasurer, even if this tax relief comes, will only have \$36 million in tax relief compared to the \$79 million by the federal government, and only 72 percent of that tax relief is targeted towards the 57,000 Albertans over \$100,000. So basically what you have, Mr. Speaker, is preferred income brackets as to who gets the advantage -- we outlined some of those in question period today -- as opposed to tax cuts right across the board.

Why does the government choose not to publicly disclose the revenue recovery from the various components of its tax plan? There are some very major questions about what's going to happen. As the Treasurer has pointed out, when there are lower taxes, there's some short-term forgoing of revenues, but he hasn't disclosed any of the revenue recovery that will come from the various components

of the tax plan. He's basically saying: just trust us. Well, Mr. Speaker, Albertans deserve better than that. They deserve a much better outline than that one.

Certainly the government is fond of saying, as it did in its own budget documents, that the only way that taxes are going in Alberta is down. Well, Mr. Speaker, say that to some of the people that are paying property tax these days. They know that's not the case. Remember that this is the same government that raised taxes by \$959 million between '92-93 and '98-99 in the form of 399 new or increased user fees, which was a \$47 million increase, \$238 million from health care premiums, \$414 million from video lottery terminals and slot machines, and \$260 million from tax bracket creep. Mr. Speaker, those are all taxes. Those are costs that Albertans have to pay, yet the government prefers to ignore Albertans when they say: but these fees are going up.

In Budget '99 the government continues its policies of raising taxes by stealth: \$48 million in revenues from health care premiums rising, \$53 million in additional revenue from other user fees and licences -- they're going up -- \$51 million increased revenues from redesigning the Alberta royalty tax credit -- it's getting a lot of attention in Calgary these days -- \$105 million in additional revenues from a deliberate decision not to reduce the education property tax mill rate for residential, farm, and nonresidential properties. Mr. Speaker, that's \$257 million in new revenues over a three-year period. Taxes by any other name even though the government prefers to pretend that they don't do it.

Mr. Speaker, where is the study that was promised by the government in response to the Eurig decision on the cost of service of the vast array of user fees that have been imposed by this government over the past six years? The study was supposed to be included in Budget '99, but it's not there. One of the questions that we will certainly be pressing the Treasurer for is: when will we receive the results of that study? I can well understand why they don't want to put it out, because of course it shows that taxes aren't just going down; they're going up.

The fundamental issue with tax policy is how to prudently manage the fiscal surplus in order to sustain tax reductions over the longer term. The issue is one of timing. On the one hand the government talks about Alberta's revenue instability, and on the other hand they talk about paying off \$1.3 billion in accumulated debt. On the one foot they talk about putting nearly \$1.6 billion into health care, education, and other social programs without any plan, and on the other they talk about a \$500 million tax cut. My question, the question that's been put to me by many Albertans over the last four days, is: where is the revenue base that is sufficient to do all this and still balance the budget in a period of revenue volatility? The question is absent from this budget document.

9:40

Mr. Speaker, in conclusion, let me just raise a few highlights which I think are important to mention and reiterate at this point. First of all, it's very clear in terms of the pattern of behaviour of this government that they are very quick to criticize anyone who dares to question, whether it's the Parkland Institute, the Calgary board of education, the Calgary regional health authority over the weekend, or the Lakeland regional health authority. Yet government refuses to provide any background information that says how they are going to do all of these things, like pay down the debt, cut taxes, increase spending, absorb reductions of \$87 million in federal tax cuts, have contingency funds to deal with a track record of unbudgeted spending, how they will deal with the impact of \$14-a-barrel oil and still balance the budget over three years. Fundamentally, first and foremost, that is the question that is raised as a result of this budget. It's a wish list budget. It's a question that the government likes to put to Albertans. "Tell us what you want" is what they say, but I

think Albertans deserve to know how it's going to get there.

The second point I wanted to raise, Mr. Speaker, is the whole issue of raising expectations. After enduring record cuts, what assurances can the Provincial Treasurer and the Premier give to regional health authorities and school boards that revenues are sustainable if there is any kind of revenue downturn over the next three years? You know, that old box -- although the budget talks about there not being a tax cut in future time if revenues don't hold firm, what that says to people in the education, health, and social services sectors is: maybe there won't be enough for us either. And that's a very disturbing time for our health sector and education and municipal infrastructures sectors particularly given what they've gone through over the last six years.

The third point that I think needs reiterating is the whole issue that the province has ignored municipalities across the province. There is an issue which we have raised in the House on several occasions, a major tax issue in terms of the future of this province, and that is the question that is looming which the government has avoided. The question is: how are we going to fund our municipalities and our public education system in the next millennium? It has not been addressed.

Mr. Speaker, while there is, I would say, some buy-in by municipalities in all parts of the province for government to abandon the property tax base as a source of funding for public education, we all know that school boards take a little different view, particularly separate school boards, who will argue that their right to exist in the Constitution is protected by their right to access the property tax base. A responsible government would address the issue rather than leaving municipalities to fight it out with school boards, rather than dividing our communities between municipal support and school board support. It's quite discouraging to see the government just leave the issue as if it didn't exist. Yet it is a very important issue that needs to be addressed in the immediate future.

In education, Mr. Speaker, I'm worried. I'm worried when a superintendent says that they will make no change in their September budget as a result of this budget. I'm concerned about the future of public education in this province and believe that it is a very fundamental role of government to support public education and to have a plan of support for public education, which this government seems to ignore.

Finally, Mr. Speaker, the issue of health care. The government approached this budget, in my view, and predicated it on the question of how much is enough. Remember that that question came early in the new year: how much money is enough? You know what? It's not the right question. Certainly Dr. Noseworthy said it at the health summit at the outset, but even people from all across Alberta with an interest in health care and some from simply a random sample refused to answer the question. They were very, very wise, because they knew it's not the question. Health care is about more than just being given some money. Health care certainly must operate within a fiscal context, but the issues of access to health care, of structural reform, of planning, of putting together some health goals, of quantifying how money will be spent in Alberta have not been addressed.

You know, I had someone who has been a practitioner in the health care field for I think he told me 53 years. He was an older gentleman that I met with on Thursday night. I met with a group of people involved in the health care system at the Grey Nuns. He said what I thought was very, very profound. He said: you know, there are no solutions to health care; there are only evolutions. It's an approach to governing that this government doesn't really practise, but I pass it on freely because I think it's actually a very good point of view and a very responsible one given the magnitude of health care and the importance it has for all Albertans.

Mr. Speaker, I'm very pleased to have the privilege to serve in this Legislative Assembly. I began my remarks by saying that the budget was a very clever document, and it is. I guess more important than leaving Albertans' expectations hanging, a more responsible approach would have been to say: "This is what it is. This is where it's going. And instead of writing our business plans in pencil, we're going to actually plan for a three- to five-year planning scenario to give people a sense of where we're headed in the province." That would have been welcome and certainly something that we will be trying to outline, giving the government I think really good ideas as we address this whole issue on the budget debate. We will divide ourselves into many different pieces in order to accommodate, to work with this government's budget and its plan for discussing the budget.

MR. DICKSON: We do it reluctantly.

MRS. MacBETH: We do it reluctantly. Absolutely we do it reluctantly.

We believe that there is an important role for opposition, some important questions to be raised. Lots of Albertans speak with the Official Opposition, and you know, they're Albertans too, Mr. Speaker. They want their voices heard. We believe that we can amplify their voices and in fact make the budget a better document than it is at this moment. However, to do so, we have to have a willing partner in government. That's certainly the way we look at our role.

The government appears to think it has all the answers, that it has nothing to learn. You know what? At some point people will see that in fact there is some wisdom beyond, that there are some changes that need to be made, and voters will figure out when that is. We're completely open to that. Nobody knows. None of us know. None of us can guarantee that we're going to be elected next time around, but our role is one to ensure that the future of this province is sustainable, that Albertans are being provided with the level of support from this Legislative Assembly that they deserve. Certainly that is our commitment and our trust with Albertans as we move into this budget debate.

Thank you very much, Mr. Speaker.

9:50

MR. YANKOWSKY: Mr. Speaker, I rise to move that we adjourn debate.

THE SPEAKER: On the motion put forward by the hon. Member for Edmonton-Beverly-Clareview, would those in favour please say aye?

SOME HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

THE SPEAKER: The motion is carried.

head: Government Bills and Orders

head: Committee of the Whole

[Mr. Tannas in the chair]

Bill 6

Child Welfare Amendment Act, 1999

THE CHAIRMAN: The mover is the hon. Member for Innisfail-Sylvan Lake. Would you like to make some opening comments?

MR. SEVERTSON: Yes. Thank you, Mr. Chairman. I'd just like to make a few comments to address some concerns that were expressed in second reading of Bill 6.

One of the concerns that was brought up said that the cost of a private search by licensed adoptive agencies was prohibitive to some individuals and that as a result, access was not equitable. Adoption search agencies are licensed by the province. Their services are regulated by government, but the fees are not. The government does not and cannot determine their fees, but I would suggest to anybody that is looking to hire search agencies to inquire around and compare, because there are a number of search agencies throughout the province. Currently AISH recipients and low-income seniors who are residents of Alberta may apply for financial assistance for their search fees.

Another aspect of the service is that the postadoption registry is without cost. The adoptee can be reunited with a family member through this service if both the individuals voluntarily register with the registry. The registry does not actively search for individuals.

Concern was also expressed about the need to advise adoptees and birth families of these changes and how they might be done. The amendments provide access to all information contained in adoption records unless a veto is registered. Applying for adoptions occurring after January 1, 2000: individuals involved in adoption after this date will be advised of the changes during the adoption process. This amendment does not apply retroactively. In other words, it does not apply to adoptions that have already occurred, because the procedure was structurally different then. The privacy is assured and must continue to be protected. Applied to all future adoptions, those occurring after the year 2000 and beyond, that's what the amendments are mainly involved with.

For those affected by the remaining amendments, specifically adoptive parents on behalf of their minor adoptive children, minor adoptees living independently, descendants of deceased adoptees, and those with special circumstances, we will continue to work with the adoption community to ensure that this information is communicated. I might add that the adoption community has a pretty good network, and a lot of people already know about the amendments going through.

This brings me to the question of whether a public education campaign is planned and if current information about the postadoption registry will be made available. General information is already provided by the Family and Social Services web site. The minister is enhancing this information to include an expansion of these amendments, on-line forms for registering with the registry, e-mail access to registry staff for forwarding questions and concerns, and general information about licensed adoption search agencies. Also, information will be shared with adoption and child welfare staff and with adoption agencies and stakeholders. As well, information packages will be made available to the public.

A question was also posed about the responsibilities being shifted from the director to the minister and how the minister will manage these administrative responsibilities. This wording change clarifies that the postadoption registry will continue to be managed by the province. It will remain centralized and will not become one of the services provided by child and family services authorities. It does not mean the minister himself will be managing these services.

Please remember that these amendments are based on feedback from members of the adoption community. We're proposing these changes at the request of Albertans to better meet their needs. They reflect changing attitudes on adoption: the desire for less secrecy, more openness, and improved access to information. We are providing for the wishes of Albertans in this bill. I'd be remiss, Mr. Chairman, if I didn't mention that there are people in the adoption

community that feel we're still not open enough in our records and that it should be retroactive. But I feel it's important to keep the privacy of those individuals that were adopted prior to these amendments coming in, so at this time this is what I feel is right for this bill.

Thank you.

THE CHAIRMAN: Any comments, questions, or amendments? The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Mr. Chairman. I appreciate the preliminary comments made by the hon. member, the sponsor of the bill. He's provided an opportunity for me at committee stage to discuss again, as I read the comments of second reading, some inconsistencies or perhaps confusing references with respect to the registry as it exists currently.

One of the statements that was made in second reading by a government member was that

the registry provides postadoption information for adoptees, birth parents, adult siblings of adoptees, and interested persons [and] reunites individuals separated by adoption who have registered with the registry. The registry services are free.

That, I don't believe, actually reflects the reality, so I think it's important, in conjunction with the statements made by the hon. member, to restate that the fee imposed is standard, approximately \$350. The only exemption the province allows is for seniors or AISH. In my remarks at second reading I pointed out to government members that those exemptions are not invoked when someone is of a low income or currently a recipient of welfare, and that's a matter which, as I indicated, I've attempted to address through other measures within the ministry but have not been able to resolve successfully.

10:00

As well, some further analysis on the amendments proposed. In the sections that are being proposed for amendment within the act, I found it of interest that under part 6 we speak to amending the processes for a petition, that notice of a petition must be made. We are amending the investigations that would be carried out upon receipt of a notice. But one section that is not amended consistent with the others -- and I found this rather interesting -- is the revoking of consent, so section 57.

We're saying in these other sections that in those respects we're going to substitute the powers of the minister for the powers of the director, but section 57 speaks to:

(1) A person who has consented to the adoption of a child under section 56(1)(a) . . . may, not later than 10 days after the date of the consent, revoke the consent by providing written notice of the revocation to a director.

(2) The director who receives a notice . . . shall ensure that the person in whose custody the child has been placed and any other person who has consented under section 56 . . . to the adoption of the child are notified forthwith of the revocation of the consent.

That section goes on further about surrendering the custody of the child if the child has been placed in custody and how the licensed adoption agency is to act.

I guess it seems sort of odd to me that in that particular area we are not making the same change in reference that has been applied in the petition and investigation sections of the act.

Also on further review of the bill, there is an amendment proposed to section 60(1)(c), and this is with respect to the petitions. Basically we are saying that 60(1) as it currently reads proposes that a petitioner under section 58 shall serve by personal service not less than 30 days before the date of the hearing, a notice of the nature, time and place of the hearing of the petition and the documentation required under section 59.

Then it goes through and lists the people upon whom that notice should be served:

- (a) the guardians of the child other than the petitioner,
- (a.1) if the petitioner is the sole guardian . . . the person who consented to the adoption . . .
- (b) the child if the child is 12 years of age or over,

and then the section which the government has proposed to be amended,

- (c) a director if a person other than a director is filing the petition.

But the issue, Mr. Chairman, is that the amendment as proposed only amends the first part of that reference.

So our amendment as it is in Bill 6 says that we will say "the Minister if," substituting that for "a director if," but it does not carry through and say: a minister if a person other than a director is filing the petition. I would expect the intent was that the director reference in both the first and second parts of that piece should have been changed.

Now, we explicitly changed them in every other piece, and I refer to section 62 as it's amended. In that section we go through and there are actually several references to "a director," and the bill proposes that each one be changed to "the Minister." I'm speaking to 5, that "section 62 is amended," (a) and (b). Our practice has been explicit in these other sections, to go reference by reference and when "a director" or "the director" is referenced, to replace that with "the Minister," but that has not been done in section 60(1)(c). So I just point that out as a courtesy to the minister and government member, and it may have perhaps been an oversight in that respect.

I appreciate as well the fact that the sponsor spoke about how adoptions remain centralized. I don't think that message was made quite as explicitly in the second reading of the bill. It was also stated that the child regional authorities would not be delivering services with respect to adoption, and that clarity is also I think helpful to our debate this evening.

So I have touched on, again, sections 55, 59, 60, and 62 in my comments thus far.

I would like to just speak briefly about section 66, which is the next section proposed to be amended. That section speaks about voluntary disclosure, and there are number of changes proposed in that section by the government, the majority of which speak to the authority of the minister and I guess the sweeping powers the minister would have in the future with respect to the application of this act. I would agree that for the most part there has been a strong desire within the community to modernize our adoption processes. There has been an increased desire for more information to be shared with respect to adoptions by the majority of parties affected, so my comments certainly are supportive of the steps that are being taken in respect of the amendments proposed to accomplish that.

But when it comes to the authority of the minister or the power of the minister to make disclosures or to offer a review of the information -- and in section 66 we speak about how it could be "a biological parent of the adopted person", "an adult sibling of the adopted person", "an adult related by blood to the adopted person." There are many, many circumstances that could arise under these sections, Mr. Chairman. It talks about how perhaps a person that might be related by blood could be deceased, could not be located, could be incapacitated because of a mental disability, if the adopted person is an Indian or "a person who was a parent of the adopted person under a previous adoption order."

10:10

There's a whole variety of circumstances that could arise with respect to that, Mr. Chairman, and there may be some very legitimate reasons why one of the parties that would be affected by disclosure would not want such information to be released. There

are no parameters, no guidance offered, no measuring stick, if you will, as to how the minister would go through and determine, based on what information or what advice, that disclosure in this case would be warranted.

A scenario that has been raised to me is: what if the child resulted from a rape? If the desire existed that the child should be protected by that, would the minister have the arbitrary authority to determine that that would not be released? If he makes the decision to disclose, is it complete and unfettered by any request or any judgment that he might make? There might be a case where in a similar way a relative or a parent of the adopted child might not wish a particular aspect of their past to be disclosed by the minister, and I don't know how their interests are protected if we don't have some mechanism.

AN HON. MEMBER: A veto.

MRS. SLOAN: Well, what if they're not in a position to utilize the veto? I guess that's a question.

Particularly when it comes to giving a minister of the Crown sweeping powers, I think Albertans like to have some idea of: under what parameters will these powers be invoked, and how will a decision to disclose be made? So I have proposed an amendment, which I have provided to the table officers and that I would ask be circulated at this time, if that is possible.

I am moving that Bill 6 be amended by striking out section 6 and substituting -- perhaps, Mr. Chairman, I will read the amendment into the record as copies are being distributed. The amendment reads that section 66 is amended (a) in subsection (6) by striking out "66.1 or" and substituting "66.1, 66.11, 66.12 or"; (b) by repealing subsection (8) and substituting the following:

- (8) The Minister may disclose the identity of a person referred to in section 66.1 only in accordance with section 66.1 unless, in the opinion of the Minister, the disclosure is necessary to the health of the adopted person or that adopted person's descendant or there are compelling circumstances that support disclosure.

And (c) by adding the following after subsection (8):

- (8.1) In determining whether there are compelling circumstances supporting disclosure under subsection (8) the Minister shall consider:
 - (a) the reason for which the information is sought;
 - (b) whether the individual about whom the information is sought is alive;
 - (c) whether it is possible to satisfy the information request without disclosing the identity of another individual;
 - (d) the effect of disclosure on the adopted person, the adoptive parents, the biological parents of the adopted person, or other members of the adopted person's original and adoptive families; and
 - (e) the age, maturity and expressed needs of the adopted person.

And (d) in subsection (9)(a) by striking out "who is 18 years of age or over." That concludes the amendment, Mr. Chairman, that I've proposed.

I would indicate in our research of statutes with respect to adoption -- and this is not only research of what has been the Canadian approach but in North America.

DR. NICOL: Linda, move your amendment.

MRS. SLOAN: I did. I've moved my amendment. I'm sorry, Mr. Chairman.

THE CHAIRMAN: You've moved your amendment?

MRS. SLOAN: I moved the amendment prior to reading it into the record.

THE CHAIRMAN: Right. So this is amendment A1.

Just for purposes of *Hansard*, in the very last one, under (8.1)(e), "the age," I think that word is "maturity," is it not?

MRS. SLOAN: Yes, it is.

THE CHAIRMAN: Okay. So hopefully they picked that up. Go ahead.

MRS. SLOAN: Thank you. I was speaking about the research we had conducted with respect to statutes and adoption processes not only within Canada but within North America, and I would indicate that this is a guideline that has been incorporated in a number of other statutes with respect to the power of the governing body or in this case, as is proposed in this bill, the minister. What it does is provide within the statute, Mr. Chairman, something that Albertans can look to and say: all right, the minister will consider these considerations in making the disclosure. That type of approach is not something in the bill as proposed that I see at this stage.

I did extend as a courtesy a copy of the amendments to the sponsoring member this afternoon, hopefully anticipating his support for the amendment and the support of the government. I think, with due respect to the drafters of the amendments and the bill, it strengthens the approach and particularly provides more transparency to the section of the act which is perhaps most contentious.

Thank you, Mr. Chairman.

THE CHAIRMAN: Okay. The hon. Member for Innisfail-Sylvan Lake on amendment A1.

MR. SEVERTSON: Yes. Thank you, Mr. Chairman. First of all, I would like to thank the hon. member. As she said, she did circulate the amendments this afternoon, and I appreciated that. It gave me some time to look over the amendments. But just the same I'll have to speak against the amendments.

First of all, I would like to clarify the amendment that was brought forward. Section 66 is amended in (a). I don't see the difference from what we have in the amendments already. On page 2 of the amendment to Bill 6, it says here "in subsection (6) by striking out '66.1 or' and [adding] '66.1, 66.11, 66.12 or.'" That part is identical. That's already in the bill. Also (d) in your amendment "in subsection (9)(a) by striking out 'who is 18 years of age or over'" is identical. That's in the bill already. The two parts, (a) and (d), are identical to what's in the bill as presented. So I'm not against your amendment, but it's already in there. It's a redundant amendment because it's identical to what's in there now.

10:20

Then speaking on "repealing subsection (8) and substituting the following," I have a hard time. I like the way it was in the bill: "compelling circumstances that support disclosure." It gives the minister some leeway to judge case by case. If we put in the amendments the hon. member mentioned -- I look at (8.1) and look at (b): "whether the individual about whom the information is sought is alive." Well, the minister or the department doesn't have that information. They'd have to do a search to find out whether the people are alive or not. So it's quite onerous. When a young person, say, gives up a child at the age of 16, 18, this information could maybe be required 25, 50 years from that adoption. The minister and the department do not keep ongoing records of people who give up people for adoption.

Then it says:

(d) the effect of disclosure on the adopted person, the adoptive parents, the biological parents of the adopted person, or other members of the adopted person's original and adoptive families.

Well, it's again quite onerous for the department, for the minister and his staff to go around and see what the effect of giving out information is going to be in all these circumstances.

I just can't see the need to detail every detail before a minister can release the information. I like it the way it is where it says: when "there are compelling circumstances that support disclosure." That could be a number of things, and it would be at the discretion of the minister. Therefore I would urge the Assembly to vote against the amendment as presented by the hon. member.

THE CHAIRMAN: The hon. Member for Edmonton-Riverview on amendment A1.

MRS. SLOAN: Well, thank you, Mr. Chairman. I appreciate the opportunity to debate the amendment. I guess I would like to specifically respond to the suggestion that the amendment makes this disclosure process too arduous for the government or the minister to assume.

I think that when we're talking in this section about disclosing the identity of someone whose identity has not been previously disclosed -- certainly if it were my identity that we were discussing, I'm not comfortable with some obscure reference that says the minister in compelling circumstances will determine whether a disclosure can be made. I would rather know that the minister would take these different considerations and deliberate upon them before making his decision. It's not to say that in every circumstance perhaps all of these would apply. It might be that in some cases maybe even the majority wouldn't apply, but at the same time it provides transparency about how the minister makes his decision, and that I think Albertans should be afforded. They should be able to know that these kinds of steps are going to occur.

It's I guess anticipated that the government would not want to adopt an amendment that would offer additional transparency to the process, and that is regrettable, Mr. Chairman, but in this respect at least we have made our best attempt to try and improve the act as it has been proposed to this Assembly.

Thank you very much.

THE CHAIRMAN: The hon. Member for Innisfail-Sylvan Lake.

MR. SEVERTSON: Just briefly. I forgot to mention the last time up that you've got to remember that people are allowed to put a veto on, and in a lot of cases the veto is there. The minister does not have . . . [interjection] Yes, anybody can put a veto on. So the minister has not the ability to release the information if a veto is put on.

You said that your amendments would say that there are a number of things the minister could maybe look at. But the way it reads, "The Minister shall" consider. He doesn't have an option. He'd have to go through every one, (a) through (e), because it says "shall," and he has no option.

I've met with a number of adoptees. In fact, on Saturday I had 10 people in my office, and they thought that now it's too restrictive and they'd like it opened up more. The amendment that we brought forward does give leeway to the minister.

Thank you.

[Motion on amendment A1 lost]

[The clauses of Bill 6 agreed to]

[Title and preamble agreed to]

THE CHAIRMAN: Shall the bill be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Deputy Government House Leader.

MR. HAVELOCK: Yes, thank you. I move that the committee do now rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

MR. SHARIFF: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports Bill 6. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official record of the Assembly.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

[At 10:29 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]