

Legislative Assembly of Alberta

Title: **Wednesday, November 15, 2000**

8:00 p.m.

Date: 00/11/15

head: **Committee of Supply**

[Mr. Tannas in the chair]

THE CHAIRMAN: Good evening. I'd like to call the Committee of Supply to order.

For the benefit of those that have gathered this evening, we're going to be going over some of the supplementary estimates for the year 2000-2001. The committee is the informal stage of the Legislature in which people are able to sit in their own places or indeed move around. They may take off their jackets. They may have coffee. We only have one person standing and talking at a time though. That's a general rule.

head: Supplementary Estimates 2000-01
General Revenue Fund

Children's Services

THE CHAIRMAN: We'll now call upon the Minister of Children's Services for opening comments.

MS EVANS: Thank you very much. Children's Services ministry is requesting a supplementary estimate of \$46,372,000 for its 2000-01 budget. The base budget currently is \$536 million, and the additional funding I will briefly summarize in the following areas.

Twelve point nine million dollars will be used to fund higher than budgeted increases in child welfare caseloads. The average monthly child welfare caseloads have risen from 12 and a half thousand approximately in September 1999 to 13,836 in September of 2000. The average monthly caseloads have almost doubled since 1993, when the figure was 7,980. The average cost per child welfare case was \$1,807 in '99-2000, up from \$1,721 in '93-94. These cost increases are due in part to the rise in complex cases such as children with fetal alcohol syndrome currently being more frequently diagnosed, mental illness, and severe behavioural disorders. The age breakdown for children in care: 30 percent of caseloads are ages zero to six, 34 percent ages seven to 12, and 36 percent ages 13 to 17.

A recent report dealing with child welfare caseload growth was presented to government. The internal document, which is now publicly available, has provided valuable advice from stakeholders, which we're currently reviewing with partnering ministries and community stakeholders, and we'll continue to explore improvements in that area.

Handicapped children's services. There will be \$10.2 million allocated toward higher than budgeted increases in handicapped children's services. Caseloads and higher average cost per case are the reasons for this increase. The number of families supported through HCS increased from a monthly average of 8,289 in '98-99 to an average of 8,462 in '99-2000. HCS helps families meet extraordinary expenses that arise because of their children's special needs. We now fund intensive behavioural programs for children diagnosed with autism, and other cases include children with cerebral palsy or mental disorders. The average cost of an intensive behavioural intervention is between \$40,000 and \$60,000, and our average cost per caseload for handicapped children's services in 2000 is \$5,826.

Six million dollars will be spent on the early implementation of recommendations from the Children's Forum and task force which

will continue to build on the results from the Children's Forum and the Task Force on Children at Risk reports. I must stress that other ministries are absorbing significant numbers of cost, not the least of which are the \$45 million in additional funds currently for education, for hours recommended for kindergarten. So this adds to those recommendations from other ministries which support the task force recommendations.

The risk assessment and reduction model which is now being used is a \$2.1 million expenditure which is also helping us with permanency planning for children in the care of child and family service authorities. The model addresses child protection and safety with a particular emphasis on the risk of future abuse and neglect. As child neglect in Alberta does not diminish, we are as a government trying to fill the gaps through agencies, both private and public sector. The other focus is on our permanency planning.

We have additional funds for contracted agencies recently announced, \$8.7 million that will provide increases to contracted agencies. This should be no surprise. It was indicated some three years ago that over a three-year period there would be every attempt by our government to assist those contract agencies in delivery of special services to individuals with special needs.

For employee compensation there's an additional \$5.5 million to fund higher than budgeted employee compensation costs primarily for staff working with child and family service authorities.

Youth in transition from care: \$938,000 will be allocated to assist youth in transition from government care to independent living. These funds are part of the national child benefit, a federal/provincial partnership designed to reduce child poverty and help parents work their way toward independence. Our goal is to help young people in care to enter adulthood on solid ground thereby preparing them for future success.

I ask for your support of this supplementary estimate. Our mission is to work with our partners to enhance the ability of families and communities to develop nurturing and safe environments for children, youth, and individuals. You've heard about some of the important strategies we are undertaking to achieve that goal. You know that our work has just begun, but we're committed to our vision.

I'd now be pleased, Mr. Chairman, to hear any comments and respond to questions following.

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

MRS. SLOAN: Thank you, Mr. Chairman. Children's Services is a relatively new entity that manages a complex population with an equally complex system. These evident complexities have been further compounded by the government's move to regionalize this system in the last five years. In reality, this evening I find it hard to criticize any cash allocations to such an underfunded system.

The minister and all staff, bureaucratic and front line, must be commended for working under extremely difficult and demanding circumstances where the stakes are high and human. That being said, their goodwill would benefit from cabinet support from this government to the degrees that tax reform and debt reduction have achieved, and I certainly hope, Mr. Chairman, that the hon. Treasurer is listening.

There is a cost for ignoring or choosing to underfund such a vital system. That cost was clearly magnified by the Auditor General in his 1999-2000 annual report. It is further magnified by a most compelling report titled Child Welfare Caseload Growth in Alberta: Connecting the Dots. I will refer to it at a point just a bit later in my remarks.

What the Auditor General magnified in his report this year of this

department, Mr. Chairman, is that the regional entities formulated by this government were by and large ill equipped to manage or fund the responsibilities that they had been given by government. The Auditor General found financial statements that did not fully report the cost of providing required services, that did not follow generally accepted accounting principles, that had poor or nonexistent processes for the provision of services and billing of services between regions. He found accounting officers that had potential conflicts of interest accompanied by a general inability in the department to determine if almost \$32 million that had been spent on support services was economically spent.

Further, the Auditor General found in this department just several months ago that a letter which had been written by the former minister had informed regional child service authorities that surpluses might not be available or carried over to the subsequent year. It was his finding that financial statements of the authorities were prepared on a premise that these moneys would be available, but it had never actually been clarified that surpluses would remain with the authority, and unless I'm mistaken, Mr. Chairman, that confusion continues to exist.

There was further confusion about surpluses that had been achieved by agencies. This confusion arose from different interpretations as to whether those surpluses were revenue of the authority or the department. In one case the authority wanted to account their surplus as a receivable, and they were told by the department they could not.

8:10

In the Auditor General's report on page 69 is perhaps the clearest message that the hon. Treasurer and other cabinet colleagues need to hear this evening. He recommends that Children's Services "review the funding formula to ensure that the allocation of resources is consistent" to meet the expected needs of each Children's Services authority. To paraphrase, Mr. Chairman, it is a compelling statement that the Auditor General needs to give direction to this cabinet that they should adequately fund the provision of services to vulnerable children in this province and account for them clearly and consistently in their financial statements.

We have heard the hon. minister tonight speak to the allocation requested, \$46,372,000. In fact, Mr. Chairman, the reality is that the budget of this ministry was underestimated, was underreported, and as a result of that we now find ourselves in a position where the minister must come through supplementary estimates to ask for that kind of additional allocation.

Now, there are other ministries that are responsible for these increased costs, and I think it would be misleading tonight to speak only to these issues from the perspective of Children's Services.

I would like to move now to the report on child welfare caseload growth published in August of 2000. One of the issues that was highlighted in that report was the impact of low social assistance rates in Alberta and the cuts made to social assistance rates by this government in the early '90s on child welfare caseloads. I quote from the report.

The largest group of people receiving public assistance in Alberta is single mothers of dependent children. The pressure on these women to find work once their babies are six months old suggests that caring for children is undervalued when compared with the ability to be independent of public assistance.

Further, it was cited that

families on welfare [in Alberta] do not benefit from the increase in the Canada Child Tax Benefit launched in 1998. Most provinces claw back the increase in federal funds from families with children on welfare and spend the money on other programs . . . Only two provinces [in Canada], Newfoundland and New Brunswick, allowed families with children on welfare to keep the money and use it to

improve living conditions.

Now, I should summarize, Mr. Chairman, that I'm making these remarks and recognize that it won't be perhaps until next year's budget that the cabinet will in fact make the right choice and adequately fund this department. I think they have the evidence within these reports to do so, and in highlighting these areas this evening, I hope that it will provide the additional impetus they require to make services for children, particularly vulnerable children and families, a priority.

This is also citing from the report:

In 1998, the estimated welfare income for a single mother with one child [in Alberta] received \$11,088 annually. That income includes basic social assistance, additional benefits, Federal Child Tax Benefit and Federal GST credit,

as recorded by the National Council of Welfare. Eleven thousand dollars. Now, I don't know about you, Mr. Chairman, but I know that I could not raise my two children on \$11,000 and have them grow up to be healthy, productive, and functional individuals.

In the report on pages 45 and 46 there were a number of examples that the authors used to highlight the difficult realities people face in trying to access welfare, and I will highlight just a couple.

A mother on welfare [in Alberta] told [the researchers] that she did not have a telephone, as it was not a benefit covered under welfare. In order to have contact with his children, her ex-husband covered the . . . cost of phone. Welfare defines this as child support, so it is deducted from her monthly cheque.

How does that make sense? Why are these types of areas not being reformed to make it more supportive for families in this province?

Another example.

A First Nations agency paid the damage deposit for a single mother who was moving to the city. The welfare worker considered the value of the damage deposit as income and deducted it from the welfare cheque.

These types of examples are rampant in the system, and they need to be addressed.

I want to turn to some of the other issues. I am cognizant of the fact that there are allocations this evening for staff compensation, but with due respect to the minister, Mr. Chairman, I don't think they go far enough. That is because, again in the caseload growth report, one of the most significant causative factors in caseload growth was attributed to the fact that we have largely unqualified staff and an enormous rate of turnover in Alberta in child welfare.

It may be of interest to our guests in the gallery this evening that Alberta is the only province in Canada that hires child welfare staff with less than a bachelor of social work. The rate of turnover within our staff in Alberta is very high. Since 1993 over 900 child welfare workers have terminated or transferred out of the province, while combined with the hiring of new staff and responding to growing caseloads, recruiting to these vacant positions results in chronic, significant inexperience in the front line. Currently 43 percent of child welfare workers in Alberta have less than two years' experience.

Again, the report through a variety of pages talks about the degree of the problem that we have in human resources in child welfare. As I say, with due respect, I don't think the allocations this evening, when spread across the departmental staff, the agency staff, and contracted staff, go nearly far enough. I would encourage the minister and like-minded members in the government caucus to continue to educate those members of cabinet that have doubts about making allocations in this area. We seem to have the belief, Mr. Chairman, that debt and Alberta are not synonymous, and we have gone to great lengths in this province to eliminate our financial debt. Well, if you agree with that stance, then I think any member that takes that approach should read this report, because this report

magnifies the depth of the human debt in this province. Unless we do something about it, we are going to pay the price in the future.

We've lost some of our best professionals in this department, and as is the case in health care, in nursing, in medicine, we're going to have to spend some money to get those people back. Again, the allocations this evening are talking about current staff, but we don't have enough staff, and the staff that we have are not qualified enough. Those that are qualified are not receiving the supports they require to deal with the very complex high-needs population.

If that overview and explanation with respect to human resources is not sufficient, Mr. Chairman, I'm most certainly available to reinforce it at any time should the government require that.

Just to finish off in the area of staff, in human resources, I mentioned that 43 percent of all current frontline child welfare staff have less than two years' experience. In addition to that, of the current staff without a bachelor of science or a master's of social work degree, more than half have less than two years' experience. We've deprofessionalized the care and the service delivery in child welfare.

8:20

I'd like to just move to another area for examination that is not directly spoken about in the allocations this evening but is definitely evident, and that is the needs within our aboriginal population, which comprises approximately 50 percent or thereabouts of the child welfare caseload. When it comes to this population, it is of no surprise, perhaps, to any member of this Assembly or to most First Nations bands that their population is growing at almost double the rate of the general population, and within that there are many children and individuals who have complex social, physical, and mental needs.

The caseload report highlighted some of those, and I'd just like to summarize them this evening. The rate of suicide is cited among First Nations adolescents as being up to seven times the national rate. There is a high incidence of alcohol and substance abuse, a high accompanying incidence of fetal alcohol syndrome. We have approximately 24 percent of aboriginal families being headed by lone parents.

This leads to one of the recommendations made by Allen De-Leary, the Assembly of First Nations health director, who was quoted in 1999 as saying:

A comprehensive child health policy framework does not exist at this point and there is a great deal of work to be done in examining (First Nation) children's health issues. We can begin by addressing the socio-economic, environmental and housing situations of First Nations families. Overall, there is a lack of programming and support for children between seven and twelve, there's an urgent need for a suicide prevention strategy among children and youth, and there's a lack of recreation opportunities for . . . youth [as well].

Now, at a later point in this session, Mr. Chairman, I'm going to be releasing a report that I have completed on youth suicide in Alberta that addresses both the aboriginal and nonaboriginal population, and I will speak, I am hopeful, about the incidence of suicide in Alberta at some later point. I have had the opportunity to speak with the Minister of Children's Services and the Minister of Justice and the minister of health about the lack of a co-ordinated suicide prevention strategy in this province and our continuing high rates of suicide in young people and in the general population. That, again, is something. When you calculate the lost hours, the lost potential, the loss in terms of family and society, this government should be concerned about the high incidence of suicide, and to date we have not had any co-ordinated program or any acknowledged leadership entity to deliver suicide prevention services in this province.

In that same vein, as long as I've been in this Assembly, as long as there have been Children's Advocate reports in this province, they have cited the lack of services for 16 year olds and 17 year olds. There is a huge gap, it appears, if a child for whatever reason finds themselves independent before they are of legal age in this province. There is this big, black hole that they fall into. One of the reasons – well, it's as crystal as this. What the caseload report says is that older teens are seen as less of a priority for service. The major finding of this report was on the need for a coordinated approach to providing services to 16 and 17 year olds to prevent [them] from falling through the [cracks] . . . This concern was echoed by staff from the Youth Secretariat, "Adolescents are seen to be the most expendable. As caseloads increase, services to youth are reduced or closed and expectations are increased."

As I said, this has been mentioned on numerous occasions by the Children's Advocates. It relates to social services. It relates to SFIs. It relates to the provision of child welfare services, and it relates to the provision of services through our department of health. This particular population could be one of the reasons why, particularly in the male population, our highest incidence of suicide is in males between the ages of 10 and 40. If in fact we were able to detect and intervene with some of these youth at this age, perhaps we might be able to make an impact that would prevent them from taking their lives or being involved in the justice system at a later time.

I want to just quickly summarize as well. In the annual report of Children's Services this year it was cited that the department was a defendant in 45 legal claims. In 1999 there were 49.

Forty of these claims have specified amounts totaling [approximately \$70 million] and the remaining five have not specified any amount . . .

Included in the total legal claims are thirty-nine claims amounting to [\$63 million] in which the [department] has been jointly named with other entities.

THE CHAIRMAN: The hon. Member for Edmonton-Riverview will have another opportunity perhaps later, but Edmonton-Centre would like to make a comment before the minister replies.

MS BLAKEMAN: Yes, I would. Just a very brief issue or question I'd like to raise that could probably be captured in the minister's answer. The minister is aware that for some time I've been bringing forward the issue of employees in the nonprofit sector that are doing work similar to that done by department employees. There is a tremendous wage gap there. I notice in here that there's "\$8,734,000 for increased funding to contracted agencies and service providers to support employee compensation adjustments." From what I have been asked in talking to people in the community doing this kind of service provision, they haven't been given any indication of how this money is to be spent, what sector it's being spent in. They've been told handicapped services, but they don't know exactly whether they're allowed to do that. When would the minister anticipate being able to give a clear explanation to these service providers?

Second to that, this is onetime funding. Is there an expectation, then, that this increase for employee compensation will be continued forward in other budgets, or are they somehow supposed to give their employees a raise and then take it all back on the 1st of April? How is that expected to continue on into the future?

The third question is: does this in fact address the wage gap, and will it keep up with the increase that the public-sector employees are experiencing? What's happened before is they got a little bit of extra money, and they raised their wages. Then the public sector raised their wages, and the gap was even wider. So if the minister could talk a bit about that, I would appreciate it, and I can be sure to get the minister's answers out to those agencies that have been speaking to me.

Thank you very much for the opportunity to raise that.

MS EVANS: Mr. Chairman, did you wish . . .

THE CHAIRMAN: It's not what I wish. I'm just serving the hon. minister.

MS EVANS: I was wondering if the hon. opposition have tabled all their questions and then I could respond.

THE CHAIRMAN: Okay. Thank you.

The hon. Member for Edmonton-Riverview had more.

MRS. SLOAN: Thank you, Mr. Chairman. I did want to raise actually what I consider to be a very serious issue, and that is the issue relating to the Social Care Facilities Review Committee. We have had an investigation conducted by this committee very recently that has found in the instance of a man dying within an inner-city shelter in Edmonton that the contributing factors to that man's death, who had suffered a grand mal seizure and had related physical and mental problems, that the facility was understaffed, that the staff in the facility did not have adequate first aid or CPR training, and that there were not policies and protocols in place that would have facilitated them acting to have the man medically assessed. He was in the facility for six days before he died, had not been referred to the medical clinic on-site, nor did he have a medical assessment during the last 24 hours of his life when he suffered the seizure in the shelter.

8:30

Now this committee has been largely inactive and not utilized by government. In fact, there have been numerous instances where these types of situations have occurred in social facilities in this province, but there has been a subliminal movement to direct actions internal to the department so that there was no public accounting, no public investigation, no public reporting.

When the committee was compelled by the provincial Ombudsman to investigate this man's death, the committee itself did not understand that it had the legislative and statutory mandate to conduct investigations into social care facilities. They did not have policies about investigations. They were not trained in investigation procedures. They have in fact, I am told, raised the fact that they as a committee are not adequately funded to conduct investigations into instances of unsafe practice or care or instances of people being harmed or dying in these facilities.

I do not see a supplementary estimate before us this evening for this committee. It's a statutory entity. It falls under the minister's portfolio. I'm very, very concerned, Mr. Chairman, that the government is by de facto reducing the role this committee could play by insufficiently funding them to fulfill their responsibilities. That is not here, and I would look to the minister for some confirmation as to when that committee might see an enhancement of their resources to enable them to provide a more accountable system of reporting and investigation to the public of Alberta.

Now, just accompanying that concern, in the annual report for Children's Services, which heightens where I fear this committee is going, the committee was only referenced on page 41 and it was referenced only in the context that they were responsible to inspect day cares, when in fact the Social Care Facilities Review Committee has the responsibility to investigate any facility that is providing services in the social service sector: group homes, any inner-city shelters, women's shelters, the Yellowhead Youth Centre, any facility, whether it be a foster home or a facility of a larger nature. This committee has the statutory responsibility to inspect them and to investigate them if a complaint is received, and the government,

number one, is not reporting that responsibility. Number two, they're not funding that responsibility. I would ask the minister this evening when the government plans to concretely make the funding of that committee a priority.

Thank you.

THE CHAIRMAN: The hon. Minister of Children's Services.

MS EVANS: Thank you. I will endeavour to summarize or highlight some of the areas the hon. members opposite have raised, and then supplementary to this, Mr. Chairman, I will come back and further provide a tabling to address additional concerns.

In the very first instance, in discussion about the supplementary estimates the hon. member has noted the caseload growth, the transition to regional authorities. As we all know, we have had some growing pains with those. However, there's been some significant benefit which has accrued even since the Auditor General reported. In other words, at the time of the formation, if I could take you back to May of 1999 to the formation of this ministry, we had an acting deputy minister. We did not have our finance officials. We did not have so many of the core services within the department itself coalesced in a fashion that was going to make sense and be able to interface quickly in this transition period with the children's authorities.

Although on the face of it the report from the Auditor General and other criticisms might appear that we have not done the work, actually other indicators will show that we have forged ahead. For example, on the matter of interauthority protocol the CEO forum of June 12 of 2000 actually confirmed a protocol that will see funds transferred in a fashion that will address many of the Auditor's concerns, particularly those in the financial management and reporting areas. The authorities, even since March of this year, with the guidance of our ministry executive team have made significant improvements in accounting for its transitions through the regional service centres. There are indications that the authorities today are following the protocol, as the charges recorded as receivables and payables now do match, something that the Auditor General had criticized.

Probably the most significant thing for me to comment on is the confusion that seems to have arisen over surpluses left with the authorities, and I think it's most appropriate to deal with this as one would a family where the incomes are different with each family member. If it's a husband and wife and groceries go up or the cost of fuel goes up and one budget is covering what another is not, then we see some transfers that have to be made. Similarly, too, the authorities originally had predicted population needs-based formulas, which did not reflect the actual needs within communities. An illustration in the northern communities was that foster families were less of a premium than they are in the surrounding urban areas.

So ultimately we have looked at the 18 authorities. Those that yielded total surpluses of \$5.6 million have been looking at ways with our department of retaining at least a portion of the surpluses and then applying these funds to meet their responsibilities. However, we are one department, and it would be irresponsible of us to have some with surpluses and some with deficits, as we are a one-service delivery agency to the assurance of all the authorities in Alberta, and we're working to make progress to make sure each child is well served, no matter where they are. So we will provide more, and I will be tabling very shortly the response that we have to the Auditor General's report relative to all the matters he raised.

I'd like to talk a little bit about the comments made by the hon. member on workload standards. That report has implications for many of the ministries that are attending here, quite specifically

Human Resources and Employment in the manner of welfare rates, and other members of the government who are addressing many of those concerns by not only examining the workload standards report, the caseload report, but seeing whether or not, with the work we've done this year improving standards, we've made considerable strides.

Mr. Chairman, no doubt the hon. members are aware that we added 200 staff this year to serve the needs of child and family services authorities, and although there is criticism about the amount of money staffing has received, this is a North American phenomenon, that we have not only a shortage of qualified degreed professionals for social services. We have a need – and it was agreed to by the association – largely because of some remote areas to include two-year educated professionals, who with team leaders have performed remarkably in the field. However, we continue to strive with our staff training to improve the experience of the staff, and we do recognize that we have a need for further staffing.

I'd like to comment about the First Nations and the Metis progress. The hon. member has highlighted suicide prevention as an important strategy. We have the additional capacity now of additional service workers in the field. Just yesterday at the child service conference in Banff . . .

Chairman's Ruling Decorum

THE CHAIRMAN: Hon. members of the committee, if you could talk without us hearing you, that would be very helpful. The noise is just slowly rising, not yet to a crescendo, but we're hoping not to reach that point. I wonder if we could engage in our conversations in a much quieter tone so that we can hear the minister and other members who are speaking.

The hon. Minister of Children's Services.

Debate Continued

MS EVANS: Thank you. We would have added additional members to serve not only on reserves but in Metis settlements to try and determine what the causal circumstances are of depression, of those types of frustrations and situations that lead to suicide and other traumas within the family.

8:40

I'd like to comment a little bit and just briefly on the hon. member's highlight of liabilities within the department. We do recognize that there are some long-term debts associated with litigation that has been brought to bear on our department. There is a plan, working with the Minister of Justice, to try and reconcile those liabilities, and we will report further on that.

Further, the hon. Member for Edmonton-Centre talked about the employees in non-profit organizations. As the hon. member is no doubt aware, a number of the activities undertaken by the deputies of the respective departments who received some of the funding for contracted services have defined how those service dollars are to be released. The comments about it being a onetime funding and what is the future of the formula – I'd like to give the assurance to the hon. member that we have considered what the formula should be so that there is always a seamlessness once the contracts have been managed within government, so that we don't have gaps of people in contract managed positions. We have been working with the authorities to see how we can responsibly manage that as well. Some of the contracts we have dissolved and have moved to a fee-for-service basis, but the very illustration the hon. member brings forward of the needs of those staff to be compensated in a way that's comparable so that they retain staff is something that I would suggest my hon. colleagues in health and others are also very keenly

aware that we try and manage this within a framework that works. So I will provide that along with your indulgence of some of the comments that will come from the Minister of Human Resources and Employment, who actually led and managed the review of that particular issue.

I comment on and will be tabling later in this session the Social Care Facilities Review Committee report. Clearly, the issues the hon. Member for Edmonton-Riverview raises about what has been seemingly a less active committee are things which I think I can say categorically have been changed. We are working to make this committee a viable, well-resourced committee. The addition of Vice-Chairman Jean Wilkinson recently to help serve the committee's needs and the internal review of that committee itself and its own practices and policies has been considered. I would also confide that I have approached the Minister of Infrastructure about the possibility of having a member of his staff become a part of the review so that we not only look at those things that are qualitative in the social services facility reviews but look at those things that could address some of the facility issues.

Mr. Chairman, with your indulgence I will more thoroughly respond to the criticisms and comments and concerns raised by the hon. members opposite and provide that tabling in the House.

THE CHAIRMAN: After considering the supplementary estimates for the Department of Children's Services, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Agreed to:

Operating expense	\$46,372,000
-------------------	--------------

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

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Would hon. members please give consideration to reverting to Introduction of Guests?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

The hon. leader of the third party.

head: Introduction of Guests

DR. PANNU: Thank you, Mr. Chairman. It's my pleasure to introduce to you and through you to the members of this House a large number of guests who are visiting tonight. They are sitting in the public gallery and also, I guess, in the members' gallery. These are citizens who were opposed to Bill 11. They were last night present in very large numbers, close to 300 strong, at the Council of Canadians meeting to organize, to make sure that public health care in Canada is protected. So I'll ask all the visitors to rise and receive the warm welcome of the Assembly.

head: Supplementary

Estimates 2000-01

General Revenue Fund

(continued)

Infrastructure

THE CHAIRMAN: I'd call upon the minister to make some opening comments and then invite questions and further comments.

MR. STELMACH: Thank you, Mr. Chairman. I'd like to move supplementary estimates this evening of \$419 million for our department, Alberta Infrastructure. It'll be allocated as follows: \$170 million for health care facilities; \$235 million for the school facilities program, K to 12; \$6 million for postsecondary facilities; and \$8 million for the infrastructure Canada/Alberta program, otherwise known as ICAP. I'd be pleased to answer any questions.

THE CHAIRMAN: Okay. The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. It's a real privilege to get up this evening and raise some questions and talk about the supplementary estimates for the Department of Infrastructure.

I guess the recognition is that in the past number of years infrastructure quality, upgrading, and maintenance and the development of new facilities across the province has kind of lagged behind as we've acted to balance budgets and that. There's a lot of questions that come up when new programs are funded. We recognize that the government has added quite a number of dollars to the different facility groups in terms of health care, education, and basic infrastructure for local governments, but what comes back a lot of times when we talk about these is exactly how that decision-making process is implemented and what kind of priorities are put on it.

On behalf of the Member for Spruce Grove-Sturgeon-St. Albert, who's had a couple of tours around the province talking to people about infrastructure, I wanted to raise a couple of issues that she was made aware of in those tours that effectively relate to how the priorities are set and how the decisions are made in terms of the actual request by a local government or a local authority to the government and then the actual decision-making that's made within the government. For example, the Brooks separate school board has been asking for a school to replace their crowded facility in terms of St. Joseph's Collegiate, yet the government is not acting on their requests. So how do they get a feel for how the priorities are put in place?

They've given the government basically a couple of different alternatives, the option of a new facility or an upgrade revision of a county building that's there that can be turned into a school, but then they have to have some of the support facilities, like gymnasiums, that go with it. So these are the kinds of issues they raised.

You also see issues coming up in terms of some of the priorities that are given to other activities, especially with respect to safety within some of the communities in terms of how do they get upgrades on intersections or how do they get new bridges. These come from some of the areas when they have to look at how they deal with bridges over major rivers. For example, the county of Newell wants a new upgraded bridge over the Bow River. They want to know why these kinds of requests are not getting the priority that they feel they express when they talk to the government.

I guess some of the others don't show up – maybe they'll come under the Canada/Alberta infrastructure program – but communities like Gleichen have been asking for an upgraded water treatment plant so they can have fresh potable water in the community. Most everybody in that community now has to use bottled water, and they want to know how the priorities are put on in making the decision to upgrade that. I think there might be some complications there in the context of this First Nations community because there would have to be some federal participation in those kinds of decisions. Still, we have a responsibility to make sure that all our citizens in Alberta do have access to potable water and the kind of infrastructure that's possible to deal with those kinds of things and the needs of the communities.

8:50

I guess the other area that some of the counties were asking about was how they deal with getting priority put on the commitment that's there from the irrigation districts to maintain the bridges across the irrigation canals. It gets to be a kind of nonresponsive negotiation process when they have to deal with the irrigation district, and what role can the government play in doing that?

So in many ways, Mr. Chairman, what we're kind of asking for is clarification here, very much like we heard in Children's Services, in terms of how the formulas work to put the priorities on so that the bodies in those communities responsible are actually making requests. When the response comes back, it doesn't have the same kind of prioritization that they sent in. So that's kind of the issue.

We look at it in the context also of some of the issues of safety that have come up. You know, we're hearing a lot about the intersection of highway 36 and highway 1 outside Brooks. There were a number of accidents there in the last couple of years. Why is it that this intersection has not received priority for upgrading? We've seen another one at 22X and 24 just east of Calgary, where in the last two or three weeks there have been a number of serious accidents.

Here it's a matter of how the government goes about making users of those intersections aware that all of a sudden we've gone from a straight-through highway to now having a stop sign on it. People are running that stop sign. What is it that has to be done, or what kind of information can be conveyed in terms of warning signals? We see that a lot of the cities, when they change an intersection, will have a whole series of signs up along the street coming up to it talking about new signals or a new stop sign or this kind of thing. I drive that highway 24 outside Calgary quite frequently, and all they did was put in a few rumble strips, but some of the highways are such that rumble strips just sound like normal wear on the road.

So we want to have some signs put up to kind of warn people that there has been a change in that intersection, that there is a stop sign coming and that they need to be aware of that and start slowing down so they can actually do what the sign says when they get there and prevent these accidents that occur, because those deaths are really unfortunate. Mr. Chairman, we not only need to look at making these kinds of changes; we also need to talk about an awareness campaign or education programs for a period of time where people can become aware of the fact that we've had some changes.

Some other issues have come up in terms of how the \$235 million has been allocated for school infrastructure, new construction and upgrades on facilities. How do these upgrades get justified in the context of the school utilization formula? Now, there are a number of communities – and this has been especially critical in Calgary, with all their new development. We see that the school board or the school division in its entirety has a utilization factor that doesn't justify, from a provincial context, saying: we need to have new construction. Yet when you go out and look at the growth that's occurring in kind of the peripheral communities, the new subdivisions that are going in, there are no schools out there to serve these communities.

We were aware the other day of the comments made by the Minister of Learning on the attractiveness of some of these minischools, basically kindergarten to grade 3, that are being put up on a temporary basis. What we need to do also, if we're going to start doing that, is look at the possibilities of giving the school boards notification of what they mean by temporary. I look at some of the facilities that I've had to deal with, and the temporary buildings now are probably just about as old as I am, Mr. Chairman, and, you know, I'm beginning to show a little bit.

What we have to do is start looking at what are the requirements in terms of expectations so that they can build these time-sensitive planning processes into their budgeting and their decision-making. So if we're going to give you a temporary building, we'll say, well, that's got to last you for 10 years, or until a growth pattern is established or until some other condition occurs. They need to have that kind of information conveyed to them so that as they go through their own prioritization and their requests to the Minister of Infrastructure for new facilities or an upgrade on a facility, these kinds of things can actually become part of the constructive decision-making that these school boards go through and also in terms of the health authorities.

That's the kind of thing we have to start looking at in terms of clarifying some of the issues that come out. I know the \$419 million that now has been allocated will go some way to help the shortage, but we are still hearing from a lot of the health authorities and the school divisions that their facilities need to have upgrades to make sure they serve the needs the authority has been given, the mandate to provide to Albertans. I guess in a primary way safety has to be looked at and then the issue of capacity and the how to deal with expansion kinds of issues that go on as well.

So those are some of the questions that are being asked of my colleague as she travels around Alberta to deal with infrastructure.

I've got a couple of points that I'd also like to raise in terms of, say, the school formula in terms of how they look at defining the space allocations. We're hearing from some of the schools in my area that they're considering the stage in the auditorium as a classroom. Well, does that mean they're going to have to move desks in there for the day and then take them out during the drama class so that the students can have access to it? Or is it the sense that they figure the school should be providing enough utilization so that the stage is used at all times, so that the classroom the students came out of while they were taking their drama or their speech or maybe their music or whatever and using the stage can have somebody else in it taking history, math, or English, those kinds of courses?

This is the kind of clarification that we need to look at. We've heard an awful lot about hallway medicine. Well, we don't want to start dealing with stage-based education. This is not the kind of thing we want to start moving toward.

I guess the other issue I wanted to raise was a comment that was made at one of the standing policy committees in terms of a presentation made by the Alberta Irrigation Projects Association. When they were requesting some clarification on the infrastructure dollars for their canal rehabilitation, there were some suggestions made that they should be applying for money under the Canada/Alberta infrastructure program.

I guess the question there is: how do these extra levels of government apply for the infrastructure grants when they cross over a number of identified jurisdictions within the programs, say a number of counties and municipal districts? Or when they get into serving the water delivery needs of some of the local towns and villages in southern Alberta, how do we get the joint action so that the irrigation district has some authority to actually put forward a request for some of those Canada/Alberta infrastructure dollars? Assuming that was the implication of that comment when they said they had to get joint funding through the Canada/Alberta program in the federal government's infrastructure commitment, will the provincial government help the irrigation districts lobby the federal government to get them classified as an identity that can apply for some of these infrastructure dollars?

It has normally only been done between the three levels of government, but in Alberta now we're putting together a number of what are effectively cross-jurisdiction, quasi-governmental bodies

like the regional irrigation districts, the health authorities, the children's services authorities. You know, some of our school divisions now cross local boundaries as we've gone through the amalgamation. How does that cross-identified municipal government level work when we're trying to deal with what has been defined as a three-level program, yet we're now effectively having four levels of government?

9:00

Those are some of the questions that we wanted to raise. I know some of my other colleagues have questions, and I'll cede the floor to allow them to have a chance. It's important that we recognize that even though the \$419 million that's been allocated above the allocation of the spring budget go quite a ways towards addressing the issues of infrastructure, what we really need to do as we allocate these extra dollars is make sure that the decision-making process is transparent and that the partner groups – whether it's the health authorities, the school divisions, the local counties, municipalities, urban municipalities as well, or, even in the case that I brought up, the irrigation districts – understand how these infrastructure dollar decisions are made and that they feel they've been listened to and that they've been heard as they make their requests and find out that the actual dollars being allocated don't follow that request, don't follow the same priorities.

It seems strange to me to be sitting in Edmonton and saying that I have a better view of the priorities of a school division or a health authority when they're asking for dollars for infrastructure. They're the people on the ground. They're the people mandated to provide the service, and we should be respecting their own priorities and their own decisions in terms of which requests they make.

So with that, Mr. Chairman, I'll cede the floor and let some of the other members raise their concerns about the infrastructure area as well.

THE CHAIRMAN: Hon. minister, we have a few more questions before you answer. Is that agreeable?

MR. STELMACH: Sure.

THE CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Mr. Chairman. I have a few questions this evening for the hon. minister. Whenever we consider the grand sum of \$419 million, we cannot take that lightly, particularly in regard to what the Auditor General wrote in his recent report regarding the Infrastructure department.

Now, I believe, Mr. Chairman, that I'll start with the smallest sum this evening and go to the largest for the hon. minister. For the \$8 million that's Alberta's share of the Canada/Alberta infrastructure program for the year 2000-2001 I have the following questions. What programs will be targeted? Will municipalities submit proposals for money, or will the government choose programs from its own priority list? Also, will municipalities be permitted to pool funds for a joint project? For instance, let's say waterworks or an irrigation canal.

The next amount is \$6 million. This amount is to assist, as I understand it, with the construction of the information and communications technology, ICT, centre at the Northern Alberta Institute of Technology. This, as I understand it, is going to permit an increase in student enrollment by up to a thousand students. The students are going to be educated in the high-demand information technology fields. Now, this is only a small part of the total cost of that project. As I understand, Mr. Chairman, it's in the range of \$52 million in total costs. That figure comes to mind.

However, in light of what's written in this year's Auditor Gen-

eral's report regarding the University of Calgary and the problem they're having with construction contracts there – and last year in the Auditor General's report there were significant flags raised regarding the University of Alberta. This is money that belongs to the taxpayers of this province, and I would like to know from the hon. minister what accounting procedures his department has in place to ensure that contract administration on this project is adequate and the mistakes that were pointed out at both the University of Calgary and the University of Alberta are not repeated. A sign of a complacent government is one that is careless with the bottom line. History, I'm afraid, has a tendency to repeat itself, and after what happened and after it was reported here, we have to ensure that it doesn't happen again.

Now, my hon. colleague from Lethbridge-East was talking about the school facilities evaluation project, and all hon. members of this Assembly realize the work that was done in the past by the hon. Member for Innisfail-Sylvan Lake, ably assisted by the hon. Member for Calgary-Bow. They went about the province. They surveyed the entire school system for mechanical and structural deficiencies. I would then like to know from the hon. minister exactly what recommendations the department is planning on taking from that report and spending a portion of the \$235 million on.

We realize that there are growth pressures. Renovation and modernization backlogs need to be taken care of. There are schools in the constituency of Edmonton-Gold Bar – Kenilworth junior high comes to mind. I was visiting there earlier this month, and incredibly, Mr. Chairman, you could see through the cinder block wall from the principal's office to the corridor. It wasn't a little beam of light. You could actually see through the wall. Their criteria, how this money is to be spent, on what schools and where, are very, very important.

We have schools, not only in my constituency, where the rain enters the roof and channels off the edge of the blackboard. Mr. Chairman, some hon. members may think this may reduce house-keeping costs because there's going to be less chalk dust, but I'm afraid this is a problem. Whether we want to realize it or not, that's up to the hon. members across the way. This is a problem. It's a backlog, and it has to be taken care of, but it has to be taken care of in a manner that's fair to all areas of the province. I'm not convinced that this money is going to be shared equally. Whether a constituency votes for an hon. member of the opposition or whether they vote for a member of the government, this has to be dealt with.

The sum of

\$170,000,000 for health care facilities capital projects to address waiting list pressures, new capital projects to improve access to acute care, and for priority infrastructure maintenance and upgrade needs.

Well, is this going to improve health care for Albertans? As one of my constituents addressed to me: Mr. MacDonald, this is the government's blink money, and this blink money is not going to fool me. I said to this individual: are you sure about this? "Yes." Mr. Chairman, I can only assume that some of this money – and the hon. minister can correct me if I'm wrong – is going to the expansion of the Royal Alex. This individual went on to say to me: "It's not until the next election cycle. The government is planning to make a big announcement now, but they're not going to open this facility until before the next election in 2005. This, Mr. MacDonald, is simply blink money, because the government realizes they had to blink."

9:10

The citizens, whether they're in the galleries tonight or whether they're going to read *Hansard* tomorrow, know exactly what's going on. They know what has happened to our health care system. Will \$170 million restore confidence in this system? I question that, Mr. Chairman, but it is welcome.

We need to ensure that the north half of the province has an adequate children's hospital. Is this going to be addressed in this sum of money? We need to consider many, many ways to improve the health care system. During the health care privatization act debate that went on – pardon me; the Health Care Protection Act – there was a lot of discussion about the number of beds that were available in the Capital health authority. The Capital health authority officials themselves said: don't worry; we have bed capacity to last until the year 2008 at current population projections. We have the beds. We don't have the personnel to stand beside them and tend to the sick. Who are we to believe: the people who are running the regional health authority or this document?

We're suddenly before an election. Health care is the number one concern of Albertans. I'm afraid that I do not think this amount of money, Mr. Chairman, is going to restore the trust of Albertans in this current government to deliver publicly funded, accessible health care for all its citizens.

Mr. Chairman, before I conclude my remarks, there's one little point that I would like to make regarding the school facilities and the upgrading. Two years ago my colleague from Edmonton-Mill Woods was determined to see education funding improve, not only for the students but to restore the structural integrity of the schools. Question after question was asked, and members from across the way would stand up and say: "\$600 million" – it was really \$200 million each year for a three-year period – "is enough. What do you want?" Well, when I see this figure, I have to conclude that it is a silent acceptance that that \$600 million was wrong. That figure was wrong. Hon. member after hon. member stood up and said: "What do you want? It's \$600 million." Well, obviously, this is an admittance that that was wrong. When I see these figures, I have to think that this is, as one of my hon. colleagues calls it, planning by the seat of your pants before an election.

With those comments I will anxiously await the minister's response, but I will cede the floor to my colleague from Edmonton-Centre. Thank you.

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

MS BLAKEMAN: Thank you. Yes, I understand the need to be brief.

There's one issue that I wanted to . . . [interjection] Oh, my goodness. Well, we really needed more time to go through this amount of money. A billion dollars we are trying to get through in four hours or something. It's just not enough time for scrutiny and questions to be asked.

Nonetheless, we're spending \$235 million for school facilities under the Infrastructure program "to address growth pressures and renovation and modernization backlog as identified through the School Facilities Evaluation Project."

Now, I am the MLA for a downtown area in a metropolitan area, so most of my schools are classified as inner city. They're older schools, and I don't have as large a population of children as many of my colleagues in here do. We have few kids but great diversity, which brings its own pressures. I go into my schools as often as possible, and one of the things that I'm hearing perhaps is this: the school facilities evaluation project has different criteria than the criteria that's used by the school boards to determine who's next on the list or who gets what kind of money or what priority rating they're getting.

As one principal put it to me, "You know, it's the engineers deciding what's going on here," and that may not necessarily be the way the school or the school board wants to approach it. So somehow with this money going in here, we've now got, I guess, not

dueling criteria, because obviously in this case the Department of Infrastructure is the piper and they get to call the tune, but I think that I'm questioning that. Certainly I'm questioning it on behalf of some of my schools.

These are all older schools. They were all built very close to the turn of the last century, and almost none of them have had any kind of really serious renovation since then. I have schools that have floors that are badly in need of repair and upgrading. I have schools that had carpets put in in the '60s and '70s, and they're still in there. I have schools with lots of chalkboards, lots of chalk, and all of that is still in the air, and with the carpets and the flooring it's all still hanging in the air. These schools have old air circulation, so it's not moving all of this respiratory debris out of the schools. So when we're looking at a standard of what is healthy and safe for our kids to be learning in, somehow that criteria isn't coming into place here with these school buildings.

In particular, I have a concern about St. Catherine community school, they call it, in Edmonton-Centre. Now, that school is certainly experiencing all of those difficulties, and it really is creating a respiratory crisis, if you want to call it that, for the students who are going there. I'm sure the minister has heard of the boiler that sometimes works and sometimes doesn't, and the principal was trying to be fair with me and said, "Well, what was in the paper in September, you know, maybe was a bit worse than in fact it was," but the truth is this is a school with a boiler that truly sometimes works and sometimes doesn't. We just can't have that there.

I don't understand why we ended up with these competing criteria. Why wasn't what Infrastructure was doing worked in as well with the criteria that have already been established by the school boards? Every time I've asked questions about this, I've been told by the members opposite that they just go from the list that the school board or the school division provides. Well, that doesn't seem to be what's happening here, and I'm getting some schools left out. I'm pleading my case on behalf of that school in particular, but I'm asking the question about why it's happening. That's the issue that I most wanted to raise under this.

Given that we're talking about almost half a billion dollars being expended in this department, it's very frustrating not to be able to have a full and open debate on this. I mean, there are a number of recommendations that were brought forward by the Auditor General that haven't been addressed, and I didn't even have a chance to look at how the money that's being spent here relates to the key performance measurements that were put forward by the department in the budget from this spring.

Having said that, thank you.

MR. STELMACH: Okay. Very briefly to try and answer all of the questions that came up with respect to the three major components of the Infrastructure department. With respect to roads, bridges, and above-ground interchanges, there's quite a process that's followed involving not only the municipalities but also a review of major categories, that of safety of course.

The second is the review of the traffic warrants, the counts, and also to try and project into the future where some of the future growth will take place. There have been quite significant changes in traffic patterns in the province over the last three, four years, only because there had been unexpected growth in some key areas in the province. I'll give you examples: along the highway 2 corridor, Edmonton to Calgary, huge growth in Grande Prairie and some towards the south in Alberta, around the Lethbridge area and along highway 3.

9:20

Now, all the municipalities put together their priorities. We look at those priorities very carefully, and the individual priorities from the municipalities are then prioritized, go into the hopper, and are looked at for the overall provincial ranking for priorities.

One issue raised today was with respect to interchanges. There are a number of interchanges that will be going in over the next three years and a number of bridges. Now, with the bridges it will be over 85 bridge structures, and we're working very closely with the contractors, the engineers, and also the bridge suppliers, because as a result of that much growth in that particular area, we have to be very careful that we don't start creating inflation, especially on the span material.

Now, bridges are not only those over irrigation canals, over the rivers and creeks, but also a bridge structure is an interchange structure as well. The most significant number of structures will be in the north/south trade corridor, on Deerfoot, and the two major ones here. The biggest one will be where Cheapo Joe's is on Calgary Trail South. That will be part of the Anthony Henday, and the Ellerslie one is a little farther. The reason for two interchanges is that at Cheapo Joe's it'll be a California-style flyover, and it'll be the original in Alberta, quite frankly.

Now, on secondary highways we're still following all of the input from municipalities. They rank their priorities. In fact, today we had a number of meetings at AAMDC, and a number of municipalities are coming with shared priority lists, which greatly enhances moving their projects forward, because they're now tying two regions together and linking them with a good road.

On the schools there are a couple of things here. With respect to the audit, I would say that Alberta without a doubt is the only jurisdiction in Canada that completed such a very comprehensive condition audit of all the existing 1,460 schools. The audit was done by professionals, engineers and architects that followed a set of criteria that was put together by the professional community involving the school boards as well as the Alberta School Boards Association. They applied that same criteria to all the schools. The comment was made: well, why don't we use the criteria established by school boards? Well, what happened then was we didn't have the same criteria, so we had mixed information coming from school boards saying: well, this school in our jurisdiction is definitely the worst. But compared on a provincial basis, it wasn't as bad as some other school in another jurisdiction.

They rated in points, I believe, of up to about 1,200 and then down. We've covered off, I believe, the schools from 1,000 to 1,200. Those modernizations have been awarded. We're chiseling away at the 800 to 900. We've also given all school boards an additional \$40 million in BQRP to deal with the smaller modernizations, those on the condition audit of roughly 700 points and down, because these would be small maintenance projects. Now, that's with modernization. Some school boards, now that they have pretty well an idea of the cost of modernization of some of the schools, are now wondering if all of the schools in their jurisdiction should remain open or if should they rationalize some of the schools in a particular subdivision. Let's say that there are five schools. Could we work with three schools and have three good, very well modernized schools with all the amenities, including the best technology? Especially if we have five schools and most of the students are bused in, it doesn't make sense to of course modernize all of them if students are coming from different areas.

On the new school construction, we're in the midst now of a fairly extensive subcommittee review, which is chaired by Mr. George Nicholson, who was the chair of the Edmonton public. There are a number of recommendations coming forward. The report has been

put in draft form. It's now with the school boards to look at. One of the changes that we're looking at is maybe a sectoral utilization formula. You would take a large grid like the city of Calgary or Edmonton and say: well, it's not reasonable to take a student from Mill Woods all the way to Castle Downs, so why don't we maybe break it down to quadrants and then look at the utilization rate in those quadrants?

As well, they're looking at how utilization was calculated before. I mean, do we use cafeterias for instruction? No. School gymnasiums? No. Gymnasium stages? No. So we're going through all of that. The comment I want to make is that it's coming from the bottom up. It's not coming from the top down. The school boards are working out the differences amongst themselves to see where they can come to an agreement on a lot of these points, because they also understand that policy for rural may be slightly different than for urban as well. We certainly don't want to bus students three hours one way in a rural community. It just doesn't make sense. So some of those schools will definitely have to remain open. That will be coming forward for further review. Once the boards have their stab at it, then it's going to come through the standing policy committee. Then it will become a policy that we will then follow in further evaluation of new school projects.

There was a comment made here: are we making all of these monetary infrastructure decisions by putting projects into only government ridings? We've got to kind of smirk at it, because we have the School Buildings Board that makes all these decisions. They are people appointed by statute to a committee, and they look at the evidence that's presented by various school boards in terms of accessing the funds available for modernization and for new school construction. So if their school is high on the list in the audit, it's going to be modernized. If it hasn't been modernized today, it's on the list, and it will be done.

The ICAP. There are three categories. It's about \$106 million that's going to go through the RTG, the rural transportation grant, to municipalities. That's going to top up with dollars they have available to date. That's about \$106 million. There's a pool of funds of \$30 million and \$21 million. The first priority, and again as agreed to by AUMA and AAMDC, is that these go into green projects, be it water or wastewater related. The \$21 million is an amount there that could be for projects that are nominated by either the federal government or the province.

There was a comment raised about: can an irrigation district apply, or can maybe some other organization apply? Yes, they can. If they work with a municipality or if they're not even involved in a municipality but are, like, an irrigation district, they can actually apply for the money as long as they pay their third, because it's going to be one-third/one-third/one-third. The problem is that our money will be over three years because we can't forecast out six years. The federal money will be doled out over a period of six years, so there's going to be a gap, and somebody is going to be carrying part of those projects. I suspect it will be the municipalities or whoever applies for the money.

I think that as quickly I can answers the questions raised, but I'll check *Hansard*. There may be something there that I've missed, and I'll get back to you.

THE CHAIRMAN: After considering the supplementary estimates for the Department of Infrastructure, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Agreed to:

Operating Expense and Capital Investment \$419,000,000

9:30

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

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Minister of Agriculture, Food, and Rural Development.

Agriculture, Food and Rural Development

MR. LUND: Thank you, Mr. Chairman. It gives me a great deal of pleasure to present these estimates here tonight. The \$98 million requested in the supplementary estimate will provide partial funding for the \$233 million farm income support package announced last month. Farmers are being hit by continued income and cash flow problems, and this onetime funding will provide emergency support to Alberta farmers and ranchers. The support package consists of a \$180 million farm income assistance program supplement payment of \$6 per acre for all cultivated acres. This is in addition to the \$4.29 paid in March of 2000. New program components totaling \$51 million will provide \$3 per acre on native pasture and payments to beekeepers of \$3 per registered colony in the year 2000.

The income support package also provides low-interest loans with payment deferral to eligible farming operations under the Alberta farm income disaster loan program. The cost of this initiative is \$2 million. The department is reallocating \$135 million from other ministry programs to fund the balance of the income support package. The two major sources of this reallocated funding are reduced payments to the Agriculture Financial Services Corp. for the farm income disaster program and for crop insurance. AFSC will need less money from the department than was originally budgeted for several reasons. One, the new federal/provincial agreement regarding cost sharing of FIDP was not finalized prior to the completion of the 2000-2001 budget. Therefore, the budget included the full cost of funding FIDP without any federal contribution. The new cost-sharing arrangement results in a lower provincial requirement for FIDP than was originally budgeted.

FIDP claims for previous tax years are lower than originally forecast. The resulting unused funds will be reallocated to partially fund the new program that we announced in March.

Also, the \$131 million farm income assistance program acreage payment in March of 2000 reduced the farm income disaster program liability for this tax year and thus has freed up budget dollars for the new program. Funding flowing from these new programs during the calendar year will also help reduce the farm income disaster program liability for the taxation year 2000.

Fourth and finally, crop insurance payments from the department to AFSC represent the province's share of crop insurance premiums. Lower participation and reduced value of crops insured has resulted in the province's share of crop insurance premiums being lower than was budgeted. The unused budget money will also be applied to the new program.

I would also like to mention that the support package provided an advance of up to 50 percent of the estimated eligible payment under FIDP for the 2000 crop year where there is an extreme reduction in farm income. Except for some minor administrative costs, there is no extra cost associated with this advance payment.

Even with the current safety net programs such as FIDP, crop insurance, and the net income stabilization account producers across the province have said that they will be hard pressed to meet 50

percent of their cash costs this year. It is important, Mr. Chairman, to point out that FIDP, crop insurance, and NISA are programs that are designed to help farmers through short-term drops in income. The new program funding is required because we have experienced a prolonged period of reduced income in the agricultural sector. This new program along with the advancement of FIDP payments puts much-needed money in farmers' hands. The majority of the money will be paid to farmers before the end of the calendar year.

Mr. Chairman, the supplementary estimates send a message that the agriculture sector remains a high priority for this government, so I would certainly encourage all members to support this request for some \$98 million.

THE CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Yes. We support the supplementary request, Mr. Chairman. This is something that farmers have said on a number of occasions they needed, and basically it shows that the programs that have been in place have not been adequate to cover the needs, as the minister said, of long-term downturns in price, downturns in the economic well-being of the agriculture community. A lot of this is caused by the unwarranted subsidies that are going on from the U.S. and the European Community that depress world prices. We don't have the treasury in Canada that the Americans or the Europeans do to provide that, so we have to provide programs that work to support farmers on a need basis and keep them sustainable while we can deal with the negotiations that are necessary to bring about some kind of rational approach to the world agriculture situation.

But with those kinds of positive comments on the side of the support that's out there, there are a couple of questions that still come up in terms of how the effectiveness of the programs work and the farmers that are actually receiving the benefit from these programs. We recognize that FIDP combined with the acreage payment program works kind of in tandem as well as with the NISA program that supports through the federal programs. What happens, then, is that we end up with a situation, especially the way it worked out this year, where the government made their initial payment in the spring, based on the – what do you want to call it? – registered farmer for the different acres eligible, based on the 1999 permit books or application and proof of farming activity as substantiated through the process.

The fall payment, the \$6 additional payment, was made based on the same acreage identification that occurred in the spring. In other words, a farmer that farmed land in 1999 was asked to identify their acres in the spring of 2000, and they were given a payment to supplement their income from the '99 year. I've had a number of phone calls from farmers who have transferred the title of some of those acres by sale or through new lease agreements on operational ownership of those lands. What's happening now is because they were not the registered owner in the spring, they're not getting the money to help them through this year's low commodity prices, low rainfall, high rainfall in the north that prevented them from harvesting, or the high energy prices that effectively drove their costs of production up. They're asking why this happened.

As I listened to the minister just now make the explanation, he's talking about these dollars being paid based on that, and then he's also talking about making a long-term commitment to the agriculture community. Does that long-term commitment mean that effectively in the next fiscal year, the next tax year for farmers, the next crop year for farmers they'll be getting payments to cover the higher costs and the lower prices and the weather uncertainties for the 2000 crop year? I guess the question the farmers are raising is this: if they farm the land this year, they are the ones that have to pay the

expenses this year, they're the ones that are receiving the low prices or the low yields because of the disasters, then why is it that they're not the ones getting the \$6 payment when it comes out this fall? This is a real issue for some of them.

Now, the minister in his comment said that this is a long-term program, that they'll be dealing with it until the long-term situation improves. Does that mean that farmers who had a difficult time this year will be getting the payment next year? Will they be going through a different acreage identification program for next year so that farmers who are actually farming the land this year are getting the money to support that activity? This has really caused a concern in the agriculture community, because what's happening is that they can't go back to the previous owner and say: "Oops. Sorry. We bought the land. Now they're paying you for farming the land, but we're actually farming it. Give us the money." It doesn't happen, Mr. Chairman. Nobody passes that on.

9:40

Maybe this is what we need to do: start an education program for farmers and for the legal community saying that starting as of this time, if anybody transfers agriculture land either through sale or through lease agreement, there had better be a contingency clause written into that, that if there are any new government payments that come after this date, even though they're based on the ownership or the operational characteristics prior to this date, they accrue to the individual who actually farmed the land after this date. Maybe we should be putting forward an education program for all the lawyers out there saying that this needs to be put into any sale agreement from now on so that money actually gets to the individuals, to the farmers who have lost money this year because of farming circumstances.

I guess the other issue that was raised on a number of occasions was the adequacy of the farm income disaster program and the crop insurance combination. In dealing with the situations that came up because of the drought in southern Alberta, we saw that the crop insurance this year was not available for pastureland, hay land, forages. Farmers were saying: "What happened? In previous years we had the option of crop insurance on our forage lands. This year it's gone." The minister now, in his announcement of this program, said that they would be making sure there was a program available for next year, so we've got one year in between the \$3 acreage payment that came out that again may not go to the actual operator for this year. How do we deal with that in the context of getting the money in the hands of those basically livestock operators that were grazing those lands this year when they didn't have the option of crop insurance and they're not getting the \$3 payment as well for the native pasture issue? So these are the kinds of questions that come up as we look at basically the fairness of these programs and/or the timeliness of them.

If this is truly a program dedicated and directed to the income losses of the '99 crop/tax year for farmers and there will be a corresponding program next year for the 2000 crop/tax year, then we need to make farmers aware of that so they can go to their banker and say: "Look, we know there's a program coming for us next year because we had a bad year this year. Hold us over." Because right now bankers are telling people that based on this year's income received from the cropping activities or the agricultural activities plus the support from government, it's not enough to justify carrying them another year. Farmers are making those decisions and bankers are making those decisions on behalf of farmers. But if this is going to be something we need to be able to say is ongoing, it's long term until we see some kind of resolution in the international situation, then farmers need to be made aware of that.

I'm encouraged by the minister's comments tonight when he talked about this being a program that has to reflect the long-term needs of farmers. I hope what he's saying is that this kind of support will be available. If it's going to be available on a year-to-year basis, what we need to do is make some kind of provision so that it's more timely; in other words, the people who farm this year get it this year. That can be done by using the acreage identification list we already have and allow a window of opportunity for individuals to file a dispute of acreage claim or whatever you want to call it, a change of acreage claim. When the announcement was made by the minister this fall about the new \$6 payment, there could have been a two- or three-week period where individuals were required to notify Ag Financial Services as the administering agency for this of a request to have acres changed on that list. Then any of those acres could be put into a verification process. The rest of the acres in the province, which basically amount to probably 80 to 85 percent of the acres, would be paid in the same way they are now. So the other 15 percent, because it was requested by a farmer, would be given the option for review of ownership.

That's the only real concern that we have about the way this money is being allocated. It's really needed by the farmers, and we have to make sure that when we do put these programs in place, it's going to the farmer who needs the money, who was the farmer of record during the year to which the money is allocated.

Thank you very much.

MR. LUND: Mr. Chairman, I must make a few comments relative to the comments of the hon. Member for Lethbridge-East. He talked about the problem where land has changed hands from 1999 to the year 2000. I can assure you that we wrestled with this problem.

But let me tell the other side of the story. The fact is that when I toured the province – and I spent four days touring the drought areas – I was asked the question: when would you be able to come out with a program? My response was that I would aim to try to do something by the middle of October. Farmers consistently said to me: "That's not fast enough. We have a cash problem now, and we need the money by the 1st of October because that's when the bills start flowing in."

So we went back and looked at: how can we design this program to get the money out quickly? If we were to go with the individual that farmed in the year 2000, that meant that we would have to ask everybody – everybody – to put in a new application form. That meant no money in the year 2000. So we looked at what that means versus the 1 percent or less that changed hands. Do we penalize the 99 percent – they wouldn't get money – for the sake of the less than 1 percent that are changed? [interjection] Well, hon. member, you might not like the truth, but that's a fact. If you're going to pay to a different person, we've got no way of knowing who that person is without having everybody apply. So the fact is that that was the consideration.

Now, as far as this payment, another situation that plays into this is that the federal government owes us, owes Alberta farmers, about \$180 million, and that is based on 1999. If you multiply six times the 30 million acres, that's \$180 million, and it works out to \$6 per acre. So that's the amount of money the federal government owes us. They have offered us \$10 million. Basically that works out to 30 cents an acre. That's what the federal government has offered us. We don't expect that the federal government is going to pay the money, so the Alberta government on behalf of the federal government is paying the money. So those were the two reasons we went with 1999.

Hon. member, there is forage insurance. It's just pasture insurance that was discontinued. There is forage insurance. The pasture

insurance was discontinued for many reasons. Number one, it actuarially was not sound, so we either had to do something with the premiums or else continue to cross subsidize, and that wasn't acceptable.

Secondly, we constantly heard people complaining about the program. Farmers were not happy. It's a difficult one. We have not committed that we are going to have a pasture program next year. What it looks like we will probably be doing, because as you know, we're doing a complete review of the all-risk crop insurance – we may run some pilot projects because we've got to find a different way of assessing. This is just not working, what we had out there before. So we will be looking at possibly using a weather derivative. There are a number of things that we might be doing on a pilot project. But it's also interesting to note that even with pasture insurance, many farmers, many ranchers will get as much money out of the \$3 per acre as they would had they had pasture insurance. So it's not a complete wash, but at least it certainly goes a long way to cover the fact that they didn't have the pasture insurance.

9:50

I guess I find it rather frustrating, because it's been our objective all along to come up with some kind of programs that in fact would cover the risk, cover the disasters, and have them ongoing so we don't have to come back with these ad hoc – the hon. member's absolutely right. We're into a major problem with subsidies in the United States and the European Common Market. The treasuries in Canada can't and won't be able to match those subsidies, so we need to find a way, programs that will take the farmers through these very difficult times. The current crop insurance program doesn't do it. The NISA program without some modifications doesn't cut it. It's more of a retirement program as opposed to a risk management program. FIDP, while it works well for one or two years' disaster, doesn't work well over the longer period. We're working hard, and I invite the hon. member, if he's got some ideas on how we can design these programs so that they will work better for the farmer, we're only too happy to hear them and would encourage that kind of input.

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

MR. MASON: Thanks, Mr. Chairman. I'd like to just ask a few questions. I've been made the agriculture critic for the third party, even though I can't even grow dandelions, but there was a 50 percent chance that I would be the agriculture critic, so I am. I just have a couple of questions for the minister.

I note that the government is complaining about being excluded from federal farm assistance, and I would like to know why the government did not pursue alongside the governments of Saskatchewan and Manitoba the farm assistance, particularly not co-operating with those two provinces as vigorously as they might have done, and how much the minister feels this may have cost Alberta farmers, which is now being made up in part from the \$98 million additional subsidy.

I would also ask another question, Mr. Chairman, and that is why the supplemental payment to farmers is being given to all farmers based on their acreage and not depending on need.

MR. LUND: Quickly. On the issue about the lobby that occurred in Ottawa, the fact is that I was there ahead of them. I was ahead of those two Premiers. I met with the federal minister of agriculture ahead of those two Premiers. We were there. We did what we could. It's got nothing to do with the presentations. It's all got to do with two federal Liberal cabinet ministers. Those two Premiers

didn't do anything; it all had to do with two federal cabinet ministers, Goodale and Axworthy. Those are the people that got that money for Saskatchewan and Manitoba.

As far as paying everybody, one of the things we have great difficulty with is that when you try to target, the process gets extremely long. You've got to fill out a lot of forms, and the administration cost goes up. As well, we have already two, actually three major programs that are targeted. The FIDP program, the crop insurance program, and the NISA program are all targeted programs. So it just really didn't make any sense that we would design another program, spend a whole bunch of time – incidentally, there would still be no money out there if in fact we had gone that route. With the route we took, 90 percent of the money is already in the hands of the farmers.

THE CHAIRMAN: Having heard the supplementary estimates for the Department of Agriculture, Food and Rural Development, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Agreed to:
Operating Expense and Capital Investment \$98,000,000

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

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Community Development

THE CHAIRMAN: The hon. minister will make a few comments to begin, followed by Edmonton-Centre.

MR. WOLOSHYN: Thank you, Mr. Chairman. I'm requesting \$63,588,000 in total extra funding for the following. The first request is for \$775,000 for a grant under the nominal sum disposal policy. This is for the Northern Lights regional library headquarters. This increase is surplus neutral and has no impact on the province's bottom line.

The second request is for \$483,000 for amortization expenses related to the Western Heritage Centre. This is a case where the amortization does not increase the spending target for the ministry, but for the current year authorization for increased spending on an expense base is required.

The third one is a request for \$50 million for centennial legacy projects, which I'm sure all members are duly familiar with by now.

The fourth request is for \$10 million, targeted onetime funding for seniors supportive housing incentive program.

The final request is for \$2.33 million to fund new and existing units in the rent supplement program.

Thank you, Mr. Chairman.

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

MS BLAKEMAN: Thanks very much. [interjection] No, thank you. I've got way too many issues I want to raise.

The first issue I'd like to look at is the \$483,000 for the amortization expense related to the Western Heritage Centre. Now, I've raised this issue a number of times with the minister. In fact, it was

raised before my time, and I'll just bring up a couple of examples of that.

Questions asked in question period on Wednesday, March 16 of '94 to the deputy Premier, and the response from the then deputy Premier was:

There are dollars in the current fiscal year, which will end March 31, 1994, and there are no dollars committed thereafter.

The issue was raised again with myself asking the question on Monday, February 28, 2000, in which the Minister of Community Development says that

the programming [is] still the responsibility of the centre. They will be funding it all. There isn't any Community Development money going in there . . . [and any] maintenance is looked after through Infrastructure.

Those are the minister's own words, and that was around the budget debates in this fiscal year.

So all of these assurances that there's no money coming from Community Development, certainly no money for programming, and if there's any infrastructure money or maintenance money, it would come through Infrastructure, and here I am in a supplementary supply where there's \$483,000 coming out of Community Development. Did the minister not anticipate this in February of 2000 when the budget was brought forward? If not, then why all these other assurances that there's no additional money going into the Western Heritage Centre?

Let's look at another one. Tuesday, February 29, 2000:

We now own the building. The people look after the programming, so there is no money allocated in this budget for the Western Heritage Centre, period,

says the minister. And here we are, money going to the Western Heritage Centre. So exactly what is this money for, why wasn't it anticipated, and why is it contravening many, many reassurances from the minister, past and previous, that no money would come from the Alberta government going into the Western Heritage Centre?

10:00

Let me be clear. I like the Western Heritage Centre. I've been there. It's a great place. But what's the deal here? The government says that they're not going to put money into it, and then there's money going into it. So where's the plan? Where's the justification? What's going on here? That's the Western Heritage Centre.

Okay. Let's look at the \$10 million that's going into seniors' housing. Now, I try hard to keep up with all these spending announcements that come out of the government, but frankly, at the rate we're going here, since May 6 until November, there have been about four pages that I have notes on of different announcements. So my question is: is the seniors' housing and lodge accommodations of \$10 million that was announced on August 31, 2000, the same money or different money than the seniors' supportive housing incentive program that was announced two weeks later, on September 12, 2000, also for \$10 million? Is it the same money that was announced twice in two different press releases, or is it two different sets of money for \$10 million? If it's two different sets of money for \$10 million, where's the other \$10 million? I only see 10 coming out of Community Development, who is responsible for seniors' housing. So if there's an extra \$10 million, where is it and which department?

MR. DICKSON: It's the old coin on a string trick.

MS BLAKEMAN: Yeah. It's a good one. Or maybe you just keep announcing it over and over again, and eventually people think you've spent \$10 billion on this. I don't know.

When we're looking at seniors' housing, exactly how many projects are going to be funded? Which projects or partnerships will be funded out of this? Is the minister able to give us the number of beds or rooms or suites or mats on the floor that are going to be created from this one-time-only funding? In which housing markets are we expecting to see this? Is the seniors' supportive housing incentive program a private-sector partnership? Is this money going to the private sector to provide these, or is this being done by the government? Well, the minister will have time to respond to me.

I'm also interested in knowing how this announcement of the money – and please don't misunderstand me. Let me be very clear here. We need housing for seniors. We need affordable housing for seniors. We need low-income housing for seniors. But I'd like to know where the plan is. When I look at the key performance measures in the government and lottery fund estimates of 2000-2001, which is the year that we're in, and I look under seniors, Effectiveness of Information and Benefits Provided to Seniors, we're not even talking about housing in here. So when I look at the goals and the major strategies, the major strategies in relation to seniors are the study on the impact of aging. I'm reading this very quickly. There's nothing in here. I'm sorry; "efficient delivery of programs that meet the social housing needs of Albertans." Is that the strategy that's being met by this seniors' housing?

There's another item in here that's about "\$2,330,000 to fund new and existing units in the Rent Supplement program." Which of these is it? How is this fitting into the plan that's already been put forward by the government? Or, in fact, do we not have a plan? Do we just kind of chuck money at programs?

One of the things I'm seeing happen is that groups are identifying ongoing needs. They're saying, "This is how much money is needed for this." The government comes back and says: "You're not going to get that much money. You're going to get half or 25 percent of that or whatever." So the group tries to make do with that half or 25 percent or whatever it is. Then three months before the year-end the government comes along and says, "Oh, we are going to give you all of it." Well, at that point it's not that they can go back and do the salary increases or the long-term planning or any of the other things that they needed time to do. They end up going: "Oh, my God. How do we use up all this money in three months?" You buy things, which isn't what they really needed. They wanted to be able to run the programs. So I'm really frustrated with this throwing money at it, big chunks of money in a short period of time. It's not part of a plan. I can't see where this was in your plan from February of 2000, when that budget came forward. So how does that all work?

Let's look at the \$50 million for the Alberta centennial legacy projects. Now, this is one that's near and dear to my heart, and I have to say that certainly with two of the projects that received funding under this, I'm personally very pleased to see them get funding. We're aware that \$38 million – certainly I've seen the press release – out of that \$50 million has already been allocated, but I haven't been able to determine what were the criteria, what was the application process for groups to be able to get some of this money. It appears that the money was given out before any process was in place. So what about all those other groups that would like to have a chance at this pot of money? Thirty-eight million out of the \$50 million is already gone. So an interesting process was involved there.

Again, I'm very happy to see a number of projects that did get the money, but I say: what about all the rest of the projects? What about the projects that could've been done in Dunvegan, Calgary-Buffalo, Calgary-Fort, or Clover Bar-Fort Saskatchewan? None of those people even knew that this program was in place or that there was an application process, so how do they get in on this one? I think

I've even got a letter to the minister on that, asking how that all worked, and I haven't had a response yet.

So those very quickly were the major points that I wanted to raise around this, about that money for the Western Heritage Centre, the criteria and application process for the Alberta centennial legacy projects, the \$10 million for seniors' housing. Exactly what is it, and how many times has it been announced?

I've been at a meeting for the SHAC group where the minister was in attendance, and I know that he learned some things. It was good for him to get out from underneath the dome. A number of points were raised by that group. Have they been addressed in this funding to create new and existing units in the rent supplement program?

I'm sorry; I'm just going to go backwards briefly. When we look at the seniors' housing, did you consider any of the studies that have been brought forward from across Canada of seniors' housing needs? I did read the press release, and I have to admit to you that it was kind of confusing what exactly was being contemplated there. It was a lot of language and not very clear on what exactly was going to happen and how much was going to be put where.

We've got the Urban Futures Institute's report, Housing Alberta's Seniors in the Next 30 Years, by David Baxter and Andrew Ramlo. Was that sort of thing considered in this \$10 million? Because one-time-only funding for housing at \$10 million isn't going to take us very far. How far did you think you were going to get with it?

So very briefly in not enough time – and I apologize to Albertans out there that I haven't had enough time to really be able to scrutinize this and bring forward all the questions that I'd like to bring forward. But I'm aware of the press of time here and the other people that would like to speak to the issue.

Thank you for the opportunity to bring those questions forward, Mr. Chairman. I look forward to the responses either given now by the minister or I'll happily accept them in writing at a future date.

Thank you.

THE CHAIRMAN: After considering the supplementary estimates of the Department of Community Development, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Agreed to:	
Operating Expense and Capital Investment	\$63,588,000
10:10	

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

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Environment

THE CHAIRMAN: I wonder if we might have the Minister of Environment make his opening comments.

MR. JONSON: Thank you, Mr. Chairman. I wish to put before the committee the supplementary estimates of my department. I wish to indicate that our forest responsibilities account for the supplementary estimate I'm bringing forward to the committee. It comprises increased fire-fighting demands, improvements to airstrips used in fire fighting, and also the financial support that's needed to support the companies' efforts to manage the overall fire-fighting risk.

I think, in providing the background on the support for this particular supplementary estimate, it's important to note, Mr. Chairman, that our forest protection is based on a fast initial attack to minimize the size, damage, and impact of fires. This is especially important as communities and industrial and recreational activities increase in forested areas, and it's important to protect not only the forests but also those particular sites.

The 2000 forest fire season started with a continuation of the drying trend across the province which was experienced in both the 1998 and 1999 fire seasons. With precipitation in Alberta early in the year 2000 fire season, the fire hazard levels reached and surpassed those levels experienced in 1998 and 1999. Conditions were monitored daily as the beginning of the fire season approached. On October 23, actually, we made the decision to begin preparations for the fire season one month earlier than usual, commencing on March 1. From January to April 2000 there were more fires reported and a larger area burned in the protection area than in the same period for either of the previous two fire seasons. Dry conditions continued in certain parts of the province, particularly in the south and in certain spots in northern Alberta, and it was necessary to be prepared and to work to put out those fires and also to address some of the conditions which could have led to their spreading to larger areas.

Mr. Chairman, my department incurred heavy, extensive fire costs across the province over the year. This was further impacted by continued dry conditions in southwestern Alberta throughout the season. A very significant factor in all of this in terms of locations and fires was the very, very sizable late-summer fires near Blairmore, which were very serious and required a major effort in terms of overall forestry fire fighting.

Mr. Chairman, we're putting before you a supplementary estimate. Part of it is an increased funding requirement of \$29.8 million, and this is required to cover these unfunded costs that I've been referring to. As I think members of the Assembly are quite aware, the use of airplanes is increasingly deemed to be effective and provides very rapid response in terms of our fire-fighting effort. In the supplementary estimate there is a provision for \$1.2 million that was needed to upgrade airstrips used in the fire-fighting season. I think all in the Assembly would agree, Mr. Chairman, that we have to maintain safe airstrips and meet Transport Canada and Alberta Environment safety and environmental standards as we operate our water bombers and surveillance planes in this overall effort.

Mr. Chairman, before I conclude, I'd just like to mention that there's one other area of increased cost that is reflected in this overall estimate. This was for reimbursement of the increased holding and protection charges some forestry companies paid related to amendments to their forest management agreements. The companies involved here agreed to this increase but with the understanding that there would be reimbursement of a portion of these charges for the eligible expenditures actually made by the company in carrying out approved forest protection activities.

While this is not perhaps the ideal solution in terms of overall fire protection, it is, I think, a very important thing to note. That is, if we can get the co-operation of industry to work with us in terms of overall fire suppression, fire prevention matters, it will be of benefit to the overall forest industry and the overall situation in the province. So this partnership with the private sector, I think, is a very important one, and we have to recognize, Mr. Chairman, the extraordinary costs that were incurred there. Finally, I think that we also have in those proposed supplementary estimates, as I said, the proposal to reimburse companies for the efforts and the planning and the work they've done on their own to help with preventing and putting out forest fires of \$2 million.

Overall, Mr. Chairman, it is always a difficult task for government

to predict exactly what the needs are going to be in a given year for fire fighting. During this year they were higher than what was provided for in the overall budget. On the other hand, I think due to some very effective measures that were taken, they are lower, if I could put it that way, Mr. Chairman, than would have been the case if we hadn't been improving our overall efficiency as a department and our overall efficiency in this particular area of fire fighting.

Thank you.

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

MS CARLSON: Thank you, Mr. Chairman. I'm happy to respond to the Environment estimates this evening and the additional program funding requirements as requested.

Mr. Chairman, there is no doubt that we support fire protection and forest protection based on a fast initial attack, which is the process this government has undertaken. However, we do have some concerns with some of the ways that the moneys are forecasted and managed in that regard. I would take us back a couple of years to when we saw the gutting of this particular department, particularly around protection areas, where we lost a great deal of the experience we had within the government in forest fire fighting. That loss came at a cost to us that I would suggest we are still paying today, that we see reflected sometimes in these increased costs.

I agree with the minister that it's very difficult to predict what the fire suppression costs are going to be for the year, and I agree with the minister when he says that it's important to have a fast attack and to maintain the necessary supplies and equipment associated with that. But we have to recognize that we are in a situation in this province for not one year or two years but for three years now – and it looks like we're going into our fourth year – where we have a high fire hazard. The water tables are low in the province. Weather conditions are indicating that there is a potential for this high fire hazard to continue. So I would expect, Mr. Chairman, that when we see the budget for next year, we're going to see a budget forecast in there that could reasonably anticipate these kinds of increased costs so that we don't see the government coming back for another \$30 million for costs in fire fighting activity. It's hard to predict, but there are models, and we would expect them to come in closer to the dollars.

10:20

When we talk about another item where additional funding is asked for here, the \$1.2 million for "higher than budgeted cost of improvements made to forest airstrips used in fire fighting," once again upgrading those strips and maintaining safe airstrips is of critical importance. No doubt about that. But that is infrastructure, Mr. Chairman. I asked this question last night, and I'm surprised that I didn't get an answer to it tonight: how is it that we can't predict from year to year what the infrastructure maintenance costs are going to be? How is it that somebody can't go out and look at those airstrips before we get into fire season and see what kind of improvements are going to be required and build those into the budget? I think it is irresponsible not to have done that, and I would expect once again that to be addressed in next year's budget.

Then there is the \$2 million "to support forestry companies' efforts to improve forest management practices related to fire risk." Good idea, Mr. Chairman. Partnerships like that I think we can fully support at any given time. But once again, these partnerships didn't happen overnight, and the cost could have been anticipated and projected in the budgets. We would expect to see that again next year. If there are partnerships that they're going to go into with companies on improving forest management – and I would hope there are – we're going to see those outlined in the budget in the new year so that they don't come in supplementary estimates. Let's do

a little strategic thinking on the government side. Let's be proactive in some of these instances and be a step ahead of the game instead of two steps behind.

Those are my concerns about these supplementary estimates, Mr. Chairman. I will close on one additional concern I have, and once again that's the process that we undergo this evening. So much money in supplementary estimates and so many departments have to be crammed into a very limited time span. Look at how many large budgets we had to talk about this evening and huge dollars being expended in supplementary estimates, additional moneys the government is coming back for at this late time in the year, and we are going to in total spend two and a half hours talking about them. That is an appalling state and is something that needs to be addressed. With that I will close.

MR. JONSON: Mr. Chairman, I appreciate the comments of the member across the way, and I'm quite prepared to sit down and discuss the specifics of them with her. I think we are in a general sense in agreement that this is an important area that needs attention and it's not always as predictable as we would like, so thank you.

THE CHAIRMAN: After considering the supplementary estimates of the Department of Environment, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Agreed to:

Operating expense and capital investment	\$33,000,000
--	--------------

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

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Offices of the Legislative Assembly

THE CHAIRMAN: To speak to this, we'll call upon the chairman of the Legislative Offices Committee, the hon. Member for Lac La Biche-St. Paul.

MR. LANGEVIN: Thank you, Mr. Chairman. On the Auditor General's supplementary estimate you'll realize if you look in your booklet that the regular budget this year was \$14,639,000, and the supplementary estimate is for \$1,045,000.

There are two reasons why the Auditor General needs extra funding in this year's budget. The first reason is that there's a severe shortage of qualified or professional accountants in Alberta. Also, because we're experiencing a very fast economic expansion in our province, private enterprise is prepared to pay much higher wages for accountants. So the office of the Auditor General is operating understaffed, and they were forced to farm out quite a bit of work this year to private-sector firms. This farming out to private firms is much, much more costly than our own staff.

The second reason, Mr. Chairman, is that the Auditor General is required to do more and more work every year, and the reason for that is that we're forming new boards that are responsible to government. We just formed 18 new children's services boards and also nine PDD boards across the province. There are a lot of accounting procedures in the first year or two of operation. These new boards are starting with new staff, and they have growing pains, so it requires a lot more hours for the Auditor General's office to do the accounting of these boards at the end of the year.

These are the two reasons the supplementary estimate is needed this year.

Thank you very much.

THE CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Mr. Chairman, thank you very much. You know, this is one of those areas where what's not said on pages 9, 10, and 11 of the estimates book is more instructive than in fact the text that appears. I'm a member of the Legislative Offices Committee and recall the Auditor General coming forward and asking for the additional requisition. I think what has to be marked and noted is that a significant reason for the cost is the fact that there have been serious problems with the management and governance in the child and family services authorities.

One need look no further than the 1999-2000 annual report of the Auditor General. One sees as one goes through there that in the province's haste to create these authorities – Calgary was the first one, and then a number of authorities followed. What happened is that we just had a number of defects in terms of the kinds of governance, the kind of accountability systems and mechanisms that aren't there. One has only to look at the Auditor General's report on pages 72, 73, 74, and 75. You find comments that "the majority of Authorities have not adopted formal procedures to ensure" compliance with "section 9 of the Child and Family Services Authorities Act." There was a need for "further instruction [on] legislative and regulatory requirements." Many of the child and family services authorities did not have a formal evaluation process for the CEO.

I guess one of the things I'm always struck by is – we've seen government in this province talk about deregulation and setting up boards that are closer to the people. I mean, we know the sort of lexicon and the language that goes along with that. But what we find in practice is something often very different than the theory. Just as we've seen with the regional health authorities, while we talk a lot about decentralization, we find enormous kinds of centralization that go on with those. To the extent that the boards aren't as effective as they could be, you continue to have an environment where you have some strong centralizing forces.

You have the comment on page 73 by the Auditor General that "most of the Authority co-chairs indicated that their boards do not have a formal self-evaluation process either for individual board members or the board as a whole." We have vacancies on authority boards which are "proving difficult to fill," and on and on. You've got the Keystone child and family services authority. That's a wonderful label, isn't it? The Keystone authority. The financial statements contain "an adverse opinion resulting from significant departures from generally accepted accounting principles."

Well, it seems to me it's important that the Auditor General have the resources to be able to administer the kind of rigorous scrutiny necessary to ensure not just that dollars are being well spent but that children are being adequately protected. But it has to be marked and noted that largely the reason we are here looking at the supplementary supply is because some things were not done properly within the management of the child and family services authorities. I think that while that wasn't the sole and exclusive reason for the additional funding, it certainly was a substantial part of the cost. That has to be pointed out because that's not apparent. The explanatory note on page 10 says:

The increase is due to a continuing shortage of professional accounting staff that has extended reliance on temporary staff, and a significant increase in private sector public accounting firm chargeout rates.

10:30

Well, what I heard the Auditor General tell us is that there have also been significant – significant – problems in doing the audit work on those child and family services authorities. That has increased the demand on the Auditor General, and as a direct consequence of that he's looking for additional money. So there are the other factors, but let's not gloss over, let's not conceal from Albertans the fact that there are serious management, governance, and accountability issues in those child and family services authorities, and that's why we have the additional resource.

If we extrapolate, if we have those concerns about the governance of child and family services authorities from a question of managerial efficacy and efficiency, then what kinds of risks are we running, Mr. Chairman, in terms of the purpose of those authorities, the protection of children? It's maybe a disquieting comment to end the evening, but it needs to be said.

Those are the observations I wanted to make. I'm certainly going to vote for and support this, because the Auditor General is an important check on big, powerful governments that proceed to make ill-advised plans, execute them poorly, and then don't put in place the systems to evaluate where they've fallen short of the mark. We need the Auditor General to be able to provide that important function, and that's why I'm supporting the supplementary estimates in that area.

Thanks very much.

THE CHAIRMAN: After considering the supplementary estimates of the office of the Auditor General, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

Agreed to:
Operating Expense and Capital Investment \$1,045,000

THE CHAIRMAN: Shall the vote on the office of the Auditor General be reported?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Deputy Government House Leader.

MR. HAVELOCK: Thank you. I move that the committee rise and report progress and request leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: The hon. Member for Lac La Biche-St. Paul.

MR. LANGEVIN: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions for the 2000-2001 supplementary estimates for the fiscal year ending March 31, 2001, reports the approval of the following estimates, and requests leave to sit again.

Children's Services: \$46,372,000 for operating expense.

Infrastructure: \$419,000,000 for operating expense and capital investment.

Agriculture, Food and Rural Development: \$98,000,000 for operating expense and capital investment.

Community Development: \$63,588,000 for operating expense and capital investment.

Environment: \$33,000,000 for operating expense and capital investment.

Office of the Auditor General: \$1,045,000 for operating expense and capital investment.

Thank you, Mr. Speaker.

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

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.

[At 10:37 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

