
Controlling the Deficit: An Alberta Perspective

by Richard Magnus, MLA

This article describes the deficit elimination plan currently being used by the Province of Alberta. It then focuses on how individual MLAs fit within that plan. It concludes with a look at the Standing Policy Committee process and its involvement in the deficit elimination process in Alberta.

In our last provincial election both the Liberal and Progressive Conservative parties ran on campaigns based on balancing the provincial budget. Over 85% of those Albertans who voted in the last election voted for a government that would demonstrate fiscal responsibility by balancing the budget.

The Progressive Conservative Party, under the leadership of Ralph Klein, advocated a four-year plan to eliminate the deficit and balance the provincial budget. The four-year plan was based on the *Deficit Elimination Act* which was passed into law prior to the calling of the election in May 1993. The plan was based on reduced spending and a reorganization of the way government does its business. The Progressive Conservatives promised to balance the budget by the fiscal year 1996-97 without raising or introducing additional taxes. As a member of the government caucus I am proud to say that we are keeping promises and will deliver a balanced budget by 1996-97.

In 1992, when Ralph Klein successfully ran for the leadership of the Progressive Conservative Party, and again during the provincial general election, he made it clear that it was his belief that we were over-spending, not "under-earning", and that his focus would be on two things —deep spending cuts, tied to fundamental restructuring of government.

Last February we introduced our 1994-95 budget, which is the second year of our four-year plan. The highlights included:

- no tax increases, no new taxes, and no sales tax;
- we reduced the deficit by a further 37%, a reduction in actual program spending of \$956 million;
- reduced the size of the public service by a further 1,788 positions;
- introduction of three-year business plans for every single government department. These plans define how much they will cost to deliver, and how results will be measured;
- by the end of fiscal 1994-95, we will have achieved over half of our four-year target.

We are implementing sweeping, fundamental and structural change that will forever alter the role of government; how programs and services are delivered; and Albertans expectations of Government.

The old Alberta is gone forever. We are determined to bypass, and dismantle if necessary those things that get in the way of funds getting into the hands of those that need it.

There is too much administration in the education system that diverts dollars from the classroom; too much administration and regulation in the health care system that diverts dollars from community-based health care; too much subsidization of the true cost of municipal service; too many people becoming dependent on social assistance, instead of using it only as a bridge to new skills; on and on it goes; there are too many good people trapped in bad systems, and we are going to break that cycle. That is what we mean by restructuring government.

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Every Albertan is involved, and the vast majority of Albertans agree with the plan. They are willing to make the short term sacrifice we ask, in order that their children are not handed a runaway deficit and a mountain of debt.

The Role of Parliamentarians

What is the role of a Member of the Legislative Assembly of Alberta within this plan? The role is to be an active participant and facilitator in the two-way communication between government and individual Albertans. With the type of restructuring and the degree of spending cuts taking place, Albertans demand and deserve a high degree of accountability from their government and elected representatives.

The citizens must be brought into the loop of the decision-making process. Instead of simply being effected by the solution, the people must feel as though they participated in finding the solution. In Alberta's case we held Health Care, Education, and Budget roundtables, as well as Seniors and Heritage Fund roundtables. We are talking to Albertans as well as listening. This is an essential element in any deficit reduction plan that is to be successful.

The first deficit budget passed in this country by any level of government should have been the last.

Individual MLAs hold town-hall meetings within their own respective constituencies in order to gather feedback from constituents and facilitate their involvement in being part of the solution. MLAs must also remain true to the promises made during their election campaigns. In Alberta's case, promises had been made in previous campaigns to balance the budget, but after receiving a mandate from the people, government continued down the path of destruction. It is interesting to note, that Albertans were way ahead of their elected representatives in their desire to balance the provincial budget. Albertans were ready. They have been waiting for us to catch up to them. There is no magic, we simply discovered that we cannot spend more money than we earn. The same can be said across Canada. We all hear people saying to their governments — live within our means; focus on our needs.

In Alberta's legislature, all of the sitting MLAs ran on deficit elimination campaigns during the last election. The government has more than the Opposition questions to answer when it strays from its mandated course. Its own caucus members demand that the government continue the program of deficit reduction, and government restructuring and reorganization.

Aside from the government's plan to balance the provincial budget, reforms in the way the legislature conducts its business have provided individual MLAs with the means by which to provide effective representation of their constituents, especially in the area of reviewing Government Estimates. During the review of Estimates by the Legislature, the Opposition can designate up to four Supply Sub-committees. These Committees are allotted four hours for MLAs from both sides of the House to question the designated Government Departments on their spending plans and priorities. This provides MLAs the opportunity to ask detailed questions about program spending. While only four departments go through the sub-committee process, MLAs review every departmental estimates through Committee of Supply.

The Standing Policy Committee System

I currently chair one of the four committees — the Standing Policy Committee on Financial Planning. This committee has the responsibility to consider policies with respect to budgetary and taxation matters, including the review of all proposals having significant financial implications. It also has the mandate to review the current budgets and three-year business plans for the various departments to provide comments, suggestions and recommendations to Ministers for consideration in the preparation of annual budgets.

MLAs have been given the responsibility to oversee and review departmental programs and budgets. As parliamentarians, we now drive the government agenda in accordance with the mandate given to us by the people of Alberta. The bureaucracy as never before in Alberta, takes its cue from elected representatives. Not just those that sit at the cabinet table, but from MLAs representing Albertans from across the province. This ensures that policy, programs and initiatives meet the needs of Albertans, not the other way around.

Albertans, like most Canadians in other provinces have been over-promised, over-taxed, over-borrowed and under-delivered. The public, our constituents have a high level of frustration, alienation, skepticism and loss of respect. Albertans and other Canadians are proud of their strong, entrepreneurial flair, and their self-reliance. While government has an essential role to play in encouraging economic growth, its role must change from that of a direct intervenor, to that of facilitator. In the area of program delivery, government must restructure its programs and delivery mechanisms to ensure that quality programs are delivered effectively, efficiently, and compassionately and meet the needs of the people. ♦