

## Legislative Assembly of Alberta

Title: **Tuesday, May 7, 2002**

**1:30 p.m.**

Date: 02/05/07

[The Speaker in the chair]

### head: **Prayers**

THE SPEAKER: Good afternoon.

Let us pray. O Lord, grant us a daily awareness of the precious gift of life which You have given us. As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country. Amen.

Please be seated.

### head: **Introduction of Guests**

THE SPEAKER: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to members of the Legislature 29 students from Hay Lakes school as well as their teachers Doug Lyseng and Nicole Lindberg. If they have not already joined us, I believe they will be joining us momentarily, so I would ask that the Assembly extend to them our traditional warm welcome.

THE SPEAKER: The hon. Member for Grande Prairie-Wapiti.

MR. GRAYDON: Thank you, Mr. Speaker. I'd like to introduce – and I'm not sure that they're here. They didn't check in with my office, and I have no information yet, but I was expecting from my constituency the Grande Prairie Christian school. So if they're here, I'd ask them to rise, and if not, we'll welcome them anyway.

Thank you very much.

THE SPEAKER: The hon. Member for St. Albert.

MRS. O'NEILL: Thank you, Mr. Speaker. I would just like to acknowledge and introduce to you again today the students from Keenooshayo school who are here this week long in the Legislature. They are seated in the public gallery this afternoon. I'd like to acknowledge their presence and ask them to please stand and receive the warm welcome again today.

THE SPEAKER: The hon. Member for Calgary-Cross.

MRS. FRITZ: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the members of the Assembly a very dear friend of mine, Vicki Dippner. Vicki is visiting from Palm Springs and was absolutely delighted to see all that snow in Calgary. We graduated together from nursing in 1972, and this weekend we had a lot of fun reminiscing with our classmates from the Calgary General hospital at the alumni banquet. So, Vicki, I'm really glad that you're here today, and I'm really pleased and proud to introduce you to my colleagues in the Assembly. I'd ask that people help me give Vicki a warm welcome.

### head: **Oral Question Period**

THE SPEAKER: First Official Opposition main question. The hon. Leader of the Official Opposition.

#### **Electricity Billing**

DR. NICOL: Thank you, Mr. Speaker. It's the final bill that consumers have to pay that matters, so if the bills are higher, then

deregulation has failed those consumers. The deferral accounts, that the Premier calls hypothetical, exit fees, and other assorted charges since deregulation have contributed to those higher bills. So, too, has the government's faulty billing system. My questions are to the Premier. Why did the government wait over one year without doing anything for higher electricity bills and billing problems when the minister was alerted last year by a report from the Alberta market surveillance administrator that stated that the electricity billing process that the government developed was faulty?

MR. KLEIN: Mr. Speaker, to say that we didn't do anything for a year is wrong. As a matter of fact, we put in place very substantial rebates to shield people against rising electricity prices. Believe it or not, the actual cost of power has gone down since regulated times.

Before I go any further, there's something that the hon. Leader of the Official Opposition has to keep in mind; that is, any citizen of this province can stay on the regulated rate – the regulated rate. I think that the individual or the family can stay on that rate for at least another four years, Mr. Speaker. So if the price of power is going up in a regulated environment, what then is the basis of the complaint from the Liberals?

The actual cost of power has gone down since regulated times. In 2000 the average wholesale price was 13.3 cents per kilowatt-hour, compared to 7.1 cents in 2001 and 3.8 cents so far this year.

Mr. Speaker, I would point out also that rate riders are the legacy of regulation – the legacy of regulation – when consumers had to pay for forecasting errors. The government made a decision in late 2000 to defer rate riders because we felt that it would be easier for customers to pay these costs this year when prices are low than last year when prices were high ostensibly due to a phenomenal rise in the price of natural gas.

Mr. Speaker, there are also some other extenuating circumstances that the Liberals, if they want to be totally honest about this particular issue, would research and talk to the public about: metering and service problems that occurred back in 2000, which are not linked in any way, shape, or form to deregulation. The hon. Minister of Energy has written to companies involved asking them to improve their practices in these areas, and we need to look into all these issues – all these issues – and not just pick and choose and cherry-pick so that consumers know and understand what they are paying for and get true and honest information from the Liberals, who are not providing that true and honest information.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Again to the Premier if he'll listen this time. The billing process was said to be failing. What have you done to correct the billing process, Mr. Premier?

MR. KLEIN: A number of steps are being taken to address some of the issues relative to billing, particularly as they relate to certain service charges that have now been unbundled and are being presented on the bills. Indeed, in some areas of the province those charges are much higher than consumers, customers, originally anticipated. Now, the ministers of Energy and Government Services are meeting with the Alberta Energy and Utilities Board. I believe it's today. Following that meeting, there will be a meeting with the power companies, Mr. Speaker, to get to the bottom of the problem, and if the Minister of Government Services finds that there's anything untoward, he will launch an investigation to ensure that there are no violations, no unfair trade practices.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. According to the Alberta market surveillance administrator, why were the computer programs designed to calculate energy consumption used without being properly tested?

MR. KLEIN: Mr. Speaker, I don't know. That is a highly technical question, and I will take it under advisement for the Minister of Energy.

THE SPEAKER: Second Official Opposition main question. The hon. Leader of the Official Opposition.

DR. NICOL: Thank you, Mr. Speaker. Again to the Premier: why did the government develop this billing policy that allows the load settlement agent, the person who collects the data, to be the operator of the distribution system?

MR. KLEIN: Again, Mr. Speaker, this goes deep into matters of administration, and I will take the question under advisement and refer it to the minister.

DR. NICOL: Mr. Speaker, he's known – these have been reported to him for over a year.

Since this government has a set of regulations a foot high in the library for the electricity industry but none for protecting consumers, isn't it the approach by the government that leads to higher and inaccurate bills for Albertans?

MR. KLEIN: Mr. Speaker, again, the incidents that lead to the hon. leader of the Liberal opposition's statement are of a highly technical and administrative nature.

The fundamental policy has to be addressed, and the fundamental policy relative to deregulation is to allow for competition so that prices overall will come down but, more importantly, to create an environment to allow for more generation of power, using all forms of fuel and sources to generate additional power.

1:40

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Again to the Premier: why is the Premier asking for a study into billing issues when the government has already had this study, that's a year old, outlining the problems with the billing? Why haven't you been doing something about those remarks?

MR. KLEIN: Mr. Speaker, this is not a study of the billing issues. This is an examination to determine if there is indeed a violation of the Fair Trading Act.

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton-Riverview.

### **Holy Cross Hospital**

DR. TAFT: Thank you, Mr. Speaker. Yesterday the Premier said that if it had been the intention of the purchasers of the Holy Cross hospital to simply tear down the hospital and build condominiums, then its value "would be in accordance" with the \$20.6 million that the appraisal indicated. The Premier then suggested that it sold for one-quarter of its appraised value because the hospital building was kept. Well, that's just plain wrong. In fact, the appraisal gave the site such high value because it envisioned keeping the main hospital

building for alternate uses, much as has occurred. My questions are to the Premier. Given that government policy states that, quote, land and/or facilities shall be sold for their fair market value and fair market value shall be estimated by an independent appraisal, end of quote, can the Premier tell us why government policy was ignored when the Holy Cross was sold for one-quarter of its appraised value?

MR. KLEIN: Well, Mr. Speaker, maybe the hon. member will ask former Bishop O'Byrne, you know, why that decision was made or ask former Alderman Jon Lord, who now sits as the hon. Member for Calgary-Currie, who was on the disposition committee. The simple fact is that market value relates to what a person, an individual, or a company is willing to pay for a piece of land. According to my research – and my research comes from talking to people who were directly involved with the disposition committee – one of the four proponents that came forward actually wanted the government to pay the proponent to take the property off their hands. As I understand it, there was no value of any consequence to that property at that particular time, and the price we got was deemed by the disposition committee to be a fair and honest price.

DR. TAFT: Keep working on your research.

Now that the Premier has had more time to consider the issue, let me repeat a question from yesterday. Given that various independent assessments placed the value at \$8.4 million for the land alone to over \$20 million, why was the price for the land and buildings listed by the CRHA at only \$4.9 million?

MR. KLEIN: Mr. Speaker, for an educated person I am absolutely surprised at his lack of knowledge relative to how the real estate market works. He can take where he hangs out his shingle and say: this piece of property is worth \$20 million. But if no one is going to pay him \$20 million, he's not going to get it. You know, you can have any kind of evaluation you want on a piece of property, but if people aren't going to pay it, you aren't going to get that price. It's as simple as that.

DR. TAFT: Well, let's bring some commercial real estate agents into the process. Given that a commercial real estate agent handled the pending sale of the Charles Camsell hospital in Edmonton, why is there no sign that such an agent was used in the sale of the Holy Cross?

MR. KLEIN: Mr. Speaker, there was a process, as I understand it, that was in place. It involved the Calgary regional health authority establishing a disposition committee. The committee was made up of a number of citizens and involved, as I pointed out, a city councillor, in this case the alderman for that particular ward. It involved the clergy because of the religious association that the Holy Cross had with the Catholic church. It involved community leaders. It involved representatives from the RHA, as I understand it, and there was a good and fair and impartial adjudication of all the proposals that came forward, and at the end of the day the committee recommended a sale for a certain price.

THE SPEAKER: The hon. leader of the third party.

### **Children in Care**

DR. PANNU: Thank you, Mr. Speaker. Even worse than placing vulnerable children in unaccredited foster homes is putting them up in hotels and motels. Three years ago the government promised to end the practice of placing children in hotels and motels, yet the

New Democrats have learned that over 30 children in the Capital region are being put up in hotels due to an acute shortage of foster homes and group homes. We have been told that many of the children being placed in hotels are under eight years of age. My questions are to the Minister of Children's Services. Can the minister tell this House how many children in care are being put up in hotels or motels in Ma'Mōwe Capital region and elsewhere in the province?

MS EVANS: Mr. Speaker, to the best of my knowledge the policy is being followed through with; in other words, not using hotels and motels. It's not only a costly practice where we have to do that, but it is a temporary and an emergency practice. There is in fact a shortage of foster parent placements here in the Capital region. There's work being done by the authority to try and find residences for the children in other authorities adjacent to this. I can't give the precise number. Let's be clear that it's not children being placed into hotel rooms all by themselves. It is 24-hour supervision. It is a situation where the children are closely monitored and people are with them. The children are not unsafe. The worst part of this, at least on a temporary basis, is that it is a very high cost. Certainly when we do this sort of placement, it's not done . . .

AN HON. MEMBER: First of all, for the children it's a high cost.

MS EVANS: Mr. Speaker, it's certainly a cost, and it is certainly preferable to have them with temporary guardians or guardians, as be the case, where they are well looked after, but in an emergency situation we have in the past done this and will continue to seek homes for them.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. Given that the minister knows that children are placed in these hotels, would she give us the average time for which they stay in the hotel and whether, when there, they are looked after by staff who are appropriately accredited social workers?

MS EVANS: Well, Mr. Speaker, I will be very pleased to provide a briefing from Ma'Mōwe Capital region. It is the only authority right now that may be using temporary foster placements or temporary guardianship within hotels. How many days they will be there: I can't provide that, but I am certain we can get the detail.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. Given that the minister can't properly look after these children in government care, why are 186 full-time positions being cut in the Ministry of Children's Services?

MS EVANS: Mr. Speaker, I would hope that because we are providing temporary accommodation in other places, it's not assumed that we're not caring for children or providing proper care. We are doing that. The reductions of Children's Services staff that are in this year's budget are administrative reductions. They are not on-site, where the child interfaces with social workers. They are entirely administrative. The positions that were reduced over the last six months in Ma'Mōwe Capital region took effect to some IT positions. I have a complete breakdown, not with me at the moment, but those positions, administrative positions, had nothing to do with the caseworker/child interface or the work that's done with the families.

### G-8 Summit

MRS. TARCHUK: Mr. Speaker, the upcoming G-8 summit in Kananaskis is expected to draw thousands of protesters and will require potentially millions of dollars worth of high-security measures and provisions. As a result, some Alberta businesses in and around the Calgary and Bow Valley areas will need to close entirely during the summit and will experience a loss of income. My question is for the Minister of International and Intergovernmental Relations. What provisions is the Alberta government putting in place to compensate Alberta businesses for losses incurred as a result of the G-8 summit?

1:50

MR. JONSON: Mr. Speaker, as has been mentioned many times in this Assembly – and I think it has to be emphasized – the G-8 summit is entirely a federal event. Compensation for businesses that experience a loss of profit due to the summit would be the responsibility of the federal government, but I would like to add further, and that is that we in the provincial government have been discussing with the federal officials the issue of compensation both for costs incurred by the Alberta government and by Alberta businesses. Negotiations continue on establishing a clear agreement to address these types of issues. The federal government has indicated that it will soon announce a compensation package that deals with these issues surrounding businesses.

THE SPEAKER: The hon. member.

MRS. TARCHUK: Thank you. To the Minister of Community Development: given that tourism operators in the Bow Valley rely on the pristine and natural beauty of the region, what precise policies and procedures does Alberta have in place to ensure that the Kananaskis environment will not be damaged by the summit?

MR. ZWOZDESKY: Well, Mr. Speaker, the G-8 summit, which is occurring June 26 and 27, as we all know, is something that we as Community Development are participating very, very closely with the federal government on because it is their initiative, but in specific answer to what we're doing there, I think the hon. member who represents the area would be comforted to know that we will be ensuring strict adherence to the various acts that might be impacted by this: the Wildlife Act, the Water Act, the Provincial Parks Act, and so on. Secondly, we'll be ensuring that the policies that are in place there, such as the Kananaskis recreation policy, which we've had for many years, will also be adhered to, and thirdly, we'll be stepping up our business, so to speak, with our conservation officers who look after that very special area of the province and ensuring that no random camping is occurring, ensuring that the protections that we have in place are being followed, and ensuring otherwise that nothing wrong or illegal is occurring to the best of our abilities.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Whitecourt-St. Anne.

### Working Alone Regulation

MR. MacDONALD: Thank you, Mr. Speaker. Last April the government introduced a working alone regulation for Alberta workers who work for whatever reasons as gas station attendants, taxi drivers, security guards, or store clerks to protect them late at night. Could the Minister of Human Resources please provide this Assembly and all Albertans with an update on how this working alone regulation is working one year after it was implemented?

Thank you.

MR. DUNFORD: Well, Mr. Speaker, of course, the information is correct. We had allowed companies up to April 1 of '01 to comply with the regulation. Since that time, as we carry out normal inspections with our field staff, if they are in a situation where they recognize that a working alone situation might exist, then part of their normal inspection is to see if there's compliance with that. However, the one thing that we can't do and that the regulation was never considered to do was prevent crime. What we were trying to do with the working alone regulation was if something untoward happened at a work site, there would be an opportunity for someone involved in an emergency situation to have the ability to seek help. As a matter of fact, last night we had a rather unfortunate situation take place not only in Calgary but at the particular Subway outlet where Tara McDonald had been killed. There was actually a robbery that took place. So the investigation now will be as to whether or not their compliance with regulations had carried on and whether there's any kind of a situation there that needs to be looked into.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. To the same minister: can the Minister of Human Resources and Employment explain to the Assembly if at that particular work site, at the Subway, the employers and the employees discussed a work safe hazard assessment to deal with late night clerks?

Thank you.

MR. DUNFORD: Mr. Speaker, that was part of the regulation. It's not only good enough for an employer to show an inspection that they have emergency devices, communication devices in place, but the important thing is that it can be shown that the employees in fact are aware that devices or procedures are available and that, yes, they in fact can administer whatever emergency procedure they need to put into place.

As to the question being asked at this particular point in time, I can't confirm whether or not the employee that was involved last night in this particular robbery, which is under a criminal investigation, has been talked to by the employers. Of course, as we get involved with our inspection, that's obviously one of the questions that will have to be answered.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. Again to the same minister: do employers have to complete a hazard assessment for each employee who meets clients alone at their work sites, or do they have to conduct a new hazard assessment every time this worker enters a new work site?

MR. DUNFORD: Well, it's too bad there wouldn't be four questions for this member, because it sounds like there's another shoe to drop after that one. I'm not sure I understood the question properly, but under the regulation it is contemplated that for a work site and for a work procedure a hazard assessment is done. As long as the circumstances surrounding that work site or that particular procedure within that work site remain the same, then of course the hazard assessment that's been done would apply. If there are changes to that, then clearly they would not meet the regulation if they didn't update and strengthen their hazard assessment.

THE SPEAKER: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Glengarry.

### Resource Roads in Northern Alberta

MR. VANDERBURG: Thank you, Mr. Speaker. In Whitecourt-St. Anne I deal with a wide variety of industry — oil, gas, forest companies, and many agriculture operations — that count on resource roads to access their operations. Recently a Federal Court of Canada decision overturned a decision to build a resource road in northern Alberta because of an objection from the First Nation community. My question is to the Minister of Aboriginal Affairs and Northern Development. What are the implications of this decision for my constituency of Whitecourt-St. Anne and other northern resource communities?

THE SPEAKER: The hon. minister.

MS CALAHASEN: Thank you, Mr. Speaker. The case that the member refers to is Mikisew versus Copps, where a permit to build a road from Garden River to Peace Point was quashed because of inadequate consultation with the Mikisew Cree First Nation. My understanding is that the feds are appealing this decision. However, in terms of what our officials from Aboriginal Affairs and Northern Development and Alberta Justice are indicating, the implications to us are that, first, we always have to remember that recent court decisions are making certain provisions that as a province we need to consult where it impacts constitutional and treaty rights. Secondly, we have to look at: what are the implications? We must consider the concerns of First Nations and what that means in terms of what happens to the development in this province. Third is that I think we have to look at what we have to do, and that's to be able to build a made-in-Alberta consultation policy based on the aboriginal policy framework, which was released a while back. My officials are developing such a policy to be able to address the concerns the member has brought to our attention and to make sure that we continue to develop the roads as needed in this province of Alberta.

MR. VANDERBURG: My final question is to the same minister. The Northern Alberta Development Council has spent a lot of time developing a transportation study in northern Alberta and has presented it to this government. How will this affect the plan that's been developed?

MS CALAHASEN: Well, Mr. Speaker, clearly the decision prevents at least temporarily the construction of a road through Wood Buffalo national park, the very road that the Mikisew Cree Nation was against. This also prevents the completion of the plan to connect northeastern Alberta with the Northwest Territories, B.C., and of course Saskatchewan. However, this decision does not interfere with what we call the overall northwestern Canada integrated road concept plan, which is a vision for long-term integration of highways, which my colleague from Peace River has been working diligently on. I would suggest that maybe if he wants to speak to the chair of NADC, he certainly can talk about that specific area. But I think it's important to note that whatever happens, discussions with the feds and my officials as well as Alberta Justice must continue in order for us to be able to ensure that we continue to develop the road plans that have been identified as a vision for northern Alberta.

THE SPEAKER: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Spruce Grove-Sturgeon-St. Albert.

### 2:00 Road Construction and Maintenance Funding

MR. BONNER: Thank you, Mr. Speaker. The provincial government will collect \$569 million in gasoline and diesel fuel taxes this

year. This tax is supposed to pay for road construction and maintenance. However, they're only spending \$526 million on road construction and maintenance. My questions are to the Minister of Transportation. Why is your department spending \$43 million less on road construction and maintenance than the government collects in revenue from the 9-cent per litre gasoline and diesel fuel tax?

MR. STELMACH: Mr. Speaker, the amount collected from fuel taxes roughly averages about \$600 million a year. All of that is spent on Alberta roadways. Part of the 9 cents that we collect goes in the form of a grant to Edmonton and Calgary, which is approximately 5 cents a litre, but all of the money that we raise from fuel taxes goes to roadways. In fact, our budget before the House is about \$893 million, so that includes the 500 and some million dollars, close to \$600 million in fuel tax plus about \$189 million in registry fees and licences.

THE SPEAKER: The hon. member.

MR. BONNER: Yes, Mr. Speaker. Given that the amount of dollars given to Edmonton and Calgary does not approach the \$43 million difference, could the minister please tell us where the extra millions of dollars are being siphoned off to?

MR. STELMACH: Mr. Speaker, the amount of grant to Edmonton based on 5 cents a litre is in excess of \$65 million, and the 5-cent grant calculation to Calgary is about \$85 million.

THE SPEAKER: The hon. member.

MR. BONNER: Thank you. To the same minister, Mr. Speaker: how can the government consider funding road construction and maintenance with a new toll road tax when the fuel tax, which is supposed to be used for road construction and maintenance, is already in place and not being used as intended?

MR. STELMACH: Well, Mr. Speaker, I can ask all Albertans: how about the \$700 million that leaves Alberta every year in federal fuel tax? That's 10 cents a litre, and none of it comes back. In the last 10 years I believe we exported \$7 billion to Ottawa, and we got about 1 percent back, about \$72 million. However, in terms of infrastructure and the amount of fuel tax that we collect, again I would like to repeat that all of that money goes to infrastructure, whether it goes in the form of municipal grants or to hard road infrastructure in the province of Alberta.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert, followed by the hon. Member for Edmonton-Mill Woods.

### **One-day Sportfishing Licence**

MR. HORNER: Thank you, Mr. Speaker. I have a number of very avid sportfishing enthusiasts in my constituency who've come to me with an interesting suggestion. Evidently in Alberta we do not have a one-day sportfishing licence available to people. This means, especially if you're a visitor from outside the province or another country vacationing in our fine province, you have to purchase a five-day licence in order to fish regardless of how long you might be in the province. Some of my constituents believe that tourism could benefit from being able to offer a one-day fishing licence or one-day fishing packages. My questions are to the Minister of Sustainable Resource Development. Can the minister please tell us why we don't have a one-day sportfishing licence available in our province?

MR. CARDINAL: Mr. Speaker, that's a good question. In 2001 there was a committee set up actually of public members and stakeholders to study the consequences of introducing exactly the question the member is asking about, a one-day licence. The committee used a range of data and information sources and really looked at the issue carefully over a period of a year. The committee's recommendation at this time of course is not to introduce a one-day licence, and there are a number of reasons for it. Basically, one is fairness in relation to licences, because we don't have that process available to Albertans or other Canadians, and to have it available for a non-Canadian visiting would be not fair.

THE SPEAKER: The hon. member.

MR. HORNER: Thank you, Mr. Speaker. My next question is also to the same minister. Can the minister tell the Assembly if it's too costly compared to other jurisdictions for the average Albertan to go fishing for a few days?

MR. CARDINAL: Well, Mr. Speaker, our annual fishing licence for Alberta is \$18 a year plus an \$8 WIN card, which you could use for a five-year period. Visitors to Canada pay \$20 either per day or per week or per year plus the \$8 WIN card, which lasts five years. So I believe it is a good deal, especially for Americans that do come to visit. With the dollar exchange difference, their fees could be considerably cheaper than what Albertans and other Canadians would pay.

At the same time, we are trying to keep the fees affordable for all Albertans and also of course to be fair and encourage non-Canadians that come into Alberta. The advisory committee actually surveyed over 500 people and conducted focus group research and talked to other officials from other provinces and found that what we are doing here is reasonable. We do have to have a balance. We have to have revenues to sustain our resources, and at the same time it has to be affordable. Part of the money goes to the Alberta Conservation Association, which does a lot of good work in preservation of our habitat in the province. Therefore, some of the money is returned to them, and we keep some in order to restock the lakes.

THE SPEAKER: The hon. member.

MR. HORNER: Thank you, Mr. Speaker. My final supplementary to the same minister is simply to ask if the minister would consider reviewing this policy and the allowing of one-day licences.

MR. CARDINAL: Yes, Mr. Speaker. We always continue monitoring situations of this nature, and I promise you that we will do that, but at the same time it is important to note that we do have some free fishing opportunities in Alberta already. For example, we have two free fishing weekends per year. As well, seniors over 65 and youth under 16 can fish for free year-round in Alberta. So we do have that, and I am confident that the licensing that we currently have in Alberta is achieving the balance we require.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Edmonton-Highlands.

### **School Funding**

DR. MASSEY: Thank you, Mr. Speaker. Parents claim that they are both directly and indirectly raising money for school basics. They further claim that they are covering a shortfall in government school funding. My questions are to the Minister of Learning. How does

the department determine the actual costs of operating school programs?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you, Mr. Speaker. We fund school boards, not individual programs, and we divvy out the dollars to the school boards based on an allocation formula that has been in place for roughly five or six years. We are constantly looking at finding new ways to divvy out the dollars in a fair way, but we do not look at specific programs.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you. To the same minister: how can you allocate dollars to programs if you don't know what they cost?

DR. OBERG: Quite simply, Mr. Speaker, the dollars go out to the schools to run the programs. We do have things like English as a Second Language which we give specific dollars to, but in general we give the dollars to the school boards to allocate out to their particular schools.

DR. MASSEY: Again to the same minister: how do you determine what goes out to the schools if you don't know what those programs that the boards are going to pay for will cost?

DR. OBERG: Mr. Speaker, I guess I'll repeat it again: it is the school boards who divvy it out to the schools.

THE SPEAKER: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Dunvegan.

2:10

### **Electricity Deregulation**

MR. MASON: Thanks very much, Mr. Speaker. Electricity deregulation in Alberta has meant higher prices for consumers and a complicated electricity system that no one really understands. One of these strange creatures in this complicated scheme is the Balancing Pool, which is a fund that's been set up to manage the transition to deregulation. On December 31 of 2001 the Balancing Pool took a billion-dollar write-down in its financial assets. Now, it's the average consumer of electricity who is responsible for making up any shortfalls in the Balancing Pool by having those charges added to their electricity bills. My question is to the Premier. How much does the Premier expect that electricity bills of the average Albertan will go up because of the huge hole that is developing in the Balancing Pool budget?

MR. KLEIN: I don't have any expectations, barring some unforeseen circumstances such as an extreme hike in the price of gas, natural gas – that could be one of the contributing factors. Another contributing factor could be a number of generators shutting down for mechanical reasons at the same time. Another factor could be renewed economic activity that, you know, results in an increased demand for electricity, Mr. Speaker. If everything stays the same, then I would suspect that electricity prices will average out to a reasonable level. I would point out that the monthly average for April in the year 2000, under a totally regulated environment, was 9.4 cents a kilowatt-hour. That's in the year 2000. You can get this information anywhere. If the hon. member prefers to look on the Internet or to go to any source he wants, the figures don't lie. In April 2000 the monthly average was 9.4 cents a kilowatt-hour. In April 2002, just last month, the monthly average was 4.5 cents a kilowatt-hour.

MR. MASON: Mr. Speaker, my eyes are watering because the Premier is blowing so much smoke.

Given that the annual report of the Balancing Pool states that "to the extent the proceeds from any sale" – and this is of the Balancing Pool – "do not cover the fixed cost obligations under the PPAs, the Balancing Pool will be required to fund the difference," will the Premier admit that the last answer he gave is just a bunch of nonsense?

MR. KLEIN: Mr. Speaker, I really do take strong exception, and I take exception on behalf of the public service employees who are charged with preparing these figures on a month-to-month basis. This hon. member – and I use that term loosely – is calling a dedicated member of our public service a liar. That's what he did.

THE SPEAKER: The hon. member.

MR. MASON: Thank you, Mr. Speaker. If the Premier doesn't understand how our deregulated electrical system doesn't work, how can he expect average Albertans who have to pay their power bills to understand it?

MR. KLEIN: Mr. Speaker, nothing could be clearer than the figures I just quoted, and he said that those figures are wrong. They were prepared by the public service of this province, and what he's saying is that they are deliberately somehow misleading the Alberta public. I'll repeat those figures. Nothing could be simpler. Nothing could be more elementary, elementary enough so that even this hon. member can understand. The average price in April of 2000, in a totally regulated environment, was 9.4 cents a kilowatt-hour. In April of 2002, in a deregulated environment, it was 4.5 cents a kilowatt-hour. I was asked by the media yesterday: what was the price of power? On May 6, yesterday, of 2000, it was 3.7 cents a kilowatt-hour. On May 6, 2002, the average daily price was 1.6 cents a kilowatt-hour.

THE SPEAKER: The hon. Member for Dunvegan, followed by the hon. Member for Edmonton-Ellerslie.

### **PDD Boards**

MR. GOUDREAU: Thank you, Mr. Speaker. Over the past few weeks I've received numerous calls, letters, and visits from individuals who are concerned about PDD. Some are concerned about existing budgets that have varied over the past year. Service providers and clients want to know what they can anticipate from their regional boards. My question to the Minister of Community Development: when will our service providers be given the clear budgets and guideline directions that are so important for their operations?

MR. ZWOZDESKY: Well, Mr. Speaker, we go through a particular process every year about now starting with the budget estimates, which, as the hon. member would know, were provided to all of our community boards and to all members of this House a few months ago. Then over the course of several weeks thereafter, we have our discussions here, and we set what we believe to be our best estimates of what those budgets will be. Particularly during the month of April through our community regional government process our PDD Provincial Board sits down and discusses with each of the CEOs and/or board chairs in the six regional areas what their particular targets are going to be. Those numbers will fluctuate from time to time, but we had a bit of an anomaly last year because of September

11. So there were some minor inconsistencies that had to occur naturally because all government departments were asked to trim back 1 percent. However, the upshot of it all for all areas across the province really was that they still shared in an 8 percent increase last year, and they're going to share in an 8 percent increase again this year.

In the case of the PDD Northwest Community Board, Mr. Speaker, our estimates showed about a \$14.2 million budget or thereabouts, and they can expect about a 7 to 8 percent increase over and above that once we finish our negotiations with the PDD Provincial Board. So that's about as clear as we can be.

MR. GOUDREAU: My second question is to the same minister. Can the minister assure us that PDD contract renewals will be clear and not subject to inconsistencies and various interpretations?

MR. ZWOZDESKY: Well, Mr. Speaker, indeed clarity in our contracts and our contract renewals is something we always do strive for. Having said that, I think we need to understand that actually it's the regional community boards who do that contracting or that contract renewal function for government. In doing that, they will review a lot of factors that might have come into play over the last year. Indeed, it's all centred around the quality of service that local agencies are able to provide.

I would say, Mr. Speaker, that we are really quite happy with the agencies that the community boards are able to contract with, and I hope that no one is undergoing any contract renewal difficulties. If they are, then perhaps there might be, you know, some reasons for that. Otherwise, I think the member can look forward to some pretty positive developments in all areas of the province in that regard.

MR. GOUDREAU: My final question is again to the same minister. Will the minister encourage his staff to have frank and open nonconfrontational discussions with local PDD agencies and service providers, especially in the northwest region?

MR. ZWOZDESKY: Well, my staff, so to speak, which are Community Development staff, don't frequently get involved directly with the community service agencies. It is more often the case, in fact almost exclusively the case that contracts and things of that nature are the responsibility of the community boards and their staff, who in turn will get together with the community agencies and their staff so as to arrive at a mutually agreeable process and budget amounts and so on.

In answer to the question of openness and frankness or whatever it was, I certainly always encourage that with my staff working with community PDD staff, working with local agency community staff, because after all, we are all serving the same individuals. So it's very important, Mr. Speaker, that we do have those kinds of frank and honest discussions, and I'll do everything I can to ensure that they continue in that vein.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Grande Prairie-Wapiti.

2:20

### **G-8 Summit** (continued)

MS CARLSON: Thank you, Mr. Speaker. The upcoming G-8 summit in Kananaskis presents many security and access concerns for the province. My first question is to the Minister of Community Development. What plans does this minister have in his department to maintain recreational access and control random camping in the Kananaskis area during the summit?

MR. ZWOZDESKY: Well, Mr. Speaker, as I recall, about 95 percent of Kananaskis Country will remain open for normal usage. We are just finalizing some other negotiations which in the end will not only provide for the utmost of security, as I answered earlier today, but will also ensure that strict adherence – or as strict as we can make it – to the acts and the policies and conservation methods is indeed followed.

Now, there will be certain access points, hon. member, that will be shut off and monitored very closely so that we are able to deliver on these promises that we're making. As soon as the federal government is able to release some of that, they will. In the meantime, there is a web site that has been set up. I have that if you'd like it, and I'll give it to you later.

THE SPEAKER: The hon. member.

MS CARLSON: Thank you, Mr. Speaker. My second question is to the Minister of Sustainable Resource Development. What specific actions is his department taking to mitigate the risks to the forests and the wildlife during this summit?

MR. CARDINAL: Of course, Mr. Speaker, that's a very, very important issue and a very important area to our department and to all Albertans. We will of course continue to monitor the situation very closely. At this time of course it's pretty wet out there, and there's a lot of snow in that region. I don't think there's any danger of fires at this time, but you can be assured that as time goes on, we will be better prepared for that major initiative. We will monitor it closer, and if it requires some action to be taken in relation to fire in the region, we will do it accordingly.

THE SPEAKER: The hon. member.

MS CARLSON: Thank you, Mr. Speaker. My third question is to the Environment minister. What plans has his department developed to address water access and contamination issues during the summit?

DR. TAYLOR: Mr. Speaker, we have a constant plan to address those issues. We have the Water Act certainly, that goes forward, and we monitor and enforce our river basins and will continue to monitor and enforce our river basins. Particularly during this time frame we will be having more staff in this area.

THE SPEAKER: Hon. members, there was one school group that arrived a little late. Would it be appropriate and okay for the members to allow the hon. member to introduce them?

[Unanimous consent granted]

### **head: Introduction of Guests** (reversion)

THE SPEAKER: The hon. Member for Grande Prairie-Wapiti.

MR. GRAYDON: Thank you, Mr. Speaker. I get so few guests that come to visit me that I want to introduce the same group twice, you see. I would like to introduce to you and through you to our colleagues here a group from the Grande Prairie Christian school. They are a group of nine visitors. With them are some group leaders: Mrs. Debbie Landis, Mr. Dennis Landis, and Ms Larissa Zatkovich. They're joining us and have watched the last few minutes of question period. I'd like us to give them a warm welcome. If they could rise, please.

Thank you.

## head: **Members' Statements**

THE SPEAKER: Now, hon. members, I'm going to call upon an hon. member who became a grandfather for the second time last evening to participate first in Members' Statements, the hon. Member for Edmonton-Mill Woods.

### **Children Living in Poverty**

DR. MASSEY: Thank you, Mr. Speaker.

We are the world

We are the children

We are the ones who make a [better] day.

So wrote Michael Jackson and Lionel Richie in 1985. This week Canada will be talking about helping children in poverty so that they are able to make that better day. From May 8 to 10 our country will participate in the United Nations special session on children. One wonders how much life will change for our children living in poverty as a result of this latest world gathering. Why? We are a country of adults seemingly long on rhetoric and short on action.

In 1989 the House of Commons passed a unanimous resolution to eliminate child poverty in Canada by the year 2000. A year later Canada was one of six countries that called for children to have the first call on resources, in good times and bad, at the 1990 World Summit for Children. What have we done since? The number of poor children in Canada has increased by 39 percent. The number of children living in families earning less than \$20,000 has increased 32 percent. Social assistance benefits have decreased 19 percent. Average postsecondary tuition fees have increased 126 percent, and the number of visits to food banks has increased 90 percent. Making a better day may be difficult for the 121,000 children in Alberta who live in poverty. Making a better day may be difficult for poor children who live in substandard housing. Making a better day may be difficult for poor children who see their richer peers two and a half times more likely to attend university. Yes, children are the ones to make a better day, and for that to happen, we need to stop talking and to get to work.

Campaign 2000 has some suggestions. In the next provincial budget let's make children and young people a real priority. Second, make sure the views of children and young people are heard in this Assembly. Third, each of us can support at least one organization that is fighting child and family poverty.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar.

### **North American Occupational Safety and Health Week**

REV. ABBOTT: Thank you. Mr. Speaker, May 5 to 11 is North American Occupational Safety and Health, or NAOSH, Week, which focuses the attention of employers, employees, and the general public in Canada, the United States, and Mexico on the importance of preventing illness and injury in the workplace. Alberta's economic growth is among the fastest in the nation, and large numbers of people are moving here because of our excellent job opportunities. We also have many new, inexperienced workers entering our jobsites, and they are far more likely to be injured on the job.

As the chair of the Council on Workplace Safety I have the unfortunate task of reviewing workplace fatalities on a quarterly basis. These injuries and fatalities must stop. We must make sure that employers focus on injury prevention and take extra care with new workers, particularly since we know that 50 percent of all injuries happen to workers in their first year at a job. Mr. Speaker, I'm happy to report that there are Alberta employers who have

already greatly reduced their number of work site injuries. They are the models for the rest of the province, but it will take government, labour, and employers to make all provincial work sites safer. Representatives of all these groups will attend the Workplace Safety 2.0 Forum, where we will develop a joint government and industry safety strategy to make Alberta work sites safer.

Appropriately, the forum will take place tomorrow, on May 8, in the middle of NAOSH Week. It is appropriate because through NAOSH Week we are striving (a) to increase understanding of the benefits of investment in occupational safety and health, (b) to reduce workplace injuries and illness by encouraging new safety and health activities, and (c) to inform employers and workers so that they can make their work sites safer.

A list of NAOSH Week contacts and activities has been provided to each MLA office. I encourage my colleagues to attend some of these activities or offer your help to local NAOSH committees. Workplace safety is a shared responsibility, and NAOSH Week reminds us of that.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Redwater.

### **Redwater Olefin Facility**

MR. BRODA: Thank you, Mr. Speaker. Last Tuesday I had the pleasure of having two of my colleagues, the Member for Calgary-Mountain View and the Minister of Economic Development, attend a ribbon-cutting ceremony at the Redwater olefin facility owned and operated by Williams Energy group. This hydrocarbon liquids conservation project is designed to extract and separate NGLs and olefins from off-gas, a by-product of the oil sands upgrading process. Previously these components were used as fuel in Suncor's heaters and boilers. The recovered liquids and olefins are transported in batches via Suncor's oil sands pipeline to the facility in Redwater.

The highlight of this facility is the propylene splitter, which is over 300 feet high. Annual expected production is 130 million pounds of polymer grade propylene, which can be processed into polypropylene, used in making items such as carpet fibres, bottles, and containers. Propylene currently produced in Redwater is shipped to U.S. markets, as there are no facilities that manufacture propylene-based products in Alberta.

Value-added upgrading of Alberta's energy resources remains a priority of the Alberta government. Hats off to Williams Energy for their commitment of close to a \$1 billion investment in the Redwater area, and I look forward to further development.

Thank you, Mr. Speaker.

2:30

### **Wayne Hampton Canadian Principal of the Year**

MRS. GORDON: Mr. Speaker, one year ago, in fact on May 31, 2001, I stood before this Assembly to recognize and congratulate a truly remarkable educator, Mr. Wayne Hampton, a long-time principal of the Lacombe Upper elementary school in Lacombe, Alberta. Last year Wayne most deservedly was named Alberta's principal of the year.

Today I stand before you and ask for this Assembly once again to help me and join me in congratulating Wayne Hampton. He has recently been told that he now has been named the Canadian principal of the year, indeed a most distinguished and prestigious national award, a title only one school administrator in all of Canada wins annually. This award is indeed one of the highest forms of recognition you can receive as it is bestowed upon him by his peers and colleagues, the Canadian Association of Principals.



For the last 14 years Wayne has given of his time, expertise, and energy to the students of Lacombe Upper elementary school. He continues to demonstrate his commitment to these young minds, their parents, and his staff, fostering always a positive learning environment that encourages all to look and think outside the box. He often questions what could be done differently, how best we can change or should we change the status quo. However, in questioning same, Wayne always provides a constructive, well thought-out alternative.

Mr. Hampton was instrumental in my bringing forward Motion 505, recently passed by this Assembly. Motion 505 urged the government to initiate an overall review and re-evaluation of achievement testing in Alberta.

Thank you, Wayne, for all you have done and will continue to do for education, for all the students of this province. It is indeed an honour and a privilege for me to congratulate you, for truly you are an outstanding individual, a proud Albertan, one of our province's best educators, and now a recognized national leader. Well done, Wayne. Well, well done.

#### head: **Introduction of Bills**

THE SPEAKER: The hon. Minister of Justice and Attorney General.

#### **Bill 28**

##### **Miscellaneous Statutes Amendment Act, 2002**

MR. HANCOCK: Thank you, Mr. Speaker. Today I request leave to introduce Bill 28, the Miscellaneous Statutes Amendment Act, 2002.

This bill makes minor changes to two pieces of provincial legislation and repeals a spent act for our province.

[Motion carried; Bill 28 read a first time]

THE SPEAKER: The hon. Minister of Justice and Attorney General.

#### **Bill 29**

##### **Intestate Succession Amendment Act, 2002**

MR. HANCOCK: Thank you, Mr. Speaker. I beg leave to introduce as well Bill 29, the Intestate Succession Amendment Act, 2002.

As all members of the Assembly are aware, the Intestate Succession Act has been successfully challenged in our courts because it does not address the needs of people involved in committed interdependent relationships other than marriage when one partner dies without a will. Bill 29 will amend the existing act to include the new term "adult interdependent partner," which will satisfy the requirements of the court. I would advise the House that we are making the most modest of amendments to this act in order to comply with the requirements of the court, because it is our intention to introduce a second bill which will deal more fully with the question of adult interpersonal relationships.

This bill will be required to be passed this spring in order to meet with the requirements of the court.

[Motion carried; Bill 29 read a first time]

THE SPEAKER: The hon. Minister of Justice and Attorney General.

#### **Bill 30**

##### **Adult Interdependent Relationships Act**

MR. HANCOCK: Thank you, Mr. Speaker. I would beg leave to introduce Bill 30, being the Adult Interdependent Relationships Act.

Mr. Speaker, one of the most difficult challenges of government is to achieve two fundamental values of Albertans, which values are sometimes seen to be in competition. In Alberta marriage is an institution that has traditional, religious, social, and cultural meaning for many Albertans, and it is recognized by Albertans as a fundamental principle that marriage is a union between a man and a woman to the exclusion of all others. The terms "marriage" and "spouse" have particular meaning for Albertans, and government policy has been that we will protect those terms even to the extent, if necessary, of using the notwithstanding clause.

But there is also another fundamental value of Albertans, and that's a fundamental value of fairness and equal access before the law, and it is appropriate, when Albertans are in interdependent relationships outside of marriage, to define a legal context for the nature of those interdependent relationships and set out the applicability of Alberta laws to those relationships.

Bill 30 will amend several Alberta laws that address the financial and property responsibilities for people involved in committed nonmarriage relationships that involve economic and emotional dependency. The act covers a range of personal relationships that fall outside the traditional institution of marriage, including committed platonic relationships where two people agree to share emotional and economic responsibilities. The bill is based on the interdependent relationships model introduced in the family law reform project in January 2002.

Mr. Speaker, committed relationships of all kinds create financial dependencies. It's the responsibility of government to ensure that our legal mechanisms help Albertans to deal with disputes when these relationships come to an end. It's our responsibility to ensure that there's fairness before the law. The Adult Interdependent Relationships Act will ensure that Alberta legislation is constitutional, recognizes the values of Albertans, and because this act has the prospect of impacting a great number of Albertans who are in committed relationships, it's our intention to introduce the bill now for public scrutiny and to debate it more fully in the fall.

[Motion carried; Bill 30 read a first time]

MR. HANCOCK: Mr. Speaker, in my enthusiasm I neglected to ask to introduce three people. Can I ask for unanimous consent to do that at this moment?

THE SPEAKER: Anybody opposed?

[Unanimous consent granted]

THE SPEAKER: Proceed.

#### head: **Introduction of Guests**

*(reversion)*

MR. HANCOCK: Thank you, Mr. Speaker. Three individuals and more in our department have devoted copious quantities of time, energy, and study to family law and to the interdependent relationships project. I'd like to introduce to this House and have this House give a thanks for a lot of work that's been done and a lot more work to be done to Nolan Steed, who is a director in civil law, and to Tanya Stewart and Sarah Dafoe, who have been working with him on these projects. If they would rise and receive the traditional welcome of the House.

#### head: **Tabling Returns and Reports**

THE SPEAKER: The hon. Member for St. Albert.

MRS. O'NEILL: Thank you, Mr. Speaker. I wish to table the appropriate number of copies of a letter addressed to me from Marguerite Shewchuk with the Sturgeon Foundation, which is the management body for the senior citizens' housing of Chateau Mission Court and Northridge Lodge in my community. She is requesting my advocacy for additional government funding to the provincial seniors' housing industry.

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

MS BLAKEMAN: Thank you very much, Mr. Speaker. A couple of tablings today. The first tabling is the appropriate number of copies from Wendy Ettinger, who is the president of the Edmonton Evergreen Community Association, commenting that since the inception of the smoking bylaw in the city of Edmonton it's reduced that association's volunteer base for working the bingos. They would prefer to have paid floor staff, although they understand that each bingo association has to make their own decision. They're in support of the recommendation by the Alberta Gaming and Liquor Commission.

Then I have three tablings to do with Operation Drivesafe, petitioning the Premier to allow the War Amps access to the driver's licence information. The first is from Robert Raimondi; the second, from Kristi Hansen; and the third, from Salvatore Raimondi.

Thank you very much.

2:40

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

DR. TAFT: Thank you, Mr. Speaker. I have one tabling today. It's the third in a series of tablings, nine pages of examples of health care fraud cases involving health care businesses in the U.S. today totaling over 1 and a half billion dollars.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Glenarry.

MR. BONNER: Thank you very much, Mr. Speaker. With your permission I would like to table the appropriate number of copies of a decision from the Queen's Bench of Alberta between Thomas Shuchuk as plaintiff and Randy Wolfert, the Workers' Compensation Board, Gene Mudry, Dr. Paul Green, and Dr. Gordon King as defendants and two very important parts of this decision. One was that the

immunity of quasi-judicial tribunals was discussed in *Dechant v Stevens* . . . AJ No. 172; 2001 [Alberta Court of Appeal] 39 (discontinuance of application for leave to appeal to the [Supreme Court of Canada]).

The other particular section here that's of prime importance, particularly as we discuss Bill 26, is section 41:

Therefore, with respect to that portion of the Plaintiff's claim which can be construed as a claim of abuse of public office against Wolfert and the WCB, the appeal against the Master's decision is allowed.

Thank you.

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

MR. MacDONALD: Thank you, Mr. Speaker. I have one tabling today, and it is a letter that has been sent to Ray Pinkoski, a director, and Duncan Brook, president of the Edmonton-Gold Bar Liberal Constituency Association. This letter is from the Commission on the Future of Health Care in Canada. It's signed by Roy Romanow, and it is a letter of appreciation for that organization's contribution to the public consultations on the future of health care in this county.

THE SPEAKER: The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Mr. Speaker. I rise to table appropriate copies of a letter from Joan Trettler, president, Public School Boards' Association of Alberta. The letter is dated May 1 and is addressed to the Minister of Learning regarding the proposed education commission. The association is making many constructive suggestions towards expanding the commission's mandate, composition, and terms of reference, and we are all holding our breath for the minister to make public the names of people he will appoint and hope that the commission will be up and running very soon.

Thank you, Mr. Speaker.

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

MR. MASON: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from Janice McTighe, executive director of Renfrew Educational Services in Calgary. She is extremely concerned about the government's decision to cancel the Calgary community lottery board funding.

The second tabling, Mr. Speaker, is a letter from Kim Turcotte, the program director of the Abbotsfield Youth Project in Edmonton. She's asking the government to reinstate the community lottery board funding as well.

THE SPEAKER: Hon. members, the chair would like to table five copies of a memorandum from the hon. Member for Calgary-Mountain View requesting that Bill 207, the Alberta Wheat and Barley Test Market Act, be given early consideration in Committee of the Whole.

The hon. Minister of Justice and Attorney General.

MR. HANCOCK: Thank you, Mr. Speaker. I'd like to table today five copies of responses to questions raised during Committee of Supply for the Department of Justice and Attorney General.

head: **Orders of the Day**

head: **Government Bills and Orders**

THE SPEAKER: The hon. Deputy Government House Leader.

MR. ZWOZDESKY: Thank you. Mr. Speaker, after continuing communication on this issue with the Official Opposition and the third party, I seek the unanimous consent of the Assembly to waive Standing Order 58(4) to allow this afternoon's consideration of the estimates of the Department of Municipal Affairs to go beyond two hours, with the vote on these estimates to take place no later than 5:15 p.m. as per Standing Order 58(5) or sooner if no one wishes to speak.

[Unanimous consent granted]

head: **Committee of Supply**

[Mr. Shariff in the chair]

THE DEPUTY CHAIR: We shall call the committee to order.

head: **Main Estimates 2002-03**

**Municipal Affairs**

THE DEPUTY CHAIR: As per our Standing Order the first hour is allocated between the minister and members of the opposition,

following which any other hon. member may participate.

The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, Mr. Chairman. I'm pleased to present . . . [some applause] Especially I thank the hon. Member for Calgary-North West for the resounding applause to my presentation as I was there presenting to him, especially for the very unique comments that the hon. member made during that time.

I'm pleased to present the estimates for Alberta Municipal Affairs, but before I begin, I would like to introduce three individuals who are seated in the members' gallery that are from the Ministry of Municipal Affairs. We have Brad Pickering—he's the acting deputy minister—as well as Lothar Hellweg, who is the senior financial officer; and Laurent Auger, the executive assistant in the minister's office. I would like to say before I ask them to rise that Alberta's public service and the people that work for this government are without question, I believe, certainly committed to serve all Albertans. I believe that these three individuals along with the many others that are within our ministry clearly are there serving the best interests of all Albertans. For that, I would like to ask the three gentlemen to rise and thank them publicly for their hard work in serving Albertans and this Assembly and for the good work they do in terms of dealing with Municipal Affairs. So I ask the three gentlemen to rise and receive the warm welcome. With that, I would like to say to them: thank you for coming.

To members of the Assembly: our ministry is committed to working with a variety of stakeholders to ensure that Albertans live in safe, sustainable communities and are served by open, effective, and accountable local governments. If I could, for a moment I'd like to put it into context in terms of Municipal Affairs. Did you know that in Alberta we have 360 municipalities as of December 31, 2001? Of the 360 municipalities there are four specialized, 64 rural municipalities, 10 towns, 105 villages, 52 summer villages, seven improvement districts, three special areas, and 15 cities. The total number of local elected officials in Alberta this past year at the civic elections in October was 1,946, be it as a mayor, an alderman, a councillor, a reeve, or a trustee, and it really speaks well of the service of these people representing municipal government in terms of letting their names stand and publicly serving.

If I could also add, it's very seldom that you use the term "trillion," but in terms of equalized assessment for the year 2002, there will be close to a quarter trillion dollars of equalized assessments for Alberta that will take place within municipalities, and that's quite substantial. The number is \$237,757,008,505. So it really gives you the magnitude of the role that municipal governments play in Alberta.

2:50

Now, it's interesting to note that approved funding for approximately 600 underground petroleum storage tank sites, approximately 80 municipal tax recovery sites, as well as 430 active retail sites are also part of a program that we have approved and in fact are going to be moving forward to the safety council that is not reflected in our budget, that I draw to the members' attention.

What I would like to do, though, is say that in the coming year we will pursue six goals: "an effective, responsive, cooperative and well-managed local government," as I mentioned, serving the 360 municipalities and almost 2,000 elected leaders; "a well-managed and efficient assessment and property tax system in which stakeholders have confidence"; a very "comprehensive safety system that provides an appropriate level of public safety"; "a disaster services program that enhances and supports local emergency preparedness for . . . emergencies and disasters"—I'll speak later about the

opening we had just yesterday where the hon. member from Red Deer as well as the hon. Member for Wainwright joined me with the new emergency system that was launched in the Red Deer region.

I think it's also important to recognize that from a perspective of expenditures for 2002-2003, the operating expense and capital investment voted for Municipal Affairs totals \$133 million. The funding is broken into four main areas including the local government services division, the public safety division, the Municipal Government Board, and the ministry support services.

For a moment let's talk about revenues. Pertaining to revenues, our ministry statement of operations by program indicates that our revenues will be approximately \$42.2 million. Now, I might add that we will be spending over \$133 million in serving the municipalities that I spoke of earlier, but we will receive about \$40 million from lottery revenues, we'll receive \$12 million in support of financial assistance provided under the municipal sponsorship program, and \$28 million to support the unconditional municipal grants. The remaining \$2.4 million comes from the services rendered to municipalities for assessment as well as the sale of licences and fees associated with safety certificates and a cost-sharing arrangement with the federal government for some of our disaster preparedness programs.

When we take a look at the specifics, let's for a moment look at local government services. This division is responsible for a significant part of the ministry's estimates at \$108.4 million. It's important to note that \$90 million will be like a drive-through window that we evaluate and then send out to municipalities. A number of the key initiatives will be carried out under a variety of nongrant portions of local government services budget, which total about \$18.4 million, and one of our key initiatives will be to encourage and help develop regional partnerships. I'm very proud of that. It is taking place as we speak and a real full credit to the partnerships that the Municipal Affairs folks have in fact partnered with in terms of the municipalities.

Pertaining to the ministry's Roles and Responsibilities in the 21st Century, that's been talked about in this House, I'm pleased to say that the Ministry of Municipal Affairs has clearly put together an excellent framework for which we've received positive feedback from the majority of municipalities relative to looking into the 21st century as opposed to the terminology that we used to hear in the 20th century.

I want to say that in terms of grants to municipalities, what I believe is the real work of this ministry, local government services administers the department's major grants to municipalities according to the \$90 million of its estimates. The major grants, if I could just for a moment, are the unconditional municipal grants program, the municipal debenture interest rebates, the grants in place of taxes program, and the municipal sponsorship program. These are so very, very important and I think are recognized, in partnership with our municipalities, as serving all Albertans well in terms of the dollars being used and taking a dollar and being able to stretch it a lot further than a dollar. That's a real credit to our local municipal governments.

For the public safety division, on the specifics, this accounts for about \$11.6 million, and this is a significant decrease from last year. I expect a question from the opposition on this point, but because of the underground petroleum storage tank remediation program ending on March 31, 2002, this accounts for about a \$70 million reduction. What I am very pleased to say is that the conditional and unconditional grants have not in any way, shape, or form been reduced from last year's estimates, and I'm very pleased with that and the decision that had been recommended by Treasury Board.

We will continue to improve our ability to communicate and co-

operate with municipalities in terms of using information technology to its best advantage. The electronic permit system that's being implemented and accredited to municipalities is an excellent example of technology.

We'll continue to promote and help establish regional partnerships delivering safety code service. The hon. member has brought up an important aspect of Municipal Affairs being the safety code volunteer group, a paid group that works for Municipal Affairs, and I can say that they do a very good job. In fact, on Thursday we'll be recognizing the folks from the Safety Codes Council for helping all Albertans. We'll continue to ensure that safety codes and standards are appropriate and also continue to monitor and enhance where deemed appropriate.

We'll also strive to reduce personal and property loss because of fire by putting more emphasis on education programs for children and aboriginal peoples. I think this is also very important.

I can say, Mr. Chairman, that the Municipal Government Board plays an important role, which accounts for about \$2.6 million. This has jurisdiction in terms of property: deciding the linear property and equalized assessment appeals, limited subdivision appeals, annexations, and intermunicipal disputes.

From the ministry support perspective, the area of the ministry that I want to touch on, it talks about local government services and public safety divisions with legal, financial and communication, human resources, and information technology as well as strategic central reports.

Finally, to conclude, I'd like to believe that we in Municipal Affairs have a good game plan in the business plan that was drawn up. We also have a solid budget for accomplishing the goals and objectives that we have set out for ourselves over the next period of time. I look forward also to hearing from the members of this committee today in terms of what they have to say and the questions they have regarding our estimates. I want to assure everyone in this House that I'll do my very best to answer the questions brought forward, and I thank the members of this Assembly and this committee for listening.

Thank you.

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

MR. BONNER: Thank you very much, Mr. Chairman. It is a pleasure to rise this afternoon and speak to the estimates of the Department of Municipal Affairs. I would like to thank the minister and his staff who are present here today for handling what is probably the one ministry which is closest to all Albertans. I'd also like to mention that it is a great opportunity to witness how the minister, who's had vast experience in municipal government, has carried that experience over into the department and is doing a great job of forming partnerships with our municipalities and how in the end this will certainly benefit all Albertans.

Now, then, as I mentioned, the Alberta Municipal Affairs department works in partnership with Alberta's municipalities, other government departments, local authorities, various organizations that focus on local issues, and the private sector to ensure that Albertans live in safe and sustainable communities and are served by open, effective, and accountable government. As I mentioned, Mr. Chairman, there cannot be any program that is more grass roots than this. As the services of any government department ultimately go to Albertans living in municipalities, there are few departments with which Municipal Affairs does not have joint projects or initiatives.

3:00

Now, then, some of the highlights of the ministry this particular

year, 2002-2003. I notice that the gross operating estimates for the department of \$133.081 million reflect a \$70.933 million decrease. That's 34.7 percent from the 2001-2002 budget. I also see that the department's operating expense from 2001-2002 is forecast at 15 percent under budget. The largest budget reduction came from the cuts to the underground petroleum tank program, that the minister has already mentioned in his opening remarks. As well, the capital investment forecast for 2001-2002 is 175 percent of the original budget. The budget was \$830,000, and the forecast is \$2.288 million. There was \$1.2 million invested in disaster services, branch management and programs. There was also an additional \$258,000 spent on capital investment from support services. So those are the highlights of the budget.

As well, Mr. Chairman, we have to look at this whole issue of taxation and look at the fairness and appropriateness of any tax, and it can be judged by a very simple principle. Of course, that principle is that he who pays the piper calls the tune. This is known as fiscal equivalence. We also note that taxes that are poorly designed and implemented can promote urban sprawl, which leads to more transportation and infrastructure problems, which leads to more financial problems. Again, in discussions with our communities we certainly realize that one of their major issues is that they want predictable, sustainable funding.

Now, when we were at the AAMD and C convention last fall, we had municipal leaders who got up and said – and this was quite an observation and I think something that none of us expected. Municipal leaders were getting up and saying: how do you expect us to develop business plans which run from three to five years when we have budgets coming down that don't last three to five days? At that time it was a very good comment and I think one that we have seen as it unfolds – certainly many different segments in our society are saying: what is happening with this whole budgetary process?

So I think that what we have to see, Mr. Chairman, are fundamental changes to the budget management process in Alberta to create certainty in our communities: predictability, stability, and sustainability for health authorities, for school boards, for postsecondary institutions, and especially for local governments. This is particularly important in a province where our revenues are cyclical, where they are still tied to a great extent to the price of crude oil and natural gas.

The Official Opposition has certainly introduced two programs that are gaining a tremendous amount of support. One is the fiscal stability fund. This particular fund, Mr. Chairman, is quite unlike the heritage savings trust fund. This would be a short-term savings account meant to smooth out the peaks and the valleys of our volatile economy. Quite simply, during good years money would be put into this particular account, and when our revenues fall, such as times when the price of oil falls, money would be drawn so that essential programs like health care, education, and our municipalities would be maintained and continued as planned. We wouldn't have to see situations such as we saw in the past year, where even though we've had the second highest revenues in the history of this province, we still were required to make cuts in the budget to essential services.

Now, as well, Mr. Chairman, the second fund would be a targeted savings account called the infrastructure enhancement fund. As we all know, certainly in years such as the previous year to this one, there was a lot of money to go around. So during these years we would be able to put money into this fund to pay for the acceleration, the enhancement of infrastructure projects in the following year. This means that once the money is in the bank, projects can be announced and contracts signed. When we talk to the Roadbuilders and Heavy Construction Association here in the province, this is certainly something that they require, particularly when they are

planning for the long-term sustainability of their businesses and they are buying equipment which is in the millions of dollars and then find out that they don't have work the following year because of cutbacks, huge cutbacks certainly as we had this year. This certainly impacts the whole industry.

One of the impacts that we have is a number of skilled types of labourers or operators or whoever who must be laid off, and they are certainly going to go where the work is. So we lose them to the industry, and as well during these periods when we have a great number of cutbacks in the heavy construction industry and roadbuilding, once those workers are laid off, they move on and find employment elsewhere. Even in good times for us to be able to get those workers back and involved is a very, very difficult procedure.

So we do have a situation where an infrastructure enhancement fund would certainly prevent this type of roller-coaster ride. As well, what it will allow, Mr. Chairman, is the companies that don't have work this year because of the major cutbacks, that probably will go out of business – it would keep these people in business and certainly keep the availability of companies that can do this type of work, keep them going in Alberta so it wouldn't be feast or famine for them as well.

Now, then, in looking specifically at the estimates, we look at program 2, local government services. For some of these answers if the minister wishes to reply later in written form, that's fine, or for the questions for which he does have the information here, he can answer when we're finished, and that's fine if that works for him.

When we look at local government services, if the minister could please provide for us how many full-time equivalents are employed under program 2, local government services. If the minister could also provide for us the breakdown of full-time equivalents by the four subprograms: divisional support, municipal services, assessment services, and financial assistance programs.

3:10

On line 2.1.1, division support, if the minister could provide us with more details on what capital goods were covered by the \$705,000 for capital investments under program 2.1.1 in 2001-2002. Why is this budget increasing to \$820,000 for 2002-03 from the \$705,000 the previous year.

Now, then, on line 2.2.1, municipal services, we look at the budget for this particular program, 2.2. Why is the budget for municipal services increasing from \$7.262 million to \$7.780 million? This is only a 7 percent increase, but it would be interesting to know how this increase will benefit municipalities.

As well, Mr. Chairman, moving down to line 2.3.1, assessment services, why is the budget for assessment services, program 2.3.1, decreasing from \$5.953 million to \$5.909 million. The dedicated revenue is not increasing, so where are the cost savings going to be achieved under line 2.3.1?

Now, then, line item 2.4, financial assistance programs. I want to look first of all at line 2.4.1, unconditional municipal grants. Why has the funding for unconditional municipal grants shifted from general revenues to lottery funds? Last year there was \$36.147 million available, but it all came from general revenue. Now there is \$38.626 million in the budget, but \$28 million of that is from lottery dollars, so if the minister could please tell us why there was a shift from the funding coming out of general revenue to where now some of the funding is coming out of lottery dollars. If he could please as well indicate in his response what changed to make these eligible for lottery dollars. If the minister could also indicate how these dollars will be handed out.

Certainly I think this is an area of interest to all MLAs here in the province. Some MLAs in the past certainly have had the opportu-

nity to pass out dollars but not particularly in their own constituencies, and some MLAs have had that opportunity to distribute these dollars in constituencies other than their own while the MLA for that constituency does not get that opportunity. So if the minister could please elaborate on exactly what process is going to take place in handing out these dollars.

As well, under unconditional municipal grants, if the minister could also please tell us what is the application process. Of course, the grants to our municipalities certainly have taken on a whole new meaning and level of importance when we look at \$51 million that was removed from direct community control in this particular province when we did cut out the lottery boards. So, again, this is a question that I know Albertans in every constituency throughout this province are quite interested in learning the answer to. Certainly there are many, many organizations in the communities who were relying on lottery dollars this year that did not get those. As yet we wait patiently for somebody to outline what is going to take the place of these lottery boards or in fact if they are going to be replaced. Are some of these dollars going to be flowing through the unconditional municipal grants?

I know that the minister certainly is also very concerned about funding to various organizations, particularly in a community such as his, a very rapidly growing community where many new organizations are getting involved. I think back to the Centennial Cup.

MR. MacDONALD: Where was that played?

MR. BONNER: That was played in Fort McMurray two years ago, I believe. I don't recall who the winner of the Centennial Cup was that year. Certainly, through my involvement with the Canadian Hockey Association, they were extremely impressed not only with the job that was done in Alberta in hosting this national event but particularly the great job that the people of Fort McMurray had done in hosting this particular event. They had a firsthand glimpse at Alberta hospitality, and they enjoyed it immensely. I know that the minister was very closely involved in those particular activities, and he and his committee certainly did a magnificent job. So if he would pass that on to the people that worked on that, I would thank him very much for that.

Now, then, as well, we were talking about the application process when we look at unconditional municipal grants. Again I would like to ask the minister: what monitoring is in place to ensure that these funds are used as intended?

Mr. Chairman, I have other questions that I know I'll get an opportunity to ask the minister later. Thank you.

THE DEPUTY CHAIR: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, Mr. Chairman. I first of all want to thank the hon. Member for Edmonton-Glengarry. For those who may not be aware, both of us had the opportunity of attending Quebec City, if I remember, where the Canadian national hockey annual general meeting was held, and Alberta was bidding on being able to host the national championship and helping all Albertans, and I was pleased to be the co-chair at the time. I want to publicly thank the hon. member because as we were lobbying other members of other provinces, the hon. Member for Edmonton-Glengarry in his capacity representing this region played a key role in making some key votes for us to ensure that Alberta received the national championship that year. He had the opportunity of visiting and obviously in this House two years ago had the pleasant duty of in fact recognizing the young Albertans who were part of the national championship. I want to thank the hon. member because he helped

Alberta receive the bid to host such a national championship, that in fact was televised all across Canada. I want to thank him for that.

I also want to thank the hon. member for his comments regarding the grass roots relative to municipalities. He is so on the mark when he talks about the grass roots of our democratic system being at the local level, and he is absolutely right in terms of the important role that we work with in terms of municipal councils.

Also, he touched on an important point, on partnerships. You know, I don't think anyone in this Assembly will argue that a partnership is: what can we do for you that you can't do, and what can you do for us that we can't do? Really the ability is in being able to take a dollar and stretch it into \$3 and at the end of the day serving that same taxpayer, the Alberta taxpayer.

MR. SNELGROVE: There's only one.

MR. BOUTILIER: There is only one, as the hon. Member for Vermilion-Lloydminster has indicated.

I want to say that the hon. member has raised some very important points, and I would like to work on some of the very good questions that he's asked this afternoon. I certainly have always appreciated his good advice, because at the end of the day we're here to serve all Albertans.

3:20

He did ask a question regarding the application process in terms of the grants that are administered throughout Alberta. We have an evaluation process that we use as all of the applications for grants are evaluated. They're compared to each other. We have a rating system where in fact we look at important criteria such as the partnership with others. In fact, the exact point that the hon. member mentioned earlier relative to partnerships: the more we see municipalities working with their neighbours, I think, the more we're able to see a dollar being able to be stretched from \$1 into \$3. Again, that's a very useful task.

I want to say, too, that all of the applications that we've received from the municipalities, all of the 360, are very good applications, but we want to be able to prioritize them in terms of this evaluation, in terms of: do they partner with their adjacent neighbour so that they can work together in terms of bordering municipalities? These are important criteria that we use in our evaluation.

I must admit that I have not had the opportunity to share with this House the positive feedback. I know that many of the MLAs in this Assembly have received feedback from their elected mayors, reeves, and councillors thanking them for their support of the regional partnership program and the municipal grant program and also the unconditional grant program, because they know that it really is helping and serving the grass roots, that the hon. Member for Edmonton-Glenarry has rightfully brought to the attention of this Assembly.

Another important point that I believe the hon. member has raised is the issue of certainty, greater certainty for municipalities. During my time studying in Boston, we spent time on Wall Street and on Bay Street, and one of the things in financial markets that investors look for is certainty. It's no different from a municipal perspective. We look for the certainty of knowing what's out there for the years to come. In fact, some of the feedback that I just recently received at the AUMA and the AAMDC – and I want to thank the hon. member. He attends like many other members of this Assembly because we recognize the grass roots in terms of democracy, in terms of: how do we take a dollar, stretch it further, but work in partnership with these programs that we have relative to the important points system that we have? I'm very pleased with the

fact that we continue to work with our municipal associations, and I want to say to both the rural association, Jack Hayden, the president, as well as George Rogers, the president of the AUMA, that they continue to play an important role in terms of our partnerships that we have.

Now, one point that was made relative to that certainty – and I'm pleased to say that the hon. Minister of Finance has indicated that we are having a financial management review committee. Part of the objectives of the financial review committee, I do know, is thinking outside of the box, thinking outside of the box in terms of reflecting the 21st century. Things that might have worked in the '80s and '70s and '90s – maybe we need to think differently today in terms of how we are looking at providing greater certainty to municipalities, which I support one hundred percent, because the more certainty the better decision-making, and with better decision-making the better we are at serving our citizens.

So the financial management review committee, that the Minister of Finance mentioned, that the Lieutenant Governor mentioned in the Speech from the Throne, will be of course going forward with its work. I'm pleased to say that the associations will be contributing as well as our new minister's council on roles, responsibilities, and resources. I know that the hon. Member for Whitecourt-St. Anne is very familiar with the fact that that committee will be presenting to the review committee along with the two associations as well as the mayors of the two biggest cities in Alberta, Edmonton and Calgary. I think that this is an important component of working towards what the hon. member has rightfully mentioned; that is, certainty so that we know better.

One of the comments that was brought up, Mr. Chairman, was that our financial and fiscal year starts on April 1 and goes to March. What I have observed during my time in my former capacity as mayor and now as MLA and minister is that many of the financial reports are staggered. Some municipalities such as mine in Fort McMurray start their fiscal year on the calendar year, January 1. So what happens is that they're attempting to put a budget together in January, yet the provincial budget doesn't come out until April. So there is somewhat of a transitional period there. I think that one of the proposals that has been suggested is that perhaps – be it the federal government, which goes from April until March, or municipalities, which stagger, sometimes January to December – they could try to avoid uncertainty when it comes to the important initiatives that we're trying to endeavour.

The hon. member brought up an important point regarding lottery boards, and I'm pleased to say that the minister of lotteries is doing a review of the lottery board based on avoiding duplication but at the same time ensuring that that \$51 million will still get to the grass roots of communities, and in some form that may be enhanced from what we originally had. I do want the hon. member to know that my colleague is endeavouring to go forward with a review of exactly that, the lottery board, and how we can best serve Albertans relative to that.

The hon. member brought a couple of other points to our attention. He asked, relative to the workforce, the numbers that we have by division, and I would like to say that in this comparable budget year of 2001-2002 we had 317 full-time members of our ministry, and in the estimates for 2002-03 it will be 311. I would like at this time to break it down, as he asked, by division. From the local government services the estimate for the comparable budget of 2001 was 139.5 full-time equivalents; there is an increase of one in the budget estimate this year of 140.5, which is a .7 percent increase. From a public safety perspective in the estimates of 2002-2003 we'll be going to 103, down from 112.2, which is about an 8.2 percent reduction in full-time equivalents of staff.

Relative to ministry support services, we are basically staying the

same, at 51, and from the feedback that we have received from the Municipal Government Board, based on the very active work by a group of volunteers, an incredible service to Albertans, we're going to be going from 14 up to 16 and one-half individuals.

That basically covers the 317 down to 311. So it is a reduction of six individuals, but I am very confident with the staff that we have. We're again trying to look at better ways of serving Albertans, and towards that end it's reflected in our budget estimates for this coming year.

Another point that was made, an important point, was relative to assessments. I would like to just for a moment deal with the issue of assessment in terms of how it impacts our budget. If I could draw the hon. members' attention to page 365, I will endeavour to elaborate on that. From the assessment services perspective, in the comparison of 2002-2003 to 2001-2002 we have a decrease of about .1 percent. The branch is establishing property assessment standard audits. Of course, it monitors the quality of property assessments, and it prepares equalized assessments on behalf of the ministry for every municipality in the province; of course, 360. This branch also is preparing the assessments of all linear properties including wells and pipelines and regulated power supplies, telecommunications and cable systems. So the net decrease that the hon. member had mentioned is limited savings in manpower and overhead costs arising from vacancies and staff adjustments but also the savings from the reduced requirement for contracted services, I'm very pleased to say.

Relative to unconditional municipal grants, there is an increase actually from 2001-2002 of about 1.8 percent, and that \$679,000 is a restructuring grant. These grants are actually going to be provided to reduce the debt of dissolving municipalities to address major infrastructure deficiencies in the communities. This component also includes funding for regional partnerships, which the hon. member, I appreciate, has also mentioned. Also, the unconditional funding, the remaining \$31.6 million, is for the ongoing unconditional grants to municipalities for municipal services.

Now, I would also like to indicate that from the unconditional municipal grant perspective, the ministry forecast is lower because of some restructuring again in the fiscal year, but this has resulted where the restructuring I believe is a better use of our resources and again being able in some cases – if I could give you one example of a municipality such as Warspite. The decision to carry on as a municipality is revised a year or two later when the residents recognize the threat to municipal viability. So, in addition, more regional partnerships are being organized, and I'm very pleased to say that these regional partnerships are reflected, because we now have more applications for funding, and of course evaluating those types of situations is very important.

3:30

I would like also to take the time to say that from a municipal debenture interest rebate we have a decrease of about 17 percent, and this grant subsidizes the interest on certain debenture borrowing from the Alberta finance corporation. The reduction in these estimates is due to the high interest rate debentures being repaid at their terms, and therefore fewer high-interest debentures requiring subsidy remain. So certainly that's a very important initiative as well.

Let me just say in conclusion that the divisional support area from an operating perspective, such as an increase of about 1 percent in operating expense – some of this is due to the fact that we are doing some increase in contract funding to review the department's relationship with the Alberta Urban Municipalities Association as well as the Alberta Association of Municipal Districts and Counties

but also with the Federation of Canadian Municipalities. I'm very pleased to say that Alberta has been invited to attend the Federation of Canadian Municipalities – and the hon. Member for Whitecourt-St. Anne will be attending with me – where in fact we will be speaking about again what is called out-of-the-box thinking with the roles, responsibilities, and resources in the 21st century. I want to thank the hon. Member for Calgary-Mountain View and also the hon. Member for Edmonton-Rutherford as well as the hon. Member for Whitecourt-St. Anne, who participates in that.

The hon. member has raised some good questions, and I want to say that I appreciate his interest and also his co-operation. Clearly, I believe that the positive relationship we have in terms of him asking questions – our ultimate intent is to serve Albertans better, and I appreciate the hon. member's questions relative to our estimates.

Thank you very much.

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

MR. BONNER: Thank you, Mr. Chairman, and thank you, Mr. Minister, for those comments. Again, your comments certainly indicate a good understanding of the whole issues that concern the ebb and the flow of communications between municipalities and government at the provincial level.

One of the things that I would like to refer back to is the example you gave of how the fiscal year ends in Fort McMurray at the end of the year whereas in the province our fiscal year-end is the end of March and how there is this transitional period. We have to adopt a system where all municipalities, irregardless of when their year ends, can look at this whole idea of equitable and stable and predictable funding. So rather than just looking at this whole process as a budgetary process which ends at the end of a fiscal year and tries to project it to the next year, then certainly we have to look at what the budgets of our municipalities are going to be from year to year.

I think that particularly it serves us with two purposes. Number one, for those communities that have relatively stable needs, then certainly we can look at the fact that their budgets are going to probably increase at the rate of inflation each particular year. But with our booming economy in some sections of Alberta – and I think of Fort McMurray again as one of them and Calgary as another and other areas, Grande Prairie for certain – we look at areas there and how critical it is that we take those projections as to what those particular centres are going to need and be able as a government to set up a system where that funding will be available based on projections of needs rather than communities having to have the one- or two-year lag because we are not looking at projections far enough down the road to provide that financing.

When we look at the fact that these municipalities do an excellent job in developing their business plans, business plans which operate for three to five years, this certainly would be a better way to service Albertans, to service our communities, by providing them with the type of financing that they require in order to fulfill their business plans, in order to lessen, particularly in the areas of great growth, the impact of that growth on those communities. As the minister knows and all members know that have been in situations where there is rapid growth, that certainly puts a great deal of strain on the infrastructure of these communities, so with a change in our budgetary process we could fulfill those financial concerns of our communities.

Now, then, getting back to line item 2.4.1., the unconditional municipal grants, I think we have seen over the past few years the benefits of forming partnerships with others. Certainly we want to

stretch those dollars, as the minister said, and we want to look at the most efficient way that we can use those tax dollars. We do know that there are a lot of efficiencies, but we also know that communities have the great concern that in some areas they may be forced into partnerships because of funding arrangements. So what communities and municipalities certainly wish is that the whole process is open and transparent, where they can see that there is a benefit for them to be in partnerships, that they can see that they are not being forced into partnerships, yet it's a win/win situation for everybody.

[Mr. Maskell in the chair]

When the committee is making these unconditional municipal grants, if the minister could inform all members of the House as to whether this whole process is open and transparent, whether our community leaders are well informed as to not only what decisions were made but why they were made, this would certainly be of great benefit to our various communities in Alberta. You know, we have so many situations in the province, particularly in recent years, where there has been a great sharing of information, where communities and municipalities have agreed to work on projects and share the costs of projects. I think of the new recreation area which is currently being built somewhere between Spruce Grove and Stony Plain and just what a great facility that is, and I've heard nothing but great remarks. I don't think that, say, even five years ago a project of this nature would have taken place, because of people having the ownership of their own particular local regions. So, again, certainly an example of where the formation of partnerships has benefited a whole region.

3:40

When we do look, then, at these unconditional municipal grants, as I said, if the minister could outline for us how the process works, which of these unconditional grants are given top priority, and of course the whole structure as to which particular grants that are given out have the least priority. If the minister could also, Mr. Chairman, indicate to us, even though these are unconditional grants, just what sort of guidelines municipalities have when they get these moneys. Again, I think that comes into play with what the priorities or the setup is for communities or municipalities to get these grants. If the minister could also please indicate to us how much of the money in this program goes to municipalities and how much is used to cover administrative expenses.

Now, then, under program 2 I want to look at line item 2.4.3, grants in place of taxes. A question for the minister: why was the full budget for grants in place of taxes not spent in the year 2001-2002? As well, under line item 2.4.4, financial support to local authorities, for the minister again: why is the budget for program 2.4.4, financial support to local authorities, increasing from \$730,000 to \$1.001 million? If the minister could please tell us: how will the increase in these particular funds be spent for financial support to local authorities?

The next line item, 2.4.5, municipal sponsorship. We look at this particular line item and see that last year the budget document showed that the operating expense from the municipal sponsorship program was to be \$1.5 million, but these documents show \$500,000. What is the reason for this particular difference? I do have other questions in regard to line 2.4.5, municipal sponsorships. If the minister could please tell us: will there be any changes to the types of funding that can be applied for under this program? How will small types of projects such as, for example, street paving or signs or computers and employee wages and other requirements of the community be covered under this grant?

As well, how does the ministry monitor to make sure that funds

are spent as applied for? I know that the municipalities do certainly have a wish list. They send in these requests for funding, and certainly the ministry would provide moneys based on these requests by the municipalities. Again, if we could find out if there is any system with checks and balances that would cover this particular situation. Now, then, as well, has the ministry ever requested funds to be returned because they were not spent or they were not spent as intended?

At this point, Mr. Chairman, I'll just take my seat and let the minister answer those questions on program 2. Thank you.

THE ACTING CHAIR: The minister.

MR. BOUTILIER: Thank you, Mr. Chairman. Again, I thank the hon. member for raising some important points that I would like to address. Certainly in looking at budgets from year to year, ultimately the objective of this ministry is to have equitable, stable, and predictable budgetary numbers of course for municipalities so that they can best plan in serving, as the hon. member mentioned, the grass roots in terms of serving our citizens.

I would like to, though, in addressing his questions use some examples of partnerships that some hon. members had brought to my attention. The hon. Member for Grande Prairie-Wapiti dropped off the *Daily Herald-Tribune* relative to the city and the county. They have just put together a co-operative deal to be announced. It's a regional partnership between the city and the county of Grande Prairie, ending months of intense negotiations. In addition to existing co-operative emergency services the new agreement will include sharing of leisure services.

The hon. member mentioned some of the initiatives going on relative to Spruce Grove and Stony Plain, and I must say that I am very pleased with that. If I could just for a moment use Wayne Ayling, the mayor of Grande Prairie, where he says:

Today we are able to announce two new agreements between the city and the county. What people don't understand is [that] we have 26 agreements on areas where we co-operate [already].

So we want to continue to build on that regional co-operation.

He's mentioned some other components that I would like to raise as well this afternoon, but on some of the questions that he has raised, which I think are very important, on high-growth areas like Fort McMurray or Calgary or Grande Prairie, clearly . . .

MR. DOERKSEN: Red Deer.

MR. BOUTILIER: Red Deer, of course. That goes without saying. In fact, just yesterday in Red Deer I had the pleasure of opening their new emergency public warning system, and of course that was an investment that we've put forward since September 11. I'm really pleased to say that it's again another regional partnership that is taking place, serving over 2 and a half million people. We're not quite there yet though. We still have close to another half a million Albertans that we want to reach by 2004. I'm so pleased to learn that people are coming from all over North America to study what Alberta is doing because it's the only kind of emergency public warning system in the entire country and for that matter in North America.

Yesterday, as I mentioned, I had the hon. members for Red Deer-North and Red Deer-South as well as the hon. Member for Wainwright attend with me. I'm also pleased to say that the mayor of Stettler was there and the mayor of Red Deer was there, as well as the reeve from the county and numerous other mayors, which I think is so important in terms of demonstrating that partnership.

I would also like to take the time, since the hon. member sitting



next to me to my right played a leadership role – and that had to do with the Future Summit. The reason I say this is that the hon. member has raised an important point regarding future planning. As we know, European cities today plan for 25 and 30 years out. In fact, companies do that as well. We have a three-year planning system that we continue to review and revise, but the Future Summit, which certainly relies on growth, I think was the best example of what's happening 10, 15, 20, 30 years out there.

I know that all members of the Assembly can say that the members involved – and certainly the hon. Minister of Revenue played a key role, and I know that the hon. Member for Edmonton-Glenarry participated. I think it was very important to have Albertans from all walks of life participate in terms of future planning for the next 20 years: what Alberta will look like, not what it is today but what it will look like. I call it the Panasonic way, slightly ahead of our time in terms of thinking out relative to the way we want to go. So I thank the hon. Minister of Revenue for his futuristic initiative in moving 25 to 30 years out in the future.

3:50

The hon. member asked some questions relative to section 2.4.1. I want to say that there is no administration relative to these grants, and I think that's important. I'm glad the hon. member did ask that because what we really are doing is using our existing overhead to be able to administer these grants.

Under 2.4.3 the hon. member also asked relative to the grants in place of taxes, where we had a decrease of about 9 percent, about \$2.8 million. As you know, municipalities cannot collect taxes on Crown property, and in municipalities where the Crown owns property, municipalities may apply each year for a grant in place of taxes for, to those who may not be aware, certain properties that would have been taxable if they were not owned by the government of Alberta.

Now, the primary cause of the decrease in the 2002-2003 estimates is that municipalities have not been raising taxes as much as we previously expected. The province, therefore, has been disposing of the properties, albeit at a declining rate than in previous years.

I also can say that under 2.4.4, which the hon. member asked about, relative to financial support to local authorities, the grants budgeted under the program include grants that go to an evaluation. For instance, \$44,000 went to an evaluation for the Alberta Urban Municipalities Association, which represents a lot of the urban municipalities. Grants have also gone to the Association of Municipal Districts and Counties. As well, we've given grants to institutions. This provides the ministry's financial contribution to the Intergovernmental Committee on Urban and Regional Research. That amounted to \$30,000, but it's an all-important component of regional thinking.

We also have a mediation grant. Again, the local governments have benefited substantially from mediation grants. We have been able to assist municipalities. The ministry will step in with its officials to help only if they are asked to by the local government at the grass roots. I'm very pleased to say that we've been able to assist in that regard as well.

If I could for a moment break down, as the hon. member mentioned, the budgets for municipal grants. We have about \$38.6 million that goes to unconditional municipal grants, and this will provide unconditional grants to municipalities for their parks, public transit system, local policing as well as restructuring and other municipal services. Again, it is exactly what it says; it's unconditional.

I've mentioned grants in lieu of taxes. We provide grants in place of municipal taxes. That amounts to almost \$29 million. As well,

in terms of financial support to local authorities – the hon. member raised that point – this provides conditional financial assistance to municipalities and municipal associations and other agencies with a local government focus. That amounts to over a million dollars. Last but not least, about \$12.5 million goes to municipal sponsorship. These provide limited-term conditional assistance which targets specific municipal needs that they identify. What's really interesting is that rather than the provincial government identifying the top priority, we think it is better for the municipal government to identify their top priority so they best know where they can use their money. We want to continue to encourage that in terms of including, promoting intermunicipal co-operation and innovative projects that are taking place.

Going back just for a moment – I apologize to the hon. member – to the capital investment that he asked about in his previous questions, I want to say that the capital investment budget increased to about \$820,000 from last year. This is due in part to an increase in IT capital projects, particularly those related to the implementation of our municipal excellence program. Our view is that when we have municipalities demonstrating and acting in the grass roots of democracy, helping citizens, we want to share that municipal excellence with the other 360 municipalities we have. So we've undertaken a new program. It's called the municipal excellence program. We're working in partnership with the Alberta urban and Alberta rural associations, and I'm very pleased to say that the first one, which I know the hon. member will be attending, we will be presenting this fall to municipalities in recognition of municipal excellence.

So that's where some of our capital investment dollars are going. I think it is a very worthwhile project in terms of recognizing best practices and municipal excellence. We want to share with all of the 360 municipalities. We do not want to reinvent the wheel. If something is working well, then why wouldn't we share it with our neighbours or share it with people in the northern parts of our province or southern parts of our province? Of course, we always take that opportunity during the annual and spring conventions when we're meeting with our urban and rural associates to share with them the municipal excellence program. This is the first one of its kind, and again the first recognition pertaining to these initiatives will take place this upcoming fall.

I hope I've been able to answer some of the important points that have been raised. Just let me conclude by saying that from a public safety perspective we continue to go forward from an emergency perspective with the safety and protection of all Albertans, and I'm very proud to say that with the announcement yesterday in the launch of our public warning system. It's not going to be able to stop a tornado or severe weather, but what we're going to be able to do is protect citizens by giving them advance notice.

We know the situations that have taken place over the last couple of years. We want to be able to keep Albertans best prepared, and we want to keep them informed. Today I also want to thank the public broadcasters, because this is a private/public partnership with government, where in fact the public broadcasters are there in terms of their role in communicating to citizens, and I really take my hat off to the public broadcasters who have again been able to step up to the plate and partner with our ministry. So that's important I think as well.

With that, Mr. Chairman, I will take my seat and again endeavour to continue to answer the very good questions that the hon. member is asking this afternoon.

THE ACTING CHAIR: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Mr. Chairman. I've been again sitting and listening with a great deal of interest to the questions from the hon. Member for Edmonton-Glenarry and the responses from the hon. Minister of Municipal affairs. I listened with particular interest to the last exchange from the hon. minister and the commitment that was made at the Future Summit to have long-term planning by this government, and I'm pleased to see that finally there's going to be some long-term planning from this government. It's my view – and it's a view that's shared by many people in the constituency of Edmonton-Gold Bar – that this government plans elaborate public relations schemes that are going to get it by the next general election, and that's it.

I look at the plan here on page 44 of the fiscal plan tables, and it's noted there that from the year 2002 through to 2005, in particular with Municipal Affairs, there is to be in the next three years planned spending that is relatively unchanged, and with the growth that is occurring across the province – and that growth is because of the exploitation of our natural resources and the demand that there is in the international markets for those resources. The growth is occurring because of that, not because of some outstanding planning that's been going on with this government, in this member's view.

If we were going to follow the Future Summit, why do we not have a long-term plan displayed here? If one looks at the budgetary documents for the state of Alaska, for instance, if we want to use a comparison, they have 10-year plans, and they seem quite willing to live with them. Why is this government not doing the same?

Now, on page 46 of the fiscal plan tables under Municipal Affairs, the support for infrastructure has ranged from \$11 million to \$70 million in budget 2001-02, and the 2001-02 forecast was \$39 million. Then for the next three fiscal years there is no money. Can the minister please provide us with the details on this? I am certain that there's going to be an answer forthcoming. Whether it's going to be transferred to another department, whether it's just the binge-and-singe budgeting that has occurred leading up to and after the election, or if it's to deal with the tank farm issue, if I could have some clarification on that, I would be very grateful.

4:00

Then further on in the fiscal plan tables, on page 49, there is an item here – I'm going to have to make sure, Mr. Chairman – for regional planning and development, \$92 million. How much of this \$92 million is spent on planning, and how much is spent on regional development? If I could have a breakdown of this, I would be very grateful to the hon. minister.

Further on we get over to the section on the Alberta advantage. Some people in the province refer to this, whenever they visit the constituency office in Edmonton-Gold Bar, as the government's brag book. The charts and the graphs in here I find are quite selective, and oddly enough they change from one budget year to the next. The electricity prices: now, that changes yearly, whenever we want to compare ourselves to others. Page 99 says: "Leaving more [tax] dollars in the pockets of Albertans." Lately – and it's not the first time this has occurred, Mr. Chairman – there have been public musings by the Premier about sharing or increasing the scope by which municipalities can raise taxes. Certainly it states – and I would note this for all members of the Assembly – that "Alberta has by far the lowest combined provincial and municipal tax burden among the provinces, at 59% of the national average." Now, is that the tax room that the Premier was musing about whenever there was a discussion about changing the tax structure so that municipalities could have some more flexibility with collection of taxes? What specifically would the minister have in mind if the municipalities were going to be given greater taxation powers? Would there be a

little bit of a tax there on sales at the municipal level? Would there be a tax on hotel rooms? Would it be on automobiles? What exactly is the Premier and the government contemplating there? I would appreciate some detailed information from the hon. minister on that issue.

Also, we're always hearing about the low debt and the priority to pay off what debt we have in this province at a rapid rate. In fact, we seem to want to do it before the next election or in that election year, and there are other programs that have been cut because of this preoccupation. We have in this province 4 percent of the GDP of the province owed in debt, and that, as I've said here before in this Assembly, is a very modest amount, and it is looked at with a great deal of envy by other governments. I believe the hon. minister said that there are 360 municipalities. If the minister knows or if the department knows, what is the amount of debt currently held by these 360 municipalities? I certainly know what the school boards' debt is, and I would be interested to know what exactly is the debt of the 360 municipalities, because certainly they have been a victim of downloading by this government over the last number of years.

Now, Mr. Chairman, at this time I also have some specific questions in regard to program 1, the ministry support services. We're looking at about 10 and a half million dollars there for ministry support services. There are a lot of issues here for the minister, and if an answer is not available this afternoon, an answer in writing at a later date, hopefully before the first day of summer, I would appreciate. I regret having to put a deadline on this hon. minister because of my experience in the past, certainly with the Minister of Energy and that department, that one has to wait a long, long, long time for answers, and then when we get answers, they're usually very short answers. A very long, long time.

[Mr. Shariff in the chair]

Hon. minister, please, how many full-time equivalents or employees are employed under ministry support services in the year 2002-2003? What is the breakdown of the full-time employees – I'm going to get rid of that "equivalents" again – by the three subprograms: the minister's office, the deputy minister's office, and support services? Now, on line 1.0.1 we're looking at the minister's office. What is the breakdown, please, of the minister's office budget, which is \$281,000, for salaries for permanent positions, salaries for nonpermanent positions, and salaries for contract positions? How many contract positions are there in the minister's office? Or is it like the Public Affairs Bureau, where everybody, as far as I know, is a contractor of some sort? That'll be interesting to see at some point: the Public Affairs Bureau, the contracts there and how they pay their WCB premiums. But that's not dealing with estimates for Municipal Affairs this afternoon.

Travel expenses are also interesting: if we could have a breakdown of that. Advertising and hosting expenses: that's always of interest.

Now, the deputy minister's office on line 1.0.2. Again, what is the breakdown of the \$487,000 deputy minister's budget for the year 2002-03, again by salaries for permanent positions, salaries for nonpermanent positions, salaries for the contract positions, the travel expenses, and advertising and hosting expenses? For support services on line 1.0.3, to the minister, please: why is the capital investment for support services at 200 percent over budget? I believe the original budget was \$125,000, and the forecast is for \$383,000. If I could get an answer regarding that, I would appreciate it. Again, what is the breakdown of the \$9.4 million operating estimate for support services in 2002-03 by business planning and corporate support, communications, financial services, human resource services, information technology, and legal services?

I would like to now talk a little bit, please, Mr. Chairman, regarding public safety. On line item 3.1, division support, why is the division support budget increasing from \$775,000 to \$856,000? The minister was talking earlier about public safety, and I would like to know: why is the forecast \$30,000 over budget from the previous year? Now, certainly with safety services and fire protection, fire protection is without question very, very important to all Albertans. There has been some concern by Albertans expressed to this member regarding the effectiveness and the reliability of this entire safety code system, and I'll get to that later this afternoon.

4:10

Why are program management costs for safety services and fire protection 89 percent over budget? Why, despite the forecast being 89 per cent over budget, is the 2002-03 budget set at \$356,000? What services are provided under program management? In technical services, line item 3.2.2, why are the forecast costs for the technical services program 30 percent over budget? And, Mr. Chairman, how do these services benefit municipal governments and Albertans? Getting to line item 3.2.3 regarding regional services, what services are provided under these regional services? Again, how do these services benefit municipal governments and Albertans? For the fire commissioner, why are forecast expenses for the fire commissioner's office \$121,000 over budget from 2001-2002? Does that reflect some of the concern that has been expressed to this member from various parts of the province regarding the integrity of this whole system?

Now, the underground petroleum storage tanks. The government was very loud and proud when this program was introduced, but the cancellation of this program seems to be quite a bit quieter. There has been a lot of work not completed. There are other provinces which demand that industry clean up their own mess, but here we're getting the taxpayers to do it. How many tanks are still out there waiting for the next round of oil money to come in so they can be cleaned up? Where are these tanks? Where are the locations of these tanks, and are there any public health advisories or warnings being issued to the public in regard to these sites? Particularly, at some of these sites there can be a significant seepage away from the exact location to various areas, depending of course on which way the underground watercourses are. It depends on gravel; it depends on sand. There are a lot of factors, Mr. Chairman, that can influence how far particularly leaded gasoline can travel.

Now, disaster services, branch management and programs on line 3.3.1. What unbudgeted capital investment was done for the \$1.2 million under branch management and programs for disaster services? Why were operating expenses 40 percent over budget from 2001-02? What services are provided under branch management?

I don't see any questions that this member has, Mr. Chairman, regarding disaster recovery nor assistance for municipal emergency response training. There was certainly in my view a test of this at Pine Lake unfortunately, and I think people worked as hard and as long as possible under those circumstances.

At this time I have questions further on this afternoon, but I would take my seat, Mr. Chairman, and await the response from the hon. minister. Thank you.

THE DEPUTY CHAIR: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, Mr. Chairman. First of all, I want to say at the outset that the hon. Member for Edmonton-Gold Bar indicated commentary to the point of "elaborate public relations schemes," so I would like to set the record straight. If elaborate public relations schemes are meeting with Alberta urban associations

and Alberta rural associations, meeting with mayors and reeves, then I'm all for elaborate public relations schemes if it means meeting the local elected officials, and I'm sure the hon. member would agree that this is a worthwhile service in terms of working with our partners relative to the fact that we sometimes don't have all the answers, but I'm not afraid to ask my municipal colleagues and partners in terms of what they think. In fact, that's exactly what we have been doing. The Future Summit was an ability to go and ask Albertans what they think as opposed to a government trying to do something. One of the things we do as a government and certainly from Municipal Affairs is ask for their input relative to the important initiatives that we have been viewed across this country as leaders at.

The Municipal Government Act in Alberta is viewed as one of the most progressive and permissive parts of legislation in this entire country. That was recognized by the vice-chair of the Prime Minister's urban task force. He indicated that he views Alberta as a leader. In fact, that was on May 2 on CHED radio. I'd like to take the opportunity now that the hon. member brought this issue to my attention. The hon. member is a Liberal MP, and his name is Bryon Wilfert, and he's the vice-chair of the Prime Minister's urban task force, the Liberal caucus in Ottawa. He was interviewed on CHED radio on May 2, and let me quote for you what he said about Alberta. Could I tell you what he said about Alberta?

AN HON. MEMBER: Tell us. Quote it.

MR. BOUTILIER: He said, and I quote: Alberta is the most progressive when it comes to the new Municipal Government Act. He said: they were very progressive in having municipal governments at the table making decisions along with the province and the federal government on infrastructure. I might say that the hon. Minister of Transportation is here.

DR. TAYLOR: What did he say about the Minister of Environment?

MR. BOUTILIER: He did make reference that they certainly appreciate the Minister of Environment's comments relative to Kyoto.

He goes on to say, and I quote: Alberta has always been in my view very forward looking. I just want to say that I appreciate the federal vice-chair of the Liberal Party who mentioned that, and I think that's very important.

Now, the hon. member also asked about the issue of debt in a very general sense, and I'd like to take this opportunity to say that on a Visa card – he was asking about the debt that Alberta owes and when are we going to retire it – nobody likes to pay interest. That's why over the past many years this province has reduced its interest by over a billion dollars that we don't have to pay to a banker. I don't like paying a banker. The hon. member may like paying a banker interest, but I don't. That's why I try to make sure my Visa card is paid up to date, so I don't have to pay 1 cent of interest.

Now, there's no question that governments across this country actually do have debt. Our province is leading the way, which he said was the envy of many, but I would like to say this. I met and had the pleasure of meeting with the federal Minister of Finance just a few weeks ago. The federal government has a debt of almost \$600 billion, and they're paying interest of over \$50 billion a year – a federal budget of about \$130 billion, but in fact \$50 billion of that goes towards interest, where \$80 billion goes to service and \$50 billion goes to interest. So I'm so pleased the hon. Member for Edmonton-Gold Bar actually brought the point up that I'm very proud, and I thank him for his comments relative to debt reduction. At the end of the day we do not in any way, shape, or form want to

leave a mortgage to our children. What an incredible solid foundation to be left to children. It is popular but it may not be exciting, but at the end of the day when people review this time in history, they'll say that the Alberta government was there to not leave a debt to its children's children. They're willing to burden the responsibility today and deal with it today, and I want to say I'm very proud of that and certainly proud of our Premier's leadership to arrive at that. That's why all other provinces are looking at the taillights of Alberta, and I can say that it's because of the leadership that is here.

4:20

I would like to say that the hon. member has brought up some important points, and I'd like to clarify for the hon. Member for Edmonton-Gold Bar's benefit that in actual fact big companies do not see one single cent of the underground petroleum tank program. This is for ma-and-pa retailers who own a gas station. I know that the Minister of Environment, who's watching and listening intently, is aware that for an environmental remediation program we are leading. We have addressed all of the high-risk underground petroleum storage problems. In fact, I had the pleasure of visiting the hon. Member for Ponoka-Rimbey, where we saw a ma-and-pa who we were able to remediate. They were able to receive a hundred thousand dollars for remediation, and that is an important part of our program that I'm very proud the Alberta government in fact has initiated. It is not at all completed. The Safety Codes Council will be using this over the next year and, I'm pleased to say, will continue to do a very good job on that. So I want to say that I thank the hon. member for bringing that to my attention as well.

Also the hon. member asked some questions relative to full-time equivalents, and he specifically asked relative to the ministry support services, and I'd like to give him the answer directly, as he asked. In the budget of 2001 and 2002 we had 51.1 full-time equivalents in ministry support services. This year we have 51. So ultimately we have a .1 reduction, and I want to say to the hon. member that we are in fact going from 317 to 311 because of the efficient use of the resource that we have within our budget, and I appreciate aiding him.

Also the hon. member asked about support services in terms of the operating expense and the increase of about \$84,000, and he asked if I would break it down by the different branches, and I'd like to do that at this time. The following table, which I'm going to list for you, shows you the difference at the branch level relative to the prior year's forecast and the actual expenditure. In the year 2002 under legal services it was \$376,000. In the upcoming year, 2002-03, it's \$296,000. In communications it was \$286,000 and now is \$309,000 for 2003. In information technology services – this is a very important initiative – we originally had \$5.567 million, and it's broken down now to \$6.095 million. Also from a business services perspective, a slight change, it's going from \$2,054,000 to \$2,100,000. As well, in human resources I'm very proud to say that we're partnering with Government Services. We're partnering with them and sharing human resource initiatives and government services. It's a shared service that we're doing, so the hon. Minister of Government Services benefits again with the Ministry of Municipal Affairs. That's going from 754 to 662 because again we're pooling our resources together, and that's something Albertans have told us. So ultimately we have gone from \$8.937 million to \$9.462 regarding this, and that the hon. member has asked.

Regarding the detail relative to the support services area, I'm very pleased to be able to also provide him with these numbers, and of course the increase is due to just simply marginal manpower costs as a result of the recently negotiated settlements and higher costs related to the contract revisions of information technology services.

As you know, we are in the 21st century when it comes to technology, and technology I think is a real key when it comes to planning for the 21st century.

The hon. member also mentioned long-term planning. I believe I addressed that with the hon. Member for Edmonton-Glengarry. I made reference to the Future Summit and the fact that this government is willing to think outside the box and look to the next 10, 15, 20, 25, and 30 years and ask the question: what will Alberta look like? One thing for certain is that we will not look like a government that has debt. We will be there because we believe in shouldering the responsibility to ensure that we don't leave a mortgage for our children and our children's children, and that's exactly what we're doing, and of course I encourage all governments at all levels throughout this country to take the same approach. It may not be fancy and it may not be exciting, but clearly it's leaving us all a foundation in terms of sustainability, in terms of the fundability in dealing with municipalities.

The hon. member asked a question relative to how we are going to be, from a public relations perspective, dealing with issues. Quite contrary to the hon. member's comments, we established the roles, responsibilities, and resources committee, where we're talking and meeting with our partners at the municipal order of government. I say orders of government, not levels of government, because we are serving the same taxpayer here, so why would we have levels of taxation when ultimately we're serving the same taxpayer? Ultimately I do believe roles, responsibilities, and resources in fact is doing exactly that in consulting with our important municipal leaders. At the end of the day municipal leaders know best when it comes to dealing with the delivery of the local services. The hon. Member for Edmonton-Glengarry – and I appreciate his comment – indicated that they know sometimes what's best, and I can assure you that in my 12 years of municipal government experience that I share that with the hon. Member for Edmonton-Glengarry, because at the end of the day we want to do what is right and what is best for Albertans in partnership with our municipalities.

With that, Mr. Chairman, I would like to say that I'm very pleased with the remediation programs. I'm very pleased with the work that we're doing, and again I'm so pleased to say that we've been able to address the highest priorities in terms of our underground petroleum program relative to site remediation, and I want to say that I've enjoyed meeting with many of the sites relative to the remediation. Now they're becoming healthy and prosperous areas that don't remain economically stagnant, so they are going forward. I certainly appreciate the Minister of Environment's attention to this issue, and I thank him so very, very much for his input relative to this exciting program. I thank him for giving me the thumbs-up on that. With that, I'll take my seat.

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

MS BLAKEMAN: Thanks very much, Mr. Chairman. Just two issues I want to touch on that are springing directly from the comments made by the Minister of Municipal Affairs. I just forgot the first one, so it wasn't that memorable. The second one was his talking about intergenerational transfer of debt, and I'm just wondering how he reconciles what he said with the fact that a generation ago, even 10 years ago, it was uncommon for a graduate with a university degree to come out with a \$20,000, \$25,000, \$40,000 debt unless they were in a faculty like medicine or perhaps law, and now it is commonplace. How does he reconcile that? To my mind that is an intergenerational transfer of debt, and this government managed to achieve it in less than a generation. In less than 10 years they managed to transfer a debt that would have been

carried by an older generation over some period of time, like a 25-year mortgage. They managed to transfer it down to the post-secondary student population in less than 10 years, and those students now start their adult life with an average of \$25,000 in debt, so just a little comment there.

The second issue I would like to bring up with the minister is that when I look on page 213 of the lottery fund, I notice and in fact the minister referenced that Municipal Affairs receives \$40 million through the lottery fund: \$12 million for municipal sponsorship and \$28 million in unconditional municipal grants. In fact, I think to be fair, in the past we would have had to add \$50 million to that, because certainly the municipalities were the prime recipients of the \$50 million from the community lottery boards. What we're seeing now is that the municipalities are really feeling the expectation shift to their shoulders to be funding the same community organizations, nonprofit groups and charities, that were previously funded through the community lottery boards. In fact, I think to be accurate, that figure should have been the \$40 million plus the \$50 million, which is \$90 million that Municipal Affairs was recipient of, moneys from the lottery funds, and now of course that \$50 million has been pulled by the cancellation of the community lottery boards. So what I'm interested in is: how much input did the Minister of Municipal Affairs have in the decision to remove \$50 million that was directly affecting those municipalities that are under his direct control? What plans does he have or what input did he give for how those municipalities are supposed to be making that money up?

4:30

Certainly in the city of Edmonton, which is the one that I know the best, those arts groups and culture groups, sports and amateur sports, helping associations, Big Brothers, Big Sisters, the CANDO society, and the Abbotsfield group – I've tabled dozens and dozens of letters in this Assembly from organizations that all received support through the community lottery board. They of course are now going to be looking to the city of Edmonton to replace that money, and I don't know that the city of Edmonton has that money to replace, to be able to make up the difference. So I'm interested in what part the minister played in the decision to remove the money and what advice he's giving those under his ministry or associated with his ministry on how to make up the money.

Now I'd like to move on and look at my favourite: goals, strategies, and performance measurements. Almost nothing better on a chilly May afternoon to do. When we look at goal 1 on page 308, we have "an effective, responsive, cooperative and well-managed local government sector"; that's the goal. As I follow through on the key strategies, I notice that 1.2.1 says: "Provide governance, administration and management, and land-use planning advice to local governments and associated local service delivery organizations." So I'm wondering: is the plan to develop and maintain these provincial land use policies going to include pulling more authority from the municipal jurisdictions where it now belongs? Is the idea that the government is going to take over more of this? This is particularly of interest when we look at intensive livestock operations. Under this the province took away the municipal councils' right to make local land decisions. Who knows why? I know there's a great deal of supposition and suspicion about how much influence the land developers had over the province. So the question there is around the land use planning advice and authority. Will we continue to see the province pull authority away from those municipal and local governments?

Still under goal 1, I'm wondering: what is the status of the capital region governance review? I'm also wondering: are there programs that are being developed to encourage self-evaluation of excellence?

In other words, what's the status of the minister's give-a-gold-star program for municipal excellence?

I think this question might have been touched on before, because I noticed that the Minister of Environment was being pulled into the discussion. But in my notes I have a question I'd like to ask about the support that's being provided for the reduction of greenhouse gases at a municipal level. Of course, it does involve all levels of government, and given what municipal bylaws have control over, certainly each level of government has a say in how we're going to approach this. So what support is being provided to the municipalities, and what can we look to come out of the Ministry of Municipal Affairs around reduction of greenhouse gases?

I'm wondering what specific land use planning advice or support the department does provide, specific examples. I've come up with a couple. But what are the rest of the examples, or is that it?

I remember that in one of my first years in the Assembly as a rookie there was an impassioned speech, I think maybe even a motion, coming from the then minister of agriculture, who was making a plea against urban sprawl, the point being that some of the most arable and productive land in Alberta has new housing developments being built upon it. So I'm wondering what the ministry is doing to make sure that municipal tax structures are not encouraging urban sprawl and the effect that that also brings on increasing transportation and infrastructure costs. I mean, the further and further and further out we get, the more roads we have to build, the more sewers, the more electricity lines, and all the rest of that infrastructure. That all costs the original tax base money. So where is that?

I'm still on goal 1, page 309. In the performance measurement it seems odd that the level of satisfaction with the local government services division would be based on the division achieving individual performance targets. It's unclear here whether it means that it's the minister's satisfaction that's being measured or who is setting the target. Whose satisfaction is being measured here? That's not clear.

Now, if I move to goal 2 on page 310, "Financially sustainable and accountable municipalities," why was the target for the number of municipalities meeting the criteria of financial accountability lowered from 98 percent in 2000-2001 to 95 percent in 2001-2002? I mean, it's minor; it's 3 percent. Okay; I'm quibbling. Still, it's interesting that we would have an actual from 2000-2001 of 98 percent and we've got a target in 2001-2002 of 95 percent. Why did we expect to go backwards? Then if I follow along in the three-year business plan, we expect 95 percent in '02-03, 95 percent in '03-04, but by '04-05 we're going to increase back up to 97 percent. This is the goal 2 performance measurement: "Percentage of municipalities meeting Ministry's criteria of financial accountability." So what caused the 3 percent drop? Correspondingly, what, after three years of flat-lining at 95 percent, is going to bounce the ministry up to 97 percent? There must be some specific event or change in structure that's anticipated to bounce you up in that last year. So if I could know what that is, please.

Under goal 4, which appears at the bottom of pages 311 and 312 under core business 2, "Safety services and fire protection," the goal is "a comprehensive safety system that provides an appropriate level of public safety." Okay. The performance measurement for goal 4 is based on "the percentage of assessed accredited municipalities, corporations, agencies, and delegated administrative organizations administering the Safety Codes Act that achieve a satisfactory rating." So what is the rating scale, and is there just satisfactory versus unsatisfactory, or are there other levels that are involved here? What performance indicators are measured to determine satisfactory or unsatisfactory? And what support is given to those that receive an unsatisfactory rating? Is there some sort of remedial

program that they get, or what assistance is given them to correct that?

When we look at this particular measurement, I'm wondering: is there consideration given to the volume of work done by a corporation or agency or DAO? I would think that that would make a difference. If you've got a group that handles a large number of safety inspections and they had an unsatisfactory rating, that's going to have far more impact than if you had a number of smaller organizations and one of those gets an unsatisfactory. So there's a question here of – how do I describe this? – equity but also size of organization versus their performance measurement. It can have much more effect. I mean, let's face it. If IBM has a problem, that's going to have far more effect than if a small systems group is offering the same kind of service. So if I could just get an expansion on the detail of how this measurement is arrived at and how remedial corrections are anticipated, that would be helpful.

4:40

Now I'm going to goal 5 under core business 3, "Disaster services." Goal 5 is "a disaster services program that enhances and supports local emergency preparedness for major emergencies and disasters." The performance measurements here are interesting, and I'm sure that there's a good answer for this. There is significant fluctuation in the goal for the number of municipalities that have emergency plans and test them every three years. So in '98-99 the actual number was 41.7 percent, but then this rises to 75.1 percent the following year, and then further improvements in 2000-2001 go up to 87.4 percent. The target for this last year was 100 percent, and then it drops to 40 percent. So again there must be a precipitating event here, that either more municipalities were brought into the group that was being measured or you changed the way you were measuring or something, because you started at 41 percent, you steadily improve, and then you've got a target now in 2002-03 of 40 percent; that's the year we're in. Then next year you expect to go to 70 percent, the year after 85 percent, and then back to 100. So it almost looks like there are two cycles here. You start around 40 percent and in four years work yourselves up to 100 percent. Then what? Drop back again to 40? Why do you have this cycle in here? Again, it could be because you're just including a bigger sample size as more municipalities are required to have the plans. I don't know.

I would also like to get some information about the number of Albertans who are living in communities that meet this performance goal. If we have 95 percent of Albertans who are living in communities that meet this goal, then we know that it's probably a couple of smaller communities that don't have these plans in place. We'd want to be equally concerned about those smaller communities, but nonetheless you're covered for a large majority of the population. So I'm just wondering if we can get some more detail on that.

Finally, I look under goal 6 on page 314. We're under core business 4, "Municipal Government Board." Goal 6 is "an independent appeal system that issues timely and impartial decisions of high quality." I'm looking at performance measurement 3, "Percentage of stakeholders who feel they received fair, unbiased hearings." I'm wondering how many stakeholders – well, there was a new measurement last year, so there's no baseline, no benchmark available. I'm wondering how many stakeholders were in the group that's being included in this, and that would tell me whether it was a large or a small group. How many appeals does the Municipal Government Board hear in a year, and will every person that appeals be surveyed? Who conducts the survey? Is this the department or a private contractor that comes in to do this? How was the figure of 85 percent arrived at? Without seeing what was previous to this, I don't have any context to place the 85 percent in. I'm sure it wasn't just grabbed out of the air. Please, I hope it wasn't just grabbed out

of the air. That does happen in some ministries, but I hope not in this one. So what's it based on? There must be something, some information that we don't have here that I can't tie it to.

I'm also wondering why it remains stagnant. You hit the 85 percent and you carry right on for three years. So you're not anticipating any improvement, or you don't want any improvement, or you're doing nothing to get any improvement. You know, the whole thing about performance measurements is that they can be invaluable management tools, but if you don't carefully craft that performance measurement, it's next to useless to you. This minister is a graduate of a prestigious university with business degrees and public administration degrees, so he understands what I'm talking about. When I look at this, I go: huh? Well, interesting measurements but what did they hook to? How do we put this in context and know whether this is a helpful measurement or not?

I'm still frustrated with this government's haphazard approach to performance measurements. Some ministries are better at it than others. Some are really taking the time and working through and reviewing and adjusting, but they also give all the information so that you can see where they were trying to go and why they changed what they were measuring, if they did that. This government, having started into a plan where you had business plans and you did three-year forecasts into the future, somehow developed your first series of performance measurements, and then most ministries just left it and never went back and started to bring those forward. Performance measurements are hard to get right, and the chance that you'll get them right the first time out is, like, nil. Very few of the ministries have actually tried to go back and develop their performance measurements along, to give them information that's a good management tool and is giving valid information to managers to make decisions on. I'm just pushing a bit here, but I feel that it's worth it to push.

My time is almost up, and I appreciate the opportunity to go through those goals, which are all the goals and core businesses that were available for me. I've made my points on the community lottery boards, and I'll expect an answer back. Of course, I'm always appreciative of answers in writing if the minister doesn't have the time or doesn't have all the information at his fingertips.

Thank you.

THE DEPUTY CHAIR: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, and I want to thank the hon. Member for Edmonton-Centre. She raises some very good points. I'm having a 10-year déjà vu because I feel like I'm back at Harvard Business School right now in terms of what she speaks of in terms of goals and objectives, and I'll endeavour to answer the questions. Those that I don't have at my fingertips I certainly will provide in writing to her.

The first point I listed, if I was able to keep up – I'm not quite good at shorthand, but I made about 10 points, different issues that you raised that I'd like to address. I'd like to commence with first and foremost that one regarding education and the issue of debt relative to, as you mentioned, 10 years ago. Hon. member, certainly I discovered that our educational system, that the hon. Minister of Learning governs – of course, we have a cap of 30 percent of tuition that will actually go towards covering the cost. I think the point that we don't want to lose is that 70 percent of our costs are covered by the ministry. Certainly I believe and I know the hon. member agrees and that members of this House agree that the 70 percent of government dollars that go towards furthering learning relative to postsecondary is a good investment.

Certainly I know that during my time my wife and I got a quick

example of the expense that Americans experience. After remortgaging our house and selling our vehicles and also building up debt, I began to realize and appreciate the very good postsecondary education system that we have in Canada. I discovered that two years in the United States will actually get me 15 years in Canada in terms of the actual true costs. That's a real credit to the folks that run the postsecondary institutions in our province and also to the Minister of Learning, I might say. So I would like to just briefly say that it is an important investment of time.

The hon. Member for Edmonton-Centre raises an important point on the issue of community lottery boards. For a point of clarification it is actually not \$90 million. There was \$52 million for community lottery boards. The \$40 million that we have – it's not \$90 million. Ultimately \$52 million of that is in the ministry of lotteries budget.

4:50

What I also would like to say is this. I'm very pleased that my colleague the minister of lotteries is in fact doing a review in looking at ways we can enhance the actual community lottery program to be able to provide the efficiencies, to avoid duplication, and very importantly, though, to continue to serve municipalities. The spirit and the point of her question is: how are we going to continue to serve municipalities? Well, I think this review will reflect that, and I look forward, as she does, with interest to the review that the minister of lotteries is doing in terms of how we serve our municipalities, because, yes, it does benefit municipalities.

If I could, during my 12 years on city council we never had a community lottery program, yet we still were able to endeavour and work and be creative and be innovative in what we did. I want to say that as much as the program began to be a very positive one, we're always willing to look at a way of enhancing it. One of my colleagues once said that, you know, the characteristic of any business is in fact flexibility, and if there's a better way to enhance it, we want to look at it. I'm optimistic that that will be the result of the review that the minister of lotteries is doing, so I look forward to that.

The \$40 million, as you know, is of course utilized within municipal government, but the \$52 million again is solely within the ministry of lotteries in benefiting, as the hon. member mentioned, municipalities.

Regarding the issue in terms of our goals on providing advice, we certainly provide land advice when it comes to regional planning and the land advice that we have. But it is that; it is advice. I do support that. Municipalities at the land use designation will ultimately have the decision to make on zoning. Recently a question was asked here by the hon. Member for Calgary-Montrose regarding the city of Calgary on a land use issue. In actual fact, of course, I sent an advisory to the 360 municipalities giving them advice in terms of land use designation. In fact, we have a situation where perhaps the bylaw established is too broad. So we're certainly willing from Municipal Affairs to provide that advice, and we will continue to do that in partnership with our municipal partners.

The hon. Member for Edmonton-Centre raised an important point on the Hyndman report. Of course, I've had the opportunity to talk to the members across the way relative to this, and I'm just so very proud of the work that the report had done with the 22 municipalities through the Alberta Capital Region Alliance. I want to say that the 22 municipalities that are there are working closely. They're proposing a business plan to come forward. It's my expectation that it's going to be back before summer. Hopefully that will be a warm summer day when they will be providing their business plan. I'm encouraged and I'm quite prepared for this government to assist when it comes to regional partnerships with the alliances that the 22 municipalities are making.

I want to thank the hon. member for bringing up the Hyndman report and the good work of ACRA. Just last week I spoke to ACRA when they met in Parkland county. They've done some very good work, and they're working eagerly, the 22 municipalities, on their business plan, which will address some of the issues on how we better serve our taxpayers within the 22 municipalities.

The hon. member also mentioned urban sprawl, which is an important issue as well. At the end of the day the taxation system we have at the federal, provincial, or municipal order of government needs to be fair and equitable. I think that's the principle that we've got to be guided by. I had the pleasure of course of working with 13 communities during my time as mayor, when we actually had an amalgamation. But I'm proud to say that it wasn't forced by this province; it was actually something that our municipalities came up with by working together in partnership.

My belief is simply this: I don't believe that one size fits all. I believe that what may work in northeastern Alberta may not work in another area. What I'm encouraged by from the Alberta Capital Region Alliance is how proud they are of the 22 municipalities in terms of their identity. So the question is: how do we ensure that their identity remains strong but at the same time they still pool those resources so that in fact we don't have a snowplow stopping at a municipal border and lifting its snowplow blade, going through a city, putting its blade down, and carrying on within its jurisdiction. Actually, that happened in the municipality that I was mayor of. I'm pleased to say that we sat down and we realized that we could keep our own identity but at the same time work together in serving our taxpayers. I'm pleased that the hon. member has brought up the principle of fairness and equity in terms of municipalities working together. It needs to be.

I'm very pleased to say that the hon. Member for Peace River – we have four municipalities that are working relative to some disputes that were going on. Our Municipal Affairs people were able to devote some of our resources in a mediation process, and they have actually signed a deal. Full marks to the local municipal leaders, because they know how best to serve their taxpayers. I'm pleased to say that Municipal Affairs just had a small role to play in terms of offering some facilitation and mediation, which I think is also very important.

I don't subscribe to the point that one size fits all, because at the end of the day I believe I'd prefer to have municipalities go forward in partnership. The Hyndman report was a good start to that. The Alberta Capital Region Alliance is working with that, and I'm encouraged by the fact that they know what's best at the local level, as the hon. Member for Edmonton-Glenarry said when he talked about the grass roots of our democratic system.

Regarding municipalities, the hon. member has brought to my attention our being at 95 percent and that we've slipped by 3 percent. She's right, and I appreciate her indicating that. Maybe she's a little bit nitpicky, but the point is that we want to continue to have the attitude that we can do better. I would also like to be able to say that what we have done under goal 5 is that we have taken the cumulative percentage over four years in order to reach our 100 percent. That's what our objective is, and I appreciate the point that the hon. member raised. It's not intended to be confusing, but if there is some clarification, I wanted to offer that today. I thank the hon. member for bringing that to my attention.

Point 7 was the issue of assessing the percentage of accreditation, goal 4. Ideally what we'd like to do is have as many municipal officials as possible accredited, and we're moving in that direction. All municipalities are not there yet, but we want to continue to get there, and certainly we're trying to provide that support in order for them to get there.

You know, in dealing with the unsatisfactory rating, what we want to be able to do – I'll provide it in writing in terms of how we deal with that. I don't have that at my fingertips. But I do know that we're always willing to ask municipalities: what are you doing; what's working well; what can we do better? I'm very proud of the kind of performance ratings that Municipal Affairs has been getting and that we want to continue.

When you do talk about goals, certainly an important point – and I agree with the hon. member – is that the characteristic is flexibility. It's a changing environment. But in a changing environment, then, the question is that we do not want to lose – in fact, I was just reading a book. Jack Wells, the former chairman of General Electric, who spoke in my class while attending Cambridge, said: if it's not measured, it's not done. I couldn't agree more with the hon. member when she says: what is the performance? If we realigned different ministries and departments with the changing environment externally or based on what input citizens say, we still need to be able to bring that historical data with us so that the measurements at the end of the day are there, so they're meaningful and they're measurable, so we can continue to do that evaluation. I want to say that I'm pleased with the folks in Municipal Affairs for doing that, and they do know that it is something that I believe is very important in terms of that measurement and relative to how we can again even do better, which certainly is something I continue to work on with our ministry people.

Just before I take my seat, I would like to say that under the issue of the goal of municipalities in terms of going from 41.7 to 75.1, certainly we'll get more information to you on that. I don't have it with me. I want to say that we want more municipalities, though, from an emergency planning system; we want them involved. In light of the events that have taken place, we're dealing with things like contingency planning in terms of ensuring that we have plans in place if there's some public safety event that takes place, that we have to have contingent planning, and that we have all of that type of facility ready to go if in fact there were an event. We're investing significant dollars on that in the upcoming year.

I want to say that from a public safety perspective, from a program perspective, the hon. member raises an important point that we're going to be looking at regarding the issue. The word escapes me right now, but from a technical perspective we want to be able to come forward in terms of ensuring that there are plans in place. For instance, if this Legislative Assembly for whatever reason was not able to function, we would be able to go to a subsequent facility and continue. The government will go on. It never sleeps, and this Legislative Assembly goes on, so we need a place for us to congregate if in fact for whatever reason we were under some type of threat. That kind of contingent planning is very important, also at the municipal level relative to our emergency planning. I had the pleasure of meeting with 75 of our emergency planners from across Alberta, and we actually talked about the example of the Y2K bug and how we were able to reimplement that program with the infrastructure from the variety of ministries that go on.

5:00

Regarding stakeholders in terms of appeals under the Municipal Government Board, the hon. member asked some questions, and I would like to share with you what actually took place under the Municipal Government Board and what we anticipate. We're increasing by about \$722,000, and it's important to note that property appeals went from under 2,000 appeals in 1998 to over 8,000 in 1999 and linear complaints doubled from 6,000 to 12,000. So they're a very active group of volunteers, and the actual number of hearings conducted by the MGB has increased from 400 to 700.

Obviously, people are willing to take those kinds of appeals to the Municipal Government Board, and I want to take this opportunity to compliment Gerald Thomas and his entire team of people that in fact serve on the Municipal Government Board. I also thank the members who highly recommend people who are good candidates to sit on the board and who have a variety of municipal experience, which I think is equally important.

Before I take my seat, I'd like to go back to the issue of learning, and on the issue of learning I think the hon. Member for Edmonton-Centre raises good questions regarding the fact that we don't want students and I am quite confident the Minister of Learning does not want students going out with huge amounts of debt. Learning is an investment in our future. One of those students who is attending university may be the doctor that comes up with the cure for cancer or may be the new Einstein who comes up with another example of how we can split the atom – who knows what could happen? – or the doctor that may in fact come up with the cure for diabetes, something that would be a very worthwhile investment. We're very proud of the Edmonton protocol and Dr. Shapiro and his team of people, that in fact is now in 13 countries across the world – and it's really quite amazing – in light of the good work the University of Alberta is doing. Certainly I'm onside in terms of how we want to see lots of continued resources going there, and I thank the hon. Minister of Learning for continuing to ensure that gets there. The fact that I had to mortgage my home and sell my two cars when I went to school south of the border – let me conclude by saying this. Two years in the United States actually would have got me 15 years of university in Canada, so it does speak of the tremendous opportunity that in fact we have in postsecondary training right here in Canada and specifically here in Alberta.

So I thank the hon. member for her questions.

THE DEPUTY CHAIR: The hon. Member for Edmonton-Glenarry.

MR. BONNER: Thank you very much, Mr. Chairman. I'm sure the hon. minister was happy that he was in Boston at the time he was and not this particular year after events that just occurred there last week, and I was very happy to see those events, shades of Ken Dryden as a rookie. We might be seeing this all over again, and it's exciting.

Just a few more questions on the Municipal Government Board. Now, this appointed board I believe is a tribunal and certainly does work well, and it does conduct the independent and impartial quasi-judicial adjudication functions outlined in the Municipal Government Act with respect to property assessment appeals, linear property assessment complaints, equalized assessment appeals, subdivision appeals, annex recommendations, and intermunicipal planning disputes.

Now, then, when we look back over the last few years, it seems that the Municipal Government Board is always just a bit over budget, not that much but just a few hundred thousand. If the minister could please explain why this particular board seems to be consistently over budget. Again, is this from the fact that perhaps their caseloads are unpredictable, or have we had a consistent number of caseloads over the years? Do we have an increasing number of caseloads, which would certainly lead to this shortfall each particular year? If the minister could also please inform us as to the backlog of cases for the Municipal Government Board at this time. As well, if he could also inform us of how many appeals did the Municipal Government Board hear in the year 2000. How many would be considered major appeals, requiring a significant amount of the board's resources, or how many were not in this category? Also, if the minister is evaluating the success of mediation disputes,



and if he could also inform us how this particular mediation process is working.

So those are just a few questions that the minister could please elaborate on at this time in regard to the Municipal Government Board. Thank you, Mr. Chairman.

THE DEPUTY CHAIR: Hon. minister, do you want to respond?

MR. BOUTILIER: Sure. If I could.

THE DEPUTY CHAIR: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you. The hon. Member for Edmonton-Glenarry raises an important point. I would like to say, though, that in terms of complaints, we've had complaints increase from 400 to 700 when it comes to appeals, and that's quite a substantial increase. Of course, I think it's reflective of the busy things that are going on in our province. In the 2002-2003 estimates the increase above essentially the budget requirement dramatically increased to hear and decide on significant increases in the number of property and linear appeals. As I mentioned earlier, the property appeals went from under 2,000 in 1998 to over 8,000, so it's almost like a 400 percent increase. I appreciate the hon. member recognizing that our board has not grown by 400 percent, in fact quite contrary to that, yet they are dealing with an incredible workload. I want to take the opportunity again to recognize their good work. Many are former mayors and councillors and people that are active in the community and want to serve in a public service way. Again I want to thank the chair, Gerald Thomas, and his staff, who do a very good job.

I want to say that it is a quasi-judicial body. We hear appeals on decisions of municipal assessment review boards. We hear complaints about assessments for linear property. We hear appeals on equalized assessments. We hear appeals on certain subdivision planning decisions, intermunicipal disputes, annexations, disputes between housing management bodies and municipalities, disputes involving regional service commissions, and any other matter referred by the minister or cabinet. So ultimately it has a huge responsibility. I want to say that, yes, it is an increase, but it's reflective of the very busy activity that Albertans are bringing to them. I think and I'm sure all members of this Assembly would agree without question that they are fair, that they will listen to all sides of the arguments and then make a decision in the best interest of all parties affected.

So with that, I'll take my seat, and I thank the hon. member for raising the question.

THE DEPUTY CHAIR: The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Mr. Chairman. In the last few minutes remaining I would like to take this opportunity to make sure the minister knows that I value the work he does, and therefore I have some interest in asking some questions about his budget and the business plan. Most of the questions related directly to the dollar figures I think have been asked.

I have a question to the minister, Mr. Chairman, related to goal 1 in the business plan. It's goal 1.1.6, "Work with municipalities on challenges of climate change initiatives, including the reduction of greenhouse gases." Now, what I want to ask the minister about this is if he would tell me exactly what his plans are, what kind of resources he's committing, and if those plans are at such a stage of development that they are ready to be implemented. Maybe they are already being implemented. Where in the budget are the resources

allocated to addressing that particular commitment made in the strategy in goal 1?

5:10

My second question relates to key strategies.

Establish and support the Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century to clarify the government's working relationship with municipalities and support a mechanism to address major municipal-provincial issues.

Is this council already in place? The revision of some regulations that the minister has been circulating having to do with the ability of municipalities – it's the control of corporations regulations. Are the proposed changes, which we in the House spoke about and that we think threaten the ability of municipalities to manage their own affairs – I think the hon. Member for Medicine Hat had some concerns specific to Medicine Hat, but those concerns are broader, I think, and certainly relate to the situation in Calgary and Edmonton. Is that revision of the regulations going to go before that council? Is the council in a position to have public input on the discussion on any proposed changes to the regulations?

So those are my two questions. We have three minutes for the minister to answer, I guess. Thank you.

THE DEPUTY CHAIR: The hon. minister.

MR. BOUTILIER: Thank you. I thank the hon. Member for Edmonton-Strathcona for bringing attention to that. I would like to say on goal 1.1.6, climate change – and I want to apologize to the hon. Member for Edmonton-Centre because she also asked a similar question relative to this important initiative. I could give just one example of where we're working very closely with municipalities. As you know, Alberta is the only province that's developed Climate Change Central, which is, I believe, very important. It falls under the Minister of Environment's purview, and I know he has funding for that as well. I want to say that I had the pleasure of chairing the cabinet committee on climate change. I want to say that the best example is that in the town of Hinton, where the former mayor, Ross Risvold, was involved, who sat on Climate Change Central, they built a new town hall, and they were able to get funding through the regional partnership program to be able to make it the most energy efficient.

What's really interesting is that energy efficiency is the way of the future. When we have municipalities that are constructing, through the co-operation of the Minister of Infrastructure as well as the Minister of Environment, the funding there – if we have more efficiency in the long term, as we look out in the next 20 years, we're actually saving dollars because we're energy efficient. We're reducing greenhouse gases. So it's an important initiative that mostly falls under Infrastructure, and I know that our public service within the government of Alberta has reduced greenhouse gases substantially. Every ministry has a role to play. I might add, for the hon. member raising the point, that every Canadian has a role to play in dealing with the issue of climate change and global warming. It's everyone's responsibility, and I appreciate the hon. member bringing it to our attention. That's just one example of regional partnerships we've used.

I would also like to be able to say that under the roles, responsibilities, and resources council that was formed, this includes membership from the Alberta Association of Municipal Districts and Counties as well as the Alberta Urban Municipalities Association as well as the two big-city mayors, which are the mayors of Edmonton and Calgary, as well as . . .

THE DEPUTY CHAIR: I hesitate to interrupt the hon. Minister of Municipal Affairs, but pursuant to the understanding agreed to unanimously by the Assembly earlier this afternoon, I must now put the following question. After considering the business plan and proposed estimates for the Department of Municipal Affairs, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:  
Operating Expense and Capital Investment                      \$133,081,000

THE DEPUTY CHAIR: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIR: Opposed? Carried.  
The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I move that the committee rise and report the estimates of the Department of Municipal Affairs.

[Motion carried]

[Mr. Shariff in the chair]

MR. MASKELL: 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 department.

Department of Municipal Affairs: operating expense and capital investment, \$133,081,000.

THE ACTING SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? So ordered.  
The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I seek the unanimous consent of the Assembly to revert to Introduction of Bills to allow for the introduction of Bill 27, the Appropriation Act, 2002.

[Unanimous consent granted]

head: **Introduction of Bills**  
(*reversion*)

THE ACTING SPEAKER: The hon. Minister of Finance.

**Bill 27**  
**Appropriation Act, 2002**

MRS. NELSON: Thank you, Mr. Speaker. I request leave to introduce Bill 27, the Appropriation Act, 2002. This being a money bill, Her Honour the Honourable the Lieutenant Government, having been informed of the contents of this bill, recommends the same to the Assembly.

[Motion carried; Bill 27 read a first time]

THE ACTING SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I would move that we adjourn until 8 this evening.

[Motion carried; the Assembly adjourned at 5:19 p.m.]