

Legislative Assembly of Alberta

Title: Wednesday, March 12, 2003 **8:00 p.m.**
 Date: 2003/03/12
 [Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

Hon. members, before we proceed, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

The Acting Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly a group of the 82nd Pathfinders. Their group leaders are Deena and Megan, with parent helpers Conny Pedde and Marion Reinhart. This group is working on their citizenship badge, and they're in the public gallery. With your permission I'd ask them to stand and receive the traditional warm welcome of the Assembly.

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we'll call the committee to order.

Interim Supply Estimates 2003-04 Offices of the Legislative Assembly, Government, and Lottery Fund

Mr. Dunford: Mr. Chairman, with your indulgence, while I have the floor, can I act on behalf of another minister besides myself?

The Deputy Chair: There is no structure established for this procedure, so yes, you may.

Mr. Dunford: All right. I will make the request, then, on interim supply for both the departments of Human Resources and Employment and also Alberta Infrastructure.

As far as Human Resources and Employment is concerned, we need an interim supply amount to cover our expenses until the end of June. What we're asking for is approximately 25 percent, so we're asking for \$274 million. This is used to pay income support benefits such as SFI, AISH, and widows' pension; skills investments such as the skills development program; and staff salaries.

In the area of Alberta Infrastructure an interim supply of \$394.2 million for operating and equipment/inventory purchases to cover the following requirements: expenditures for infrastructure operations and ongoing commitments for the first four months of the fiscal year, which is approximately 33 percent; grant funding to health regions, school boards, and postsecondary facilities for projects under way; and start-up of new projects. Some examples are \$110 million for school operations, \$70 million for health care facilities, \$35 million for school facilities, \$30 million for postsecondary facilities. Also, a capital investment of \$13,997,000. This funding is required for land purchases, centennial projects, capital and accommodation projects, and the development cost of information technology systems.

Thank you very much.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much. Since we've leapt right into Human Resources and Employment with the minister also offering up information on Infrastructure, if I may, I'll ask questions specific to these departments.

I caught that the minister was referring to centennial projects, and I'm wondering if we can get some details on what those centennial projects are. We know certainly that in the arts and culture sector there were some centennial legacy projects that were approved, but I'm interested to hear that there are some falling under Infrastructure, and I'd like to hear what those would be.

Additionally, I'm questioning why the minister is requesting 25 percent of the budget for his department when in fact the time period that's being covered here is not 25 percent of the fiscal year. Why is he requesting additional money up front? Is there some additional payout or some additional program that is happening early in the year that he requires that money for?

So I'll just ask that couple of questions, and maybe I could get the minister to respond. I'll do more of an overview later. Thank you.

Mr. Dunford: I will have to take the question regarding the centennial projects for Alberta Infrastructure under advisement and get the minister to respond.

As far as what we're asking for: nothing unusual. We're talking about an estimate that would get us through to the end of June, so we're looking at the months of April, May, and June. If my math is correct, that's a quarter of the year, so that's the simple and the only reason that we're asking for 25 percent.

Ms Blakeman: In the preface of the document that's entitled 2003-04 Interim Supply Estimates, in the first paragraph it says that this is asking for money to support operations from the 1st of April, 2003, to June 15, 2003, so I recognize that I'm quibbling about a mere two weeks here. Nonetheless, you have asked for more money than is going to cover that.

Mr. Dunford: She's suitably embarrassed me over two weeks.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. First of all, I'd like to make a few opening comments. We're here tonight to give this government approval to spend \$5 billion, and what do we get for it? We get one, two, three, four sheets. Well, they call it seven because they count the back page, that has nothing on it. Four sheets of information, one of which is a preface which really says nothing. Then we get a series of very flippant comments from the front bench ministers, who are getting all of this money, who can't even get their dates straight on when it is that we're giving them a quarter of their budget for the year or for almost a quarter of the year. It's absolutely appalling.

I have to say that in the 10 years that I've been in this Legislature now, they have an absolutely consistent record. Every year at this time they come back for more interim supply dollars. What does that mean? That means that they can't get their act together well enough in advance to be able to bring in a budget on time so that when the fiscal year starts, April 1, they actually have the money to operate. It's like these Pathfinders going to their parents and saying: I can't budget my allowance, so just give me four months in advance and trust me that I'm going to spend it wisely. Mr. Chairman, it doesn't work at home, and it shouldn't work here in this province. It's an appalling record.

This is, I think, the most money they've ever come for. What it tells me at first glance is that this year's annual budget is going to be at least \$20 billion, and they can't hire enough staff or work it out within their departments to be able to bring in a budget on time. Twenty billion dollars is a lot of money, and then we don't get any detail. In the time that it will take us to debate the other three-quarter part of the budget, we at least get two hours per department per day. We at least get some detail, and we at least get business plans, and we at least get some information from the ministers, not like tonight, when they just laugh their way through department after department. [interjection] Well, that's true. We do have a couple of ministers here who will give us some more detail, and I have to tell you that I'm looking forward to seeing that kind of detail, Mr. Chairman. I'm seeing maybe two – oh, well, there are three that we're looking for some detail from. Four, because we need money for trees and fish; that's for sure.

Dr. Massey: The dead fish minister.

8:10

Ms Carlson: The dead fish minister. The zero fish minister is closer to the truth.

But in terms of what we just heard from the prior minister, he talked for about two minutes on two departments. I have at least a few questions. I want to see some detail from the ministry that he is responsible for. Is this more money or less money than what you had in your department last year? Is this everything that you asked for? If not, why didn't you get the rest of the money that you asked for? I want to know about any new programs that you plan to start in that first quarter with the dollars that you're asking for.

For Infrastructure the same thing. More or less than last year? What are the priority issues going to be for the first quarter of the year? I think that's a fair question to ask for all the people in this province who are looking forward to seeing schools and hospitals and new repairs and old buildings being repaired. Those kinds of questions should be answered tonight, so I would ask that minister to stand up and respond, please.

Chair's Ruling Speaking Order

The Deputy Chair: Hon. members, this chair is a servant of the Assembly. In the absence of any established protocol of how this debate will follow, the chair is going to recognize a member of the government, a member of the opposition, and you can speak on any subject because there's no established order or protocol that we have with regard to how to proceed with the supply. So I'll be recognizing back and forth, and you will have the opportunity to rise again.

The hon. Minister of Aboriginal Affairs and Northern Development.

Debate Continued

Ms Calahasen: That sounds great. Thank you very much, Mr. Chairman. First of all, the Ministry of Aboriginal Affairs and Northern Development is requesting \$10,175,000, which represents 30 percent of the ministry's operating budget for 2003-2004. What we're looking for this money for is to pay for manpower, supplies, and services for the period April 1 to June 30, 2003. These operating costs will be consumed by the ministry in delivery of its five strategic priorities: the aboriginal policy initiative, otherwise known as the API; improved consultation with First Nations, as has been identified by a number of people; developing strategic relationships with aboriginal communities and organizations in Alberta; enhanced legal and historic research capability; and of course the development

of the north. Mr. Chairman, that will be the request from Aboriginal Affairs and Northern Development.

I would also like to represent the Minister of International and Intergovernmental Relations. He would like me to bring out that he is requesting \$1,940,000, which represents 30 percent of the ministry's operating budget for 2003-2004. It is required to pay for manpower, supplies, and services for the period April 1 to June 30, 2003, as well. These operating costs will be consumed by the ministry in delivery of its strategic priorities of co-ordinating and conducting intergovernmental negotiations, conducting successful international negotiations, and promoting and strengthening Alberta's international relations.

I look forward to the questions that may be coming our way.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I appreciate the opportunity to make some comments. It astounds me that we go through this process as we do. We're spending about a billion dollars an hour in the Legislature in the next two days, and when I think of how little scrutiny that spending will actually receive, I find it disturbing. I think of having come from local government and the kind of hours that are spent as school trustees and as local councillors poring over budget items and trying to make the best decisions and making sure that every dollar is well spent and how seriously that is taken at the local level. I can't believe that that's how we deal with billions of tax dollars in such a very short time with so little explanation.

The minister of human resources is here, and there are some really very, very critical questions about his department. Does this money, for instance, include increases for people who are on the SFI and the AISH programs? Those people are living on the edge, particularly with the increase in electrical and natural gas prices. The budget to those people is really a very, very significant document, and to have this before us and to have it projected to cover to June 15 without any more detail, I think, really lets groups like that down very, very badly. I think the government has an obligation to those groups to let them know what's happening. This is, as I say, really a disturbing practice, and it's one that every year seems to get a little worse. It puts the opposition and it puts anyone who would like to really closely scrutinize the budget in a really untenable position.

It'll be the beginning of April now before we get the business plans and the budget and are able to take and relate the dollars that are being spent or intended to be spent to the goals and to the past performance of various departments, and, Mr. Chairman, that seems to make a comedy of the whole business of preparing business plans and pretending that we're conducting government business in a responsible fashion. So I think my distress is distress that's shared by a number of members in the community, that we're forced to try to vote or not vote on such huge sums of money with so little detail.

I'd like to know, for instance, Mr. Chairman, about the Learning department and the kinds of increases that schools might expect, particularly for next September. We were at a meeting just last week where representatives of 38 schools in this city came because their schools are in the process of cutting teachers and increasing class sizes, and for those people the answers that they are looking for in the budget are really very critical. It affects the very lives of their children. Again, we'll have the money allocated to June when this passes tomorrow, and there'll be no answers for those people. I just find it very difficult to go to those people and explain what we're doing in the Legislature and even more difficult to explain how I as a member of the opposition had no greater input into the plans that the government has than being able to look at and criticize the kinds of things we have before us tonight.

I know that the government has to have money to operate, but it happens year after year after year. I remember as a school board member being frustrated when the same thing happened to us at the school board level with the administration wanting money before we had passed our budgets until we finally as a board just said: no; we're not going to spend a penny until we have the budget passed for the next year. That shook things up, and it was hard, I know, on administrators and people working with the system, but the change was made. Now I think it's a pretty well universal practice across the province that the boards have their budgets in place before a dollar is spent for the next year, and I need to be enlightened as to why that kind of planning is impossible at the provincial level.

Thanks, Mr. Chairman.

The Deputy Chair: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Chairman. We've now had two speakers from the opposition who seem to not understand the concept of interim supply, so I think it's perhaps prudent to spend a little bit of time talking about what it is that Committee of Supply is doing tonight. This is not a budget, as the hon. Member for Edmonton-Mill Woods quite rightly recognized although he was confused in some of his comments about it. The budget comes, as the Minister of Finance has indicated, on April 8 this year.

There are some good reasons why it's later than might otherwise happen this year. Sometimes the budget comes down two weeks after the House opens, and sometimes it doesn't. There's always good reason for the timing of a budget. Budgets take a lot of time to put together. There's an incredible amount of volatility right now in terms of markets and issues. As the opposition knows, as every member of this House knows, there are changes being made to the way we do budgets this year, and therefore the bill that the House dealt with earlier dealing with how we handle capital and budget capital had to be passed first. The opposition well knows that.

8:20

They also are, I think, acutely aware of the fact that their federal cousins came down with a budget at the end of February, and that budget very seriously has the possibility, at least, of impacting our budget because it speaks to how much money the federal government is putting into health care, and health in general is a huge part of the provincial budget. Even as we speak, I'm not sure that anybody could sort out exactly what the federal government has said with respect to what's new money, what's old money, what's indifferent money, and where it has to be spent in accordance with the protocols.

There are some very good reasons why you don't rush a budget to print without knowing at least as well as you can what your projections might be in terms of revenue, what some of your major expenditure items, particularly in health, might be, and how you might even perhaps look at your tax revenues and project those. So it's rather foolish to suggest that budgets have to come in at a particular time because April 1 is the start of the fiscal year and you have to have the budget passed so that you can start paying people.

We have a time-honoured tradition in not just the Alberta parliament but in all parliaments: the concept of interim supply. Of course, the people who work for government, the people who work for the people of Alberta have to be paid. The government continues, so you have the concept of interim supply. To suggest that we're spending a billion dollars a minute or whatever it was, a billion dollars an hour, and that we're not scrutinizing it appropriately in terms of Committee of Supply is a ridiculous assumption.

The budget is going to come down, and this Legislature will deal with the budget over 20 days as we always do, which is one of the more complete analyses of the budget, as far as I know, in any Legislature.

To expect, as is suggested by members of the opposition, that the budget should be prejudged in the interim supply estimates – with respect to what might be increased, what new programs might be in place, what people might expect in terms of what is in the budget – is ridiculous. Interim supply is just that: it's voting money so that government can continue to operate. The people who work for the people of Alberta can be paid for their work while we get on with the business of legislating, including passing a budget, which the Minister of Finance will bring down on April 8 and for which we will have plenty of time in this House. In fact, we always devote most of the spring session to the discussion of the budget.

So let's not pretend that Committee of Supply on interim supply estimates is anything more than what it actually is, which is voting a certain sum of money, in this case approximately a quarter of the year's budget, so that the business of government on behalf of the people of Alberta can continue to operate until the budget in its full and complete discussion through Committee of Supply can be dealt with appropriately and all of the issues and concerns that the people wish to raise can be dealt with in depth. That's not to say, Mr. Chairman, that Committee of Supply ought not to be an opportunity for people to ask important questions, so I'll sit down and see if some of those actually do come up.

Ms Blakeman: George Orwell must really be enjoying this. If I just heard the minister correctly, it's not reasonable for the people whose money we're spending, the taxpayers of Alberta, to know why they are being asked to okay a bunch of money in advance. Ten weeks worth of money, according to the first paragraph in the preamble of this document, for which people are blithely commenting that they're going to be asking for 30 percent, which would amount to four months, according to my calculations, which sure doesn't work out to 10 weeks. You say that this is for 10 weeks' worth of expenditure, but it's unreasonable to expect that we would have any kinds of targets, performance measurements, any kind of information about how this money is going to be used to tell the taxpayers: this is how we're spending your money.

This is unbelievable. I'm so glad those Pathfinders were in here, because they're going to be voting in the next election. [interjection] Yeah, they will be. They're over 16. Next election they're going to be voting.

I'm glad they were here to see how cavalierly this government treats their money and the money of their families. "Well, just give us an okay for it. We're going to spend a whole four hours talking about 24 ministries and some five billion dollars, but, you know, just give us an okay for this." I mean, honestly, all of you that are parents in here, would you hand over four months' worth of allowance to your child who needs it for 10 weeks without an explanation, without any kinds of targets, without any kind of discussion about how it's going to be spent or what they're expected to produce for it? This is astonishing.

Just this morning I was fortunate enough to have the Minister of Finance before the Public Accounts Committee, and we had a very similar discussion there in which the Auditor General admitted that yes, indeed, in the private sector this budget would have been ready and delivered two months prior to year-end. This coming from a government that is so keen on the free market, that is so keen on doing things like the private sector, but no, no, not when it comes to budgeting and money. With that, they're going to be late. With that, they're going to ask for 30 percent of the year's budget for 10 weeks'

worth of expenditure. So these two things don't compute. There's an inconsistency here with how seriously this government takes this budgeting process, this interim supply process, and what the rest of the world looks like. There you have your own Auditor General in the *Hansard* for Public Accounts this morning saying: well, yes, indeed, this is a problem, and in fact the budget should be delivered two months prior to year-end so you're not having to do an interim supply.

This government calls the Legislature in. Why doesn't this government call the Legislature in with enough time to debate the budget and have it in place before the fiscal year starts? Now, I've heard the excuse: gnash, gnash; wail, wail; the federal government is picking on us again. Oh, for heaven's sake. Suck it up. You can surely get your budget done and work out what you're missing. You do enough sup supplies in this place. You can easily go back and repair your numbers after the fact if there's that big a difference from what the feds are going to give you.

But let's look at the planning process for the entities that fall underneath this government. We now have RHAs who don't get their business plans approved until in some cases well into the second quarter. What kind of planning process is that? What kinds of restraints are we able to place on them? What kinds of targets are we able to have? How are we to be able to measure any kind of performance when in some cases we're not approving budgets for our regional health authorities until halfway through the year? What on earth – how out of control is this government? You know, \$5 billion for 10 weeks. This is astonishing.

Four pages. We have four pages of information here. Well, it's churlish of us to ask for more information than that because, gosh, it's an interim supply. This is ridiculous. The Minister of Finance is going to come forward with a new style of balance sheet budgeting or presenting of accounts, and I'd like to know from the minister – and maybe I'll get to hear this on the second day of two days with the supplementary supply – whether that new style and all of the rules and regulations that are going with it that we discussed in Public Accounts this morning and all of these new business plans and the budget are in fact going to be in place on the 1st of April. Are they going to be adhered to? Will everybody know what the rules are, or do they not kick in until after the real budget is done, which is somewhere in June or May according to where this government is going?

So every time you ask the Minister of Finance: well, what about this, and what about that, and how come there's a problem there? "Not to worry; we're going to have a whole new way of doing things." Really? Well, where is it? We will be six weeks into the fiscal year that she's talking about before we ever get to see all of this. There are no performance measurements, no goals, no targets in here. It's not prorated even to 10 weeks. I mean, I think any grade 10 math class you took this to would go: just a second here; what are they doing?

8:30

I mean, let's look at some of the things that the Auditor General has repeatedly said, in some cases over 13 times, that this government has been unable or unwilling to put in place. So far they have their own accounting system. Now, this supposedly is going to be changed. Well, we don't know. Is it the 1st of April? Is it the 15th of May? We don't know, and we're not getting any information about it tonight: just please give us \$5 billion for 10 weeks.

So several times the Auditor General has made recommendations that "the Department of Finance change the corporate government accounting policies to improve accountability." Well, why is that? Well, there are a number of things that this government is repeatedly

doing that don't jive with their much beloved private sector or frankly even with any other public sector.

What's the problem? Well, somebody said to me: "Laurie, when they go off and they make their very own kind of accounting, it kind of makes it look like they're trying to hide something, that if they did it like everybody else, somehow they would be exposed. Why do they keep choosing to run off and do their very own special one-of-a-kind accounting?" I said: well, I don't know, because the Auditor General keeps asking them to fall into line with this on the generally accepted accounting principles, also known as GAAP, and they keep saying, "We'll accept this recommendation," and it doesn't happen. Next year the Auditor General comes back again, says the same thing. The government says, "Yes, we accept this in principle," and it doesn't happen. Next year exactly the same thing. In some cases some of these recommendations 13 times, seven times, six times. You really wonder how committed the government is to following the recommendations of the Auditor General.

So what is it that's of concern here when they're not following GAAP? Well, we have things like reporting entities. Over and over and over again they say: you must give us consolidated financial statements; you have to include all of the money that the government is spending that's out there and how it affects everything that the money's going to.

"Certain entities have been inappropriately excluded from the reporting entity." This is from page 95 of the 2001-2002 Auditor General's report. "Financial statements should include all assets, liabilities, revenues and expenses in entities that ministries control."

They've listed reservations of opinion for the ministries of Health and Wellness, Learning, Municipal Affairs, and Seniors.

The CICA Public Sector Accounting Board . . . has initiated a project to assist in defining the reporting entity and another project to identify appropriate accounting policies to consolidate the entities.

Notwithstanding this, it still hasn't happened.

Assets. Over and over and over again you hear from the Auditor General that capital assets costing less than \$15,000 with useful lives of more than a year should not be recorded and expensed out in one year. The government keeps doing it. Why? Well I'm told by the Minister of Finance that we're going to have a brand-new way of doing this come the 1st of April. Well, the 1st of April is two weeks from now. What is the plan?

You're asking me to approve \$5 billion with no plan in place, but every time I question you about what your budgeting practices are you go: there's a new plan coming. What? You don't make sense anymore, and you're so arrogant about it, as though us asking to know what this money is being spent on is somehow out of line, that it's inappropriate for us to ask what this money is being used for and how. What are the programs? What are the measurements? How do we know if it was spent appropriately? Oh, tsk tsk, you shouldn't be asking us that; it's not a budget. What? It's \$5 billion. Of course, it's appropriate for us to ask you that.

All right; let's keep looking at the things we're asking about. That was the expensing out. Other assets are "misstated in financial statements." There are reservations of opinion for the ministries of Energy, Health and Wellness, and Sustainable Resource Development, problems in all of those not being addressed or at least not that I know of. "Liabilities misstated in financial statements." "Ministries revenue and expenses . . . reservation of opinion in the Ministry of Innovation and Science." I'm sorry; I missed the reservation of opinion in the Ministry of Justice and the Solicitor General and the Environment, Infrastructure, and Transportation.

Number five out of a list of six: discontinued operations, the Ministry of Agriculture, Food and Rural Development. Number six:

related party transactions, the ministries of Community Development, Health and Wellness, and Learning. That's pretty much gone around the world here, but somehow I'm not supposed to question this and question what the plan is for spending money because this is an interim supply.

Well, then, I go back to my original questions: why are we having an interim supply? This government has the total control to make sure that a budget is brought in and that we're in this House to debate it and pass it before the fiscal year starts, but the way the Minister of Justice is starting: "Well, no. Heck, nobody does that anymore. Gosh, no. I mean, that beginning of the year date really doesn't mean anything." We'll just kind of what? Roll through it, slide through it. But everything else is focused on that 1st of April date to the 31st of March. That's our fiscal year.

Well, a budget is a plan for spending money in a specific time period, and that time period is April 1 to March 31, so why aren't we getting a budget, Minister of Justice? Why aren't we getting that budget if we're supposed to be talking about that period of time? Why would you think it was acceptable to say: "No, no. We're just going to do an interim supply, and we don't really want to give you very many details, and don't ask for things like targets and performance measurements and business plans."

Business plans. You know, this government is actually ahead of the times on the business plans. You actually are. Good on you. But it's very frustrating when you've started an excellent process and then you've just left it there. You didn't cement the stuff in place, and you now face the possibility of slipping backwards in it. This sort of thing, an interim supply for \$5 billion that's going to run you 10 weeks into a fiscal year for which you're asking for 30 percent of the funding, is exactly the kind of thing that's going to lose your status there as a leader in this.

I know that the Minister of Agriculture, Food and Rural Development has been taking notes, and she's going to get up and answer this. I'm looking forward to it because it certainly is frustrating. [interjection] She's not going to answer it; she's going to do her estimate. Okay. Well, I'll look forward to additional opportunities to talk specifically about different ministries then.

The Deputy Chair: The hon. Minister of Agriculture, Food and Rural Development and Deputy Premier.

Mrs. McClellan: Thank you, Mr. Chairman. I am going to try and get specific and give some detail. We have been here 40 minutes, and I've heard one question, really. I think this is a serious process, and I understand that we have to have some discussion about the process. I've been in the Legislature for 15 and a half years, and many, many of those years have had a supply budget.

It's okay to hold your government accountable, but I've talked to a number of my colleagues in recent days and weeks because we're dealing with an agricultural policy framework. Agriculture is a 50-50 shared jurisdiction constitutionally, and a great deal of the discussions we're having will have a very profound effect on our budget.

The federal budget came in on February 18. Can anybody in this room remember when the last federal budget was? There is no set time frame, it seems. In fact, they go sometimes 18 months. But my colleagues tell me that some of them have not opened their Legislature yet, and their budget debate is two days. We could go back to that, but I don't think that was the best system. We could go back to A, B, C, D committees, which wasn't the most popular, where some of it was out of the Legislature room and some of it was in, and that would shorten the time frame. There are a lot of things we could do.

One of the reasons that we have three-year business plans – and

they are three-year forward not three-year backward. So you can look at the three-year business plan for my department, and you can see quite clearly what we anticipate for this year. Yes, there will be some fine-tuning, and, yes, there will be some adjustments in that to accommodate new programs such as the ones that we are dealing with in the ag policy framework. Yes, we have announced already changes to our crop insurance program, and those details will be updated in our new business plan.

We do three-year business plans for that reason. They are forward-looking, and they set out a three-year plan for the government. Circumstances will in some cases cause adjustments in that, but it is an overall government plan. So to look at 25 percent of the budget isn't, I think, realistic, and you will have that not in six weeks but eight days at least. By my calculations March 31 to April 8 is eight days, and then the budget will be presented with the business plans of this government. It won't be voted in that time, but it will be in front of you in that time.

8:40

This is probably the most transparent process of any government that I know of. I suggest to hon. members that you look at what others do and that we always look to improve what we do in this province, which is what this government has attempted to do and I think succeeded fairly well. I have not had one constituent call me concerned that we're doing interim supply. I have to tell you that in 15 years I have not had one constituent call me and say: why are you doing interim supply? I can tell you that the public that votes for 74 members of this government is much more interested in the overall government plan and then the detail of the budget.

So having said that, let's go into detail. First, I'll deal with Agriculture, Food and Rural Development, where we are requesting \$139,655,000. This funding is required to support our department operations until our budget and the estimates are passed, and of course that budget with our business plan will be tabled on April 8. Interim supply that we're asking for will cover these items. Manpower. We do feel that our very valued civil service should be paid on April 30. We do think that. We do think that all of the nurses, the teachers, the doctors, all of the people who work to provide services for the people of this province should get a paycheque. So I am asking you to supply part of that money to ensure that they do. There are related costs with that: supplies and services. There will be some capital acquisitions, very, very minimal, but there are also grant payments, and that's the part I'll get specific on in my department just to ensure that you are aware of this.

One of the reasons that we need interim supply is because we do pay many of our grants at the beginning of the year. This is an advantage to those groups, obviously. I'll list some of them for you. Irrigation districts. That plan has been in place for a number of years, and it varies little, very little. So if you look at what we've provided to irrigation districts for rehab and so on in the past years, you will be within a very fair range of that area.

Agricultural societies. All of those people who provide such valuable services to our rural communities and including the cities, such as Northlands – we all know what great work Northlands provides and the services they provide for both urban and rural – Calgary Stampede board, others like that. We do provide their grants early in the year.

Agriculture Financial Services Corporation. We have, of course, our crop insurance programs. All of our risk management programs with Ag Financial Services are lending both to producers at a primary level, our commercial division, and of course as you know Alberta Opportunity Company is included with Ag Financial Services. Those are some that we very specifically provide grants to

at the beginning of the year. I don't think you would want to change that practice. So those are the reasons that we would require \$139,655,000 for interim supply to get us through this period of time.

Now, I also have the honour of providing to you some information on Community Development, and with your permission I'll do that right now, and again I will give you some detail. This is for some short-term needs of the ministry, but mainly it's important to maintain our commitment to grant programs that support a diversity of recreation, sports, social, cultural, and heritage programs and activities through our lottery-funded programs. I know that members of the opposition support those programs, and I'm sure that they would want those grants to be paid so that that work can go on.

Certainly, our government recognizes the value of it, and as I said, I know that members opposite do as well, and it's important to support the army of volunteers that carry out those programs. That's what greatly assists the quality of life that we enjoy in this province. So I think they deserve this ongoing commitment, and I certainly support giving them their grants early in the year so that they can do that planning. Most of those organizations are operated by volunteers, and to make sure that their job is made less cumbersome for them would be helpful.

Another very important part of the interim supply for Community Development is the program for persons with developmental disabilities. I don't think that anyone would object to that being dealt with very early in the year.

Another one that's very near and dear to many of our hearts is our library operating grants. I think it's important that we do supply our libraries with their operating grants very early in the year so that they can continue their good work and know that our support for it is there.

Of course, finally, for all of the fine staff that do work in that ministry, we do want to see them have a paycheque at the end of April, as well, without any hesitation.

Those are the comments I would make. I will try to be more specific in both of those areas if I can and answer any questions, and I'm sure the Minister of Community Development will deal tomorrow with questions that I can't answer tonight. Anything that is required in detail on some of the grants in Agriculture, such as irrigation rehab, ag service boards, ag societies, and so on, I would be happy to commit again to providing how we provide those grants. If you want to know the process for division of those dollars, I'd be happy to provide that detail to you as well.

So thank you very much.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. We'd like to thank the minister of agriculture for the level of detail she's provided here tonight. In fact, that is what we were expecting coming into the Assembly. We will save most of the detail of the questions for tomorrow afternoon, when it looks like there will be more time to get into them. In fact, she makes our point when we say that this budgetary process could be started a lot sooner and they could come in with the budgets because a lot of these expenses are standard operating expenses. They know ahead of time what the grants are going to be. They know ahead of time what the staff wages are going to be. It sounds like a threat when they come in here and say: well, we have to pay and we want to pay our staff; don't we? To think that by some chance we here on this end of the House could hold up an interim supply request and people wouldn't get paid at the end of the month is ridiculous, and definitely with proper planning we could see budgets hit this floor of the Assembly way sooner. If they weren't completely passed, they could be close to

being passed, and you could be making requests which, this minister knows, in the past have been for a lot shorter time period than the time period that we're talking about right now.

So don't tell us that because of us someone's not going to get their paycheque at the end of the month. That isn't what's going to happen. With proper planning, which other jurisdictions do – I don't think the feds do it either, so don't hold them up as an example. I agree with what you said there, but there are other jurisdictions in this country who do a very good job. [interjection] Well, let's take a look at the territories for one. They don't have the same kinds of problems that this government has here, and we see not this minister who just spoke but other ministers who've come in this evening who are absolutely, flagrantly arrogant about the level of detail that they'll provide.

8:50

When we see supplementary estimates come into this Assembly, we see some level of detail come in to back up the request. At least there's a breakdown in the program spending and in general areas and vote numbers, which is helpful. That information is already available to this government. They don't have to disclose secrets, and they don't have to disclose the big-ticket items or changes that they're going to make in whatever they roll out in the budget. For the most part the spending is consistent from year to year, and we could see that and have some detail if they think that we're going to be able to approve an interim supply for a quarter of the year's moneys prior to the end of this fiscal year. So I think that those are reasonable questions to ask.

This minister is one of the only ministers whose business plans actually make sense from year to year. With most of the other ministries you can't compare one year to the next. They say that they're three-year plans, but every year is the first year, and they reorganize the way the department is done. So it's absolutely impossible to find comparative figures. Those aren't business plans that are usable and workable like business plans are supposed to be. Those are figments of somebody's imagination, except in this department. This is one of the departments where you can actually have comparative figures, and I'd like to congratulate the minister on having done that work. It's gotten better over the years, not worse, and I have to say that in every single other department what we've seen before us has gotten worse, not better. So there's an example to follow for sure.

We also agree on this side that all grants should be given at the beginning of the fiscal year, but not just the grants. Other organizations that are dependent upon government funding need to know in advance so that they can plan their year. The biggest complaint we hear from the municipalities is that when they finally do find out how much they're getting, they only find out for the year. They need to do their planning cycles on three- or four- or five-year cycles. They don't get the information in time to be able to make good, consistent decisions and decisions that in the long run can save them money and talk about sustaining infrastructure over the long term. This government knows that those are concerns because I've been at meetings where those concerns have been given to the ministers responsible, yet we see a complete disregard for that happening.

So don't come in here and tell us that we're asking for too much information. In fact, we are asking for too little information, and I'm sure that all of these members that are here in this Assembly for the first time are appalled at the way this budgetary process operates. You couldn't do this in business. You couldn't do this at the municipal level. You couldn't do this in any other organization except a government that has had too much power for too long a time. They know that nobody's going to question what they do and

they're not going to go back to their home constituency and people are going to say: how come I don't know how much money I'm getting until one-quarter of the way into the year or more?

The day will come when people start to scrutinize what this government is doing, and they will actually realize what the Auditor General and other people have been saying about the planning cycle and what turns out to be the mismanagement of planning, and that has nothing to do with whether or not money is well spent. It's the ability to build a plan and to live by it, and that isn't very much to ask of a government that's asking for \$20 billion a year plus whatever other incidental spending they have.

Yes, it's true that the province doesn't know to the dollar how much money they're going to get from the feds, but they have a framework. They know in most areas the kind of spending that they're going to have available to them, and they can easily build a budget around that, Mr. Chairman. It is complete hogwash for the Government House Leader to have made the statements he did, that they can't do it. Everybody else in the world can do it. There's no reason why these people can't either.

When he was speaking, I was reminded of a breakfast meeting I went to recently where an accountant was talking about the implications the Enron fiascos have on the corporate world and how there was going to be spillover from that in the political world too in terms of how governments account for their money and don't account for their money and bring in budgetary processes, and I would suggest that this government, who likes to pretend to lead in all things, start to lead in this, and that's in responsible accounting.

I know that accounting practices for governments have been different. This government has told Albertans that they are going to try and follow business practices. Well, it's time they started to live up to that, and one of the ways that they can do that in a primary role is to start to account for their budgets in a timely fashion and bring them into this Assembly way before this time period. The minister of agriculture talked about how in her 15 years we've sometimes seen interim supplies come in at such a late date. I don't actually ever remember seeing a June date before, and I don't remember seeing this much money, but there have been many times when they've been able to do a way better job than this. This is one of the worst years on record, if not the worst year, and we will definitely be checking into that.

So I am hoping that the other ministries that stand up and have an opportunity to report tonight give the level of detail that this minister has so that we can have an opportunity to take a look at those numbers between this evening and tomorrow afternoon's sitting and at least be able to ask some reasonable questions. I really want the record to record that when I asked six questions of the minister of human resources, he refused to stand up and answer those questions in this Assembly. I hope he will reconsider that arrogance and answer those questions by tomorrow afternoon.

The Deputy Chair: The hon. Minister of Health and Wellness.

Mr. Mar: Thank you, Mr. Chairman. Like my colleagues I'm here for interim funding to meet our obligations to the public until we have an approved budget. I think that most members of the House would be familiar with the high cost of public health care. Our so-called free health care system costs this government and taxpayers approximately \$19 million a day, and that's just to maintain the status quo. The cost of running our health care system requires that I ask for interim funding of \$1.85 billion, enough to pay for health care until the end of June. This is prebudget funding, so like others who have commented on this issue I cannot give details now. Those will be available postbudget. This will give a good deal of time for

government to pass the Appropriation Act and still keep health care operating in this province.

Now, some may be tempted to anticipate health funding for 2003 based on this interim amount, but any extrapolation of the figures would lack accuracy. Last March my three-year business plan for 2002-2005 anticipated a 2003-2004 budget of \$7.11 billion. Of course, my final budget will reflect developments in the recent past; for example, the increase in federal support. However, details on my final budget and how it is allocated will not be available until budget day on 8 April 2003.

Colleagues, I stress to you that I'm not asking for an amount in addition to my 2003 budget. I only ask to advance one-quarter of my anticipated budget to cover the cost of health care for the first quarter of the new fiscal year. With access the number one issue in health care providing uninterrupted funding is essential.

Now, Mr. Chairman, the delay in our provincial budget is unavoidable if we are to table a budget that best meets the needs of this province and the people who live and work here. Interim funding for health care is equally essential so health services can continue uninterrupted until the budget is tabled.

The Deputy Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you. Well, I appreciate it when a minister speaks for another minister, but seeing as we're not being given the opportunity to then question that person on the two portfolios that they brought forward, I'm having to go back one in order to question the Minister of Agriculture, Food and Rural Development on her presentation on Community Development.

I will note that in response to the comments that the Minister of Health and Wellness has made in which he's not going to give us any budget information at all for \$1.8 billion, perhaps what the government needs to consider doing is moving your year-end. If you're waiting on the federal money and that's your problem, then, you know . . . [interjection] It's not set in stone. Thirty five years ago this same government or the one before it changed the year-end date. If that's your big problem as to why you can't do it – and that's the repeated excuse that I've heard mentioned here – then look at changing the year-end date so that we can have this budget passed before.

9:00

Specific to Community Development. Minister, if I can ask you to use your seniority in that caucus. When you were the Minister of Community Development, you gave me a turnaround on questions that I asked within a couple of weeks before we had to actually pass the appropriation bill. Thank you for that. It allowed me to make a good decision and actually vote on the appropriation bill. Your colleague who you're speaking for tonight: please put pressure on him. It took me five months to get a response to questions that I asked last April. Not helpful, and if you're asking me now – we get two shots at this, two days of supply – I would like to have the answers to the questions that I ask tonight to be answered tomorrow. As far as I know, most of the staff that was there under this minister is still there under the current Minister of Community Development, so the expertise and the ability is still there to be able to do that kind of turnaround on answers.

What I'm looking for is the grant release dates, the cheque runs that happen: has that changed? My memory was – and I could be off on this – that for the Alberta Foundation for the Arts; Sport, Recreation, Parks & Wildlife; the Wild Rose Foundation; human rights, citizenship and multiculturalism education fund; particularly with the AFA there was a sort of advance grant that you got in, like,

March. Then once everything had cleared and the budget was settled and you'd submitted your plans for the following production year, you got a final of the money in about September and the fed money came in July. So I'm wondering if the grant deadlines have been moved around here. I'm not remembering a schedule that would be releasing the grant money. I'm assuming that we're talking operating grants, but maybe I can get an answer on that as well, whether it's the operating grant money that's going to be released between the 1st of April and the 15th of May or the 15th of June, whichever date you want to take here, or the project grants. Perhaps it's both. I know that in addition we've got the individual grants that would be talked about here. So if I can get some information around that.

The library grants. Has there been a settlement about changing the way these grants are calculated? For some time there's been a lag. The calculation on the per capita was based on years too far back to be helpful for fast growing communities like Grande Prairie or even Fort McMurray. We were based on 1997 figures as recently as 2001, I think, and the money that was therefore based per capita was just insufficient to run the library. Has there been a change in the formula? Has it (a) been updated to more recent per capita figures, and (b) have we changed the amount per head that is being allocated here?

Persons with developmental disabilities. I understand that there are changes being contemplated. We've got legislation that's coming that's going to affect this. I'm wondering about the way these grants are going to be allocated, and, again, since we're doing, according to what I'm being told here, a quarter of the year, how are these grant programs working, then? Are they going to give out a quarter of the grant and then come back later and do the other two-thirds, or are they going to up-front the money? There's not enough money to cover all the grants that need to be put in in that six weeks, so I'm not sure what's happening there.

Now, there were also some problems and reservations of opinion that we got from the Auditor General, and I'm wondering if those have been dealt with in the context of getting this advanced money into the year. We have got an underestimation of the ministry's cultural facilities that are operated with the assistance of volunteer societies. These are the friends-of-groups, I'm assuming, that the minister set up when she was in that department. The ministry has not included the revenues, expenses, and surpluses. Therefore, the Auditor General estimates that the ministry's revenues, expenses, and net assets are understated by a lot of money: \$3.8 million for revenues, \$2.1 million for expenses, and \$3.1 million for net assets. So how is that affecting the budgeted amount? If you're asking for a quarter or 30 percent of the money for the year yet this money is underestimated, what's going on? How are these calculations being worked out?

The historical facilities that used to be operated with the volunteer societies and now the ministry and the historic resources fund have recorded accumulated surpluses that have been returned to the ministry in the sum of \$385,000 as deferred contributions. The fund has not recorded the surpluses at all if the volunteer societies have not returned the funds. So we've got unreturned surpluses totaling at least \$223,000. Does that mean they're not going to get a grant out of the money that we're talking about here? They're supposed to work on their surpluses? What sort of arrangement is being made with these organizations? You're right. For those groups that really operate during the summer – and that, I think, affects more dramatically the groups that are part of a strong tourism endeavour like museums and historical sites – they probably do need their grants up front. How is this being resolved? Does this mean that, you know, we're going to hear that the Torrington Gopher Museum is struggling because they don't have their grant up front because they had

a surplus that has been returned in a different bookkeeping year or something? I just want to know how that's all going to be worked out.

I'd like to know if in the money that's being expensed out here, being granted, there will be any expenses of capital assets of less than \$15,000. The reason is that the government is constantly criticized for just expensing out capital assets that are bought for less than \$15,000, and the Auditor General really wants those recorded as a capital purchase, which can be depreciated and amortized over a period of their useful life. I mean, something you spend \$14,000 on, for example, isn't usually used up in a year. It has some life beyond that. So as part of this money that's being granted forward, some of it is, I note, for capital purchase. Capital investment, \$265,000. Are any of those specific amounts that are under \$15,000 for capital assets?

I also want to know what kind of money is being granted as part of this \$209.5 million that is toward legacy projects, the same question that I asked the Minister of Infrastructure. What kind of program is in place around this? I know there was some seeking of information. The spouse of the Premier was heading up a group that looked at possibilities. There was a granting of several organizations with significant amounts of money, and then a granting process was put in place. So where are we with this legacy thing? It was happening, and then it wasn't. It was on hold. Do I take it, then, that it's happening again? Can we get some specifics about how much money is allocated there?

So those are the specific questions that I'm looking for information on for Community Development. Thank you.

The Deputy Chair: The hon. Minister of Seniors.

Mr. Woloshyn: Thank you very much, Mr. Chairman. I think it should be re-emphasized that interim supply is just what it means. It's the cash needed, if you will, to make sure that there's continuity in the operations of the government. When the final budget comes through with the business plans, that also will include whatever has been appropriated through interim supply. So to carry on and on and on about asking for these great megadollars makes it sound like some sort of an underhanded plot to deceive, which I think is quite unfair and unreasonable.

9:10

Having said that, I'll say that we're requesting interim supply for Seniors, some \$73 million, I believe it is. I might point out that there's nothing hidden in here, nothing different. Our business plans indicate that we flow through over 90 some odd percent of our budget, and quite frankly that goes towards the seniors' benefit plan, to the special-needs plan, to support for all sorts of housing programs that are under the portfolio. Will this be accurate? Even now because of changing needs we've had to enter into some changing requests. Only recently this House approved a supplementary requisition for the affordable housing program. That was done because when the budget was presented on whatever date, there was no such program to account for because the agreement was only signed in June. We were pressed just lately into supporting some special needs for rising costs to seniors. As I indicated in my comments, those costs will come forward again. They won't be indicated in the budget because, quite frankly, that information wasn't available when the budget was being drawn up. So no matter how hard we try, it becomes extremely difficult to be accurate right down to the very last penny because things change. However, I know that all the hon. members will support this request going for the Seniors ministry because it deals with the people who are most in need in the areas of income support and housing.

I'd also at this time, Mr. Chairman, like to bring forward a request for some \$64,169,000 operating expense and \$356,000 in equipment inventory for the Department of Municipal Affairs, and again this is to just go on and make sure that the major grant programs are paid during the first quarter. That's the indication I have, and if the hon. members have questions related to this, as usual the Minister of Municipal Affairs is quite prompt in getting that back. So if you have questions relative to this, please put them forward, and I'll make sure that he sees them so that he can respond to them.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Chairman. I think the discussion around the process has been valuable, but I think that what it has done is pointed out exactly what we were saying, that for most of this money the government knew that these expenses were going to be there. There's going to be a budget. In this case it's going to be later. Why not sooner? That is the question that we asked given the responses we've had indicating that these are programs that are going to be continued. I think that the least we could have had is the kind of description that we got from the Deputy Premier and the department that she is responsible for.

There are a number of questions. For instance, in Learning I would like to know if the AC program is going to be continued. It's a program that schools have come to rely upon, and it's a program that has yielded some good information in terms of school improvement. Unfortunately, sometimes the information gleaned from the projects is ignored, but for the most part I think schools have been able to do some good things with funding from the AC program. It's an important program, and it would be useful to know if it is one of the programs that's being continued under the interim supply.

Is the interim supply the money that covers these months? Is any of that money going to be earmarked to cover the costs of the arbitration awards that the teachers received? That's an important piece of information for school boards to know because their planning for September hinges on the way in which these funds are designated. How is the funding formula being made more flexible? Will that flexibility apply to the spending of these funds that the boards will receive up until mid-June? Again, an important question for board members and for schools. What is the nature of the flexibility that's going to be given to boards? The minister has talked about it. Will that flexibility, as I say, apply to the funds in this interim supply? At the postsecondary level what about the access fund? Are there funds in here to continue the access fund, to change it? It's another fund that in the past has been relied upon by postsecondary institutions to undertake some new programs and to modify and continue some existing programs. So, again, it's important to them to know: will that access fund be continued?

In terms of the whole Learning department, how much of this money is designated for administration? How much of it is going to be directed towards programs? There's a great deal of concern about that balance, and there's concern about the amounts that are going to be found in the program moneys. Are there going to be changes to the per pupil grant, and will they be reflected in the spending of this money and the planning for the spending of this money? There are a whole host of questions that we'll ask, of course, when the budget for Learning comes, and it would be good to know the answers to some of those questions when we're committing such a large portion of the year's budget in the vote that will come on interim supply.

I heard the Deputy Premier talk about the business plans. Well, in Learning I think that every year has been the first year of a three-

year plan since I've been in the Legislature, and the same for Children's Services. There doesn't seem to be the kind of continuity from plan to plan that would allow the people scrutinizing the budget and the opposition, in this case, to say: well, yes, interim supply we can go along with because we have the three-year business plan, and we're into the second or third year of that plan right now, and we know what's intended. That's not the case. Every year is the first year, so you don't have that assurance that what you see on paper this year is actually going to be followed through in the second and third years in a number of departments. There's a constant shifting of the performance measures. We've asked year after year for some other measures to be added. We'll see none of that, given what we have before us in interim supply.

The whole argument that this is just to carry on business and that somehow or other we are in favour of holding up payment to public service employees is just one that's very offensive. I think it's an unfair thing to accuse the opposition of because we want to question spending of such large sums of money. Those programs are in place and could have been looked after months ago. There's nothing that they know about those programs today that they didn't know about those programs six, seven months ago in most cases. There'll be some settlements, for sure, that'll change rates, but in the scheme of things the percentage differences will be minimal. So to claim that the questioning is going to hold up or that we would be responsible for holding up their salaries is, as I said, offensive. There's no reason why those programs and the costs involved should be holding up the budget process.

So those are my comments about Learning. I have some specific questions I'd like to ask about some of the other departments, but I'll leave it for now.

Thank you, Mr. Chairman.

9:20

The Deputy Chair: The hon. Minister of Energy.

Mr. Smith: Thank you very much, Mr. Chairman. It's my task this evening to introduce interim supply amounts for the Department of Energy totaling some 47 million dollars. The \$47 million is essential as it ensures that the process of conducting land sales and our land tenure program continues. It's also critical for the collection of royalties and, of course, continuing the calculation of the average annual price of natural gas. Also, it's a piece that is essential, as well, to ensure that we can continue forward in not only collecting the revenues of royalties for this government but also ensuring that they are deposited into the general revenue plan.

There are no expenses that will be entertained, Mr. Chairman, outside of the business plan that has been tabled for this ministry, and there will be an update business plan come budget day which then tacks on the third year and leaves the previous two years intact. So, certainly, no surprises coming from the Department of Energy.

Thank you, Mr. Chairman.

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. It's reassuring to hear the minister say that there's going to be nothing outside of his business plans that we've seen in the past, and that's very positive. We'll certainly be taking a look at that when they come out next month and compare them and see how accurate that is.

It makes me wonder how much the minister plans to spend in the first quarter of the year working on the climate change issues. If he can share any of that information with us without divulging any budget secrets, even if it's in terms of more or less or an emphasis on whether the dollars spent are on research, operational, or legal kinds of costs – could you do that, Mr. Minister?

Mr. Smith: Actually, that's a good question, Mr. Chairman, because it refers to the climate change initiative, which primarily will be handled through Climate Change Central, also through the Department of Environment.

We'll continue on with our small department that does consultation with First Nations, working with that group.

Internally we're pursuing different strategies for carbon dioxide sequestration, carbon dioxide management. We are experimenting with nitrogen. Nitrogen has many of the properties of CO₂, and it's much cheaper at this stage, so we're going to experiment with putting nitrogen down hole and seeing if it can be used in enhanced oil recovery. As a matter of fact, that's ongoing right now with Talisman in the Turner Valley field. If nitrogen proves to be effective either in enhanced oil recovery or from a storage perspective, it then gives us the capability to explore both CO₂ sequestration and using more and more quantities of CO₂ for enhanced oil recovery as opposed to totally freshwater, for example, or potable water. If we could reduce the water driver behind CO₂, then I think that we can not only provide solutions to climate change, but we can also provide solutions to carbon dioxide management, which is something we're investigating. That is a part of the budget.

As I said, there are certainly no surprises coming forward. It's business as usual with our attention to climate change and our attention to being an appropriate custodian over the revenues that accrue to the people of Alberta via oil and gas royalty collection.

The Deputy Chair: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Chair. It's my pleasure to stand in the House today to speak to the needs of interim supply for the Department of Sustainable Resource Development. Our ministry will require over \$91 million to ensure that our operation requirements continue until the budget is approved, and I believe that was explained earlier, also, in the House this evening.

In addition to fish and wildlife, forest land use and resource management, and the public lands program, we are handling all of the preparations to be up and running for the fire season, which is going to, no doubt, commence by April 1 of this year. For instance, \$1.3 million in capital interim supply is needed for such things as fire tower upgrades or fire bases that are crucial to the fire season, which of course starts early this spring. Mr. Chairman, we are dealing with the possibility of having to fight fires as early as April 1 if not before, so we definitely need to have the programs in place. We need to have people and contracts in place and ready to go at very short notice.

For the benefit of the opposition, I'd like to explain a bit more in various areas of department responsibility as to why we need to spend the money in the interim that we are asking for. The department does not stop operating. It continues, you know, after April 1. Very little changes in relation to how we operate our department.

A lot of our work, of course, is seasonal. The Alberta forest protection program is very effective in managing wildfires in forest protection areas. In addition, my department, of course, provides aid to the adjacent municipalities and counties, so we have sometimes no control in those when fire starts. Some are man-made, and others are natural, and we have very little control. Alberta forest protection policies, of course, are reducing the number of human-caused fires within the forest protection areas. Despite the population growth and escalating fire start-ups, we've done, I believe, a fairly good job in this, but we need the resources to ensure that we continue operating. Fire-fighting resources, of course, are managed to ensure that wildfire-suppression priorities of human life, communities,

waterfowl, soil, natural resources, and infrastructure are met. So we continue to seek new and innovative ways of managing wildfires to benefit all Albertans.

The other area that's critical is the area of fish and wildlife management. Alberta Sustainable Resource Development, of course, manages and allocates and conserves fish and wildlife resources for the benefit and enjoyment of all Albertans. We protect Alberta's fish and wildlife through effective legislation, regulation and enforcement, and new pilot projects even in some areas to ensure that we can be very innovative in how we manage our fisheries resources. We regularly assess the status of fish and wildlife populations, including endangered species and managed species, to ensure that populations are sustainable and sustained not only short term but on the long-term basis. Through regulations, a provincial management plan, and again management programs we oversee recreational hunting, trapping, outfitting and guiding, game farming, and wildlife captivity in Alberta is also maintained. The department administers Alberta's hunting and fishing licensing system for the primary benefit of Albertans and, of course, as part of our sustainable resource management of fish and wildlife resources.

I also wanted to touch on an area very briefly, because I know that the opposition is anxious to ask some questions, no doubt, the area of forest land and resource management. Forest health continues to be important. Alberta's forests are protected from insects, disease, and pests by effective detection and management strategies. Management is a shared responsibility, of course, with other levels of government, municipalities, and also industry, and in some cases with the federal government or federal parks. Forest management planning, harvesting planning, and annual allowable cuts are, of course, part of the role of our department to make sure they're done properly, and the measurements are all in place to ensure that proper operation plans with public input are done. Sustainable Resource Development works very closely also with other departments and industry to ensure that we move into value adding in our forest industry so we can create more jobs and utilize more of the resource for local benefit in Alberta.

9:30

In the area of allocation of timber our department allocates timber based on the volume of timber that is determined to be available for harvest in a sustainable way. So what we do is ensure that we monitor very closely when operation plans are put forward so that we know that the annual growth will exceed the annual allowable cut so we can have a sustained resource for a long period of time.

Revenue generation. Of course, timber royalties represent a fair return for Albertans, and they have to be collected on a timely basis. That entails a lot of work too. After all, out of our overall economic diversification plan – agriculture, the oil and gas industry – forestry comes in third and then tourism and science and technology. It is a very important industry. It's about an \$8 billion industry and employs over 54,000 people directly and indirectly, and I believe close to 50 communities depend on the forest resource as their major source of revenue for their particular areas, not only revenue for jobs but also for tax base.

The other important area, of course, is the issue of public lands and land disposition. Our goal is efficient management of public lands and to achieve the greatest sustainable benefit – environmental, social, and economic – for all Albertans. Just recently I circulated and I offered to make available also to the Official Opposition and the other opposition members the status of the public land in Alberta. A lot of people do not understand – and there are reasons for that – that a lot of our public land is protected. We have around a hundred million acres of public land in the province; 86 million of

that is in the green area, the protected area, and only 375,000 acres are leased to agriculture. So only 1 percent of the green area, of the 86 million acres, is leased to agriculture. The rest is protected, and that's very important for the public to understand. I think we are doing a very good job in protecting that resource both short term and long term. Although lots of times, you know, when you drive around the open areas of Alberta, you swear that there are no trees left, but once you get on a plane and start flying north and along the foothills into the territories, you'll find that most of our province is still covered with healthy trees.

The other one I'd like to touch on, of course, is the white area, which is the farm area. There are about 10 million acres of public land in that particular area, and about 5 million acres are in agricultural leases for various uses. So in the white area about 50 percent of that land is leased.

I think it's good for people to understand that we do manage our wildlife. The other one, of course, that is very important is the area of management of some of our wildlife. The most sensitive one right now, of course, in addition to the walleye is the grizzly bear, because there are concerns by some public members mainly in urban areas, not as much from the rural, northern, native communities, where people still trap, still live off the land. In relation to the management of grizzly bears, the challenge is that we have to ensure that we have a sustained population. From all indications since 1987 the grizzly bear population, we feel, has increased by about 200. It could run anywhere from 800 to 1,000 grizzly bears in Alberta.

This year, of course, because the endangered species committee had recommended to seriously consider putting the grizzly bear under endangered species legislation, we've taken, I think, a sensible, commonsense approach to try and work towards better management and sustainability of our grizzly bears. We've set up and asked for a recovery team. We have reduced hunting. In fact, we are in the process of increasing fines or recommending through the process an increase in fines for poaching because that is one problem. I feel the way to do it is to make sure that there's a stiff penalty out there for poaching.

The other thing I've circulated to our caucus members, and I will provide the same information to the Official Opposition and the second opposition – we've reduced, actually, the hunting. There are about 4,000 applications each year. In 2002 we allowed 129 licences, but normally what's taken is about 15 annually out of that. This year, the 2003 season, we'll reduce that by 20 to 25 percent; it's down to 100. But in addition to reducing it by 20, 25 percent, we've also changed the areas of hunting. For an example, in the north there is a more sparse population of animals, less economic activity, less people activity, less roads and stuff. We will continue in zone 1, for an example, a hunt of 30. This year again we're going to keep it at 30. But in the sensitive south areas we've dropped it to almost zero in some cases, and we'll continue managing that very effectively and monitoring it.

I noticed in an article that came out – and I believe it was in either the *Edmonton Journal* or the *Edmonton Sun* just yesterday – that our neighbour just west of us here, the next province, has continued to allow hunting. They are taking, I believe, 200 animals per year there, and they feel it's sustainable, so I'm going to start working very closely with them because animals don't know the boundary between B.C. and Alberta. They could move back and forth. So we'll monitor it very closely and gather the information required to ensure that we do proper management of our wildlife species.

The other area, of course, is the recent announcement in the fisheries, the overall rationalization of sport and commercial fisheries in Alberta. One of the most challenging areas, I believe, that the department has in addition to the grizzly bear, because of the

economic growth in Alberta, is the demand for increased fishing. It's very critical, so we have to manage it very carefully. We did open up more lakes for walleye fishing, and the detailed information, of course, is provided to all government members and also the opposition in relation to what lakes are open and how many fish they can keep and stuff like that. So we are trying very hard as a department to manage the resources out there and ensure that Albertans benefit from those resources not only in the short term but also on a long-term basis.

With that, Mr. Chairman, I'll sit down. Hopefully, they may have some questions.

9:40

The Deputy Chair: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. We certainly appreciate the level of detail we got from this minister and also the openness and sharing of information that typifies our working relationship here in the Legislature. We're happy to accept all the information that he is willing to share with us and certainly appreciate that offer. It helps our understanding.

It's quite often that I ask a grizzly bear question in this Assembly, but we, too, have been closely monitoring the situation, and it looks like overall the management of that species has been progressing in a positive fashion, which is a change from where we were six to eight years before in the Legislature. So there won't be a bear question this spring, I don't think.

We still have some concerns over fish, and we'll be continuing to pursue that. We want decisions made on a science basis and look to see some progress in that area.

I'd just like to talk about the way the requests for money have come from Sustainable Resource Development. We would have liked to have seen a little more detail in terms of areas that the money was specifically requested for. But in what we did get, could we get an answer to what the capital investment money is for? It looks to me like it's a little less than half of what you got for last year, so if this is a quarter of the year's request and it's half the money that you got for the whole of last year, then that's a pretty significant increase, so we'd like to know what that is for.

Could we get some information on what you're budgeting for the fires this year and whether that's an increase over last year? Everything I've heard so far looks like it could be a worse year, so we would hope that the numbers would be as accurate as they could be so that you don't come back looking for lots of money in supplementary supply. You will have to, probably, anyway to some extent, given what happens with fire seasons, but if we could have some information on that, it would be helpful.

We see before us in this Assembly a new bill talking about fire management strategies in terms of who is going to be responsible and who is going to pay for fires. I'm assuming that the responsibility for monitoring and enforcing that law will come to your department. If so, do you have some dollars budgeted for that in the first quarter? Prosecutions, I'm sure, will be handed over to other departments, but definitely there's got to be some investigating done, so who does that is my question. Speaking of investigating, for us it's always been a real concern that in this department you don't have enough money for enforcement and monitoring what goes out in terms of manpower. So do we see somewhat of an increase there? Generally, overall do you see an increase or a decrease in your projection for moneys for this year? This is one department that we feel has been chronically underfunded and would like to make a case for seeing more dollars there.

Thanks for the information that you did give us on forest protec-

tion, which is, of course, one of your core businesses, and the forest, land, and resource management. The more information we have, the fewer questions we have in the Assembly, so I think that that sometimes can be beneficial. It certainly is to us when we have so many different portfolios that we can ask questions on. Can you tell us what's happening in the forest, land, and resource management in terms of recreational uses and if there's any specific focus on that for dollars coming this spring?

The fish and wildlife management, of course, is always a big issue. We've had quite a few more concerns this year about the wildlife management with regard to the various hunts and how licences are applied for and how they're advertised, and things of that nature. So it looks like a review of that process could be necessary, and I'm wondering if you plan to undertake that in this coming year, particularly as it applies to this request for dollars within the first quarter.

The minister talked earlier this week about what's happening with recreational fishing in the province when the lakes are opening up. We have some reservations about that and wonder if you're actually devoting enough resources in this first quarter to studying that. So if we could hear about that.

With the new bill that we're seeing, Bill 16, which talks about land use dispositions, how much responsibility will there be in Sustainable Resource Development for that? It would be helpful to know.

With regard to cabins we've had some requests from trappers who – I think it must be because it's been such a long and cold winter – in some years in the past believe that they've had access to cabins in the bush from your department. It seems like this year that access to use those cabins when they're out on their traplines has been denied, so we would like the minister to take a look at this policy. It seems to me that if those cabins are out there in the bush and given the decreasing numbers of staff you have out there each year for enforcement and monitoring, it could be beneficial to have these people use those cabins and then bring back a report to you in terms of the condition and any repairs needed, and generally having someone there to open it up, take a look, get rid of the varmints, clean it up a little bit can't be a bad idea. I'm sure that there can be some joint use agreements that occur out there that would be beneficial. It seems to be a good use of a provincial resource, and I'm hoping that the minister will take a look at that over the coming year and that we may see some changes.

Another issue that we might actually be pursuing in question period, depending on the answers we get, is changes happening in areas surrounding municipalities with regard to crossbow hunting. Crossbow hunting is, as I understand it, quite different from bow and arrow hunting, and it seems to me that people who use crossbows are not really much different from those who use guns. It seems to me that having restricted access to use crossbows for hunting purposes around largely populated areas is a good idea. We recently got some information indicating that you're looking at opening up the area just around Edmonton to crossbows, so if you could share that information with us, it may prevent us from having to pursue the issue in question period.

I think, given the time, that's the end of my questions on this department at this point. Perhaps we're going to hear from the leader of the ND opposition and his comments on the budget now, if that's appropriate.

The Deputy Chair: The hon. Minister of Sustainable Resource Development wants to respond?

Mr. Cardinal: Briefly. I'll answer some of the questions. If I don't answer some, we'll look at the *Hansard* and pass on the information.

In relation to the fisheries we do use scientists, and we're carefully evaluating the Calling Lake project, for example, and we do use scientific information. It's a five-year pilot project, so we should have a report available within the next month or two that you can have access to.

In relation to capital investment some of the stuff we require, of course, is leasing of planes, upgrading towers and upgrading communications equipment, et cetera, in relation to us preparing for the firefighting season. We also have about 38 contracts from First Nations that we require to put in place. It's capital because it's leases of equipment, leases of buses, vehicles, water trucks, et cetera. So that is where I require the capital dollars.

The fire budget itself is an interesting one because the Auditor General has also recommended that we should increase our base budget. Because of the dry weather we've had for a number of years, the five-year average for expenditures on fire is now over \$200 million. I think it's \$202 million a year, and our base budget is, of course, under a hundred million, so it's considerably lower. We are monitoring that very closely. I've in fact suggested to the department to start looking at maybe trying to increase our budget next year and ensure that we have, you know, proper money in place in order that the job is done.

9:50

The cabin you were talking about. I'm reviewing that particular situation right now. What I am looking at is the public liability. You know, what if somebody burns to death in a cabin like that or if somebody breaks a leg or dies out there, alone in the cold weather? We need to look at the public liability. I'm not saying that we're not going to do it. I'm saying let's use some common sense. If the public liability is there and covered already by insurance, then why can't we allow the person to use the cabin? So we are definitely looking at that.

The area of the crossbow. I am coming up with a draft strategy on the area of deer and moose and the seasons, the allocations and stuff. If you contact my office tomorrow, we can probably provide you a draft of what we are planning. It's just in the final stages, and this will come into effect, of course, next September, next hunting season. I think you'll like it. It's a good plan. In fact, I had asked my department to share it with you, but I don't believe it's been shared completely with all our caucus members yet. That's normally the first step. So I'll leave it at that because of the time. If we didn't, you know, answer some questions, we'll look at *Hansard* and pick them up.

Thank you.

The Deputy Chair: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Chairman. I'm pleased to rise and ask some general questions first about the interim supply estimates for fiscal 2003-2004. It's highly unusual to see this kind of request come before the Legislature in the month of March. I'm just finishing six years – I think that was yesterday – since I first got elected, and this is the first time in my six years and the beginning of the seventh that I see this very unusual request for interim supply estimates come before the House to address the government expenditures in the coming fiscal year, the next fiscal year. That's 2003-2004. Highly unusual. This looks like a government by paralysis, a government by inaction, a government by utter confusion and failure to develop clear estimates of what kinds of revenues there are, what kinds of expenditures are planned, and how taxpayers' money is going to be used.

The total request for these interim supply estimates comes to a

little over \$5.9 billion in this document. Now, this is for two and a half months, from April 1 to June 15, less than three months of the 12-month period of the next fiscal year. If you extrapolate the total size of the budget based on the request made for the first two and a half months of this year, it looks like the next budget will be at least \$26 billion or maybe more. I want to know if this is more or less an appropriate estimate of the overall size of the next budget.

The first question that I have is: why this highly unusual step by this government to ask for next year's budget in the estimates before the end of this current fiscal? Normally what's been the case is we have had the budget presented to this Assembly during the month of March every year. [interjection] True, but we have had more information. Even when the budget comes before us, there's at least more information on what all these sums are about, what all this money is for. There's hardly any information here for me to be able to say yes or no to this request because there is not enough information here.

So my first question is: why this unusual step in the first place? Secondly—three questions; okay?—since this two-and-a-half-month period that's covered by this interim supply will cost us close to \$6 billion, is it then appropriate to extrapolate based on this number that the total budget for the next 12 months, or the next fiscal, will be over \$25 billion or so? Thirdly, how do I determine whether or not to support this request when there is no information and no specifics about the moneys that are being asked for?

The Deputy Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I have the opportunity to provide some information with respect to the estimates relative to the Department of Justice, Department of Children's Services, and the Department of Infrastructure. I think that in view of the clock we probably won't be able to get into depth on all of those items tonight, but I will give a brief start on that.

The hon. leader of the third party, the Member for Edmonton-Strathcona, referred in his remarks several times to the unusual step of interim supply, and I think that other than perhaps one year—and I could stand to be corrected on it, but I do take a lead from the earlier remarks of the Deputy Premier, who has had some degree of experience in this House—interim supply is not an unusual experience in this House but rather something that we've done most years. One should be prudent and cautious in government and make sure that one doesn't run out of supply, so it's prudent to bring in interim supply, even though one is bringing in a budget perhaps even in March, so that you can pay your bills and you can pay your staff come April 1. It's not an unusual circumstance either in the Legislature of Alberta or in any other Legislatures in this country or, for that matter, from time to time in other democratic jurisdictions. I can recall occasions when the President of the United States asked for interim supply because the budget was still being debated down there.

So it's not at all an unusual circumstance to have interim supply. The budget date has been announced as April 8. The rationale for having the budget on April 8, I think I mentioned earlier this evening, comes from a number of circumstances. There's certainly been a great deal of volatility this spring with respect to the energy sector and energy supply issues, and being able to do an appropriate estimate of revenue is important, not just the revenue from our oil and gas sector but revenue from the income tax sector. It's helpful to have a good handle on what the results are projected to be from the previous year to project it into next year. There is also, of course, the fact of the impact that the strong economic performance in this province has on the CHST, the transfer payments from the

federal government. As members of this House will know, the stronger our economy is and the better the government does in terms of its revenue, the less we receive through the CHST, and that certainly has strong budget implications for us. I believe the adjustment during the last budget year was somewhat in excess of \$150 million downward in terms of the transfer payments with CHST. All of those issues are volatile in this particular time frame, and it's helpful to have a better grasp of those before bringing a budget to the table. In addition, as I mentioned earlier in comments in the House, there's a bill that was brought forward to the House in order to enable the structure for this year's budget, and it was prudent to plan the budget to come in after the legislation approving the structure, so it was necessary to deal with the budget on a later time frame.

10:00

Of course, the impact of the federal budget and the knowledge we had relatively early this year that there was going to be a significant issue with respect to health care funding. We weren't provided with information with respect to how significant and actually had to wait until the federal budget came out to get any real numbers and, even at that, some time after that to figure out what those numbers actually meant in terms of an impact for an Alberta budget. So I think it was prudent this year to wait to see what some of those numbers were and to do a proper set of business plans with proper projections rather than to bring in a budget and then come back to make significant adjustments early in the process.

As all members know, Alberta has one of the most open and transparent budgeting processes of any democratic government, reporting quarterly and making adjustments quarterly and reporting to the public exactly what's happening. It behooves us to try and be as close to reality as possible in putting together a budget. So this year it was prudent in our view to hold off the finalization of the budget until we'd seen some of those aspects get to the extent that that was possible.

Again, interim supply is not an unusual step, not an unusual occurrence in this province or in any other jurisdiction to make sure that while one goes through the proper measured and thorough budget debate that's allowed in our jurisdiction.

Dr. Pannu: In the absence of a budget before us.

Mr. Hancock: Well, the budget will be before us shortly, but it's not that difficult to assume that there are going to be ongoing expenses of government and to assume that those ongoing expenses will be at least somewhat similar to those that are shown in the three-year business plans that were tabled last year and the adjustments that were made over the course of the year. In planning forward for interim supply, one can take some instruction from those numbers.

So to the question of why this unusual step the answer really is that it isn't an unusual step. It's quite normal to continue with supply while you're debating the budget and bringing the budget forward for a thorough and complete analysis and review by the Legislature, as I'm sure we can anticipate during the month of April and into the month of May in this year.

There have been a number of comments tonight about the time frame, and although the time frame is set out in the interim supply document as being from April 1 to a date certain—I believe June 15 is set out—really you're voting interim supply in an amount, not in a time frame. The estimate of the amount of interim supply is roughly the first quarter of the year, but interim supply is an amount of money, and therefore it's voted until it runs out. It becomes the

government's object and obligation to make sure that the budget is brought in before interim supply runs out.

However, to get to your two and a half month process and extrapolation, obviously you can't extrapolate the two and a half months to the full year. Obviously the two and a half months is an estimate based on a number of factors, one being supply of normal course of business over a quarter. In that normal course of business over a quarter there are some grants that are paid early in the year; there are some expenses which are incurred early in the year. So you can't assume that the dollar amount is going to match the full quarter.

I'm glad you asked the question: how does one vote for interim supply in this amount without more information? I think this process really could be a very informative process, where questions delving into specific areas or requesting specific pieces of information could be brought to the table. It's really a free opportunity, if you will, to examine areas that one wants to find out information about rather than looking at it as being the whole accountability section in two days for a quarter of the government's budget. Obviously it's not the complete accountability session for the government's budget. That comes through the 20-day process of Committee of Supply under the regular budget and the debate on the appropriation bill at that point in time. Obviously two days is not going to be sufficient to go through in any great sense of detail the money that's being asked for in interim supply, nor was that ever really the intention of an interim supply motion. An interim supply motion is obvious in its intent, and that is to continue to fuel the government so that it continues to run in its normal course until the budget can be fully brought in and debated within an appropriate time frame.

So I hope that answers the hon. member's questions.

The Deputy Chair: Hon. Member for Edmonton-Ellerslie, you're rising on a point of order?

Point of Order

Allegations against Members

Ms Carlson: I am. Under Standing Order 23(h),(i),(j) the minister was making allegations that some of his ministers would in fact answer questions, and they wouldn't.

Mr. Hancock: That's not a point of order, Mr. Chairman. That's a very specious method of getting a comment on the table without having had any other particular opportunity to do it. She could raise those questions at any other time in Committee of Supply.

The Deputy Chair: Hon. members, the hon. Member for Edmonton-Ellerslie has risen on a point of order on 23(h),(i),(j). However, I'd like to point members to Standing Order 58(9), which refers to the supplementary estimates. There is no provision therein that there is compulsion on any member to stand up and ask a question, nor is there a compulsion on any member to stand up and answer the question. So, quite frankly, there is no point of order on this particular section.

Hon. Government House Leader, you may proceed.

Mr. Hancock: Thank you, Mr. Chairman. I think it was clear to all that the hon. member merely wanted to make a statement and found the point of order as a way of getting that on the record, which I understand fully.

Debate Continued

Mr. Hancock: In any event, at this point in time, it being past the hour of 10 o'clock, I would move that the Committee of Supply rise, report progress, and beg leave to sit again.

[The voice vote indicated that the motion that the committee rise and report progress carried]

[Several members rose calling for a division. The division bell was rung at 10:09 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Shariff in the chair]

For the motion:

Amery	Graydon	Mar
Calahasen	Griffiths	Marz
Cao	Hancock	McClellan
Cardinal	Herard	McClelland
Coutts	Hlady	Oberg
Danyluk	Horner	Ouellette
DeLong	Hutton	Pham
Doerksen	Jablonski	Rathgeber
Ducharme	Jacobs	Renner
Dunford	Knight	Snelgrove
Fritz	Kryczka	Woloshyn
Goudreau	Magnus	Yankowsky

10:20

Against the motion:

Blakeman	MacDonald	Pannu
Carlson	Massey	

Totals:	For – 36	Against – 5
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[Motion carried]

[Mr. Shariff in the chair]

Mr. Renner: Mr. Speaker, the Committee of Supply has had under consideration certain interim supply resolutions for the offices of the Legislative Assembly, government, and lottery fund for the fiscal year ending March 31, 2004, reports progress thereon, and requests leave to sit again.

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. In light of the hour I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:24 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]