

Legislative Assembly of Alberta

Title: **Wednesday, November 30, 2005** **8:00 p.m.**
 Date: 05/11/30
 [The Speaker in the chair]

The Speaker: Please be seated.

head: **Government Bills and Orders**
Third Reading
Bill 51
Appropriation (Supplementary Supply) Act,
2005 (No. 2)

[Adjourned debate November 30: Mr. Hancock]

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm pleased to get the opportunity to speak to the appropriation bill again in the third reading. Just a couple of things that I'd like to touch on in third reading. We are trying to speak to the anticipated effect of the bill once it's passed. There are some interesting things happening with this government and their approach to budgeting and supplementary supply. I haven't been able to read the Blues, but I understand that just before we adjourned for the dinner break, the Minister of Advanced Education was speaking.

I want to be clear here. I don't think anyone on the opposition side is saying that there shouldn't be a supplementary supply, but I think that we have a lot of issues, which we've outlined during this debate and during the supplementary supply debate, around the process and around the timing and around the thoroughness of how this government is approaching supplementary supply and, in fact, the whole issue of budgeting and appropriation for the province.

We understand that there has to be supplementary supply occasionally. But even in my day – and I haven't been sitting in this Assembly anywhere near as long as some of the other people in this Assembly – I have seen supplementary supplies go from a few tens of thousands, maybe hundreds of thousands in situations where you'd expect it. You know, there was a higher number of forest fires, or there was some flooding, or there was some other kind of emergency preparedness or disaster relief which you can't anticipate. You can kind of go on a law of averages and give it your best shot, best average for any given year, and then if you need to, you would put supplementary supply into that area after the fact once you knew the full cost. But we've moved from that position to a position where we're looking at literally billions of dollars.

When we on the opposition side see the government members pass a budget in May and within minutes start talking about unbudgeted spending, which is some new wonderful spin phrase coming out of the Public Affairs Bureau, bless their tiny little hearts, you have to think: well, what is the commitment here to a pure form of finance that best serves the province?

This year we looked at I think it was 13 departments for \$1.8 billion. Mr. Speaker, for the three days that were allocated by the government to have supplementary supply, which is meant to be a give-and-take situation in which you're meant to be able to ask questions and have the minister respond to you, we were not able to debate some eight departments, eight out of the 13, representing some \$1.3 billion. So we only ever really got through about \$500 million and some five departments in those three days of supplementary supply.

What I've seen in nine years here is that the budget comes in later

and later and later every spring. It used to come in a week or two weeks exactly after the throne speech. Now it's coming in just before we break for spring break. So somewhere towards the end of March the budget is actually laid before us. Then there's this pell-mell dash to get through the number of allocated days that match the number of ministries and then to do the appropriate readings of the appropriation bill.

At the same time, obviously, even though the budget has been laid before us, the government is already aware that they're off on their estimates. I mean, the budget is supposed to be a plan. There should be a good reason why you would be exceeding it or falling behind on your budget plan. To do it regularly and to be out by as much as this government is out is either appalling mismanagement or quite deliberate.

I'm sure that someone here could make the argument for appalling mismanagement, but I rather think it's deliberate because then you get the Premier saying: it's no business of the Legislative Assembly's to talk about the surplus. [interjection] Well, this is what he was in the press saying. I don't get to follow along, but that's certainly what he's been widely quoted as saying. Now, if the Minister of Finance believes that she was on the spot and has a more precise quote, I of course welcome her to join the debate, and she of most ministers is far more likely to. But there we had a situation where the Premier very clearly was saying: it's none of your business; you don't get to talk about this; it's the government's business, what the surplus is and how we will spend it. I would argue that that's not true at all.

I would also argue that the government has taken a great deal of heat and the individual members have taken a great deal of heat for that attitude. Certainly, we've heard about people's unhappiness with that attitude in our office, and we're representing the opposition. I can just imagine how hot it's been over there, and frankly, I think it's about time.

The effect of this appropriation bill. What I see the effect being is that the government presents a budget later and later and later into the year. They're already working on a plan for their surplus before in fact we've ever passed it. Then they spend all summer out on the barbecue circuit making promises and giving away money. They come in here in the fall session, and we get one day, two days, three days, whatever the government decides we're going to get on supplementary estimates, which as this gets a larger and larger amount of money, it completely passes the ability of the Assembly to deal with it in any meaningful way. So we now have what is bordering on a meaningless supplementary supply debate.

Mr. Speaker, I would argue that when you are looking at about 17 minutes out of a total possible six hours – because that's what we had. Each "day" of supplementary supply is 120 minutes; it's two hours of guaranteed debate. We had three days; that's six hours of debate on supplementary supply for 13 ministries and \$1.8 billion. We were trying to debate one department every 17 minutes. It is not possible for there to be a meaningful exchange between an Official Opposition critic and a minister, never mind adding in the representatives from the third party in this Assembly or from the independent member or, indeed, from any member of the government backbench. Not that that happens very often, but it certainly could. I mean, it is reaching the point of meaningless. Is this a deliberate move? Is the effect of this bill a deliberate move on behalf of government to make this meaningless and to make it – what? – laughable, make it trivial, make it unimportant, to support that claim that it's none of our business how the government decides to spend that money?

Mr. Speaker, we were looking at a surplus this year, I think, of \$8 billion from a total budget of \$24 billion, the budget we passed back last May. We're looking at a surplus of one-third of the total budget

of the year. For that, the Premier says: you've got no right to talk about that. So that's what I'm seeing as the effect of this particular appropriation bill.

More specifically, I look at, for example, the Health and Wellness budget that's being presented in the supplementary supply. The minister was looking for \$64 million but had been out there on that same hotdog/steak barbecue circuit since last May making press releases on \$1.4 billion of spending. We're not seeing that \$1.4 billion here, nor could I get any detailed information out of the minister about how the \$64 million relates to the \$1.4 billion and whether the rest of that money in fact is allocated, whether it's there, or whether we get \$64 million into this and put the brakes on, leave the rebar sticking out of the cement from a hole in the ground and wait. For what? Another increase in a barrel of oil? Another increase in the price of a gigajoule of natural gas?

8:10

I think it is very poor management and very unwise of us to be spending our natural resource money as it comes in. I think that especially for nonrenewable resources we need to look seriously at developing a nonrenewable resource revenue policy and getting that in place so that we're not spending every dime of that money as it comes in. That revenue will start to decrease or deplete, and our ability to rely on that will decrease and deplete, maybe not in five years, maybe not in 10 years, maybe not in 15 years, but it certainly will. Just because we are serving today as legislators in 2005 doesn't mean that we shouldn't be looking 15 or 20 or 30 years down the road.

I would argue that that stuff is coming much faster. We need to be moving faster legislatively and with a clear planning cycle to anticipate that, yet what we're seeing is the budgeting cycle collapsing so that we have a target that is now moved from March because our year-end – and I don't have to remind you of this – is the end of March of a given year. Well, we're now getting the budget presented within days of year-end. So, obviously, there is no hope that we are going to be able to debate that budget and pass it before year-end, to the point where it would be implemented literally the next day. That's not happening anymore. It's actually not happened in so many years that I think some people don't even connect that that's why we try and do a budget process at that time of year.

So we've got a budget planning process that is collapsing. It's imploding upon itself. The budget in the spring is coming in later and later. It has less and less to do with what is the reality of the money that is available to the province. We have unbudgeted spending and again – I'm so sorry; I got that little phrase wrong. Off-budget spending. Just like off-track betting. That off-budget spending goes on all summer long, and then we have an incredibly truncated and almost meaningless supplementary supply debate.

That doesn't mean that I think it should be meaningless, Mr. Speaker. I think it should be very meaningful. It is an opportunity where the hopes and desires and wishes and concerns of Albertans should be represented in this House, and it should be brought forward by every member, not just members of the opposition. Every member should be able to read in *Hansard* what their member, what their representative said about what they needed or wanted and were expecting regarding a financial commitment.

Now we are also in the habit of going into the early spring session with a second supplementary supply. That has also become very common. So the whole idea of a budget as a plan that you do your very best to stick to has completely gone out the window, and with it are all the other controls that you try and put in place to be good managers, good fiscal stewards of the resources and the revenue of Albertans.

What do I see as the effect of the appropriation bill, Bill 51, in passing, likely this evening, Mr. Speaker? I see it as another step down the road to this government taking and breaking a parliamentary process long established where the people, through their representatives, get to have a meaningful discussion about choices in spending money and in how the money comes in. That is being taken away from this Assembly and, therefore, taken away from the people of Alberta. I think that is sad. I think it's dangerous.

We'll see how the people of Alberta react. So far they haven't been too keen on this last go-round, but we'll see whether they keep the fire on all the way through, keeping all those little bums warm over there through the holiday season. We'll wait until the next supplementary supply, in which I hope the government will grant us sufficient time to reasonably debate the amounts of money that are put before us in an expected and anticipated second supplementary supply budget.

Thank you for the opportunity to speak this evening.

The Speaker: Hon. members, we have an opportunity now for 29(2)(a) with the Member for Edmonton-Centre; however, there's one little quirk that developed late this afternoon. The hon. Government House Leader was participating and, I believe, adjourned the debate which precluded the opportunity for 29(2)(a) to kick in. So we're going to go retroactively now to deal with the Minister of Advanced Education. Then we'll come to the Member for Edmonton-Centre. So I'll recognize first the Member for Cardston-Taber-Warner just to make sure we have everything copacetic.

Mr. Hinman: Thank you, Mr. Speaker. I would like to refer back to the end of the discussion when the hon. minister mentioned that they have a plan, that they have a 20-year strategic plan, and that they need to move ahead on that capital plan. I don't think any of the opposition have said that we don't need to move ahead. Our concern is that a plan is only a wish unless it's written down, and it would seem that it's a wish list to most Albertans because we don't get to see this plan and the priorities that you refer to and where they might sit on there.

One of the comments that you made was rising energy prices, obviously a very good thing for the province, which sells energy as a commodity. Perhaps I'm unaware, but for many of the school districts and things that I'm working with, it's very frustrating when the prices go up, and they have to wait retroactively to cover those expenses. Maybe there is a formula – but I'm not aware of one – for when the prices go up where that extra supplemental supply would go to them to cover those expenses due to the high energy costs and heating.

You spoke about us desiring to stop the process of government and do nothing until you wait for our opinions. I don't think that is accurate as well in the fact that we just want to be able to debate, to know what those plans are, and to discuss and be part of that.

You also mentioned at the end there: programs based on a clear and decisive and important plan. Once again I say that I haven't seen any of those written plans. I think it's more of a wish, and if, in fact, it's just a wish, I'd refer back to there be nothing nicer than to have a wish list planned for such places as the Warner-Taber hockey school and the Magrath golf course and to be able to put it in. You would pull out of that wish list a lottery, where there is hope for these communities to be funded on areas that don't seem to be on your strategic 20-year plan. With that, I guess I'll wait for the response.

Thank you.

The Speaker: The hon. Minister of Advanced Education.

Mr. Hancock: Well, thank you, Mr. Speaker. First of all, I'm really pleased that the hon. member raised the issue of the 20-year strategic plan because I'm particularly proud of the fact that the government is one of the first if not the first government in the country that has a 20-year strategic plan that's clearly enunciated, that was published with the budget, published with the business plans last year and the year before. It's on the website. You can find it there. It talks about unleashing innovation, leading and learning, competing in a global marketplace, making Alberta the best place to live, work, and visit.

Now, the hon. member I know had confused the 20-year strategic plan, which is publicly available, which sets a clear direction for Alberta about the type of Alberta that Albertans want to have. The capital plan that I was speaking of in which we talked about in the case of Advanced Education going to each of the public postsecondary institutions that operate in our system and in our system context and asking them for their goals and aspirations and their long-term plan with respect to the capital to achieve the goals and objectives that they have – they submit those plans. We work with those plans and talk about them in a systems context to set priorities. That's part of the process of governance and governing, and that's clearly what we do, take those plans. I know that the Minister of Education does the same things with the school boards.

The hon. Member for Edmonton-Norwood sat on the Edmonton public school board. He knows that every year they submitted a plan with respect to the capital priorities for that particular system. The Minister of Education's role in concert with the Minister of Infrastructure and Transportation is to bring all of the plans together from all the board-governed authorities in the area of education and develop a strategy as to how you go forward, how you prioritize the need because there's need in all sorts of different areas, and you could say the same thing with the Ministry of Health. So, of course, there's a plan with respect to capital. Nobody dreams this stuff up in their head.

You're talking about a lottery where there's hope, and I guess that's one thing, but I find it rather strange because to me there's no such thing as lottery and hope in the same breath. Lottery is pure chance, a voluntary tax paid by people who want to give their money voluntarily.

8:20

When you talked about the concept of prices going up, of course oil and gas are commodities, and they're sold on a world market, and when the world market price goes up, the price goes up locally as well. Now, we have a plan in place where consumers get a bit of a break. We can do a natural gas rebate plan, so there's a break on that side of the equation. Yes, in supplementary supply, I believe in the Ministry of Education's supplemental estimates, there was provision to pay to school boards an additional amount to pay for the cost of gas that went up.

So clear and decisive decisions: that's what we do on an ongoing basis. But the operation of management of government, where you take the priorities that you've looked at, the capital priorities, because that's where most of the unbudgeted surpluses can go . . .

The Speaker: I draw to the attention of the hon. Minister of Advanced Education that that time segment is now expired. Now we have an opportunity under section 29(2)(a), if there are questions to the hon. Member for Edmonton-Centre.

There being none, then I will recognize the hon. Member for Edmonton-Beverly-Clareview, to be followed by the hon. Member for Edmonton-Mill Woods.

Mr. Martin: Thank you, Mr. Speaker. I'd just remind the House

leader that I am now from Edmonton-Beverly-Clareview rather than Edmonton-Norwood. [interjection] I know that you confuse easily.

Mr. Speaker, I had a few comments to make at Committee of Supply, and I absolutely have to take the opportunity to put not my two cents' but my ten cents' worth in on the supplementary supply. I do remember back when it was a big issue on supplementary estimates when we used to come back in the spring. I can remember one time when there was a hundred million dollars, and we were quite exercised about that. Now if the supplementary estimates came in at a hundred million dollars, I think we'd run over and congratulate the other side. Now we're talking about billions.

The point that I want to make, Mr. Speaker, is that supplementary estimates were always met. Sometimes we cannot control circumstances that can't be foreseen, and we've talked about it before. It could be floods that we faced or BSE and these sorts of things. Nobody questions the need for supplementary estimates. We had supplementary estimates in the spring, and now we have them in the fall. We're talking about \$1.8 billion, and 13 departments had emergencies. I mean, this is just not the way to run our budget. I say with all due respect that supplementary estimates are now just part of the government and, as the Member for Edmonton-Centre said, with limited time to budget. I think we have to change a lot of things around in this Legislature about how we handle the taxpayers' money.

I want to stress that this has gone out of control from where it used to be. We can remember, Mr. Speaker, those wonderful days back when. I know you can. I think you would agree that supplementary estimates meant a different thing, and as opposition we were often critical of that, as I say, when it was a hundred million. But now, \$1.8 billion. You know, C.D. Howe used to say: what's a million? We say, "What's a billion?" in this province.

You can say that the government suggests that somehow this is good management. Well, it's not good management. It's very poor management. I would remind members, Mr. Speaker, that we also spent over \$4 billion in new spending, so we're looking at almost \$6 billion that was not planned in the budget in the spring. So what's the point of having a budget in the spring? Not to say that some of the things that we're spending it on aren't worth while, but if they're worth while, they should be put in the budget at that time and with a plan.

Now, the Minister of Advanced Education said that they have a 20-year plan. Well, they may have a 20-year plan, but they can't keep a five-minute plan going in terms of their budget. It changed almost immediately after the provincial budget that came out in the spring, Mr. Speaker.

I'm suggesting that we are not doing due diligence with taxpayers' money the way we are going in this province. We're fortunate that the money is flowing in, not to the good management of this government. We happen to have the resources. Now, I've said before that 83 monkeys could somehow run this province with the amount of money that's coming in, but I'm saying to this government that we better start to do something about the way we're dealing with the taxpayers' money because it may not always be this easy.

Again, I see this as part of a democratic deficit, and perhaps an economic deficit, Mr. Speaker. If the government wants a legacy, if the Premier wants a legacy – or maybe the new backbenchers would start to say: "Something's wrong here. Something's wrong about the way we're handling finances." People that have been in municipal government would not run their finances in this way. Maybe they should be doing something and getting the government to change.

We should have this going, and we should be sitting longer and

doing more committee work on the budget, delving into a little more detail. Our Public Accounts should be made to work. All these things would help, and we would be doing the taxpayers of Alberta a favour. It doesn't matter. This is not right or left or anything else. This is just good money management, Mr. Speaker.

So I say to this government: surely, they can't suggest to us that coming back in the fall with a \$1.8 billion supplementary estimate is good management. It can't possibly be with 13 departments having emergencies. There's no onus on them to follow the regular budget that we passed in the spring, Mr. Speaker. It doesn't mean anything anymore. There's \$6 billion more floating around than we talked about in the budget. How can this be good budgeting?

As I say, I do not think that we're doing due diligence in terms of taxpayers' money. This supplementary estimate is coming to an end. There's not a lot we can do about that, but I really would say honestly to this government, to the Finance minister, that things have to improve. I'm sure that when she was running the farm, she would not run those finances the way they do here in the Alberta government. I think government members know that, and I think government members know that this is not the proper way to budget. I would hope that they take this back. Sure, we'll get this through this time, but let's make the spring budget much more meaningful. If there's a 20-year plan, at least have a year plan that we can take a look at as part of the 20. The budget certainly was not a plan that we're living with, so how would a 20-year plan be something we're going to live with? That could change overnight. Mr. Speaker, I think it's really important that we start to shape up the way we do the budgeting around this Legislature.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) is available. The hon. Member for Edmonton-Glenora.

Dr. B. Miller: Thank you, Mr. Speaker. I appreciate what the hon. member says about the need for emergency spending. As far as I can tell, the Municipal Affairs budget has a number of items like flood relief and so on, which are very important. My understanding of supplementary estimates is that besides the emergency aspect, it is possible for governments to bring a request for grants to existing services. That's what I read in *Beauchesne*. So the point you're making is that it's the huge, huge expenditure, not just millions but \$1.8 billion, that is completely unusual. Is that your point?

The Speaker: The hon. member.

Mr. Martin: Thank you, Mr. Speaker. It's probably classified as emergencies. Clearly, supplementary estimates do perform an important role. I'm not arguing that. They've been there forever, but as I said, they were set up for emergencies or unforeseen circumstances. Something can happen, so you have to have that right. Nobody questions that, and we used to always have it.

The point that I'm making is only that this has gone beyond that approach to where it's just part of government. It doesn't matter what our budget is. You know, here's \$1.8 billion; we'll do that in the fall. So we really don't have a budgeting process is the point I'm making.

I'm not arguing against supplementary estimates. As I said, I can remember when we had them, and it was, as I recollect, a hundred million dollars. We thought that was a lot of money at the time. There's a need for them, but it shouldn't part of the way we govern, and that's how we're budgeting using this now.

Thank you.

The Speaker: Additional questions?

Then the hon. Member for Edmonton-Mill Woods.

8:30

Mrs. Mather: Thank you. As we consider Bill 51, Appropriation (Supplementary Supply) Act, I would like to comment on the supplementary estimates for Children's Services and the anticipated effects of this bill. I realize that the intent of this request is to impact child care in Alberta in a positive way through the early learning and child care investment plan, specifically through the \$37,200,000 in federal funding. I believe that this money will make a great difference, and it is a positive step. I had hoped that the budget would include a plan to make sure that salaries and training are equitable for everyone in the child care field.

Although out-of-school care staff require the same training and qualifications as those working with younger children, they are not paid the same. Consequently, some of our out-of-school programs are losing staff because they can get better pay by moving to daycares. Competitive wages would help retain staff. Children need that stability. The investment plan has created positives for some child care programs but negative impacts for others.

The other question that I have is about the fact that it is essential that daycare staff receive financial support and professional development grants. I know that the accreditation program is hoping to put an impetus there, but I don't see this being specifically addressed in this supplementary budget.

The other thing is that income in the child sector field is about half the national average for all occupations and less than half as much as elementary school and kindergarten teachers.

We need to recognize that well-paid, trained child care workers are at the heart of building a quality system. The federal funding is a start, but this government needs to do more.

Although the intent is to improve child care with this budget, there is no increase for youth shelters. The impact of this is that it's harmful because agencies that provide these services do not have a guarantee of funding past one year. I had hoped that we would see some movement toward sustained, predictable, stable funding for shelters.

I'm also disappointed that this supplemental request does not include more funding for treatment for addictions, specifically crystal meth. I know that we have had an increase in beds in the last while. I believe that we have \$4.2 million for the youth detox and residential treatment program, which offers a total of 24 beds: 12 in Calgary and 12 in Edmonton. What about using other existing facilities in this province, some of which have outstanding expertise and experience and capacity and could do a great amount of good in treating addictions? The passing of Bill 202 has created an urgent need for treatment. This budget is not looking at this need, and the impact is frustration for many parents and professionals as they deal with and try to help addicted youths.

As the intent of the budget is to improve child care and create more choice, I had hoped that we would see more support for stay-at-home mothers and middle-income earners.

Another concern is the absence of rules to prevent unreasonable hikes of daycare fees. We need checks and balances, or the impact of our efforts will not be positive for families.

Finally, with this particular budget the intent of accreditation is excellent. However, there are major difficulties with the process at present. The expectations are somewhat extreme and need to be reviewed. Daycares have a very important job, often a difficult one, and I do not think we are doing enough to help, and we are making too many demands with accreditation. They're given a year, and they're telling me that to attain this goal, we must first bring the

wages and benefits up to par with other industries to entice sufficient and qualified staff. They need help to entice the young population to the child care field by establishing awareness in colleges and high schools to let them know that child care is a good career. But the word out there on the street is that there is no future in daycare because of poor working conditions and low wages and a highly stressful environment.

So I'm thinking that we are totally in support of measures to provide better daycare for children in terms of their welfare, optimum development, and happiness, but accreditation is too much too soon in a field that's already stretched to the limit. Perhaps we could phase it in more slowly, area by area; for example, programming for children, child development, interactions with children, healthy and safe environment for children, communication with families and community, et cetera. The impact of not reviewing accreditation is serious. I believe we need money committed to the review and consultation with the stakeholders.

We all have a role in deciding how the money should be spent, what Alberta's priorities are. I think that there would be a greater strength with this process if everyone and all parties were allowed an effective role in participation rather than after-the-fact approval.

I'd like to go on and talk also about the education portion of the supplementary supply. I support the requests, but I have concerns. I see that the plant operations and maintenance budget is at \$24 million. This really makes me wonder if the new funding formula is providing the right kind of funds for school systems across the province.

I have a great concern about the lack of counsellors in junior high and high school and the lack of solid career education programs, especially in junior high. There needs to be more in this service area for the school system. I'd like to see some indication of support for proactive programs like DARE, that deal with addiction and drugs, proactive programs on bullying and violence.

The other concern I have is that there's no indication of a move away from the achievement testing at grade 3 and a move to the diagnostic and remedial curriculum activities that children who are not doing well need. They're falling through the cracks because they're not getting a good start, and this is costing us a lot. I think that this is something that we should ask this government to look at very carefully.

I'm also disappointed that there is no plan or indication of concern regarding school fees. We need guidelines for school fees. How will the department supplement schools to help them and help parents that have to pay these school fees? This is a great concern in my constituency.

It seems to me that all of the dollars were directed to matters pertaining to infrastructure and transportation and that kind of thing. I had hoped for more indication of support services for schools, as I mentioned, for counselling and librarians. The formula for utilization needs to be looked at because schools seem to be punished if they don't use all their space, but they're also punished for building a new school in an area that doesn't have a school because new schools get less funding for maintenance, while old schools get punished for being open, and their operational dollars are low because the school is not full. It's a double-edged sword.

There's rumour – and I hope it is only rumour – that special-needs students – that is, adaptation students – are no longer allowed to have accommodations for diploma exams. More research needs to go into a decision like that. It's a very serious one.

The other concern I have is that the province changes the curriculum but does not dedicate in any way funds to add to school budgets to implement the new curriculum. The social studies curriculum is coming, and the schools need a budget of \$30,000 for the new

curriculum. This goes for the mandatory French that is coming as well.

Finally, the government's mismanagement of the teachers' pension dates back to the 1950s or earlier and has meant ever increasing contribution rates for Alberta teachers. Much of the growth in the unfunded liability is a direct result of provincial government policies that in the 1990s cut teachers' salaries and reduced the number of teachers working in this province. Our young people are in need of the best teachers we can provide them, especially in today's troubled times. How can we expect to attract and retain quality teachers when their work seems not to be valued? I have a concern that this unfunded liability is continuing to be a contentious issue, and there is apparently no indication of any action plans by this government.

Thank you.

8:40

The Speaker: Hon. members, Standing Order 29(2)(a) is available. The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Speaker. My ears perked up at the comment that the hon. member was making with respect to the unfunded liability of teachers' pensions. I for one am very sympathetic to the need to deal with the unfunded pension liability issue, but I find it aggravating when we constantly hear the unfunded pension liability characterized as strictly an issue relative to government.

I'm wondering if the hon. member is not aware that the reason that the agreement was made in 1992 the way it was, where the government pays two-thirds and the teachers pay one-third of the unfunded liability portion, is because there were problems on both sides of the equation: one with respect to the amount of money that the government did or did not put away back in the 1960s, and the second because the cost-of-living increases and other adjustments to the pension benefits were not properly funded with increased premiums. It was understood at the time and accepted at the time by both parties that there was liability on both sides; therefore, the two-thirds government and one-third teachers.

When it comes back to the discussion, would she not agree that it's not helpful to go back and try and recharacterize history but, rather, much better to go forward and say: how do we make sure that the burden of the unfunded pension liability doesn't lie with new teachers, who don't get the benefit of the extra payments? We need to deal with it from that perspective.

Mrs. Mather: Thank you for the information. I do agree that we need to be looking forward, but we do have a problem here in this province with the perception by teachers about this unfunded liability.

The Speaker: Additional questions? The hon. Member for Lethbridge-East by way of a question or comment?

Ms Pastoor: Yes.

The Speaker: Proceed.

Ms Pastoor: Thank you. It's actually a question to the hon. Member for Edmonton-Mill Woods. I wondered if you could elaborate on the business about not being able to accommodate students – I didn't quite get that – a place for them to write exams or something. I'm sorry. I just sort of caught it.

Mrs. Mather: That refers to diploma exams and adaptation students, who often have an average ability, but they have learning difficulties such as reading or other impairments. There's always been accommodation in giving them extra time, for example. They have more hours to write. Sometimes they're allowed to have a scribe, and sometimes they're allowed to have it taped, you know, so that they're listening instead of having to read so much. So there are various accommodations that can be made for learning-disabled students, and they're very important accommodations to give these children a fair chance.

The Speaker: Additional questions?

There being none, then I shall call on the hon. Member for Edmonton-Manning.

Mr. Backs: Thank you, Mr. Speaker. I'm pleased to rise this evening to speak to the effect of the supplementary supply act, Bill 51. It is clear that there is a need in government for a budget. This is nonbudgetary spending. It is clear that the budgeting process is a long-standing tradition in parliamentary democracy. It is clear that it is incredibly important for long-term confidence in the ability of a government to manage its role in the economy to have a budget.

It is bizarre, this government's argument since 1993 until just not too long ago that it had to pull draconian cuts in people's services and education and health care and letting our roads rot and many, many other things all in order to battle down a deficit. Maybe that was a ruse. In reality, \$23 billion in debt, accrued, by the way, by a previous Progressive Conservative dynasty of this government, \$23 billion in debt that was paid off with \$63 billion in resource revenue from 1993 on, revenues that many provinces who have had much stronger fiscal management and realistic financial controls did not have yet did not have to make such draconian cuts to those many things to that effect. Alberta seniors, its education, its universities, its health care, and indeed all of its public-sector employees were squeezed, cut, and hurt time and time again. I even hear from some of the staff around the Leg. here, around the LAO and stuff, that they never did get their 5 per cent back in reality. I'd have to check that. I don't know for sure. But many, many public servants didn't feel that they got their due for all the cuts that were coming from those times.

Then the floodgates opened. Spending, spending, spending again: spend, spend, spend till your daddy takes the T-bird away. Because the oil and gas revenues which accrue to this government are so huge that a deficit is not possible, anything goes. Any spending is all right. This supplementary spending, that is in figures that most people can't understand, happens with no plan.

I will add to the comments of the Member for Edmonton-Ellerslie on the huge continuing deficit and growing deficit in the unfunded liability for our educators. As the Member for Edmonton-Whitemud rightly said, there is a degree of joint responsibility for any pension, but the multi-billion-dollar unfunded liability for our educators is clearly something that is part of the provincial deficit, and it's not being dealt with at all by our supplementary spending. As the Member for Edmonton-Whitemud clearly said, younger teachers will have to pay. Yes, younger teachers will have to pay hundreds of dollars every month for something from which they will not receive one single bit of benefit. Is that right? This can only have the effect of steering away many potential young teachers from the rewarding career of teaching Alberta's children. It will also be a deficit that will pile up and increase if it is not dealt with somehow.

As I said in Committee of the Whole, the nature of the beast that we have in this supplementary spending is that there is just no real budget happening here. We're dealing with just phase 1 and phase

2 of seat-of-the-pants spending by our government. The effect of these huge supplementary estimates is to ensure that Alberta is seen as running a government that romps merrily along, dancing fiscally to its every whim, throwing money here and money there yet smiling nicely when it does just throw it around.

Mr. Speaker, I ask: what sort of example is this setting for our children? What sort of example is it setting for families? What sort of example is this putting forth for the future? I would hope that this government comes forth with a true budget in the spring session and that next fall when we debate these supplementary estimates, in about a year's time, we are debating spending for unforeseen circumstances, for emergency circumstances, as the Member for Edmonton-Beverly-Clareview very clearly put it from his experiences as well as the Member for Edmonton-Centre. I look forward to seeing that we're not spending just because the province has come into a lot of cash.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) is available.

That being the case, I'll call on the hon. Member for Lethbridge-East.

8:50

Ms Pastoor: Thank you. I'd like to address what I think the effect of some of these supplemental estimates will be, particularly the one from Gaming: the First Nations grant program and \$1,000,000 in grants being decreased to the bingo associations. This will actually have a huge effect on the people that depend on the bingo associations. The increase in the VLTs, and in fact there is a rumour that there may be cashless technology – I assume that means that you can use your debit card in the machine – really takes away from the bingo associations that aren't getting these dollars.

The people that suffer from this are the ones who are the small groups. The lottery funds now are distributed only through government members; that is just such a surprise. However, they usually come in huge hunks of dollars, so the people that suffer because they depend on the bingos and they're not getting those large dollar figures from the lottery are the Boy Scouts, the Girl Guides, boys and girls hockey teams, small theatre presentations, the Boys and Girls clubs, Big Sisters, Big Brothers, the YMs and the YWs, the Elks clubs, and the Kinsmen. These are the ones that actually have volunteers that go and spend their time in the bingo parlours doing the volunteering, selling the bingo pages, selling the coffee, and whatever. There's a tremendous amount of work that's required to go into these for the small return that they get. Their chances of getting to work a casino are almost nil. They wait sometimes almost a year to get into a bingo to get money. So I think this really is going to have a huge detrimental effect by decreasing dollars to the bingo associations.

I, for one, have worked many bingos. I'm sure that there are many people in this room who have also worked bingos for the small charity of your choice or your kid's hockey team or whatever. I'm sure that we've all stripped down before we went into our houses because our clothes were so full of smoke. You know what? That's the part we play to make sure that our kids can play hockey or whatever or, in fact, to make sure that some kid can play hockey or play soccer that doesn't have the money. A lot of these are groups. I'm sorry; the name escapes me at the moment. There is a group that raises money simply for the kids that don't have money so that they can play sports.

Mr. MacDonald: Sport Central.

Ms Pastoor: Sport Central. Thank you. It's a hugely important organization because, believe it or not, even soccer is expensive these days, which is really a crime because it used to be one of the sports that any kid could play because they could afford it.

I think enough said on that. I'm most, most disappointed that the bingo associations are not being supported more, and I'm also disappointed that the lottery dollars don't come back to the communities through the old-fashioned lottery distribution committee that they used to have.

The other thing that I would like to talk about, the effect that I think the bill will have on Community Development, is the fact that a lot of dollars are going into replacing firepits and picnic tables. A lot of it is going into equipment for our parks, but what we're really missing here is somebody to maintain them. Our parks are a total disgrace. There is no reason that a provincial park should be closed for the winter. There really are people that like to go and camp in the snow, and there's nowhere to go because the gates are closed. I just think that's totally unacceptable, and part of it is because they're scrimping on the staff that would look after it during the winter.

Lots of the trails have been neglected. I'm going to partially blame that on the fact that the people that are delivering these services that used to be done by people that really loved the environment – i.e., conservation officers, fish and wildlife – are being replaced by people who are simply doing a job. They're stacking firewood, and they're cutting a tree, and they're maybe cleaning out the toilets every now and again. Our provincial parks are atrocious, and some of them are almost not even enjoyable to go into. I think that's just most unacceptable. It's fine to increase all of these things, but I think we're missing the boat on the fact that we actually are not looking after these parks with people who love the parks and understand trees and water instead of just learning how to stack wood.

I guess I could probably go on all night, too, but I'll leave it at that. Thank you.

The Speaker: Standing Order 29(2)(a) is available.

Then I will recognize the hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. It's with disappointment that I rise to participate in the budget debate on Bill 51 this evening, our appropriations bill. Again, many members in the course of this brief session have brought up the whole issue of budgeting and the lack of budgeting discipline that is being demonstrated by this government, the fact that in the spring when the budget was tabled in the Assembly by the hon. Minister of Finance, it wasn't three days before ministers were out in the rotunda adding – not subtracting but adding – to the budget.

I think one could safely say, Mr. Speaker, that this government, this Progressive Conservative government, is using limited calculators that one would get at a dollar store, and they are really not focusing on a viable budget plan. To come back here now with this request is amazing.

The hon. Member for Edmonton-Beverly-Clareview talked about a point when there would be a discussion in this House about appropriations of \$100 million, and this was at a time when this very same government was borrowing money and putting the province in debt. In some cases it was necessary, but in other cases it was an industrialization process that was very similar to what would have been attempted by one of the central planners in the old Soviet government.

Mr. Speaker, we had a discussion earlier in regard to Infrastructure and Transportation, which is getting a considerable portion of

this money. We were talking about the \$43 million cost overrun on the Anthony Henday Drive/Queen Elizabeth II intersection and the flyway that's going in there. I got some explanation from the hon. minister as to why this \$43 million cost overrun had occurred. Certainly, concrete has been a problem. There has been a shortage of powder, and the hon. minister recognized that.

The hon. minister also recognized that one of the driving factors in this \$43 million cost overrun was the cost of gravel. I'm puzzled, with all our resources of gravel. We even have more gravel in this province, Mr. Speaker, than we do oil. Surely, with all the Crown land that we have in this province, we should be able to control this cost. The Crown must have large tracts of land where gravel can be extracted and cleaned and sorted in an economical fashion. Gravel should not be driving up the costs at this time of much-needed road construction. If the hon. minister could clarify that for me, I would be very grateful.

Also, while we're in Infrastructure and Transportation – I was hoping to have more of an opportunity to look through the blue book before my time to speak. Certainly, if we look at the public accounts document, it is growing. It is certainly growing in thickness, Mr. Speaker. We're recognizing that this is the detail of grants, supplies, and services from the general revenue fund for the year ending March 31, 2005. We're looking at this fiscal year specifically in Infrastructure and Transportation. My first question would be this: how much of this money is being used to pay out extra for the service contracts that this government initiated when you privatized the road maintenance?

9:00

I had an opportunity to look at an article when this first happened, and there were promises of megasavings to the taxpayers, and a more efficient service, a better service was going to be provided by the contractors on the road maintenance. Now, I'm certainly not convinced that has happened. In fact, it seems to me that snowplows disappear whenever there's a substantial snowfall. That never used to happen. The roads were cleared straightaway, and they were plowed so that motorists could travel around in safety, and I can't say this is happening now.

Mr. Speaker, if we look under Infrastructure and Transportation from last year, Carmacks Enterprises received \$44.9 million. Now, obviously the majority of that money if not all of it is for those contracts, and I'm wondering if they're going to get any extra money in this request that we're debating here tonight. Now, we look at Ledcor. The Ledcor Group of Companies under Infrastructure and Transportation are doing work for \$74 million. Seventy-four million dollars. How much of that is used for providing services to maintain and clear our roads? Another one that has a contract is Volker Stevin Contracting Ltd., and this, Mr. Speaker, is a \$49.2 million amount.

Quickly you can see where these numbers add up. These are not half the contractors that are involved in this, and the minister that initiated this program said that there would be millions and millions and millions of dollars in savings. If the hon. minister could explain this, I would be very grateful. How much of this money is going into this program? Clearly, this program has not worked. The promise was made when it was initiated that there would be millions and millions of dollars saved; it would reduce the costs. The quote from the minister at the time was that \$60 million being used. One of these contracts alone is worth more than that, and when you factor in inflation, sorry.

Once again, Mr. Speaker, this government got it wrong. You're determined to go ahead with privatization of health care. You got that wrong. The promotion of energy deregulation whether it's for

electricity or natural gas: wrong. Now we're discovering that the privatization of our road maintenance is the exact opposite of what was promised. Instead of lower costs and better service, we are getting higher costs and worse service, so the taxpayers are losing twice here. If the hon. minister could clarify that and provide some information, again, I would be very grateful.

Now, the public accounts tell the tale of, certainly, a government that has got a spending problem, a real spending problem. I said at committee when we were discussing this bill that there are certainly some areas that need the government's immediate attention, and unfortunately they're not getting it. That group is families across the province who are considered homeless. I don't know what it's going to take for this government to finally show some initiative and look after these citizens.

I'm going to remind this House once again – and this is according to the Edmonton Community Plan on Homelessness – that this is the definition of homelessness that this government must consider: “the individual or family has no residence at all and is living on the streets.” Homeless. The second category: “the individual or family is living in any premises which is not intended or suitable as a permanent residence.” I hope this government doesn't consider a station wagon to be a permanent residence because, unfortunately, I encountered in the line of my constituency work a family, a dad and two children, living in a car. I think this is shameful, and I know that we can do better.

Now, Mr. Speaker, the Edmonton Community Plan on Homelessness also indicates that the individual or family is

- at risk of becoming homeless
- (a) through losing their residence, or
- (b) through being discharged from an institution/facility and has nowhere to go, or
- (c) through loss of income support.

We discussed this in here the other day, but it is important to repeat it to a government that has so far failed to listen.

I can go through this public accounts document, and I can find any amount of money that we have to question: was it necessary to spend? I consider it necessary to try to correct the homelessness problem. It's a difficult problem, but you are not working hard enough at it. You are failing in your obligation, in your duty as a government to provide for those who cannot provide for themselves, and we have to recognize that. But, no, we have to have this very Darwinian attitude where it's the survival of the fittest. Again, I am very, very disappointed, Mr. Speaker, with this government's attempts to correct or at least try to correct some of the deplorable conditions that some people in this province live in or call their home. I know we can do better, but you've got to make more effort, please.

Now, in Committee of the Whole we were talking also, Mr. Speaker, about the Deep Six and what the Deep Six would think about this bill. The Deep Six, some of whom are in this cabinet, had attitude about government waste and government spending. I don't know whether the Deep Six, the ones that are in cabinet now, have jet lag and have forgotten about their old ideology or whether they're travelling so far so often that they have completely lost touch with their roots. Before we conclude debate, I would certainly love to hear from the Deep Six, what's left of them: the Deep Four, the Deep Three.

An Hon. Member: Two, you mean.

Mr. MacDonald: Deep Two.

Mr. Speaker, it would be interesting to hear their reasons for this

large expenditure. I know that many of them have gone onto other things. I didn't realize that there was only one-third of them left, but I think we need the other four back just to remind this House and this government of their previous commitment to the budget process and what we have now in this bill.

Now, there's a lot, Mr. Speaker, that has not been said, but in the short time that I have left, I would certainly hope that this government looks at a different budget process. Thank you.

9:10

The Speaker: Hon. members, Standing Order 29(2)(a) is available. The hon. Minister of Government Services.

Mr. Lund: Thank you, Mr. Speaker. The hon. member in his diatribe this evening made comments that he could find many, many examples of how money was spent that didn't need to be spent and, of course, all of the waste and all the other things that he talked about. It's my understanding that the Provincial Treasurer was before Public Accounts today, and it's my understanding that the hon. member is chair of Public Accounts, so certainly there was an opportunity to question the Minister of Finance. I believe she was there for over an hour and a half. Because she is responsible for, generally, the overall spending, I would have thought that perhaps there would have been a lot of those examples. I would like to ask the hon. member to summarize, in the short period of time that he has left, how many examples – and could he give the examples – he found this morning in Public Accounts that the government wasted.

Mr. MacDonald: Yeah, I'd be delighted, Mr. Speaker. I would first like to remind the hon. minister that as chair of the committee I don't have the opportunity to ask questions, but certainly all members of the committee ask questions. All Members of this Legislative Assembly under Standing Order 53 are permitted to come to the committee and get on the list and ask questions.

Today I would be pleased to report to the hon. minister that there were over 22 questions and supplementary questions directed to the minister's department. We did that in less than an hour, but we need more time to go through not only the minister's annual report but what the Auditor General had to say. We didn't have time to go through the Government of Alberta's annual report, nor did we have time to thoroughly investigate the Auditor General's other report on the Alberta Securities Commission. We had a lot of issues and very little time, and that's why we have to reform this whole budget process.

I would thank the minister for his question.

The Speaker: Others? Well, we'll provide for other members on an alternate basis.

Mr. Hinman: I was intrigued with the hon. member as he talked about the cost overrun of the overpass. My experience in the past on those projects has been that they go out, they retain their gravel pits, they get a bid on it, and they know exactly what the cost is. I'm wondering if the member can tell me if, in fact, this is a new loophole where the referees are making the rules, and they leave that open so that they can have an automatic overcost by not locking in the price of the gravel for a project. In the past they've always done that to my knowledge, and I find it amazing that you tell me that that's an overrun now because that would be, I would say, very poor management in planning and pricing out the cost of the project and leaving it open for an overrun in cost. Perhaps you could comment on that.

The Speaker: The hon. member.

Mr. MacDonald: Yes. Thank you. For the information of the House this was one of the hon. members of the Assembly who was not a member of Public Accounts who was present this morning and wanted to ask questions to the hon. minister.

In direct response to your question, I see in here under W an outfit called Wapiti gravel. It could be corrected to be Wapiti sand and gravel. They supplied over \$13 million worth of gravel under supplies and services, capital assets, and other. That's a lot of gravel, and that's only one outfit. If we were to look in the annual report of the Minister of Infrastructure and Transportation, at least in the old days – I haven't looked this year – we would see that there is an allocated amount for sand and gravel. Now, whether it's for icy roads or whether it's for concrete, who's to say? Certainly, there are many different outfits in here that are supplying, obviously, large amounts of gravel at a good price, in my view, to this government.

In conclusion, I would have to say that we would have to get the rest of the story from the hon. minister as to why gravel costs are so high, and they are driving up the costs of this flyway at Anthony Henday.

The Speaker: Are there others, hon. members, to participate in this debate on third reading?

Then shall I call on the hon. Minister of Finance to close the debate?

Mrs. McClellan: Mr. Speaker, I want to thank all members for their contribution to the debate. There was more comment than question; however, I will very carefully review *Hansard*, and as is the usual practice, follow up very quickly with detail for hon. members on specific items.

I thank members for participating and would encourage support for third reading of this bill.

[Motion carried; Bill 51 read a third time]

Mrs. McClellan: Mr. Speaker, we've had a good day of work, and I would move that the Assembly now adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:17 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

