

## Legislative Assembly of Alberta

Title: **Monday, March 11, 2002**

**8:00 p.m.**

Date: 02/03/11

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: Please be seated.

### head: **Motions Other than Government Motions**

#### **Health Care Premiums**

501. Dr. Pannu moved:

Be it resolved that the Legislative Assembly urge the government, in the interests of fiscal prudence and tax equity, to not increase health care premiums and instead cancel the scheduled reductions in corporate income taxes for fiscal years 2002-03, 2003-04, and 2004-05.

[Debate adjourned March 4: Mrs. Nelson speaking]

THE DEPUTY SPEAKER: Hon. members, I believe there's one minute, and then we call upon the mover of the motion. If there's no one wishing to speak in that one moment – there is. The hon. Member for Vermilion-Lloydminster.

MR. SNELGROVE: For one minute, Mr. Speaker. Thank you very much. I think we've really talked about all we need to talk about on this motion. Government has a big picture to look at, and I think we're starting to really pick, when we're going to focus on one particular tax issue over another or tie the hands of the Finance minister or the Revenue minister with what they can and can do. I think it's very important that we look at everything as we govern. Whether it be health care premiums or hotel taxes or personal income tax, it behooves the government to keep an open mind and keep an avenue for all income and expenditures.

So with regards to this motion, I think that while we appreciate that no one likes to see an increase in premiums or taxes, sometimes we have to pay for the things we want as Albertans and as Canadians.

With that, Mr. Speaker, I would have to conclude debate.

THE DEPUTY SPEAKER: Okay. Well timed, hon. member.

The hon. leader of the ND opposition.

DR. PANNU: Thank you, Mr. Speaker. I've got five minutes at my disposal. I rise to conclude debate on Motion 501. This motion urges the government to not proceed with plans to increase health care premiums and instead cancel scheduled reductions in corporate income taxes during the next three fiscal years. The reason the increases in health care premiums are linked in this motion with reductions in corporate taxes is because the Conservative government is in a very real sense using the proposed increases in health care premiums to pay for next year's reduction in corporate taxes.

I've listened in vain for sensible arguments against this motion by government members. What I've heard instead are purely ideological arguments in favour of corporate tax cuts, combined with fallacious rationalizations that levying a head tax on individuals and families somehow makes people more aware of the cost of health care. Make no mistake, Mr. Speaker; health care premiums are a tax. They're a particularly regressive and unfair lump-sum tax, a tax that disproportionately falls on lower and middle-income earners, but they are a tax nevertheless.

Government fiscal policy is about making choices, Mr. Speaker. This Conservative government is choosing to shift the tax load from

profitable corporations and wealthy individuals onto average Alberta families and small businesses. In September 2000 the Conservative government made a deliberate decision to cut corporate taxes in half, thereby permanently reducing provincial government revenue by about \$1 billion annually at the end of a four-year cycle. Moreover, on the personal income tax side the government introduced a flat tax which disproportionately benefited the top 1 percent of income earners in this province, thereby giving up another \$1.5 billion in revenue.

Last April the corporate tax rate was reduced from 15 percent to 13 percent, a very generous tax break given to the corporate sector in a province where corporations already enjoy an enormous tax advantage. Since last fall the government has imposed a hiring freeze on the civil service and made deep cuts in children's services. Today Bill 12 and its more than draconian provisions was introduced because the government claims that it can't afford to pay the province's teachers more than 6 percent over two years. On top of this, the government is considering not only steep hikes to health care premiums, but if recent budget documents leaked to the New Democrats are accurate, the government is also considering reducing seniors' dental and eye care coverage and delisting some health services.

The question must be asked, Mr. Speaker: can we afford the planned reductions in corporate taxes, especially if they have been paid for by steep hikes in health care premiums? The answer to this question has to be no. It's time for the government to change course and put the planned reduction in corporate taxes on hold indefinitely. That's exactly what Motion 501 calls for. Were the government to do the right thing and put its planned corporate taxes on hold, the New Democrat opposition would be supportive of retaining those elements that primarily benefit small businesses. The small business elements represent only 10 percent of the revenue reductions from the corporate tax changes. Businesses benefit enormously from the well-educated, healthy workforce.

Paying for health care collectively through taxes is much more cost-effective for business than having to incur additional costs to pay for health care through private insurance or health care premium increases. Asking corporations to forgo planned reductions in corporate tax rates is very fair and reasonable. Asking every Alberta family who has been hurt by other recent tax policy changes, such as the flat tax, to pay more in health care premiums is neither fair nor reasonable.

In conclusion, Mr. Speaker, I urge all members of the Assembly to support Motion 501. Thank you.

[Motion Other than Government Motion 501 lost]

#### **Financial Planning for Retirement**

502. Ms Kryczka moved:

Be it resolved that the Legislative Assembly urge the government to take on a leadership role to encourage Albertans of all ages to assume personal responsibility for planning their financial security in retirement.

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

MS KRYCZKA: Thank you, Mr. Speaker. I'm very pleased today to begin debate on Motion 502. Alberta has one of the youngest populations in Canada, but like the rest of the country we are experiencing an aging trend. The number and proportion of seniors has increased steadily since the mid-1980s, and currently about 303,000, or 10 percent of Albertans, are 65 years of age and older. By 2026 it is predicted that Alberta's seniors will more than double,

to 750,000, or about 20 percent of all Albertans. As the number of seniors increases, the pressure on the Canada pension plan will likely increase. To add to that fact, there is a growing trend among Canadians toward early retirement; that is, to retire prior to the age of 65.

However, there is a second, rather conflicting trend that concerns me, and that is the steadily increasing life expectancy for both men and women in Canada. In 1996, for instance, Statistics Canada reported that the average retirement age was 58.5 years for women and 61.4 years for men. Ten years earlier, between 1987 and 1990, only 29 percent of people retired before the age of 60, whereas 10 years later, between 1997 and 2000, that rate had increased to 43 percent. When the Canada pension plan was established in 1966, Canadians' life expectancies were considerably lower than they are today.

In 1960, according to the World Health Organization, life expectancies at birth for women and men in Canada were 73.9 and 68.1 years respectively. By 1997 those figures had risen to 81.4 for women and 75.8 for men, according to Statistics Canada, and in Alberta it's even higher. For women it's 81.5 years and 76.5 for men. So the average man in Canada in 1966 would retire at age 65 and then live to collect CPP for about three years. In 1997 the average man is retiring at 61.4 and can start drawing on CPP, and he's expected to live to 75.8. Instead of three years of drawing CPP, the average man will now do so for 15.2 years or more, and it will be even more in the future. While increasing life expectancy is generally considered a measure of the overall health and wellness of the members of society, we must recognize that it is putting added pressure on the CPP, especially as the baby boomers reach retirement. This pressure is likely to increase further.

Therefore, Mr. Speaker, if Canadians and especially Albertans wish to continue maintaining the same standard of living or lifestyle in retirement as they had prior to retiring, it is imperative that they are informed and begin to plan . . .

#### **Speaker's Ruling Decorum**

THE DEPUTY SPEAKER: Hon. members, we have only one hon. member who's been recognized this evening at this time, and that would be the hon. Member for Calgary-West. Those people who wish to engage in lively conversations with people at some distance from their desk would please do so outside in the anterooms that are adjacent to this Chamber. In the meantime, we'll hear only from the hon. Member for Calgary-West.

8:10

#### **Debate Continued**

MS KRYCZKA: . . . and save for their retirement years as early and as wisely as possible.

The fact is that not enough Canadians and Albertans, especially those in their 30s and 40s, are addressing the importance of personal financial planning toward retirement. Whether the reason is that they don't know how to invest, whether they are afraid of the fluctuations of the stock market in a volatile economy, or whether they think that planning for retirement is something that can wait until another day, recent research confirms that 1 in 3 families in Canada will not have enough savings for retirement to maintain their present standard of living. This is cause for alarm. It is important that all Canadians and Albertans make informed lifestyle and financial planning decisions early on so that when they formally retire, they are financially ready to retire. However, in 2000, Canadians filled just 9 percent of the total allowable room of \$300 billion for registered retirement savings plans.

Mr. Speaker, in its June 2000 report Alberta for All Ages:

Directions for the Future the steering committee for the government-wide study on the impact of the aging population, which I chaired, states that "individuals are primarily responsible for their own financial security" and that being adequately prepared for retirement is an individual and family responsibility. True, the federal government administers the CPP, to which both employers and employees make payments, and it also provides Canadians with old-age security payments and for some the guaranteed income supplement. It is doubtful, however, that most people will find income from these sources sufficient to maintain the kind of lifestyle and quality of life to which they have been accustomed.

Preparing for retirement involves more than just being able to pay your utilities, your food, and other basic living expenses when that stage of life evolves. Preparing is a matter of lifestyle also, ensuring that you can live independently with dignity and in good health. The concept of living healthily encompasses a person's physical and mental health and also his or her social and financial health, an approach endorsed by the recently released Mazankowski report and by the Canadian Association of Pre-Retirement Planners, Alberta chapter.

"It's hard to teach an old dog new tricks," says an old proverb. Agreed, awareness and good habits are best developed early in life. Government and families can help our young people to develop a level of awareness of lifestyle and financial planning much earlier than we experienced. Many youngsters think they know all there is to know about using a credit card but may not know very much about the true purchasing power of money. It is critical that young Albertans, through levels of classroom curriculum which are appropriate to their stage of life, learn to understand and appreciate the importance of financial planning. Alberta Learning's career and life management program, or CALM, is presently offered at the senior high level in grade 11 and helps young adults develop a grasp of the importance of personal financial goals, financial planning, budgets, and financial challenges that they will face in life.

Mr. Speaker, beyond secondary school education, mostly it is in every adult Albertan's interest to take steps on his or her own, though, toward being informed at this new level or stage in life. This may mean investing in an RRSP, a group RRSP, or a company pension plan. Other investments may involve securities such as stocks and bonds, real estate, or owning one's own home, all approaches to building one's future financial security.

Merit Construction Association provides over 18,000 member employees with a benefit plan that has set the standard for the construction industry. Merit also offers other programs and services that increase workforce productivity and employee satisfaction, such as a group retirement and pension plan. Government education programs could stress the importance of planning for retirement through, for example, a vehicle such as a government newsletter with key messages to the 35-plus: (a) how many dollars do I need or want, (b) quality of life as I define it, (c) legacy investments are mine to spend or give to a charity of my choice.

Obviously, Mr. Speaker, financial investments can involve risk, and it is important that people not only know that there are risks but also that they have the means to gauge the risks they are likely to face when investing. Investing may be something an individual chooses to do on his or her own or it may involve consulting a financial planner. Prior to heeding the advice of a financial planner or an investment broker, however, individuals should ascertain that the planner or broker is accredited and that the advice therefore has merit. We take our cars to be repaired by certified mechanics, we make sure our doctors and dentists are accredited, and we require those who sell liquor to be licensed. There is, however, no mandatory regulation for financial planners to be certified in Alberta at the

present time. Why not? Often – too often – the public, especially the elderly, are victims of characters who prey on them, knowing that they may be vulnerable to fraud, scams, or inappropriate investment advice. As things stand now, it is possible for anyone to assume the role of a financial planner in Alberta. Section 21 of the Financial Consumers Act, *Revised Statutes of Alberta 2000*, addresses this issue, but to this day it remains unproclaimed.

Granted, Mr. Speaker, with the exception of Quebec there are no federal or provincial licensing or certification requirements for financial planners elsewhere in Canada. The closest we come to such licensing is the Canadian Association of Financial Planners. Its code of ethics acts as a surrogate for any federal or provincial licensing and accreditation requirements by mandating that certain standards be met and that CAFP members carry errors and omissions insurance and also pass CAFP ethical examinations.

It is true that in Alberta most financial planners do have a background in taxation, investments, securities, insurance, or accountancy. Financial planners may also be taxation specialists, investment brokers, securities brokers, insurance specialists, or accountants, required by law to be licensed and registered to practise. For example, the Securities Commission regulates the brokerage industry. However, anyone, whether trained or not, can hang out a shingle and call himself or herself a financial planner. Hardly a week goes by without a story on the news or in the paper about an unsuspecting person who lost most of his or her retirement nest egg.

I thank you, and I encourage everyone to support Motion 502.

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

MS BLAKEMAN: Thanks very much, Mr. Speaker. I'm pleased to respond to Motion 502, which is asking:

Be it resolved that the Legislative Assembly urge the government to take on a leadership role to encourage Albertans of all ages to assume personal responsibility for planning their financial security in retirement.

I appreciate the member opposite and her concern for seniors of today and for tomorrow. Knowing her position with the Seniors Advisory Council, that makes a certain amount of sense, but it's an interesting concept that we have. We have an expectation that there should be individual responsibility involved in financial planning, yet we haven't quite reached the point where that individual responsibility can or is possible to kick into place.

Certainly when we look at how pension or retirement investment income works today, it's not the same deal as it was 20 or 30 years ago or even, I guess, more particularly between generations. In my parents' generation they both worked for the same employer their whole life, and there was a pension that was offered. It was a contributory pension from both sides. They were able to retire on that, and it was augmented with their contributions to the Canada pension plan. When my grandparents retired, they were just able, I think, to receive the very beginning of the Canada pension, but they had to live on what they had saved up or on what they were able to have their children look after them with.

So the concept of having one employer your whole life and having a pension plan that goes along with that: I think we can't count on that for the future. Certainly we have a lot more people that have part-time work, which doesn't come with any kind of benefit at all. We know now that we expect people to have four or five or six different employers over their working life. In fact, payment of pension benefits is becoming more and more rare.

So I take the point from the member that it's going to be up to the individuals to look after their retirement because it doesn't look like

there will be a lot of pensions flowing through from companies, but I don't think that's going to happen, to be honest with you. I think we're going to have to look forward and prepare for that because I think there's going to be a group of people move through that just are not ready for it. They thought they were going to be involved with a single employer and a pension plan, and that's not the way their working career worked out. By the time they realized that, they were past being able to really contribute large amounts of money into a savings account or into an RSP or some kind of investment scheme that was going to give them a retirement income. We know that only 9 percent of the boomers today are making use of their full eligibility or the full amount that they can put into their RRSPs, and I think part of that is that they don't necessarily have the extra money set aside to be able to do that.

8:20

Now, you know, I've never worked in sectors that paid a lot of money, and frankly I didn't have the money left at the end of the day, once I paid for the rest of my costs, to be able to put anything into an investment scheme. People say: oh, now, come on; you could have put five bucks in or 50 bucks in. But there are a lot of people that work paycheque to paycheque, earning minimum wage or slightly above that, even 10 bucks an hour, and there just isn't money left at the end of the month to put into a retirement income. So I think we're going to have to learn to deal with that.

We're going to have to look at things like what programs are available, what kind of housing programs are available as that particular sector of boomers moves through into retirement. The member is right: we need to look and start thinking about that retirement planning and understanding all of that at a much younger age. I agree that elementary school is not too soon to start talking about that and having kids really understand it. I think the first time I ever heard about this I was a young adult, and it didn't mean that much to me at the time. Perhaps if we had learned it earlier, it might have had more impact.

Certainly if we're going to be looking at adding it to something like the CALM program, of course we also have to be looking at the ancillary costs that go along with that: the in-service cost for the teachers, the supply teachers to replace them as they're away at the in-service, the cost of textbooks and reference materials, et cetera. That doesn't come for free either. There is a cost involved with that but probably a cost that's well worth while.

Now, when I go back and I look at that sector of the population that isn't doing well with retirement income, either they didn't know and didn't plan soon enough or they just didn't have the money. I think we know that there's a huge intergenerational wealth transfer that's coming down the pipe, and we may as governments need to think very carefully about whether that wealth transfer is taxed. It may well be that that is the only money that's available to that particular generation of people as retirement income, period. If the government is going to tax half of it away or 40 percent of it away, then the government is going to end up probably having to pay for the social service programs to support those people. So it's a balance. It's always a give-and-take.

The other give-and-take is the whole concept of individual responsibility. This government is very keen to say, "We want less governing; we want less legislation," but very quick to turn around and say: "By the way, we want to legislate this particular part of your private life, and we want to legislate that part of your private life. Oh, we want you to do something this way, too, and we're going to legislate it." I just find that really interesting, the number of times that that's come up even in my five years in the House. They don't want to legislate business or clean environments, but boy, they sure want to regulate people's personal lives.

When we look at the concept of responsibility, again there's a give-and-take in that too, because I think responsibility is balanced by rights and privileges. If there is a responsibility for something, then there has to have been something that was gained on the other side. That's part of what I was talking about before, with people making enough money actually to have extra money to be able to invest and therefore be able to balance, to have that responsibility, to be putting money into their own retirement. They have to be paid enough to have enough money left over to invest that, so there's a balance that happens there. I think there's a responsibility that's balanced with an authority and an ability, which again is underlying that same concept. So we have to make sure that we don't have people that are overtaxed, that are paying through licences and fees and premiums and different varieties of taxes, that they still have enough money left. We have to make sure that there's reasonable food, shelter, and safety and that that's available at a reasonable cost for people.

I think the concept that's being brought forward here by the member, although again I question the eagerness to legislate people's private lives, is very interesting, coming from this government. The concept of it is not one that I'm going to speak against. I think it would be a great world if we had people that were knowledgeable enough to know that they needed to save for their retirement. That would be a very good thing, and again I agree, particularly when we look at introducing this whole concept into school at an elementary or a junior high school level. I think that by high school it's almost too late; people have already started to develop their spending and saving habits. That educational portion needs to happen before then.

So the last part of this is that if there's going to be a rule or a law or legislation that's going to make people take this responsibility, then as always I'm asking: how do you monitor this, and how do you enforce it? Is there going to be some kind of penalty? Is there a carrot and a stick? Is there some sort of encouragement? Alternatively, is there some sort of penalty if people don't follow that? I think the last thing we need is legislation that's saying that you must do this and then it's meaningless because there's no repercussion if someone doesn't follow it. As well, there has to be a monitoring system in place because it's not fair if some people are following the game, or doing everything they're supposed to, and others don't and blatantly get away with it.

So whenever there's a request from the government members to have some sort of rule or legislation or imposition placed on Albertans, I want to know what the plan is to monitor this process, and I want to know what's contemplated by way of enforcement for this, if that's including punishment, if it's including some sort of encouragement scheme.

I know that the member will have five minutes to wrap up at the end, and maybe I'll get a chance to hear her answers to my questions. Thanks very much, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I'm pleased to join the debate on Motion 502, which urges the government "to take on a leadership role to encourage Albertans of all ages to assume personal responsibility for planning their financial security in retirement." Motion 502 would help all Albertans plan to face some of the hard realities that we may encounter as a province in the near future. Motion 502 is a well-timed idea because according to the demographic studies of Statistics Canada, a greater number of Albertans are moving into their retirement years. Also, individuals are expected to live longer now in Alberta than ever before.

Our longer life spans can be attributed to the strength and resilience of Albertans but also are because Alberta has one of the highest standards of living in the world and a state-of-the-art health care system that is second to none. Albertans are not only living longer lives but more vigorous and richer lives, and Motion 502 seeks to ensure that all Albertans continue to do so well into their most golden years.

Mr. Speaker, the highest proportion of Canada's aging population is the baby boomers. More than any European nation or the United States our demographics are uniquely balanced to the high end, with the single largest demographic group being born between the years of 1945 and 1946. These individuals are nearing their sixties now, and the majority will soon be retiring. In fact, according to well-known demographer David Baxter in his presentation at the recent provincial Future Summit, baby boomers were born as early as 1938. If many boomers are already retired or living a semiretired lifestyle, this has implications on productivity, the workforce, tax revenue, lifestyle, housing, and social service utilization, especially health care. What we need to do as a government is integrate this new information in our work; for example, the seniors' policy initiative, which has as one of its five committees a financial planning committee.

The question is: are baby boomers doing all they can to ensure that they can maintain their standard of living well into their later years? In Canada the average life expectancy of an individual who has already reached the age of 65 is 18.4 years. That is just the average, and it is much higher for women than for men. At least half the boomers will be living well beyond the year 2025, and by that time, Mr. Speaker, it's projected that the number of senior citizens as a percentage of Alberta's total population will have more than doubled compared to today's population.

The strain on programs like the Canada pension plan will be unprecedented, and the burden to support these programs will fall on the next generation. Already there is a substantial unfunded liability in the Canada pension plan, and it will only grow as the demographic shift continues upward. The Canada pension plan will be there for the older generation but only at the expense of the shrinking proportion of Canadians that continue working. As a sign of the trend, in this budget year maximum CPP contributions have been increased by 11.8 percent from the previous year. This trend, which must continue just to maintain current Canada pension plan benefits, could cause further drains on productivity, reduce the disposable income of the workforce, and possibly cause an economic downturn that should not be underestimated. Motion 502 presents an opportunity for this government to show leadership to this end and be certain that all our citizens prosper well into the new century.

8:30

Mr. Speaker, we need to ensure that Albertans take personal responsibility for their financial security and retirement in the near future. If we can get out this message about the importance of planning for financial security well into the later years of life, it may well convince the boomers to continue to work on an alternative or part-time basis for the sake of their own future prosperity. Albertans don't want to have to rely on the social system to get by in their older age. Albertans don't want to be a financial responsibility of the next generation as they get older.

I think government can play a role in informing Albertans of the facts they will face in retirement. We are very helpful when Albertans make a transition into the workforce, providing career training, guidance, and even financial assistance. It is just as important that we extend advice or counsel to all Albertans when they plan for their retirement as throughout their career. We should

not stand by while people leave the workforce perhaps totally unprepared for what awaits them in their retirement.

Many Albertans initially feel that they are financially well equipped as they go into retirement but never expect to live for 20 or 30 years beyond the age of 65. Nevertheless, a significant percentage will inevitably live well into their 90s. One factor that may lead to this is the rather deceptive statistic of life expectancy at birth. Currently life expectancy at birth for Albertans is around 78 years, which is pretty good, but does this mean that a person retiring at 65 can expect to live only 13 more years? Absolutely not. As I mentioned earlier, a person living to age 65 will on average reach 83 and a half years of age, a full five and a half years beyond their life expectancy at birth. If they calculated their savings to only last for 12 years but live an additional 18, 20, or 25 years, they may find themselves in serious financial trouble. What a shame it would be to see someone who's saved so diligently and calculated so earnestly live out their last years in abject poverty, living with family, or being supported by government-funded programs. It happens far too often. Motion 502 would help to prevent this kind of innocent mistake that too many people make as they plan retirement.

In a recent Statistics Canada survey one in three Canadians is not financially prepared for retirement. There is clearly a need for more education programs and information to ensure that Albertans make the right decisions as soon as possible about how much they should be saving for their retirement and when they should be planning to leave the workforce.

In June of 2000 in the report *Alberta for All Ages: Directions for the Future* the steering committee for the governmentwide study on the impact of the aging population stated that individuals must bear the primary responsibility for their own financial security. Although there is a social safety net through the guaranteed income supplement and old-age security that will keep Albertans above a base level, these levels are constantly being challenged to keep up with the standard of living to which many Albertans have become accustomed. It is important that Albertans know all the facts and outcomes when they are deciding when to retire from work. I think that government is in a unique position to provide leadership and to work with educators and business to promote heightened awareness of lifestyle and financial planning.

Mr. Speaker, Motion 502 also encourages the government to establish standards for financial consultants in Alberta, addressing a need expressed by those in the industry. With all of the investment tools out on today's market, including thousands of mutual funds, stocks and bonds, performance indexes, or commodities markets, it is important that brokers, consultants, and dealers be straightforward and honest and, above all, trained and certified. It is a sad story that occurs far too often, and we have all seen or heard of retirees losing their life savings because they invested too aggressively in stocks, bonds, or commodities based on some neighbour's so-called advice. More than being just unfortunate, it is a story of gross misconduct when that advice comes from an unqualified consultant or financial planner. If we could ensure that financial planners in this province meet a bare threshold of understanding of, first, their ethical obligation to the best interests of their client and, second, an understanding that elderly clients' investments should be risk averse, we would be helping prevent needless misunderstanding and the potential for mishaps.

Mr. Speaker, Quebec is the only province that requires all financial planners to be licensed and registered as certified financial planners. L'Institut quebécois de planification financière is a nonprofit organization responsible, under the provincial act respecting the distribution of financial products and services, for granting the diploma required to obtain the certificate authorizing the use of

the financial planner designation and setting the continuing professional development requirements for financial planners. The IQPF obtains its revenues from its activities rather than from fees imposed by legislation. It has awarded diplomas to more than 4,500 financial planners in Quebec.

The benefits to following Quebec's example in Alberta are threefold. First, more Albertans would be confident that their money will last as long as they do, bringing peace of mind, less stress, and a sense of wellness. Second, if more people trusted the investment system, a greater amount of savings would be transferred into higher earning investments, which would create wealth for all Albertans. Third, there are significant opportunities for cost savings to government if seniors of the future are not forced to rely upon the social safety net.

Mr. Speaker, I could go on at length about the importance of ensuring that all Albertans plan their retirements properly. I'm very thankful that the Member for Calgary-West brought this pressing issue to the attention of the Assembly, and I encourage all members to support this very important motion.

Thank you.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Red Deer-North.

DR. MASSEY: Thank you, Mr. Speaker. I'm pleased to have the opportunity to make a few comments about Motion 502 and to express some grave reservations about what has been placed before us this evening. I don't think we have to look far – we can look to Margaret Thatcher's Britain – to see the results of schemes such as this and the kind of horrendous problems and the horrible impact that it has had on people, people at the most vulnerable time of their lives, when they're retiring.

There are a number of problems that they've had to deal with. Some of those have already been raised by the two previous speakers, but the misselling of private schemes to Britons is a scandal of major proportions. There's a fundamental conflict of interest when you have brokers or companies promoting schemes for private pensions and giving advice. The Britons have found this to their great chagrin. No matter how they've tried to regulate it, the problems are still in the system. They can't rid the system of the inherent conflict of interest there is between someone selling a financial instrument to a citizen and their interest in making a profit or making a living based on those sales. So the kind of sound advice that a scheme such as this is predicated upon they found it very difficult to actually have occur.

One of the other unfortunate parts of schemes such as this is that it promotes loss of faith in the pension system itself, and we heard some of that in a previous speaker's comments: you know, the sky is falling down; the CPP is not going to be there for people; people are getting older; there's not going to be money around. That kind of rhetoric in Britain caused a tremendous loss of faith in the public pensions in the country and in the private pensions that they were advocating. So there's a disservice to the entire pension system by a scheme such as the one being proposed here.

8:40

Other problems they had were huge administrative costs. We have no handle on that yet in this country in terms of the administrative costs of the kinds of private pension plans that are put in place. With participation in one of these schemes, you put in place a scheme that you think is going to render you a decent income. Then you find, for instance, as they did in Britain, that it depends on when you retire. If you had retired in October 1987, when there was a

stock market crash, then you would have had a pension that is 30 percent less than if you had retired in September of that year. So horrendous problems in terms of the actual payment of the pension.

[Mr. Klapstein in the chair]

I guess the most damning indictment of proposals such as this is that the most severe impact is on low earners; they're the people that it hurts most. Those low earners are frequent job changers. It's most often women and it's most often ethnic groups that suffer when this kind of scheme is promoted. If you look at the Alberta statistics, 98,600 Alberta families have an average income of \$14,400 a year. Now, tell me how much of that money, of that \$14,000, is going to be left over for investments in the kinds of schemes that this kind of motion is predicated on. I'd say, Mr. Speaker, that it's going to be precious little. So some of the most vulnerable people in the province are going to be the ones that are ultimately hurt by this kind of scheme.

In Britain 90 percent of those who transferred out of occupational schemes to self-administered schemes ended up losing. The benefits they actually ended up having were less than if they had stayed with the schemes that they were in. Again, it points to the danger of bringing forward, I think, a motion like this that doesn't address the problem. I think if you again look at the British experience – and there's a push on in the United States right now for these same kinds of private schemes – a third of elderly Britons still depend on a means-tested welfare system for their income once they're retired. If that's where we're going, Mr. Speaker, I would be most distressed.

I think for those reasons that I've given, I will be voting against this, and I'd urge other members of the Assembly to consider it very carefully before they support it. Thank you very much.

THE ACTING SPEAKER: The hon. Member for Red Deer-North.

MRS. JABLONSKI: Thank you, Mr. Speaker. I am pleased to have the opportunity to rise in the Assembly tonight and speak on Motion 502. I would like to commend the Member for Calgary-West for her efforts and commitment to raising issues regarding senior citizens in Alberta. The seniors' population is growing and aging at an increasing rate, and it's therefore very important to discuss as many aspects of aging as possible while there is still time to react as a government. I don't think there is anyone here in this room tonight that will escape the aging process, as Ponce de León never did find the fountain of youth, and when Harry Potter did find it, he destroyed it for the good of mankind.

Motion 502 addresses two important issues that Albertans deal with every day: getting older and financial security. It has been said by some that ignorance is bliss. Well, I can assure you that those who are ignorant, unable, or uneducated in the ways of retirement savings are not blissful when the time comes to retire and they are forced to change their lifestyle in a major way due to lack of income.

As we all know, growing old is inevitable. Alberta has a population that is aging with each year. I was initially astonished to learn that in just 20 years the Alberta seniors' population will more than double in size. Acknowledging this fact now enables us to realize the difficulty this circumstance will provide when it is upon us. I've heard that the Canadian pension plan may not be able to take care of all of us who have contributed to it when we need it.

As I understand it, Mr. Speaker, there are two reasons that may cause the CPP to falter. The first is the increasing older population that we are experiencing here in Alberta and throughout our country. Fortunately, Alberta has one of the youngest populations in Canada, and we can benefit from the experiences and solutions of others.

When our population of seniors doubles in the next 20 years, you can bet, however, that the majority of the population of seniors across the country will have increased by at least that same rate and will be older than us. What this tells me is that there will be more than double the number of Canadians drawing from the Canadian pension plan over today. You don't have to think about it long to see that it will place a great strain on the CPP, and older Albertans will qualify to draw from CPP after most other Canadians are already seniors.

The second problem with the CPP that I foresee, Mr. Speaker, is that with the current low birth rates Canada is experiencing, there will be significantly fewer people paying into the Canadian pension plan at the time when there will be the most Canadians drawing from it. Just for the record, I have done my patriotic duty and personally contributed three Canadians who are paying CPP and, so far, two grandchildren who will also be paying CPP in the future. This grim certainty for our younger generation's national retirement fund should encourage us all to take a closer look at better educating those younger citizens towards lifestyle and financial planning, including retirement planning.

In 1999 a steering committee was commissioned to study the impact of the aging population, and they produced the report *Alberta for All Ages: Directions for the Future*. The report recommended that the government encourage the expansion of financial planning education for Albertans of all ages. In addition, the report recommended that the Alberta seniors' benefit be reviewed and adjusted on an ongoing basis to ensure that it continues to meet the needs of seniors, reflect changes in costs, and achieve the goal of ensuring that older people do not live in poverty. Mr. Speaker, this motion certainly speaks to the report completed in 2000 by the steering committee, and I believe that it is one more voice among many that is asking this government to take a closer look at how people grow old in this province and to recognize the gamut of consequences that comes with aging.

Who then, Mr. Speaker, can help us get our finances in order for retirement? Well, financial planners can. We are all aware of financial planners. It's hard to pick up a newspaper or watch television without noticing an ad for some organization or individual who wants to secure your financial future. How are Albertans to know which of these service providers are worthy of their business and their trust and which are not? I have yet to see an analysis of this industry depicting the results gained for consumers by each company. In Alberta there are no background or educational requirements for financial planners. I understand that there is a risk that one assumes by asking another to invest his or her money for the future. However, with no safeguard or standards set in this province for proprietors of this service, it is a dangerous game to play when the stakes include your ability to retire comfortably.

I have attended a seminar on financial planning and have seen individuals encourage seniors to remortgage the houses that they spent their entire lifetimes working to pay out and then using that money to invest in stocks and bonds. One other province in Canada has regulations and requirements for financial planners, but in Alberta anyone can assume the role of a financial planner. This means that you can hand your life savings to me or anyone in this room to play with. Even though I may have no training or only limited experience in the field, I could charge you a high commission to invest your money.

So how does government help Albertans to help themselves lower the risk of poor retirement planning or a poor choice of a financial adviser? I think that education is the key to empowerment in this area, Mr. Speaker. If Albertans are well versed in the ways and means of retiring successfully, more will go out on their own to

secure their future. We as a government should want them to make the right decisions for themselves, and the right decisions will be made by those who have the power of knowledge.

There is a program of studies in the Alberta Learning curriculum called CALM, or career and life management. It has been developed to teach high school students about everyday life skills, including financial planning, that they will need to be successful when they leave home. In fact, this weekend I supervised a conference by the Youth Advisory Panel discussing the CALM program, and they will be recommending that the CALM program be enforced and standardized throughout the province.

8:50

Then there are a great number of younger adults who are in the workforce today, Mr. Speaker, who are unprepared to plan appropriately for their preferred lifestyle as they go through life and eventually retire. How are these young adults, male and female, to learn the importance of planning for tomorrow? According to a 1999 Statistics Canada survey, there are over 1.5 million Canadian families in which the primary earner is over 45 and who have no private pension savings. I understand that many families have tight budgets and that saving today for the future is not terribly realistic because the demands of the present are just too great and incomes can't be stretched far enough to make that accommodation. However, I believe that with encouragement and education people will be able to see that they can make a tremendous difference to the quality of their future if they strategically set aside some money each year for retirement.

In Alberta, Mr. Speaker, we could follow the example of our neighbouring province to the east. The Saskatchewan pension plan, SPP, is a voluntary plan designed to provide a pension plan for individuals with little or no access to private pensions or other retirement savings arrangements. The plan is available to anyone between 18 and 69 years of age. Eligibility is not dependent upon residency, income, employment status, gender, or membership in other plans. Since 1986 SPP has grown to \$193 million in assets and 30,000 members. The plan is designed for flexibility so that members can make it fit their life situation and budget. It is voluntary and flexible – payments can be made at any time during the plan year – and portable. Individuals can join and contribute to the plan regardless of where they reside.

Mr. Speaker, in an article in the February 12, 2002, edition of the *Montreal Gazette* the writer Catherine Solyom cited an Ipsos-Reid poll released the day before. According to the poll, one-third of Canadian women compared with 28 percent of men are concerned that they don't have enough to save for retirement. Almost half, or 47 percent, said that they have to make a more determined effort to live within a budget compared with 37 percent of men. Why? It has nothing to do with being born to shop. Women have good reason to be apprehensive.

First, women live an average of six years longer than men. The average Canadian widow is 58 years of age and hence needs more money to retire. Secondly, the big issue is the risk of outliving their money. Thirdly, women are also out of the workforce 11 years longer than men, caring for the children, their parents, or both. Other facts revealed by the survey suggest that a larger number of women, 60 and 52 percent respectively, have no idea how much money they would need for their retirement. Many of the women surveyed said they wanted to have greater control of their destiny. In short, Mr. Speaker, participants in the survey realized the importance of being knowledgeable in matters of financial planning, but becoming knowledgeable involves a significant investment and commitment of time.

[The Deputy Speaker in the chair]

I support Motion 502, Mr. Speaker, because it sends the message to this Assembly that we need to ensure that our citizens are well educated early about preparing for their preferred lifestyle in retirement. Motion 502 also draws attention to the fact that there are no certification requirements for financial planners in this province. I urge the members of this Assembly to consider the merits of this motion and join me in support of it.

Thank you, Mr. Speaker.

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

MR. BONNER: Thank you very much, Mr. Speaker. Thank you for the opportunity to speak to Motion 502, which is sponsored by the Member for Calgary-West. I must say off the bat that the intent of having people plan for their financial independence and future is a very, very good idea and certainly one that more and more Canadians are taking advantage of and also the responsibility for.

It's also been said that Canadians as a whole spend more time planning for their vacations than they do for planning for their financial well-being. Certainly for those people who grew up in the era that I did, there has been a tremendous tendency for us to rely on employer or government pension plans for retirement rather than other funds. Certainly it has only been within the last few years that more and more people are getting involved in financial planning. But again I think what we have to do, as well, if we look at records of RRSP contributions by taxpayers – and the figures I'm quoting here are from 1998 – when we look at the number of taxpayers, the majority of taxpayers are certainly in the lower income brackets.

If, for example, we look at the bracket of even \$30,000 to \$40,000 of annual income, we have roughly 1.4 million taxpayers in that bracket. We have 1.38 million with room in their RRSPs, yet we only have roughly 700,000 that are taking advantage of that. It's a very small percentage, and of course the reason for that is that with \$30,000 to \$40,000 there just isn't enough money after they take care of providing a roof over their head and certainly food and a car and, if they do have a family, taking care of those needs. Those do put a primary responsibility on that person rather than looking at their financial future.

Now, if we look at even bumping that up to the \$60,000 to \$80,000 bracket, in 1998 we had 492,000 taxpayers in that bracket. We had 488,000 of those taxpayers with room in their RRSPs, and we had out of that group 374,000 that were making contributions. Again, these people had the disposable income where they could make those types of investments, so we do have to realize that making the right decision doesn't always mean that you can fulfill that action.

When we start looking as well, Mr. Speaker, at the people we would like to target this bill towards and have involved in this program, these are young people who are finishing up their education or new members of the workforce, and of course they have many other expenses which are certainly primary when it comes to planning for their financial future and doing something about it. They start looking towards their first job, and many of them have debts to pay off at that stage, particularly if they happen to be students.

We see that university students today, quite a number of them, are graduating from university with \$25,000 in student loans, so they do have a priority there to pay off their student loans. If we want to draw a comparison, we as a province have set that as our priority over the last eight years. We have made debt repayment our number

one priority to the extent that we are now nine years ahead of our schedule, yet, Mr. Speaker, we have had to cut essential services in this province to maintain that. So what do we tell these people that are in exactly the same spot, that have debt requirements to meet: that they do not fund their essentials such as paying back student loans, that they do not eat to the extent they would like to, that they live in the very lower standard of rental property? So it seems that there is a contradiction here, that what we expect these people to do, we as a government are not prepared to.

THE DEPUTY SPEAKER: I hesitate to interrupt the hon. Member for Edmonton-Glengarry, but the time limit for consideration of this item of business on this day has concluded.

9:00

### **head: Committee of Supply**

[Mr. Tannas in the chair]

THE CHAIR: I'd like to call the Committee of Supply to order.

### **head: Interim Supply Estimates 2002-03 Offices of the Legislative Assembly, Government, and Lottery Fund**

THE CHAIR: Are there any comments, questions to be offered with respect to these estimates? The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thanks. Just to double-check here, I have 20 minutes to speak to this? Thank you.

Okay. Well, another spring, another interim supply budget. This government's amazing lack of planning never ceases to amaze me. The government is asking for I think it's \$4 billion this time out, which I find interesting because last year the entire budget I think was for \$21 billion, which broken down into 12 months would put us at about \$1.75 billion in expenditures per month. I would assume that the government would be looking for \$3.5 billion to cover the two months that they're asking for in this interim supply, but no. In fact, they're asking for \$4 billion. I'm wondering now: is this casting into the future an omen that we can expect an even larger expenditure budget coming forward if I look at the ratios that have just been given to me?

I've thought about this, and as I said with the supplementary supply bill, you know, I'm not willing to support this government's poor management anymore. I understand that the government is asking for money so it can do its business and pay people. I'm sure an hon. member will get up and say: "Well, that's not nice, you know. Are you saying, Laurie, that government staff shouldn't be paid or that grants shouldn't be given out? You know, you're being mean and unreasonable." I have to say: sorry, but this is supporting a really bad habit, and I'm no longer willing to support that bad habit. Out of the six years that I have been in this Assembly to debate a budget, there's been an interim supply budget five times. Now, that's pretty poor management. Even if you say, "Well, you know, last year, for example, there was a late election, so there was no possible way that we could have had a budget passed by the end of March," okay. Fine. Still, there were four years of really poor planning then.

I mean, let's look at this year, for example. The government could have easily called us in in the middle of February, the beginning of February so that we had ample time to have a throne speech and, as traditionally, two weeks later have a budget speech and have the full amount of time that we needed to debate this budget and have it done by the end of March, which is the end of the fiscal year. But, no. The government chooses to bring us in on the

26th of February and is now saying: oh, well, gee, darn, you won't even have a budget presented until the 19th of March, and therefore it's not possible to debate and pass a budget before the end of the fiscal year. That is just bad planning.

I mean, is it a surprise that the fiscal year ends at the end of March? I don't think so. I think that the fiscal year has been ending at the end of March for some time. So it's not as though this is a moving target. The government knows very well when the end of the fiscal year is. Why can't they manage to actually get the budget up in time so that we can debate it and pass it before the end of the fiscal year? This is just bad planning, it's bad management, and I won't support it. I'm not going to feed into this bad habit. It's like a druggie. I'm not going to give this government another fix so that they can be poor managers again. I won't. I'm not going to support it anymore.

We just had a motion, Motion 502, that was saying that we must have individual responsibility, that we're going to force people to have individual responsibility to plan ahead and have their retirement income nailed down. I'm sure that if the government could manage to actually force people to do this by the time they were 30, they would be willing to. Two minutes later we are talking about: "Well, oops, sorry. We didn't plan well enough, so, gosh, can you just vote us \$4 billion to carry us through for a couple of months?" I mean, this government's disapproval of someone who lives paycheque to paycheque is palpable, but what is this government doing? It's saying: gosh, can you just advance me \$4 billion against when we'll actually manage to get this budget done? Unbelievable. But all the faces over there are looking like: "Oh, no, this is what we usually do. This makes perfect sense to us." You are borrowing against your paycheque. You are borrowing into the future to pay.

What was it in Popeye? Wimpy said: I'll pay you Tuesday for a hamburger today. That's what the government is doing: I'll pay you once the budget is passed for \$4 billion today; okay? Well, it's not okay with me. I don't think it should be okay with you either, but the government seems to think that that's fine and that it's okay that they do not have their fiscal house in order enough that they are able to get a budget presented before us in enough time to debate it before the end of the fiscal year. I'm not buying it, and I don't think you should either.

I look at what's been presented to me, this lovely printing job. I flip through it and see that there are amounts that are asked for in every department. Okay. Fine. It's distinguishing between the lottery fund payments and nonbudgetary disbursements. Okay. Fine. I'm going: "All right. So you're asking for all of this money. Oh, look; there are no performance outcomes. There are no targets. There are no descriptions of what this would be paid out for. There are no business plans. There's nothing. Just give me \$4 billion and trust me." Well, you know what? I don't trust you guys. I don't trust you at all. I don't trust you to be good managers. I don't trust you to get it done before the end of the fiscal year. I don't trust you. I don't trust anything you've ever shown me in here. But I certainly don't trust you when you say: "Give me \$4 billion, and I won't bother giving you anything to do with outcomes, anything to do with targets, anything to do with performance measurements, anything to do with business plans. No, no, no. Just give me \$4 billion, and I'll get back to you." Not good enough. Not good enough.

Now, let's talk about trust. I raise the issue of trust with this government. That's an interesting concept here, because how do I trust this government, especially around whether there really is money or not? The government says that it has no money, but when we look at the third-quarter update that the Treasurer recently released regarding the fiscal year that we're still in, that shows that we have the second-highest revenue ever. The second-highest



revenue ever. "But we have no money. Trust us." Well, no, I don't think I'm willing to go there.

I guess my question to the government is: that money that you don't have, do you not have it today, or do you not have it tomorrow, or do you not have it yesterday? Well, we know you had it yesterday because it's in the third-quarter update, but I don't trust this government as to whether it has money or it doesn't have money. It seems to be this amazing shell game, and all the energy goes into moving the pea around underneath the walnut shells but not any kind of real, transparent budgeting that everyone can see and understand. There's nothing to be seen that goes along with this interim supply. It's just a bunch of numbers saying: trust us and give the government \$4 billion, please.

So they say that they don't have any money, and I've questioned that. They may not have any money today, but certainly their use of the interim and supplementary supply in place of formal budgeting suggests that they can get money if they want it or they can get money if they need it. I think that that's asking a lot from the Alberta public.

You know, I know and understand that there are 74 votes on the government side. That's fine.

9:10

AN HON. MEMBER: Seventy three.

MS BLAKEMAN: Seventy three. [interjections] You're missing one. Yeah, you think you'll get him back soon enough.

But that 73 is really only representing 30 percent of the vote in Alberta. Seventy percent of the people didn't get represented on the government side. That's what we're left to do here, uphold those 70 percent that didn't vote in this government. I'm perfectly willing to stand here and say: "No, I don't trust the government. No, I do not see sound financial management. No, I don't see good planning. I see a lot of moving money around. I see a lot of, well, no, we don't have money, but in fact we do have money for things that we want to do. No, we're not going to show you any kind of business plans or outcomes or targets or performance measurements for this amount of money. Just grant it to us and trust us." I don't trust you, and I don't think that many Albertans trust you either.

You know, when I look at other examples of whether or not I would consider this government to be good fiscal managers, I look at the cyclical nature of the Alberta economy, the boom and bust, the high natural resource revenue and low natural resource revenue. This government has done nothing to work with that. My colleagues here in the Liberal caucus have been talking about a stability fund since, I think, the days of Laurence Decore, that we needed to do something to smooth out those peaks and valleys of the Alberta economy. The government did nothing. We had huge spending cuts in the early '90s, and I think they cut stupid at the time. Then as we got more and more natural resource revenue in, they spent stupid, and that didn't really help us except that now everyone can point to figures and go: look; we're spending as much money today as we did 10 years ago, whatever, but we're not getting anywhere near the same level of service.

Now the government says: "Oh, dear, we're in another downturn, and now we're going to cut stupid again. We're just going to go into different departments like Children's Services and say that that's it. You know, we're going to cut all of the preventative early intervention programs for children." Well, if that isn't cutting stupid, I don't know what is. I mean, we have such short-term thought around planning and around good fiscal management from this government that I can't support any fiscal plans that they put forward. I've yet to see things put in place that I would consider wise financial

planning. The way this government operates, it would never tolerate this from any nonprofit that was out there, and they probably wouldn't tolerate it from a business either, but they seem to think it's okay if they do it.

So we've had citizens on a roller-coaster ride of spend and slash and spend and slash. You know, how do we even expect individuals to try and keep up with their own personal planning, to keep in sync with what this government is doing when the government is back and forth and back and forth? Certainly my colleagues here in the Liberal caucus have talked and called for some time for stability, predictability, and sustainability in our finances, and I think that's a very reasonable thing to be asking for.

MR. BONNER: And equitable.

MS BLAKEMAN: And equitable. Oh, excellent. Another suggestion from one of my colleagues that we look at equity as well, and I think that that's a wise suggestion.

We need a budget management program that can manage to get us a budget that's brought in and debated before the year-end so that we don't have to go in for an interim supply. We need good enough budget management that we don't have a government coming back to us not once but twice – twice – in one year for supplementary supply, which I've always found a very interesting concept. We can manage to sort of overspend in budgets. Well, that's okay; we'll just come back and do a supplementary supply and go: whoops, uh-oh, if I can just move money backwards into this account or into this department to cover the fact that we overspent our money, then when the books all come out at the end, you know, two or three years from now, we can look back and go, "We were exactly on target in that department." What a bunch of hooey. The department was over, and they had to put money into it after the fact so that they all came out even. So we've got a government that can't manage to get its budget presented and debated before year-end. Then during the year we get one or two – or I suppose even three is possible with this government – supplementary supplies that are dealing with overexpenditures in departments during the fiscal year. Unbelievably bad planning, but the government just keeps on doing it.

You know, I think any member of the government would be hard-pressed to stand up and tell me that anyone in Alberta gave them a mandate to budget this badly, that they came in with all their 74 seats and that gave them a mandate to be poor fiscal managers, that it gave them a mandate to budget badly. [interjections] Well, my hon. colleagues on the other side seem to disagree and believe that they were given a mandate to be poor budget managers and poor fiscal managers. I think it's a sad day when they admit that, but at least they're admitting it, so I'm glad to see there's some honesty coming forward there.

MR. NORRIS: Question.

MS BLAKEMAN: Oh, I can see that the hon. Minister of Economic Development is going to be up and joining in the discussion right after I'm finished, I'm sure, Mr. Chairman.

MR. NORRIS: I'll just let you talk all night.

MS BLAKEMAN: Thank you. I appreciate the support. That's really good of you. He's going to let me speak all night.

MR. BONNER: How much are they asking for here?

MS BLAKEMAN: They're asking for \$4 billion. You know, \$4

billion is the entire budget, the entire economy for many countries in the world. They run the whole year on that much money for everything and for all of their people. But no. In Alberta we want \$4 billion handed over for two months' operation with no accountability at all put in place, none, zip, zero, nada. Nothing in this book puts forward any kind of accountability, any kind of targets, any kind of "This is what we're going to do with it."

The most that I can get out of that is a one-liner. I just loved that. It said:

Amounts to be Voted are categorized as:

- operating expense, which includes expenses such as salaries, supplies, grants, amortization of capital assets and debt servicing costs.

Well, that's descriptive. Or

- capital investment, which includes the acquisition of land, buildings, equipment, highways, bridges, dams and other capital assets
- non-budgetary disbursements, which include the exchange of cash for another form of asset, [and]
- Lottery Fund payments.

That is the sum total of the description of what \$4 billion is going to be used for by this government. That's it. That's the entire description, and Albertans are to trust this government and say, "You betcha; we're going to hand over \$4 billion for this." Absolutely no accountability whatsoever, and I will not support this government in this anymore.

I think I've very clearly stated why I'm not going to support it anymore, and I'd be happy to send my remarks out to Albertans, letting them know what this government feels is acceptable budgeting and acceptable financial management. I hope more Albertans will be reading *Hansard* and listening to the live audio to understand what the government thinks is an acceptable way to come into this kind of management, because I certainly don't think it's acceptable, and if most Albertans tuned in and listened to it, they wouldn't find it acceptable either.

I've almost used up my time here, Mr. Chairman, and I appreciate the opportunity. I'm just going to check through my notes to make sure I said everything I wanted to. Yeah, I have. Those are the points that I really wanted to raise. I mean, there's not much else that you can say. We're given so little information in this, just the amounts in each ministry that they are wanting for two months' worth of operation, a grand total. They tell you how much is lottery fund, how much is general fund, and how much is their capital investment, all divided out, but together they add up to \$4 billion, with the very brief description that I just read to you of what the money is going to be spent on. Then it says: please vote this for us.

9:20

Once again they're in here asking for this money on the 11th of March, and they have made no attempt to bring in the budget, which they could have. We could be debating here tonight a budget on a given department and have the entire budget voted on before the end of the fiscal year, which is the 31st of March, as is appropriate. Every other nonprofit, every voluntary-sector organization, every business has to get this done before their year-end, except for government, who can manage to stand here and say: "Oops, darn; didn't get it right. Oops. Uh-oh. Give me \$4 billion, and I won't bother telling you how I'm going to spend it." Totally unacceptable.

Well, I guess I've made it pretty clear how I feel about this. Thanks for the opportunity.

THE CHAIR: The hon. Deputy Government House Leader.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I wasn't intending to speak tonight, but given what we've just heard, I thought I'd better explain to the hon. member what interim supply is, because

it's pretty clear that she doesn't have the same understanding that I think perhaps other members of the House do.

I want to begin, with all due respect to the hon. member, by explaining that last Thursday, as required by Standing Orders, the Government House Leader did in response, I should say, to a member from the opposition provide a complete and detailed outline of what this week would be all about, and that did include the issue of interim supply.

Now, we are in Committee of Supply, and one of the issues that we have the ability to debate and discuss, of course, is interim supply. The way this process works, in a nutshell, Mr. Chair and hon. members, is that today is the first of two days that we have a chance to discuss and debate interim supply. Tomorrow, being Tuesday, will be the second day, and then we will also introduce the interim appropriation bill. Now, on Wednesday that bill, which will receive second reading, will hopefully be approved, and we'll move on to Thursday, at which time it will again surface in the form of a bill, and it'll be discussed in the Committee of the Whole stage. Then on Monday it will go to third reading. On Tuesday the budget will be tabled along with all the business plans and all the details that any member of this House or any member of the public could ever hope to have. That was all very clearly and plainly outlined by the Government House Leader last Thursday as projected government business.

The reason that we're looking at interim supply and the provision of certain funds come April 1 is because we have to have certain programs and services ready to go when April 1 arrives. Otherwise, you would not have hospitals, you wouldn't have anybody to staff them, we wouldn't have the wages to pay them, you wouldn't have schools, we wouldn't have any moneys to pay the teachers, you wouldn't have a justice system, you wouldn't have any courts operating, the Solicitor General's department wouldn't be there, in my case, in Community Development, we wouldn't have moneys for persons with developmental disabilities, and the list goes on and on and on. All that interim supply does is simply provide us with the ability to ensure that come April 1, there will be moneys in place to allow government to continue. Now, this is nothing new. The member has been here for six years, by her own admission. She knows what goes on in the community, and I'm sure that she's paid very close attention to that.

I should also say on the point of accountability, which the member mentioned many times, that I think it's important to remind all members in this House that we are subject to a very careful and a very scrutinous review by the Auditor General on an annual basis. He makes his recommendations, and we respond to those recommendations. Secondly, all members of the House who sit on Public Accounts have the opportunity to come and speak at Public Accounts, have questions answered not only from relevant ministers but also from their staff and from members of the Auditor General's department. It's a very good and a very full accounting-type system.

Now, this is a bit of an unusual year, and the member has alluded to that. I just wanted to clear up a couple of things here. First of all, effective March 25 this House will be recessed until April 8. Clearly, anyone looking at the calendar would understand that that is beyond the date of April 1. So basically we've got this week and we've got next week and then we're adjourned until after the April 1 deadline. So if we don't bring in an interim supply bill, Mr. Chairman, then we don't have the ability to provide the many excellent services and programs that this government intends to continue providing. So that's the first point.

The second point is with respect to some of the specific comments that the member made, and I just want to note a few of them. She's asking: why is it that \$4 billion is requested? Well, the answer very simply is: because that's what it takes to run government services and government programs for about two or three months. A further

question was: is this an even larger expenditure anticipated? Well, I anticipate that the incoming budget, although we won't know till March 19 for sure, will show some increases in certain areas. For example, in the throne speech we heard that health care, education, and I believe children's services are at least three areas that will receive some type of increase because the population is growing and expanding and more services are needed, but again we'll have to wait for the final numbers to come out, and it's just an unfair criticism to make at this stage.

There's another comment that was made, Mr. Chairman, in relation to the interim supply bill, and that was something about being poor managers. Well, I think that when you take a look at the record, if the government of Alberta were a poor manager, you'd see some deficits being run, you'd see an unsecured debt being run, I don't think you'd see a triple A credit rating, and so on. Now, those are very enviable benchmarks that the government has attained, and there has been some help from time to time from members of the opposition. [interjections]

### **Chair's Ruling Decorum**

THE CHAIR: Hon. members, this is called Committee of Supply, not general, noisy visiting time. I wonder if those people who are engaged in lively conversation, who are now drowning out the Deputy Government House Leader as he tries to make some comments with respect to this interim supply, could move out to the outer chambers so that the rest of us could hear the hon. Deputy Government House Leader and others who may follow him when they're recognized.

MR. ZWOZDESKY: Thank you, Mr. Chairman, for that cautionary note, because this is very valuable information for all members to know.

### **Debate Continued**

MR. ZWOZDESKY: There was a comment made about borrowing into the future. Well, this is not borrowing into the future. This is simply saying that come April 1, we need a budget in place to start the year. The House will not be in session, so we don't have the ability to bring something in, as I indicated, the week prior nor the first week after.

Now, the member has made several comments about not knowing exactly how these moneys are going to be spent. I would just say: well, if you want proof of how the moneys are going to be spent, this interim supply, then go out into the community, take a look at the hospitals, take a look at the schools, take a look at the court system, take a look at some of the many other excellent facilities we have, and that's where and how the money is being spent. It's nothing new. These facilities have been there for many, many years. They will continue to be there for many, many years. So that's the short answer to that.

The hon. member referred to something about not seeing any evidence of good planning. Well, I'll tell you what good planning is, Mr. Chairman. It's bringing in a solid three-year business plan for this House and all Albertans to review, and that's quite a rare commodity in this Confederation. Not every jurisdiction does that. That's good planning, and it'll show you what the plan is for three years out. If you wanted to have a look at where we're at this coming year, take a look at last year's three-year plan, because that's where you'll find some of the answers.

Secondly on the issue of good planning, I think we're probably the only jurisdiction that voluntarily provides quarterly reports, regular updates, which the Minister of Finance works very hard to provide so that all Albertans will be kept up to speed, knowing exactly where

their moneys have gone, what is being targeted, whether we're on track or a little off track or we need to catch up, and so on. Yes, from time to time things do go bump in the night. We had a very large and tragic bump in the night come September 11. So you have to make adjustments for that. No one can predict those tragic circumstances, but they do happen, and then we share the burden evenly and equally. In this case everyone had to reduce by 1 percent to ensure that we didn't incur a deficit. Why? Because not running a deficit is also good planning, and that's what we're pledged to do.

9:30

Now, it's unfortunate that the member indicated that there's nothing she can support in this interim supply. I'm not going to give her the usual rhetoric she was expecting, because she outlined in her first few comments that no one would want to stop providing services for seniors or for children. Of course not, but ensuring that we have this interim supply business passed will also ensure that those services continue to be provided.

The final comment I'll make, Mr. Chairman, is with respect to some confusion that appears to exist on the opposite side with respect to how supplementary supply works as compared with interim supply. Now, I don't understand the logic of someone who would stand up and argue when we bring in a supplementary supply estimate that provides for some additional funds to occasionally be spent in certain areas where those moneys are needed. On the one hand, you sit and you listen in this House to complaints: we're not spending enough there; we're not spending enough there; we're not doing enough there. On the other hand, from time to time we will bring in a supplementary supply bill with extra appropriations and we do provide those extra moneys. Then there are complaints about: why are you spending the extra money? Well, you can't have it both ways. As one former individual indicated in this House, you can't blow and suck at the same time. So you have to make up your mind on which side of that argument you are.

This interim supply bill is simply a way of allowing government services and programs to be continued. I would urge all members to stick to that point, understand it clearly, and please let's get on with this debate and have this appropriation-related bill and its outcomes passed and supported. With that, Mr. Chairman, I'll take my seat and look forward to listening to others.

Thank you.

THE CHAIR: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I found it interesting that the previous speaker took it upon himself to lecture another member about interim supply. It might have run more true had that member gone back and visited the very comments that that member made in this House about interim supply a few years previous. Talking about blowing and sucking at the same time, it seems to me that we just had a great example of it from the minister, and we'd be happy to table some of his previous comments.

When you look at the Appropriation (Interim Supply) Act, 2002, Mr. Chairman, there are I think a number of points that can be made. I guess the first question and one that is constantly asked at this time is: what is the rationale? Where is the money going to be spent? Where is the detail from each of the departments in terms of how this money is going to be allocated? I go back to the Auditor General's report, and one of the very first comments that the Auditor General made was: "We recommend that the Department of Treasury, in conjunction with other ministries, clearly define the core measures and targets in the government business plan." Now, the Treasury department's response to that was that they accepted it. They said: yes, we should have core measures; we should have targets.

It seems to me that having accepted it, then when a bill like this

comes before us, there's an obligation to report the progress. Where is the money going? On which of the objectives is the money going to be spent? What has been the progress to date? That's one of the very difficult positions this kind of bill puts legislators in. We don't have a report on the progress on those objectives that we can use to judge the appropriateness of the expenditures in each of the departments.

In Learning, for example, the amount of money that's being requisitioned, 588 million plus dollars, is almost equivalent to the entire Edmonton public school board budget for a year to look after 80,000 students. Now, it seems to me that before you bring forward a request like that to the Legislature, there is some obligation to earmark where those funds are going to be spent or on which objectives progress is expected to be made.

The Auditor General, for instance, under Children's Services made a number of recommendations, and again I'll quote from the Auditor General.

We recommended . . . that the Department of Children's Services review the funding formula to ensure that the allocation of resources . . . is consistent with the expected needs of each [child and family services] Authority.

He goes on to talk about that.

Well, the department in response to the Auditor General says:

Accepted. The Ministry is committed to improving the funding model taking into consideration variations between regions, best practices in case and program management, and the impact of legislated and mandated program parameters.

Again, here's a department that says, "Yes, we accept that." But what do we have with the bill before us this evening? A request from that department for 121 million plus dollars and no supporting documentation, nothing in terms of the kind of progress that has or has not been made on objectives such as that. It's one thing to say that you agree with the Auditor General. It's another thing to put into practice those beliefs. I think that that's fundamentally what's wrong with what we have before us. We don't have the kind of detail that you would expect. I can't believe, for instance, that the government would allow a school board to present a budget for this amount of money without more detail. In fact, for this amount of money, for a school board that was spending 500 million plus dollars, there would probably be volumes of documents supporting that expenditure. So it's a basic flaw in terms of what we have behind us.

One of the other things – and it's been mentioned by a number of the speakers – is that the budget planning seems to be at best erratic. There are increases, and then there are cuts: increases and cuts. I don't think that the impact of that is fully understood by some of the ministers. I attended a group of citizens concerned with funding for adults with disabilities and a number of those people who are in group homes, and the pain and the agony of even a 1 percent cut was evident at that meeting, Mr. Chairman.

These group homes have in place contracts with individuals who have to be on duty, some of them on call 24 hours a day. They have in place contracts for facilities. They have in place contracts for services. To turn around at the point in the budget year that the department did and ask them for a 1 percent reduction was really most distressing. It meant for them going into debt, being unable to handle it, looking at curtailing services for the coming year to be able to make up the funding loss. It was an evening of great frustration, to say the least.

I think that that's just one small example of what happens when you can't depend on the government funding to be there, to be stable, and to be consistent. Even once it's passed in a budget, you still can't depend upon it because somewhere down the road during that budget year the government may change and change plans. It

just seems an incredibly poor way to be delivering services and programs to Albertans.

9:40

I think there are a number of examples of changes and midyear changes that can also be cited: the changes to the contractors in Children's Services, a great number of people who had spent a lot of energy and a lot of their life putting services in place only to find that their contracts were discontinued. Questions about how the finances are being handled by the department: we get no information when we have the requests in a document such as appears before us this evening.

I think the third thing I would like to indicate, Mr. Chairman, is that there has to be a better way. We heard some of the reports out of the Future Summit, requests that echoed the requests we've had for a stability fund. Now, whether a stability fund would have been applicable in this situation – probably not. But I think it does ask the government, because this goes on year after year after year, to at least take the problem seriously and to address it so that next year prior to budget time we're not going through this same exercise as we have year after year. Surely, given the kinds of mechanisms the government has put in place for the financial management of the province, there are ways that this kind of asking for money before the budget is passed can be reduced or eliminated.

One of the obvious things is to pass a budget before the end of the year. I go back to my experience with school boards, where that became the rule, that you had to have in place your budget before the school year began. That only made good sense.

I think we're all very supportive of the unintended or the unpredictable. I don't think anyone in the House would argue that the government shouldn't have the freedom to come forward and ask for funds when unfortunate mishaps or something entirely unpredictable happens. I think, should that be the case, that it would certainly be entertained with support by the Legislature. But it's the predictable; it's what we know is going to be there. It's the costs that we know are going to be incurred coming before the Legislature year after year, where we pass a good portion of the budget before we ever have an opportunity to look back at the progress of the previous year, where we never have the opportunity to look at progress toward targets, where we don't have the opportunity to look at performance measures, and we don't have the opportunity to assess the appropriateness of the government's previous year's plans before we are already approving a couple of months' worth of expenditures for the next year. I think it's just a poor way, Mr. Chairman, for the government to be conducting business in the province.

I think with those comments I'll conclude, Mr. Chairman. Thank you.

THE CHAIR: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Mr. Chairman. I welcome the opportunity to speak to the interim supply estimates for 2002-2003 and certainly to make some comments in regard to what other speakers have indicated here in the House this evening.

Certainly these are funds that we are going to be voting on and allocating to keep many of our programs going through April and May of this current year. I also see that these are categorized into operating expenses, which includes expenses such as salaries, supplies, grants, amortization of capital assets, and debt-servicing costs. Now, these amounts to be voted in are also categorized as capital investment, which includes the acquisition of land, buildings, equipment, highways, bridges, dams, and other capital assets; plus nonbudgetary disbursements, which include the exchange of cash for another form of asset; and lottery fund payments.

The Minister of Community Development certainly spoke and

informed us this evening, and I would have to compliment him. He's come a long way since the days he used to ask: well, what is the difference between a deficit and a debt? I also have to say that we're in full agreement with him as well that we need a budget in place by April 1 as we start our new fiscal year. He also indicated that all we have to do is go out in the community to the hospitals and schools, and we can see where and how our dollars are spent and how many. But unfortunately, no, we cannot see how those dollars are spent and certainly get a handle on where these dollars are going.

It is ironic that here we are asking for moneys to tide us over for the next two months because even though we knew our year-end was going to be March 31, we did not plan this session and have a budget in place which could be passed in time for our April 1 start. Certainly that is not the obligation on this side of the House that was not fulfilled; it is the obligation on the other side.

I also look here and I see that we are asking for \$4 billion to take us to May 31, 2002. Now, this represents 16.6 percent of the year. When we look at the amount that's being requested as a percentage of our total budget of \$21.6 billion from last year, we see that this amounts to 18.5 percent of the budget from last year. So again we are looking at an increase of approximately 2 percent to carry us forward. You're asking for 2 percent more in dollars to cover the portion of the year, so this is again a little confusing. Now, I've read through this book that was provided to determine if some of these costs are front-end loaded or whatever. Does this mean that somewhere down the line we're going to have to perhaps cut 2 percent from everybody's budget throughout the next year because we've got 2 percent ahead? I don't know.

I also know, Mr. Chairman, that if we were to take this piece of information to any bank in this country, or in the world for that matter, and ask for \$4 billion without any breakdown in costs, they would be asking us to leave. Yet we are asking the taxpayers of this province, on the basis of figures like this, for us to pass \$4 billion in spending. These are not good business practices.

As the hon. Member for Edmonton-Mill Woods has stated, we want to be flexible, particularly when we are faced with the unpredictable. We all realize that at times there are going to be unfortunate circumstances that we can't control, and we had a good example here a couple years ago when we had a huge forest fire that raged in northern Alberta, and certainly we required extra funds to pay for that. Those are unpredictable circumstances, Mr. Chairman. We also have the potential this summer of a tremendous amount of problems because of the drought that most of us, I think, are expecting in southern Alberta, again a very unfortunate circumstance and one that we will definitely have to be prepared to pay for if in fact that does occur.

9:50

As well, Mr. Chairman, this certainly again has absolutely nothing in here that would address the roller-coaster economy that we experience in this province. It would be good if we did have some method to smooth out our spending, because we do know that our revenues certainly do fluctuate and that that is required.

Now, then, the hon. Member for Edmonton-Centre mentioned our need for equitable, predictable, stable long-term funding. Again, when our municipalities, when our road builders in this province, when our school boards, when our health authorities are all asking for this type of funding and certainly we cannot see far enough ahead that we require these moneys to start the fiscal year, then we still have not learned our lessons here.

The hon. Member for Calgary-Varsity – and I can always remember from my early days in the House here that one of his common pieces of advice to all members was that you have to plan

your work and work your plan. Now, we know that we need these moneys on April 1. That would be the plan to have these moneys available, but this type of budgeting certainly is not working our plan very well.

So we do have, Mr. Chairman, a lot of room for improvement here rather than on so many occasions having to revert to interim supply to carry us through. This seems to happen on a yearly basis, and we do know that there are many mechanisms which would be preferable, which would, if instituted, get away from this type of supply. We should have a budget that's presented in this House that could be voted on and be in place before the end of the year, and we would certainly not have to go to interim supply. Yes, there are some cases when we do have to go to extra funding, when we do have the unpredictable and unfortunate circumstances, but for predictable costs and predictable times this is a very poor answer.

I do know that if the former hon. Member for Calgary-Buffalo were here, he would certainly be saying something along the lines like: history is a torch that illuminates the future. What we have to do in this House is look at how we've conducted our business over the years and look at that example and see how we can do it better in the future.

Thank you.

MS BLAKEMAN: I just had one brief question back to the Deputy Government House Leader, the Member for Edmonton-Mill Creek. My question was: if the budget for 2002-2003 had been introduced, debated, and passed prior to March 31, 2002, would the government have needed an interim supply estimate? I think the answer is no, in which case all of my comments on poor planning stand.

Thanks very much.

THE CHAIR: Are you ready for the question?

HON. MEMBERS: Yes.

Agreed to:

#### **Legislative Assembly**

Support to the Legislative Assembly

Operating Expense	\$8,735,000
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Office of the Auditor General

Operating Expense and Capital Investment	\$2,700,000
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Office of the Ombudsman

Operating Expense	\$400,000
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Office of the Chief Electoral Officer

Operating Expense	\$500,000
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Office of the Ethics Commissioner

Operating Expense	\$95,000
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Office of the Information and Privacy Commissioner

Operating Expense	\$805,000
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#### **Government**

Aboriginal Affairs and Northern Development

Operating Expense	\$11,005,000
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Agriculture, Food and Rural Development

Operating Expense and Capital Investment	\$102,155,000
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Children's Services

Operating Expense	\$121,930,000
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Community Development

Operating Expense and Capital Investment	\$125,310,000
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Economic Development

Operating Expense	\$8,565,000
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Energy

Operating Expense and Capital Investment	\$40,525,000
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Environment	
Operating Expense and Capital Investment	\$34,140,000
Executive Council	
Operating Expense	\$3,765,000
Finance	
Operating Expense and Capital Investment	\$15,325,000
Nonbudgetary Disbursements	\$15,260,000
Gaming	
Operating Expense	\$51,115,000
Lottery Fund Payments	\$234,685,000
Government Services	
Operating Expense and Capital Investment	\$48,945,000
Health and Wellness	
Operating Expense and Capital Investment	\$1,529,985,000
Human Resources and Employment	
Operating Expense and Capital Investment	\$318,435,000
Infrastructure	
Operating Expense and Capital Investment	\$279,530,000
Innovation and Science	
Operating Expense and Capital Investment	\$64,000,000
International and Intergovernmental Relations	
Operating Expense	\$1,825,000
Justice	
Operating Expense and Capital Investment	\$47,240,000
Learning	
Operating Expense and Capital Investment	\$588,420,000
Nonbudgetary Disbursements	\$27,125,000
Municipal Affairs	
Operating Expense and Capital Investment	\$65,480,000
Revenue	
Operating Expense and Capital Investment	\$6,845,000
Seniors	
Operating Expense and Capital Investment	\$47,620,000
Solicitor General	
Operating Expense and Capital Investment	\$46,510,000
Sustainable Resource Development	
Operating Expense and Capital Investment	\$101,915,000
Transportation	
Operating Expense and Capital Investment	\$139,000,000

10:00

THE CHAIR: The hon. Deputy Government House Leader.

MR. ZWOZDESKY: Thank you, Mr. Chairman. There being no further members who wish to speak at the appropriate time, we have made very good progress, and as a result I would move that the committee now rise and report the vote.

[Motion carried]

[The Deputy Speaker in the chair]

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2003, for the following departments.

Interim estimates for the fiscal year ending March 31, 2003.

Support to the Legislative Assembly, operating expense, \$8,735,000; office of the Auditor General, operating expense and capital investment, \$2,700,000; office of the Ombudsman, operating

expense, \$400,000; office of the Chief Electoral Officer, operating expense, \$500,000; office of the Ethics Commissioner, operating expense, \$95,000; office of the Information and Privacy Commissioner, operating expense, \$805,000.

Aboriginal Affairs and Northern Development: operating expense, \$11,005,000.

Agriculture, Food and Rural Development: operating expense and capital investment, \$102,155,000.

Children's Services: operating expense, \$121,930,000.

Community Development: operating expense and capital investment, \$125,310,000.

Economic Development: operating expense, \$8,565,000.

Energy: operating expense and capital investment, \$40,525,000.

Environment: operating expense and capital investment, \$34,140,000. Executive Council: operating expense, \$3,765,000.

Finance: operating expense and capital investment, \$15,325,000; nonbudgetary disbursements, \$15,260,000.

Gaming: operating expense, \$51,115,000; lottery fund payments, \$234,685,000.

Government Services: operating expense and capital investment, \$48,945,000.

Health and Wellness: operating expense and capital investment, \$1,529,985,000.

Human Resources and Employment: operating expense and capital investment, \$318,435,000.

Infrastructure: operating expense and capital investment, \$279,530,000.

Innovation and Science: operating expense and capital investment, \$64,000,000.

International and Intergovernmental Relations: operating expense, \$1,825,000.

Justice: operating expense and capital investment, \$47,240,000.

Learning: operating expense and capital investment, \$588,420,000; nonbudgetary disbursements, \$27,125,000.

Municipal Affairs: operating expense and capital investment, \$65,480,000.

Revenue: operating expense and capital investment, \$6,845,000.

Seniors: operating expense and capital investment, \$47,620,000.

Solicitor General: operating expense and capital investment, \$46,510,000.

Sustainable Resource Development: operating expense and capital investment, \$101,915,000.

Transportation: operating expense and capital investment, \$139,000,000.

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

HON. MEMBERS: Agreed

THE DEPUTY SPEAKER: Opposed? So ordered.

The hon. Deputy Government House Leader.

MR. ZWOZDESKY: Thank you, Mr. Speaker. Thank you to all members of the House for their contribution to a very exciting, stimulating, and scintillating debate this evening. In view of the excellent progress made, I would move that the House now stand adjourned until 1:30 p.m. tomorrow.

[Motion carried; at 10:10 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]