

Legislative Assembly of Alberta

Title: **Wednesday, February 25, 2004** **8:00 p.m.**
 Date: 2004/02/25
 head: **Committee of Supply**

[Mr. Tannas in the chair]

The Chair: I'd like to call the committee to order.

Before we begin, just a reminder to all members that this is less formal, and for those that may be observing, this is less formal. It does allow for members to talk quietly between themselves and only one member standing and speaking at a time.

Tonight it's Committee of Supply in which we will be going over financial estimates, and there's allowance in this particular session to go back and forth between ministers and people who are questioning. Before we begin our debate and discussion on supplementary estimates for the year, I wonder if we might have the committee's approval for a brief Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

The Chair: The hon. Member for Edmonton-Ellerslie has been standing for a long time. Are you wishing to introduce guests?

Ms Carlson: Yes, sir.

The Chair: Well, then, the hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Chairman. On behalf of my colleague from Edmonton-Riverview I would like to introduce the 24 Parkallen Cub group that is joining us here this evening. They are accompanied by group leaders Steve Pentyluik, Doug Jacula, Brent Irving, Tania Kajner, and parents Irene Henderson, Charles Davison, Devon Pinchal, Suzanne Olenik, Rick Poole, Rick Mogg, and Andy Brooks. So I would ask if all of the members of the 24 Parkallen Cub group would please rise and receive the traditional warm welcome of this Assembly.

The Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chairman. Colleagues, I'm not sure if the guest that I am introducing is here as yet, but if I may, I'll introduce her for the record. Her name is Anita Sherman, and she represents Education Watch, which is a group of concerned parents. In this case, Anita Sherman has two children attending McKernan elementary junior high school, but she is from one of many citizen groups including the Whitemud Coalition, the west end coalition that are citizens very actively engaged in education issues. We'd ask Anita to stand if she is here and receive the warm welcome of the Assembly.

The Chair: The hon. Member for Edmonton-Norwood, followed by the hon. Member for Edmonton-Riverview.

Mr. Masyk: Thank you very much, Mr. Chairman. It's an honour and a privilege today to introduce a guest who is a friend of mine and a constituent of Lesser Slave Lake. It's too bad that the Minister of Seniors isn't here. [interjection] I'll tell you why; I'll tell you why. His name is Ron McCue. Ron had a tire shop, Ron's tire and mobile repair, and when seniors would come in, he would sell tires at cost and install them and balance them for free. We need more

citizens like that in the world. I would ask Ron to rise and receive the traditional warm welcome of the Assembly.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. Tonight I'd like to introduce some guests who are watching the Legislature very carefully because of their concern over education and classroom sizes and related issues. One of them is Luisa Su. She's a parent of three children in grades 1, 2, and 6 at McKernan elementary junior high school. Cathy Wrightson is a parent with a child in grade 2 at McKernan. They are here as part of the parent watch group, who, as I say, are watching carefully the proceedings here as they relate to education. I'd ask them to rise and receive our warm welcome.

head: **Supplementary Estimates 2003-04
 General Revenue Fund, No. 2**

Human Resources and Employment

The Chair: We'll start off with the Minister of Human Resources and Employment.

Mr. Dunford: Well, thank you very much, Mr. Chairman. I want to direct everyone's attention if I can to page 23 of the 2003-04 Supplementary Estimates (No. 2), General Revenue Fund. You will notice there that we are asking for an additional budget of \$28,680,000.

Now, this is split up into two main areas. First, we're asking for \$14.68 million to help families with their basic needs through what has been called the supports for independence program, which, as many of you will already know and understand, we're moving to a program called Alberta Works. In any event, this is to help low-income Albertans that are faced with increasing drug costs and with some utility disconnections, and we help to reconnect the utilities.

Then, there's an additional \$14 million that has been provided for hands-on career assistance, for enrollment costs for academic upgrading and for short-term skills training. This is of paramount importance to us because, of course, we still have ongoing demand here in the province for not only skilled workers but also demand generally. While there are some excellent opportunities now within Alberta for some of our aboriginal folks and also many of the disabled that are amongst us, we still know that more and more people if they are to find themselves in the workforce are going to need some help to get there.

Now, at one time in the history of family and social services and the welfare reforms that took place throughout the '90s, in many cases as the number of people on welfare diminished, it actually provided us with the kinds of dollars that we needed to move into skills training. In other words, for many, many years we were able to finance ourselves within that particular area. As a matter of fact, it wasn't uncommon to see family and social services, as it was called prior to 1999 and then Human Resources and Employment subsequent to 1999, actually lapse dollars. We believe that throughout these years ministers have been fiscally responsible, and of course we maintain that we are continuing along the fiscal conservative basis.

8:10

But times have changed. What we're finding is that we have a situation where the welfare rolls are growing in actual number although they're staying steady when we look at a ratio of percentage of a working population. We've been able to reduce that ratio to approximately 2.1 per cent of Albertans that are on our caseloads.

It's 2.1 per cent of the total of the working population. Now, there's no other jurisdiction in Canada that even comes close to that, and of course we have such a hot demand for additional workers here in this province that we've been able to maintain that at a steady level. But, of course, hidden in that percentage, as the working population has actually increased, even though our percentage remains stable, the actual numbers have in fact increased. Now, I can't tell you all of the reasons for that, but some intuitively would be that as workers move to this province, they are in fact bringing family members with them, and some of these family members, of course, need our assistance and will be entitled to it.

As many people are aware, the social services ministers, so-called, right across the country made an agreement some time ago, two, three, four years ago. I don't remember the exact date when we signed the documents, but we wanted to have mobility for people in Canada, and of course that meant that we wanted to allow people that were in need but also might even be disabled to be able to move across this country and not have gaps in assistance where they needed it.

So we still continue to encourage people to come to Alberta because we need them. Our population just simply is not large enough at the current time to supply the labour demand that we have in this province, and I believe that things are going to change. I don't whether it's for the better or for the worse. As recently as two weeks ago at a seminar in Calgary when we were discussing labour demand, the skills deficit, the federal government representative – I forget now the gentleman's name, but he was an assistant deputy minister in the new Human Resources and Skills Development department of the federal government – put an astonishing overhead up for us to have a look at, and it indicated that in the federal government's planning, after the year 2011 100 per cent of the new jobs created in Canada will have to be filled by immigrants.

Now, they're not even playing around any more with large percentages, you know, like, maybe it's 73. Or is it 87? Or, wow, it's going to be 92. They're talking about 100 per cent. So we have a situation now in Alberta where if all of that additional demand is to be filled by immigrants, they would be extrapolating from what we currently see in terms of: well, here is a generally accepted level of people to be on assistance; here is a generally accepted level of people that won't be able to work.

My message here tonight is that that's simply not acceptable. How do we possibly expect to fill all of these jobs through immigration? Now, the Minister of Learning and myself will continue to work with the federal government, under the Minister of Learning's direction, trying to find more flexibility as it comes to changes within the immigration system as it's dealt with in Canada but specifically to Alberta. It raises other concerns.

Right now we have a labour mobility concept here in this country that Premiers like to talk about, that ministers like to talk about, but it's not happening in the seamless way in which it should. As a matter of fact, as recently as July of 2001 there was an obligation on the part of all of the ministers in Canada from each province and, of course, the federal minister responsible. We were to report to our Premiers and to our Prime Minister by July 1 of 2001 that we had accomplished the goal of labour mobility within our borders in Canada, that we would all have been able to have sat down, looked at the labour mobility agreement, and would have said to our bosses that we had accomplished that goal. Well, ladies and gentlemen, we failed. On July 1 of 2001 the ministers responsible in Canada were not able to make that statement to their bosses, that we had in fact accomplished that. We still have not accomplished that.

The good news is that from an Alberta perspective if we're not at a hundred per cent, we're fairly close. We in Alberta for years have

led the charge in this particular area of trying to provide mobility into this province. The government has faced some criticism in previous years because there was always the concern: well, somebody coming from somewhere else in Canada is going to get this job while my son or daughter won't be able to fill that position. That simply did not prove to be true because, again, the demand stayed so strong. Well, we need to keep moving in that direction, removing whatever barrier there might be in order that a worker, not just a skilled worker, will be able to come to this province and be able to fit into our system.

It raises a concern about productivity. If, in fact, a hundred per cent is going to have to be filled from immigration, why aren't we getting into a debate about current productivity? We're starting to hear about it from the oil sands – that's where it started – where there is a concern that's been expressed about projects to be developed and designed, where there's a concern about cost overrun and there's a concern about timeliness of that project. Now, we know from statistics that are provided to us that Alberta has the highest productivity rate of any jurisdiction in Canada, but, ladies and gentlemen of this Legislature, it's simply not good enough. The productivity rate in Canada itself is too low a standard, and the fact that Alberta might be leading in low standards is simply not good enough.

Now, I'm here to say tonight that the next big thing that we're going to be concerned about as issues in this vaunted room, that we've all earned our way to be here and to talk about these issues, is workers' productivity in this province. We've been dealing with the health care issue. It's a big thing, but we have been dealing with it and will continue to deal with it. We all hear the Premier as he tries to move that agenda along, and he needs to be successful in that.

8:20

The next big thing to health care, of course, was education, and again through the leadership of the current minister and the information that we now have from the Learning Commission in terms of the next big thing, education is being dealt with. So we're now at the next big thing, and I believe that it's going to be in the area of productivity, and it's certainly going to be the area in terms of skills deficit and, of course, then, in just the inability for employers to find the people that they need when they need them. That is why it is so critical to see an additional \$14 million go into our budget on the skills training side.

We are faced with resistance of being able to self-finance any more by being able to do something dramatic to our welfare roles. Now, we haven't given up on it, and we'll continue to work on that, and I'll come back in the time that's allowed me to spend a few minutes on that. But, basically, we're in a situation now of where we have to take people from where they are if they're unemployed, and you know what folks? I don't know if there's a reason for any Albertan to be unemployed, but if they are underemployed, then we have to look at what we are going to do with that person, and we've got to move them into the kind of skill sets that they can then move into the workplace.

So we're going to see within Human Resources and Employment a transition on how we look at skills because we're really not going to be training for training's sake any more, just so we get them off of the welfare roles, you know, put them in training so our numbers look better on the welfare side. Can't do that any more. Won't do that any more. What we're going to have to do is we're going to have to see the standards set higher for who qualifies for training and the kinds of training that they will actually be seeking. We're going to have to move from pre-employment training into a more inte-

grated training system so that people can then start moving directly into the workforce.

Ladies and gentlemen, we're going to have to have an attitude change about getting people ready for the workforce. Thus far we've been content to train, train, train and then provide the employer with that perfect little person that can then go in and start becoming productive within a very short period of time. I'm here to say tonight that we can no longer afford the luxury of paying for all of that particular time. I'm here tonight to say that we have to start moving people into the workforce before they are ready for the workforce, because the only way you get work ready is at work, and that is the kind of situation that we're going to be looking for. Now, that will ease the pressure on budgets as we move forward, but we're not there yet, and we're in this transition time of getting there. That's where we need the support tonight, of course, for \$14 million, but we need your support in the future because we have to reform the system. Once again we have a situation in Alberta where we're doing good, but it's just simply not good enough.

Now, getting back to the situation that we have in requiring \$14.68 million to help people that need assistance, this is a situation where if a person is unable to work, this government has made a commitment and we will continue with that commitment to provide them with the support that they need.

Ladies and gentlemen, we're all familiar with the AISH program, and the AISH program will remain. The AISH program has a mandatory review coming up, but it will remain.

But on the other side of things, in the supports for independence system, which is the old term – the Alberta Works system is the new term – we're going to have to carefully analyze everyone that we have in that situation. When I say everyone, I mean that, and I'm talking about 28,000 people as we stand here tonight. We're going to have to examine every one of those people and make the assessment about expected to work or not expected to work because we cannot afford to carry people on our files that otherwise would be expected to work. The workforce, the work market out there needs these people, and we need to be able to supply them. In order to do that, we need the money for skills, and I hope you will support our initiative here tonight.

Thank you very much.

The Chair: Before I call on the Interim Leader of Her Majesty's Loyal Opposition, I wonder: just so that we agree where we're going, we'll have a minister speak and then some questions and answers, and then we'll go to the next minister. Is that the way you want to do it, or do you want to go through all of the ministers and then ask questions? Back and forth. Okay.

The hon. Interim Leader of Her Majesty's Loyal Opposition.

Dr. Massey: Thank you, Mr. Chairman. I listened with interest to the Minister of Human Resources and Employment. He made a couple of comments early on that I would really appreciate some further explanation. One, he indicated that there's money in this request for utility reconnections. My question I guess is really sort of very low level but an operational one in terms of how that works.

Our constituency office – and I'm sure we're not alone – has been inundated with requests from people for relief from utility disconnections, and we've been drawing upon funds like the CFRN Good Neighbour fund and other resources to try to help those people over the hump, so I was interested that there would be this money in the budget. How does it differ from the sort of one-time relief that's available for social assistance recipients if they find themselves in difficulty? I know that we've been able to appeal to the department and get relief for some people, but can the minister explain how this

fits into the program? Is it something we should be alerting our staffs at the constituency level to be aware of? I really would appreciate some comment from the minister.

Mr. Dunford: Yes, I'd be glad to. Again, we're in a bit of a transition on this one as well, but let's talk about what's in place tonight. If a person in Alberta has received a disconnect notice, then they are invited to contact our office. What we will do is an assessment, so whether we assist or not is really based on need. If they're a low-income Albertan or otherwise could even qualify for assistance but for whatever reason have chosen not to but they would have ordinarily fit into that category, then we will reconnect their utility. We'll pick up the cost.

Now, what has happened to us over time is that our costs have gone from \$1.5 million to – \$5.3 million is the number that I have in mind. When we saw that increase, I became concerned that maybe something was going on with the utility companies, so I have had the three utility companies in my office or I've been in their office, and we've discussed it. We now have members of our staff that work with a committee inside the utility company to keep our eye on the situation to make sure that we and taxpayers' money are not being taken advantage of. There's information that we might have based on not individual clients necessarily but perhaps some kind of experience that we have that might forewarn the utility company so they can start to take maybe remedial action earlier so that it doesn't get to the disconnect notice. Then thanks to members like the Member for Whitecourt-Ste. Anne and others, we are looking at, of course, load limiters for a way in which there would always be enough heat for a stove, for a furnace, and for a fridge.

The Chair: The hon. interim leader.

8:30

Dr. Massey: Thank you very much. I think that's useful and welcome information, Mr. Chairman, because even though it's a small number of Albertans that are involved, given the kind of temperatures we've had this winter, it's been a source of concern.

The other question – and the minister talked about a mandatory review of the AISH program coming up – is the whole issue of rates for people who are receiving assistance and what might happen to those rates. I guess I would like some comment in terms of what those recipients can expect, and I say it within the context of having been contacted recently by a group of AISH recipients who were really concerned about the financial plight that they find themselves in and asking if I thought there was any use in them making representation to the government. I promised at that time that I would ask when the opportunity arose in terms of those rates how the government sees them being adjusted if they see them being adjusted.

Mr. Dunford: This is one of the areas of some controversy or difficulty that we have currently, and I suppose it's not surprising that with the broad mandate Human Resources and Employment has, we might find at least one issue amongst all that we do.

I don't want to deal with the actual question about rates at this point, but I want to talk a little bit about what a person can do if they're on AISH and they find themselves simply unable to meet their obligations. We have tried as best we can to be as compassionate and caring on this issue as that allows us within the sort of mandates that we operate with. Quite often what happens, even though it might be temporary, is that we'll actually move an AISH person off AISH for a temporary period onto our support programs. The thing about AISH is that it's a generous program in the sense of

how people can qualify to become eligible for AISH, but once you're in the AISH program, it's very rigid about what it is, you know, that you can avail yourself of. So I think we've used a very open approach and have moved people back and forth based on their actual situation in order to help.

A review of the act has to start taking place in 2004, so later this summer or early fall we'll get started on that. Of course, issues that will have to be dealt with at that time are, obviously, the monthly rate but also whether or not we can still sustain the kind of asset availability that we currently provide. Well, again, I know that we don't always compare ourselves with other jurisdictions – I guess we do when it helps us – but in the case of AISH we are so far ahead of the rest of the country on this that you sometimes have to worry if, you know, maybe we haven't gone too far. But that's just going to upset a lot of people. I don't want to suggest for a moment that any of that asset limit is going to change, but that has to be looked at. This House will have to decide whether or not to carry on with it.

The Chair: The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Chairman. I was listening to the minister with a great deal of attention, and maybe I can start with the comments that he made just a moment ago on the AISH program. I just want to share with the minister my constituency office experience. We get lots of calls from AISH recipients. There are two kinds of issues that come to my attention. One is, of course, the interest that recipients have in seeing the review that the minister just suggested may not start until perhaps September, October. Is that right? [interjection] Yeah. So that, I think, would be a matter of concern to my constituents.

I have a fairly large number of people who are on the AISH program who are my constituents. I do meet with them at least once or twice a year at their request, and they are concerned about the financial difficulty that they have with the current amount of money that they get. So the news to them that the review will look at the rates is obviously welcome to them, but the delay in when the review is going to start would be a matter of concern. I wonder if the minister can expedite that review, move it forward. At least that will give them some idea that the government is receiving their concerns through us, through people like me, and is willing to expedite the review. So that's one question.

The second question. As the minister said, his ministry tries to be very compassionate and responsive to special cases where there may be financial difficulties and tries to move people back and forth between the two programs, supports for independence and AISH. In the last meeting that I had with a fairly large number of AISH recipients in my constituency – I wish I could remember the details – my attention was drawn to the fact that once they move to the supports for independence program, it's very difficult for them to move back to AISH, which seems to be their preference. I don't know what's the basis of it. Are you aware of some of these difficulties? If you would shed some light on it and how they can be addressed.

So those are my first two questions.

The Chair: The hon. minister.

Mr. Dunford: Thank you. On the timing of the review I'm trying to be realistic. If we were to start it, you know, in the late spring or in the summer months, I'm just not sure how convenient that will be for people, so in my own head I have a September date.

I might point out, though, that I think the review should look at a long-term situation as to how the rates would be dealt with. Again,

the actual \$855 a month is more a matter of budget than it is of that particular review. Well, let me say it this way. While they're not mutually exclusive – you know, one doesn't have to wait for another one – that doesn't mean that anything is going to happen to the rates either. The \$855 is a budgetary issue, whereas the overall aspect of AISH and all of its parameters is what really would be reviewed, and I hope that what would be reviewed in the overall parameters is some kind of way in which there might be adjustments to the rates.

8:40

On the moving back and forth, I'm actually unaware that there would be any difficulty, because the way the thing is supposed to work is that the AISH person goes onto SFI until their temporary situation is completed, and then they go back onto AISH. We've actually provided a situation where you could be off AISH for as much as two years and not have to go through all the rigamarole of re-enrolment, which is one good thing. But the other thing, why they prefer to be on AISH instead of SFI, comes down to the simple fact that when you're on SFI, you're on a program of last resort, so you get examined on a constant, constant basis by our caseworkers. When you're on AISH, we leave you alone for a year, and I think that's the difference.

The Chair: Hon. Member for Edmonton-Strathcona, do you have a further question, or are we ready to go to the next minister?

Dr. Pannu: A question for the minister.

The Chair: Okay. Go ahead, hon. member.

Dr. Pannu: Mr. Chairman, the minister's explanation was very helpful. He did make a reference when talking about the review of the AISH rates to considering some sort of adjustment to it. Is there any consideration likely to be given to linking at least the AISH amounts, \$855, as you mentioned, Minister, to this cost of living allowance? That's one thing, the minimum that the recipients, my constituents, certainly are asking for. To be realistic, you know, if costs go up, some consideration has to be given to adjusting the rates in order for these Albertans to be able to live within the means provided to them. If \$855 is a reasonable amount and there has been no change in it over the last five years – I think it was five years ago that the last changes were made.

Mr. Dunford: In '99.

Dr. Pannu: In '99. They certainly are complaining to me that just in the interest of reasonableness, of fairness some inflationary adjustment needs to be made so that it reflects changes in the cost of living.

If I may add another question to it as we go on. I notice in the supplementary estimates \$14.68 million for supports for independence "to address caseload and cost-per-case increases." If you would please explain something about this. I have difficulty understanding what these things refer to and why these increases both in per case cost and the number of cases. Is it in part because the switch from AISH to SFI is more frequent now than it was before, or are there some other reasons for it?

Mr. Dunford: On the cost per case, prescription drugs are eating our lunch. It's just that simple.

**Chair's Ruling
Decorum**

The Chair: Hon. members, I'm sorry to interrupt your lively

conversations. It's just beginning to increase to a level now that we can no longer hear the members who are supposed to be debating. I wonder if we could just bring it down a few notches, and let's hear the hon. minister answer the questions from the hon. Member for Edmonton-Strathcona.

Debate Continued

Mr. Dunford: Well, just in case nobody could hear that, the increased cost of prescription drugs is eating our lunch. We have been unable in the last while to meet our targets, and that's one of the reasons why we're here again tonight seeking a supplementary estimate.

We now spend something in the order of \$170 million a year on the medical card that we provide to our clients, and the overwhelming majority of that is in prescription drugs. So this is something that we need help with, yet we know and understand that in many cases the prescription drug has allowed the person to continue to be able to look after themselves to some extent and perhaps even in other cases allowed them to stay in the training that we have them in and perhaps then even get into the workforce. But there shouldn't be anybody – there shouldn't be anybody – in this House tonight and, as a matter of fact, there shouldn't be anybody in Alberta that is not serious about health reform because this is getting out of hand.

In terms of adjusting the rates – now, I can't say never. I can't say that I've never used cost of living as a way to increase this area because as a matter of fact I have in the sense that when we went back and reinstated increases to the MLA pension plan, that you and I don't have but our predecessors had, we did use 60 per cent of the cost of living, which would be consistent with pension plans. But if this House chose to tie AISH rates to cost of living, I'd actually be disappointed. I don't like it as a measure. It doesn't measure anybody. It is some nonexistent Canadian out there that experiences these costs.

I think there are other indexes that, if we were to tie it to something, would be better. I think market-basket measurement is going to be something that we can look at in the future because it will calculate costs, then, as they relate to our communities. MLA salaries are tied to an average weekly wage index, and to me that might make more sense. One of the questions that would need to be asked is: if there's to be some sort of orderly change to the rate, how is it done? We would need to do that.

Now, the reason that the rates haven't changed in five years is – I talked about prescription drugs eating our lunch; the other thing that's been eating our lunch is the increase in the AISH caseload. We now spend \$360 million, I think it is, within that AISH file, and we've been experiencing 7 per cent increases up until the last year of 6 per cent. We simply haven't been able to find the funds to provide the increase because we've been trying to keep up with the caseload. It doesn't make any sense to me. I don't understand why when we have population increases of 1 and a half per cent we have 7 per cent increases in AISH. It doesn't make sense. Something's going on. We need to find that out.

The Chair: Hon. members, I wonder if we might have unanimous consent to briefly revert to Introduction of Guests?

[Unanimous consent granted]

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

The Chair: The hon. Member for Redwater.

Mr. Broda: Thank you, Chair. It's my pleasure to rise tonight and introduce to you and through you to members of this Assembly the mayor of Thorhild. I noticed that Vivian Prodaniuk is in the members' gallery to observe the session tonight. I'd ask her to please rise and receive the warm welcome of this Assembly.

8:50

The Chair: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Yes, Mr. Chairman. It's my pleasure to also introduce a guest in the members' gallery tonight, and that is the mayor of Breton, His Worship Darren Aldous. I'd ask Darren to stand and receive the warm welcome of the Assembly.

head: **Supplementary Estimates 2003-04**
General Revenue Fund, No. 2
(*continued*)

The Chair: Okay. Are we ready to go to another minister? The next minister on my list appears to be the minister that we've been talking a little bit about, the Minister of Health and Wellness.

Health and Wellness

Mr. Mar: Thank you, Mr. Chairman. I'm pleased to rise and speak to the supplementary estimates for Health and Wellness for the 2003-2004 fiscal year. These estimates add up to a total of just \$12.5 million split roughly equally between operating expenses and equipment and inventory purchases.

The third-quarter forecast shows that my department is \$28 million over budget. This is true, but my department has managed its budget extremely well. We're managing to pay for all of the additional \$22 million allocated to health regions to offset higher operations and maintenance costs. We also found all but \$2 million out of \$14 million in higher than expected prescription drug costs.

In all, Mr. Chairman, the supplementary estimates represent less than two-tenths of 1 per cent of my overall budget. We will get about half of this money, \$6.35 million, back from Canada Health Infoway in the near future. This does not represent an additional cost to the province. These funds will enhance and implement the pharmaceutical information network, which is linked to the electronic health record. Access to a patient's prescription history helps doctors and pharmacists avoid ineffective drugs and prevent adverse reactions. This has great potential to improve the effectiveness and quality of care and will reduce wasted prescriptions.

My department is allocating \$453 million this fiscal year to Blue Cross to cover prescriptions and other extended health services for Albertans not covered under an employer group plan. Most nongroup benefits, 97 per cent, or \$440 million, are for prescriptions, and most of those are for seniors. Drug costs under Alberta Blue Cross are going up an average of 17 per cent a year. This fiscal year my department needed about \$14 million extra to meet this growing drug cost. We can cover all but \$2.2 million of the increase from funds that have already been allocated to us.

These supplementary estimates, Mr. Chairman, show \$4 million to reduce the human risk of West Nile virus. The first and best protection continues to be personal steps that people can take to eliminate their properties as mosquito breeding sites and protect themselves against being bitten. This year we will also assist municipalities in targeting the larvae of the one mosquito species most capable of transmitting the virus to humans. Provincial public health officers will provide details when we announce the full plan next week.

In the meantime, Mr. Chairman, I ask members of the House to

vote and approve this and all expenditures in these supplementary estimates.

Thank you.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I have a handful of questions on this. I consistently hear reports of very, very substantial deficits from the RHAs, something in the range of – I can't remember the exact number – \$60 million for each of Capital and Calgary health regions and smaller amounts for the other health regions. How is the minister expecting to cover those since they're not covered in this estimate?

The Chair: The hon. minister.

Mr. Mar: Thank you, sir. We have examined the plans of all the regional health authorities, and we are satisfied that they will make it through this fiscal year with this additional amount of money that will be allocated to them plus money that we have reallocated from other elements of the Department of Health and Wellness budget. Furthermore, Mr. Chairman, there are some regional health authorities that have accumulated surpluses that will be applied towards their current operating expenditures.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you. I hear ongoing concerns about the very long delays in the approvals of the RHA budgets and business plans, depending on how you're looking at them. Indeed, my information is that even as recently – perhaps it may be still the case today – as a few weeks ago the RHA budgets for this current year had not actually been, as it were, signed off by the minister. That's of very close relevance to this debate because we're debating supplementing those, so perhaps the minister can enlighten the Assembly on the process through which the RHA budgets are signed off on a year-to-year basis.

Mr. Mar: Mr. Chairman, we are working hard at trying to develop multiyear contracts with the regional health authorities. Part of that challenge, of course, is the ability for us to get information out as soon as possible on how much a regional health authority might be looking at getting in the upcoming year. So because we're making the transition to multiyear contracts as opposed to year by year, that is the reason why the current fiscal year's budgets haven't been signed off yet.

The Chair: Hon. Member for Edmonton-Riverview, are you ready? Okay.

Dr. Taft: No, no. I've got plenty of questions.

That makes it more difficult, really, to support these supplementary estimates because it feels like we're adding on to an as yet undefined amount, but be that as it may.

The minister did mention West Nile protection, promotion, and prevention programs. There's a substantial amount allocated here for that.

Another concern similar to West Nile, in fact potentially a much more serious concern, is around SARS. I do believe that some of the RHAs have undertaken extensive preparations and training of their staff and even preparation of facilities in case there is even a single case of SARS reported in, say, Edmonton or in Calgary. Was that preparation entirely financed out of previously approved revenue, or

is it in here somewhere? Does the minister have any idea how much that has cost? Is it more or less, for example, than what's been spent on West Nile preparation?

Mr. Mar: Mr. Chairman, we have taken significant steps to deal with issues of infectious disease particularly as we know that there will be at some point a pandemic influenza, so our planning for infectious diseases like SARS has been part of really an overall picture of dealing with infectious diseases like pandemic influenza. We do allocate money for public health. It is out of that allocation of money that we have been working on the development of plans by regional health authorities and by the province. The plans for West Nile virus are quite a bit different because it's not an infectious disease like SARS or like the flu but really is something that is transmitted by in this case mosquitoes.

The Chair: Hon. Member for Edmonton-Strathcona, are you wishing to ask a question? Go ahead.

Dr. Pannu: Yes. Mr. Chairman, thank you. A question to the minister – I think the Member for Edmonton-Riverview raised that question – with respect to the alleged deficits in two major RHAs, Capital and Calgary, to the tune of \$60 million each. The minister said that those monies are likely to be found within the budgets of each of the RHAs or within the overall budget of the department. I wasn't quite able to understand where those monies are to be found, if those budget figures are, indeed, more or less right in the judgment of the minister. There's the first question.

9:00

The Chair: The hon. minister.

Mr. Mar: Thanks, Mr. Chairman. What is happening is that throughout the province there are regional health authorities, some of which do not have accumulated surpluses that they can apply to their current deficits. Some of those regional health authorities will find sources of money from our supplementary estimate. Others will be able to do it by accessing accumulated surpluses. So the solution for each regional health authority to making sure that it is able to deal with its deficit by the end of this fiscal year will differ from region to region.

The Chair: The hon. third party leader.

Dr. Pannu: Thank you, Mr. Chairman. My next question to the minister has to do with the \$2.167 million being requested as part of the supplementary estimates for the nongroup health benefits program. What does this term refer to and if you would, please, give some information?

Mr. Mar: Mr. Chairman, as I indicated to the committee, most nongroup benefits, some 97 per cent of it, or \$440 million, are for prescriptions. What we found is that drug costs under the Alberta Blue Cross plan were going up an average of 17 per cent a year, so this fiscal year we needed 14 million extra dollars to meet the growing drug costs. We have found monies from other elements of our budget to cover for all but \$2.2 million. So the \$2.2 million that is being asked for are monies that will apply to the drug program under Blue Cross, and as I indicated, most of that is for the benefit of seniors.

Dr. Pannu: Two questions on this 17 per cent increase to the Alberta Blue Cross drug costs. Is this consistent with the overall

increase of the cost of health care, and if not, what is driving this particular high level of increase in drug costs?

Mr. Mar: Mr. Chairman, that is a good question but one which is a very complicated one to answer, but I'll do my best. The 17 per cent increase in drugs is driven by two things predominantly. It is a function of the growing volume of people requiring drugs but also a function of the growing cost of new drugs that are coming onto the market. The overall costs of health care are not increasing at 17 per cent. It would be more in the range of 8 to 10 per cent across Canada.

Other elements that are higher cost are things like new technologies that are becoming available, and that's very analogous to the growing costs of drugs. Also, there is an issue with respect to our aging population. Even if our population were to stay static in its number, generally speaking as people age they use, consume, more health care dollars and resources, and that is also one of the areas that's driving your overall cost of health care, but 17 per cent increases for drugs are not indicative of all the costs going up in the health care system.

Learning

The Chair: I'll call on the hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Chairman. I rise today to discuss the supplementary estimates for Learning. The supplementary estimate is \$14,600,000, which will fund the following things that I will list. There is also some statutory funding to the tune of around \$4.6 million.

I'll start with the statutory funding first, as I believe it is excellent news. On the statutory side \$1.1 million are for the Alberta heritage scholarships, which is due quite simply to a higher than anticipated number of students becoming eligible for these awards. This is nothing but good news in that our students are achieving more and are eligible for more of the awards.

There's also 3 and a half million dollars for the provision of the future cost of student loans due to a higher than anticipated number of students becoming eligible for financial assistance. Again, Mr. Chairman, it's an extra 3 and a half million dollars that goes into the postsecondary system through student loans.

We have \$500,000 in the nonstatutory voting amount for equipment and inventory for the development of a new apprenticeship, trade, and occupation management system. This will enable us to be much more effective on the apprenticeship side. Already we're the number one system in the world, and this will continue it to be even that much better.

There's also, Mr. Chairman, \$5 million for private schools supports; \$600,000 of this is from the increasing number of grade 12s returning to high school for upgrading, and \$4.4 million of this is for early childhood services. This goes to the private kindergarten providers for an increased number of children with severe disabilities and potentially higher costs per child.

The last, \$10.2 million for public and separate schools support; \$5.6 million dollars results from an increasing number of grade 12s that are returning to high school for upgrading. What we are seeing is a considerable number of these students coming back to high school for either upgrading their marks, upgrading courses, all in all returning to school. This is more than we had anticipated. We have \$1.3 million for providing learning programs to students in provincial institutions. What happens with this is there were some new institutions opened, and quite simply under the law we are forced to provide education to them, and that is costing us an extra \$1.3

million. Mr. Chairman, \$3.3 million for early childhood services PUF funding, which represents an increase in the number of children with severe disabilities as well as higher costs per child.

This is good news for the Department of Learning in that there's a little over \$20 million that is being put into Learning with these estimates, Mr. Chairman, and it's all going to the children and the learners in this province.

I'd be more than happy to take any questions.

The Chair: The hon. Interim Leader.

Dr. Massey: Thank you, Mr. Chairman. I noticed in the estimates that there is a line that refers to "higher costs per child," and I wonder how that is determined. I guess to give it some context, if you look at what happened to the public schools with their reduction of a thousand teachers, it seems to me that they could have claimed that the arbitrated teachers' settlement resulted in much higher costs per child. There wasn't relief for them, yet there seems to be relief here on the basis of costs per-child increases. I wonder if we could find why the difference.

[Mr. Lougheed in the chair]

Dr. Oberg: Thank you, Mr. Chairman. The higher costs per child are in kindergarten where we have expanded the mild and moderate. We have expanded the ESL as well in kindergarten, and again this is very good news for those kids that do have learning disabilities in kindergarten and are identified early.

Dr. Massey: Well, I guess I'm still having difficulty with it, Mr. Chairman. What triggers a request from one area that results in additional monies being handed to the operators? What would have happened that these higher costs would be covered in these estimates?

Dr. Oberg: Quite simply, Mr. Chairman, there are more children that are identified. There are more services that are being provided to these children and subsequently the higher cost per child as well as the increased number. I do not have the breakdown between the actual increase in the number of severe disabilities versus the cost per child, but again it's from bringing more children into being funded at the kindergarten level compared to what it used to be.

9:10

The Acting Chair: The hon. leader of the third party.

Dr. Pannu: Yes. Thank you, Mr. Chairman. A question to the minister. In the supplementary estimates there are \$3.3 million for early childhood services program unit funding in the public system, and parallel to that is \$4.4 million for early childhood services program unit funding for private schools and private operators. The size of the private segment of the education system relative to the public segment is much, much smaller, yet the amount being requested is nearly 25 to 30 per cent more for that much smaller sector. Would the minister try to explain this?

Dr. Oberg: One thing we have to remember is that the comparison between private schools and public schools is not the same ratio in kindergarten. In kindergarten we have a high number of private providers, private schools who just give kindergarten, and there's a much higher ratio of the private to the public in that rate.

The other issue that has occurred is that we have seen more children with severe disabilities. More of the PUF funding in that

particular sector is going to private kindergartens, and subsequently that realizes why there is the \$4.4 million for them. When we typically think of private schools, we're running at about 5 to 6 per cent of the students who are in grades 1 to 12. For kindergarten we're up around 40 per cent of the number of students actually in private kindergarten.

Dr. Pannu: A sort of supplementary to my question to the minister: would the minister have an estimate in terms of the number of ECS students in the private sector and the number in the public sector that's under reference here?

Dr. Oberg: I believe it's about 40 per cent in the private and around 60 per cent in the public, but I certainly will undertake to get that exact number for the hon. member.

The Acting Chair: Thank you.

Dr. Pannu: Then if the ECS segment in the public schools is 60 per cent and in the private sector it's 40 per cent why a 25 per cent more increase sought for the private sector?

The Acting Chair: The hon. minister.

Dr. Oberg: Thank you, Mr. Chairman. Because we are seeing an inordinately increased number of kids with severe disabilities in the private sector. This is all done on a per-student basis, and what we're seeing is a rise there as opposed to the public system.

The Acting Chair: Thank you.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. There is virtually nothing in here for postsecondary learning apart from the \$500,000 in equipment and inventory purchases for apprenticeship and trade programs, at least if I'm reading this correctly.

Dr. Oberg: It's \$4.6 million on the statutory side.

Dr. Taft: Okay. Can you elaborate a bit on the \$4.6 million?

The Acting Chair: The hon. minister.

Dr. Oberg: Thanks, Mr. Chairman. What we see is on the statutory programs, which are monies that have to be put out purely by the number of students. We have a \$1.1 million increase in the Alberta heritage scholarships. This is due purely to the fact that there are more students qualifying. We also have 3 and a half million dollars for the provision of future costs of student loans issued – this is what the people are telling us – because there are more people becoming eligible for financial assistance. So, again, this 3 and a half million dollars is put into the student loan program in anticipation of the costs according to our actuaries.

The Acting Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you. I appreciate that clarification. I was actually questioning about funds going directly to postsecondary institutions as opposed to the students, and my question would be to the minister. In preparing these supplementary estimates, did any of the postsecondary institutions, or universities or colleges or technical schools, request extra funding of the minister?

The Acting Chair: The hon. minister.

Dr. Oberg: Thanks, Mr. Chairman. The postsecondaries always ask for extra funding. What I will say is that in the last supplementary estimates they received an extra \$30 million purely for postsecondary on the operations and maintenance side, and they also received I believe it was \$45 million from the access funding side. So in the previous two supplementary estimates that have come forward, they've actually received about an extra \$70 million to \$75 million. Therefore, this time when supplementary estimates come forward, it has been kept to the K to 12 system.

The Acting Chair: The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Chairman. My next question to the minister is with respect to the acquisition of an investment risk management system. There's \$875,000 requested to provide funding for the acquisition – that would be on page 48. I believe it's from your department; it may not be. My pages might have got mixed up. Sorry, Mr. Chairman.

The Acting Chair: Hon. minister, do you have a response?

Dr. Oberg: No, Mr. Chairman. That's actually the Department of Revenue.

The Acting Chair: Thank you.

The Interim Leader of the Opposition.

Dr. Massey: Thank you. Just a couple of questions, Mr. Chairman. At budget time I asked a detailed set of questions and still haven't received responses to a number of those – this was the last budget – and I wondered what had happened to those. I still would appreciate having that information as we prepare for the next budget.

The other question I have is with respect to determining public school funding and private school funding. What is the basis – and I guess this goes back to some of those questions that I asked – for determining a per-pupil allocation?

The Acting Chair: The hon. minister.

Dr. Oberg: Thanks, Mr. Chairman. The present funding formula is determined with a base amount per student with additive amounts afterwards. There are additive amounts, for example, in special needs. There are additive amounts in ESL. There are additive amounts also in sparsity and distance, which is not directly tied to a student, but it is tied to the funding of the student. There are additive amounts on transportation. So, in essence, what happens in the funding formula as it exists today, keeping in mind that the funding formula will be changed come September 1, there's a base amount per student with plus and plus and plus added on top for each different one of the variables that the student qualifies for.

Dr. Massey: Well, I guess, then, that begs the question: how is that basic amount determined? How do you decide this is what it's going to cost a school or a school district to educate a youngster?

Dr. Oberg: There are two ways, Mr. Chairman. First of all, we determine the amount that is needed, and secondly, it is based on historical amounts. So what happens is the increases are built onto the base funding. What then happens is the additive amounts, the variables that are added in, tend to be more based on the need, so the actual base amount has the built-in increase. The other variables

tend to have a variable amount of increase. For example, what you've seen is that the amounts for severely disabled children go up significantly higher than the actual base amount per child. That's gone up around 9 or 10 per cent. We've seen huge increases in that.

To put it bluntly, it's based on historical amount. The historical amount was done with the needs of the child in place. The variable amount is much more responsive to the individual child and the individual school jurisdiction.

Ms Carlson: Mr. Chairman, I have one question for this minister. I heard his comments to the Member for Edmonton-Riverview about postsecondary funding with some interest. We repeatedly hear the president of the U of A talking about how funding from the province to postsecondary institutes has dropped, how in 1982 for every dollar a student put in in tuition fees, the province put in \$10, and how now in 2002 that has dropped from students putting in \$1 to the province putting in \$2.3. So that seems to be significant. We don't see that addressed here in this supplementary supply. Can you give us any good news about what's happening in the upcoming budget, and why didn't you consider funding it here?

9:20

Dr. Oberg: Mr. Chair, as you well know, I cannot talk about what is in the upcoming budget. What I will say, though, is there was an agreement made from this government about eight or nine years ago, at which time a number was put forward about the percentage of what would be reasonable for a student to pay for their own education. At that time that number was stated to be 30 per cent. For the University of Alberta, which the hon. member asked me about, the present cost is about 24 per cent. So for every dollar that a student puts into his own education, there is another \$3 that is put in place by other sources, and I fully recognize when I say that that the other sources do include more than just the government funding. There are research funds, accumulation on their deposits, interest on their deposits, things like that.

The Acting Chair: Thank you, Minister.

The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Chairman. My question to the minister is, I guess, prompted by the question asked by the Member for Edmonton-Riverview earlier with respect to there being no supplementary funds being requested for postsecondary institutions. I was reading some document from the University of Alberta a few weeks ago, I think, in which reference was made to utility costs alone going up during this year beyond the estimated amount by about \$27 million. Now, that's a huge cost, and I'm surprised that there's no indication here that either the request was made from the university – I've given one example; there are other institutions, I suppose, that are similarly affected – or that in terms of asking for more funds there's no response to that request from the university.

Dr. Oberg: The universities and colleges put forward a request back in about May, as the hon. member said. There was \$30 million that was delivered to them in estimates in the last sitting that we had. They received \$30 million extra in O and M at about the end of July, so that covered them off. In actual fact they may have had some increases since that time, but they have not been vocal about any other increases. So they did receive an extra \$30 million on top of what they had.

The Acting Chair: No further questions of the Minister of Learning?

Then we'll call upon the Government House Leader.

Seniors

Mr. Hancock: Thank you, Mr. Chairman. I'm prepared to put forward the estimates on behalf of the Minister of Seniors with respect to supplementary supply for the Department of Seniors.

As is disclosed in the supplementary estimates that were tabled, those supplementary estimates fall into three areas: the sum of \$4.5 million, which was provided to assist an increased number of low-income seniors with the costs of long-term care accommodation fees; the sum of \$900,000 to support additional year-round and seasonal beds in homeless shelters; and \$5.5 million for increased provincial funding under the Canada/Alberta affordable housing agreement.

The seniors' benefits addition will come as no surprise to members in the House. The seniors' benefits program is an income-based program that provides cash benefits to low-income seniors. In general, single seniors with an annual income of \$18,850 or less and senior couples with a combined annual income of \$28,740 or less are eligible for a cash benefit. The yearly maximums for seniors who qualify are generally \$2,820 for single seniors and \$4,200 for senior couples.

When long-term care rates were increased in August 2003, of course that also impacted low-income seniors who were in long-term care. At that time the government of Alberta determined that low-income seniors on Alberta seniors' benefits who were residing in long-term care facilities should receive more assistance, obviously, to offset the impact of the rate increase. So to do this, the Ministry of Seniors implemented a supplementary accommodation benefit which allows qualifying low-income seniors to receive assistance over and above the yearly maximums that I've just mentioned to pay for the long-term care costs. The maximum amount per senior is \$4,455 per benefit year.

A supplementary estimate, the members will recall, was approved in the second quarter for \$17.3 million to pay the costs of the supplementary accommodation benefit, but since then some changes have occurred. Additional seniors have qualified to receive assistance with the higher fees. There's been a change in the makeup of long-term care facilities so that there's a larger proportion of seniors in long-term care facilities who now qualify for benefits. In the summer of 2003 48 per cent of seniors living in long-term care were eligible for supplementary benefits. That percentage is now almost 57 per cent. So the \$4.5 million supplementary estimate that's being requested of the Legislature today is to pay for that additional supplementary accommodation benefit for seniors in long-term care facilities.

The homeless shelters' \$0.9 million was needed to fund an additional 100 year-round beds and 200 seasonal shelter beds in Calgary. To meet the level of demand in Calgary, the Ministry of Seniors has been operating Sunalta Shelter, which provides for an additional 100 year-round beds. The Mustard Seed church had operated the Sunalta Shelter as a temporary winter emergency shelter in Calgary over the past two years.

The supplementary funding will also help to pay costs incurred by the Calgary Drop-in Centre for 200 additional beds over the winter months. In addition to those projects receiving the funding, the Ministry of Seniors has funded the Westgate Hotel project and the Knight Inn project in Calgary as well to provide additional temporary beds.

The remainder of the supplementary estimates, \$5.5 million, which again is in the area of housing services, is to complete the Canada/Alberta affordable housing agreement. Members will recall that the Canada/Alberta affordable housing agreement provides access to up to \$67.12 million in federal contributions to be matched by the province to help increase the supply of low-cost housing in high-growth communities.

Under the agreement the federal government is prepared to provide up to \$20.5 million to Alberta in 2003-2004. The 2003-2004 budget originally provided only \$15 million, which is \$5.5 million below the amount necessary to fully match the federal contribution. With this supplementary estimate the Ministry of Seniors will be able to fully match the federal contribution for 2003-2004, which will result in an additional \$11 million being provided to communities to meet the need for affordable housing. Since signing the agreement, more than \$40.2 million has been allocated to 21 projects for the construction of 1,005 affordable housing units.

So, Mr. Chairman, that's the rationale for the \$10.9 million which is being requested by the Ministry of Seniors.

The Acting Chair: Thank you, Minister. Are you prepared to respond to questions on the Minister of Seniors' behalf?

Mr. Hancock: I'll respond to the questions, Mr. Chairman, that I can respond to and undertake to get answers to the rest.

The Acting Chair: Thank you.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thanks. I appreciate that gesture from this minister.

The first questions I have are around the allocation for homeless shelters. We are all aware of the number of homeless people on the streets of not just Edmonton and Calgary but of the smaller cities in Alberta as well. Many of these people are there as a result of mental health problems. Many of them are there because they can't have supported housing where they could live and get a minimum bit of support so that they don't end up in crisis and in hospital and on the streets. So my question – and perhaps this minister may well be able to answer because of his role in Justice – would be: are we seeing anything in here that's going to address some of the long-term causes of homelessness, or are we simply seeing treatment of the symptoms?

9:30

Mr. Hancock: Well, Mr. Chairman, of course with respect to the Ministry of Seniors specifically, obviously this budget would address the symptoms. It deals with making provision for low-cost housing and provision for homeless shelters.

The issue with respect to why people are homeless would be provided for mainly within the context of other government departments. In many cases, as the member well knows, there are issues with respect to mental health. There are other issues that impact people which I won't go into in detail here, not being an expert in it.

Clearly, what we're talking about here is providing shelters for the people who are homeless, and the leading-edge agreement with the federal government with respect to providing funds to support affordable housing is, again, to deal with those people who are in that situation, not to deal with the other side of the equation, which is also very important, and that is to ensure that people don't get into that position.

Dr. Taft: The point of my question was that we might not end up needing these supplementary estimates if we could get at the underlying cause of homelessness, so that's how it relates to this.

Mr. Hancock: Well, the hon. member may well be right. We wouldn't need these estimates if we didn't have the problem. As he well knows, however, those problems are not solvable overnight, so you have to deal with the acute care side of the equation now while

you're dealing with trying to solve the problem on the other side of the table. You can't abandon these people who are in need on a cold winter night because you want to cure the problem. That's one of the key struggles the government always has: to put resources into the preventative side and into the program side, which would resolve some of these issues. Obviously, we need to deal with the acute care side, and that's what's being asked for here.

Dr. Taft: Certainly I wouldn't want the minister to interpret my comments as suggesting that we cut out these kinds of responses to the immediate needs, but it seems to me that this occurs year after year after year. Frankly, we've known for a long time that many people who are homeless are homeless because of mental health problems, and we haven't addressed their care, so let's get on with addressing that.

My next questions are around the 4 and a half million dollars "to assist an increased number of low-income senior citizens with the costs of long-term care accommodation fees," which went up very significantly I think it was the 1st of August. At the same time that those fees went up, we're hearing increasing reports and seeing increasing evidence of decline in standards of care in nursing homes so that we have seniors who feel like they're paying more and getting less.

So let me frame it this way. This 4 and a half million dollars that's going in to offset the costs of the increased fees for low-income seniors will flow through the bank accounts of those seniors to the nursing homes. Does this minister have any thoughts or knowledge of what impact we might see on improving standards of care as a result of increases in revenues going to the nursing homes such as this 4 and a half million dollar increase?

The Acting Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. Well, as the member will know, having read carefully the Broda report, the issue of making sure that there are sufficient beds in long-term care is certainly one which the Ministry of Seniors, responsible for housing, is acutely aware of and has been working hard on. One of the reasons for the increase in the long-term care rates was to have that payment for the housing portion of the care so that the operators would have sufficient funds to keep the standard of care and the level of care in the facilities strong and as well, of course, to make sure that other facilities would be available so that more beds would be available so that many other good things could happen. First of all, those seniors who are in need of long-term care and needed that type of accommodation would have it available, and people who should be in long-term care as opposed to acute care beds would have the opportunity to move there and thus free up acute care beds for the acute care system in health.

So there were many benefits which were intended by increasing the fees which were payable by people in long-term care for their housing. That's a good theory, but obviously there are people in long-term care who are low-income and who are being subsidized, so the Seniors budget had to be increased to cover off that portion of those people's fees. That's what we're looking for here, to keep those people whole and make sure that that increase did not impact unduly on people who couldn't afford to pay.

But, yes, of course the whole concept of making the long-term care charges match the costs of providing the housing portion is so that it doesn't eat into the cost of providing the care. The operators can make sure that that care is provided for. If the money isn't there, they can't provide the care, so you have to make sure that it's there, and these dollars will go directly to doing that.

The Acting Chair: The hon. leader of the third party.

Dr. Pannu: Thank you, Mr. Chairman. On the \$900,000 for the homeless, the additional funds that are being asked for here, would the minister have – you may not have because you're not directly responsible for that portfolio – a breakdown in terms of which communities received what amounts from this? As the hon. Member for Edmonton-Riverview drew to the attention of the House, the problem of homelessness is not just the problem of Calgary or Edmonton, but Red Deer, Medicine Hat, Lethbridge, Grande Prairie, and so on and so forth all have that problem now.

I'm particularly interested in this question because in my constituency there has been some neighbourhood dispute about whether or not a particular church should provide temporary shelter to the homeless. I'm interested in knowing what portion of the funds from this \$900,000 has come to Edmonton and perhaps some of that money to the area that I represent to provide for the facilities that are badly needed by the homeless in the area.

Mr. Hancock: Well, Mr. Chairman, to the best of my knowledge and subject to correction the information that I have available here is that the \$900,000 went entirely to Calgary from this supplementary estimate. That's not to say that there weren't other dollars in the budget that went to other homeless projects around the province. But this particular supplementary estimate was dedicated, as I indicated, to running the Sunalta Shelter in Calgary, which the ministry was operating, and the supplementary estimate was needed to pay some costs incurred by the Calgary Drop-in Centre for 200 additional beds there. I think the other projects that I listed, the Westgate Hotel project and the Knight Inn, were not part because the information that I have is that those were in addition to these. So the \$900,000 as I understand it – and I will certainly get correct information if I'm wrong – went specifically to the Sunalta project and the CDIC project in Calgary.

[Mr. Tannas in the chair]

Now, I'm well aware of the Inn from the Cold project in Strathcona. My church as well as other churches have been participating in that project. It's a very good indication of how the community can come together and provide support for those in need. It's unfortunate that there was a problem in getting that project up and running on a timely basis, partially due, as the member indicated, to the concerns that were expressed in the community. I have nothing but respect for the people from all the churches involved who were dedicated to getting that particular society together and up and running and providing that type of accommodation, primarily directed to young people in the Old Strathcona area but I don't think restricted to them.

I have had occasion to speak to the minister with respect to that project and with respect to the problems they were having getting up and running, but I have to indicate that this supplemental estimate deals specifically with those two projects that I mentioned in Calgary.

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

9:40

Dr. Pannu: Thank you, Mr. Chairman. Now I turn to the \$4.5 million "to assist an increased number of low-income senior citizens with the costs of long-term care accommodation fees." Clearly, this request is related to the increase in the rate that resulted from changes in the government's own policy with respect to that. From

the seniors' advocates we hear day in and day out, increasingly, their growing concerns about the quality of care at the same time as the Minister of Seniors is coming back to this House to ask for more money to pay for those facilities that provide that care. So that's a concern I want to register.

I don't know if any of this money – it doesn't look like it – is being used to monitor the quality of care in conjunction with the increase in fees, which in part were justified in order to guarantee and perhaps improve upon the quality of care received by seniors in long-term care facilities.

Now, the questions that I have about it. I know that there are three types of providers, I guess. There are private, nonprofit providers of long-term care; there are public facilities that provide that care, run by RHAs I would suppose; and there are private, for-profit. So there are three categories that I know of. Would the minister have any idea about what portion of this \$4.5 million is going to each of the three categories of providers, and what are the numbers of seniors receiving this assistance for each of these three types of residences run by three different categories of providers?

Mr. Hancock: Well, Mr. Chairman, the first portion of the member's comments were clearly a comment which I'm sure the Minister of Seniors will be pleased to read and get that input from.

With respect to the specifics about the three types of housing and how many seniors are in each type and what percentage of them in each type get the benefit of this supplemental assistance and more particularly this supplementary estimate, obviously I don't have those numbers at hand. To the extent that they are available, I'll see that the member gets them.

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

Dr. Pannu: Thank you, Mr. Chairman. While we are talking about numbers, perhaps I should also put in a request, then, and the Minister of Seniors will perhaps respond to it later on. What has been the increase both in terms of absolute numbers and the percentage increase of seniors requiring this assistance since the increase anywhere from 38 to 50 per cent on a monthly basis in the rates that the seniors have to pay for long-term care? Two numbers: absolute numbers of seniors who now require special assistance to pay for their facilities and, secondly, what percentage increase has taken place as a result of changing this policy.

Mr. Hancock: Well, Mr. Chairman, I don't have the absolute numbers of seniors available, but as I indicated earlier, during the summer of 2003 48 per cent of seniors living in long-term care facilities were eligible for supplementary benefits. There has been a shift in the demographics. There have been higher income seniors who have chosen to avail themselves of other accommodation. Once the prices, I guess, were comparable, they chose a different form of housing. So there have been higher income seniors leaving long-term care facilities and normally replaced by others who are lower income level.

So there has been a shift in the demographics. My understanding is that right now about 57 per cent of seniors in long-term care are receiving supplementary assistance benefits, and that's expected to increase to about 60 per cent by the year-end. There has been a shift, there has been a change, but my information suggests that that change has not been so much that the people who weren't before are now on supplementary assistance benefits, but rather there's been a change in the demographics. In fact, spaces have been made available for more lower income seniors, who then require the supplementary assistance benefit, and the higher income seniors are moving out to other types of accommodation.

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

Ms Carlson: Thank you, Mr. Chairman. I, also, have some questions on seniors. I wasn't completely satisfied with the answers I just heard from the hon. minister on how they intend to help seniors, particularly with long-term care fees and the problems they're having with increased power bills and insurance costs. I don't feel that seniors are more satisfied than they were at this time last year, and I want to know how come that isn't addressed in these supplementary estimates. I also want to know what the government's long-term plans are, because I don't see them addressed here, in terms of providing affordable housing for seniors.

We're seeing more and more that seniors are falling through the cracks, that many of them cannot sustain their own homes or rental homes with the costs that are accruing out there when you see the substantial increases in living costs, whether it's their power bills, their rents going up, being able to own and operate a car, which in this province it is virtually impossible to function without. The public transportation system is so poor and the cities are so spread out. So they see all these mounting costs; they see additional fees having to be paid for prescription drugs.

All of this adds up on a monthly bill that's unaffordable for them, and the only place they can cut back on is their housing. So if there is no affordable housing available for them, which we are finding increasingly is the case, then where are they supposed to go? How come the government isn't picking up their own phones and listening to these problems? We're hearing them in our constituency offices day in and day out, not seniors who are upset or mad but seniors who are desperate and who have no place to go. So I wonder why that hasn't been addressed anywhere in these supplementary estimates.

Mr. Hancock: Well, Mr. Chairman, the hon. member is debating beyond the provisions of the supplementary estimates and trying to tie it back to supplementary estimates by saying: why isn't it in here? The hon. member well knows that a budget might be expected sometime within the next month or so. She heard the Speech from the Throne in which there was a clear commitment to the seniors of this province, an indication that the government does understand that seniors who are living on the margin, seniors who've retired on a fixed income and are facing increasing costs, as everybody is – increasing costs with respect to utilities, with respect to groceries, with respect to all the costs of living do make it difficult for seniors who've retired on fixed incomes.

My own parents are living in their own home and have the same issues as other seniors around the province, and that is that it's increasingly more and more difficult to meet the rising costs that happen in society, the ongoing costs that increase on a year-to-year basis.

This government is not turning a blind eye to that. In fact this government has put in place the Alberta seniors' benefits in an attempt to make sure that there was a program in place so that seniors on a low income could have a place to go for extra funding when they needed it. When the government allowed the rates for long-term care to go up so that more long-term care spaces could be available, they also recognized that there would need to be some money in the budget to cover those that require assistance from the government to assist with that increased cost. That's why there was an additional \$17.3 million in the last supplementary estimates, and we're now looking at \$4.5 million in these estimates.

The Minister of Seniors is a strong advocate for seniors in this province, and the government will continue to ensure that those seniors who are living on the margin, who are having a hard time making ends meet in houses that perhaps might need repairs, in

houses that are increasingly difficult to heat through rising utility costs, seniors who have to meet their medical bills – the Minister of Seniors is working very hard to make sure that the programs are there and that they go to the people who need them.

So the issue is: at what level of income do seniors need assistance, and how can we have programs that are designed to be delivered so that those seniors get assistance? It's very much a part of this government's agenda, as was spoken to in the Speech from the Throne, but that's a subject for discussion when the main estimates are before the House.

The Chair: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Chairman. I appreciate the comments here. Seeing that we're getting towards the end of the discussion, I just need to put my concern on record that we've only had about eight hours since we were provided with the information in these supplementary estimates, and it does make it very difficult for us to carry on an informed debate. We don't have an opportunity to check with any of the stakeholders on the appropriateness of this legislation. It's over \$100 million in this case. So I would just like it to be on the record that this is a very, very serious constraint on our ability to debate this bill.

Thank you.

9:50

Innovation and Science

The Chair: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Thank you. It's my pleasure tonight to represent the Minister of Alberta Innovation and Science. Mr. Chairman, hon. members, tonight on behalf of the minister I'm bringing forward the supplementary estimates for the ministry's budget regarding Imagis. For those of you who may not already know, Imagis is the acronym for the Alberta Government Integrated Management Information System. It is the corporate system that supports the government of Alberta's financial, purchasing, human resources, and payroll businesses. A project to implement Imagis was initiated in 1995-96 to replace multiple old systems that could not meet the changing business imperatives.

Now, what does Imagis do? Imagis provides the ability to meet the Alberta government's financial obligations to vendors, customers, and employees. It enables all ministries within the government of Alberta to comply with the requirements of generally accepted accounting principles. Last year Imagis processed approximately 1.9 million invoices. Can you imagine? One point nine million invoices. It sounds like something that my wife and I have to deal with when we go out shopping – 1.9 million invoices through accounts payable, 500,000 payroll cheques, 250,000 time sheets. How many time sheets? Two hundred and fifty thousand and 42,000 T4s and T4As. Through an automated employee self-service component approximately 20,000 employees receive the confirmation of their pay, eliminating the need of duplication to print and mail 200,000 pay advices. This, I believe, is a very important initiative. Seventy-five thousand expense claims were processed. The automated electronic payment system eliminates the manual handling of 1.2 million paper vendor invoices. So, Mr. Chairman, that is quite important.

Upgrades to the Imagis system are required approximately every three years to keep the system current and take advantage of the enhancements and new features. The upgrade undertaken in '03-04 involved changing the system to fully web-enabled technology and

significant changes to some of the financial and human resource functions.

Finally, as a result of the complications involved, increased costs were incurred. I think we can all relate to that in our own homes in terms of an estimate we get versus what it really actually costs. In addition, Imagis experienced increased operational costs for such things as hardware requirements and software licensing fees, another common phenomenon across Canada. To cover the increased operating and upgrading expenses, a supplementary estimate of \$1.55 million is required.

In conclusion, Mr. Chairman, thank you again for the opportunity to present tonight. Should there be any questions, it would be my pleasure to ask the Minister of Innovation and Science and his staff to respond to them directly.

Thank you.

Dr. Massey: I wanted to ask a question. Has the government examined and responded to the Auditor General's criticisms in his last report where he indicated that the government hasn't formalized or implemented "an effective accountability framework for IMAGIS"? One would assume that before more money was put into the program, that accountability program would be in place, and I think there was a further recommendation from the Auditor General that the work be done within the individual ministries to make sure that the money was being well spent. I guess it's that concern, that the Auditor General's caveats be addressed before we put more money into it.

The Chair: The hon. minister.

Mr. Boutilier: Thank you, Mr. Chairman. I can't say. This morning I appeared in front of Public Accounts, and some of the hon. members across the way and on this side were at Public Accounts. The Auditor General was there, and he talked about the importance of accountability. I was very proud to say that the accountability within the ministries that are presenting to Public Accounts – I'm not aware at this point if, in fact, Innovation and Science is presenting to the Public Accounts, where a similar type of question, I would assume, would be asked as well. But I will say this. I understand the minister's perspective. Actually, not the Auditor General's criticisms but the Auditor General's recommendations I know are clearly taken very seriously by this government and are acted on, as I indicated to the Public Accounts Committee this morning.

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

Dr. Pannu: Thank you, Mr. Chairman. In light of what the Auditor General has recommended, the question of accountability I think is something that we need to take seriously. So in that spirit, looking at the request for a little more than \$1.5 million related to a budget of \$12.1 million that was approved by this Assembly earlier, it's a rather large increase being asked, more than 13 per cent.

The information technology is not something new. It has been around for many years, extensively used by this government and its offices as well as businesses and other institutions all over the place. Why is it that the budgeted amount is so far out of line with what was in fact being spent and because of which now a certain per cent increase is being requested by way of this particular request for supplementary estimates?

Mr. Boutilier: I appreciate the hon. member's comments. I think we can all appreciate either in our lives, in our homes, or in institu-

tions that, clearly, software licences and fees are something from an accountability perspective that we have no control over because it's an external market that we're dealing with. But I can assure you from an accountability perspective that every single cent that is being invested in this new technology – Alberta is viewed as a leader, and we want to ensure that we get the best value in terms of what we're providing relative to this.

Again, I will take the hon. member's comments that he has mentioned and share them with my hon. colleague the Minister of Innovation and Science, and I thank him for his comments.

Infrastructure

The Chair: The hon. Minister of Infrastructure.

Mr. Lund: Thank you, Mr. Chairman. I'm here this evening before the committee requesting and showing that we need an additional \$35 million to fulfill the Natural Gas Price Protection Act. The original budget was for \$180,600,000. Of course, it covers five months: November, December, January, February, and March. What happened? In November and December there was no payment, but we were figuring on a first of the year payment, and it turned out that in January there was a \$2.50 payment, then in February \$1.50, and we know there's another \$1.50 coming in March. Our calculations tell us that we will need about \$215 million for this whole program, which requires the addition of the \$35 million.

Ms Carlson: Mr. Chairman, I just can't resist asking the minister what the justification is for such a poorly funded kind of system, where people have to get rebates and we just can't provide fair and reasonable pricing when it comes to natural gas.

10:00

Mr. Lund: Well, I'm so pleased that the hon. member would find time to ask me a question. I remember having to stand in the House almost daily and answer questions from the hon. member, but with her aspirations to leave this place and go to bigger and better things, I really appreciate that she give me one more opportunity to answer one of her questions.

Mr. Chairman, the fact is that gas is priced on the market, and I think it would be a huge mistake if, in fact, we said that we were going to interfere – I don't know what the number would be, where the level would be – on a monthly basis with that level. I think the gas price protection act certainly offers the level of protection to the consumer that is necessary for those heavy-use months. When we don't know exactly what the price is going to be, we don't know how many gigajoules are going to be used, we make the best estimate that we possibly can, and I really, really believe that we've now come to the point where we know that we're going to need about \$215.6 million in order to fulfill the requirements under the act.

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

Dr. Pannu: Thank you, Mr. Chairman. My question to the minister, of course, is whether or not the same rebate program will be kept in place for next winter, if he knows anything about it, or whether, in fact, since the election might be called by the time we are into this month next year, he thinks that the rebate might even be made more generous and the program might be made sweeter for Albertans by then?

Mr. Lund: Mr. Chairman, under the act this present formula is in place for three years, and the level of funding, of course, is gradu-

ated. Depending on the price of gas, it can go all the way from \$1.50 to \$3.25. It can even go higher than that if the price of gas to the consumer goes over \$12 a gigajoule. That's the protection we have, that the consumer will never pay above a certain level. As a matter of fact, it's really interesting because for March we know that the price is going to be considerably below anything that the consumer has paid through November, December, January, or February – in March. So that's the benefit of this great program that the government put in place, and it's there for three years.

Ms Carlson: Mr. Chairman, I don't have any more questions for this minister, but I just wanted to put my one question on the record for the Minister of Revenue, and that's in terms of the investment risk management system that they're spending the \$875,000 on. Could you tell us why you think you need one, and do you expect to have any anticipated expenses?

Mr. Boutilier: Thank you very much to the hon. member for the question. The reason for this request of \$875,000 is to provide funding for an investment risk management system. The total cost of the system is \$1.26 million, half of which will be recovered through charge-backs to external investment clients as the asset is amortized naturally over the next five years.

Mr. Chairman, I would also like to point out that Alberta Revenue will be lapsing a similar amount of operating dollars that we're now requesting be added to the Revenue capital budget. Now, these operating savings cannot be directly transferred to capital because they have associated recovered revenue. But as a capital expense the revenue will be recovered from investment clients over a five-year period as the asset is amortized rather than in the year of the expense for operating funds. Now, this is why a supplementary estimate is required tonight.

I would also like to conclude by saying, just as a reminder to the hon. members in this Assembly, that Alberta Revenue manages approximately \$38 billion in investments on behalf of Albertans. Now, that's \$38 billion. I'm going to say that slower. Do you know how many zeroes are in 38 billion? It is quite substantial. So this includes the heritage trust fund as well as the endowment funds like the Alberta Heritage Foundation for Medical Research, the Alberta Heritage Foundation for Science and Engineering Research, and the Alberta heritage scholarship fund as well as various other public-sector pension plans.

Now, the request will provide an investment risk management system giving the Department of Revenue a highly sophisticated tool which will evaluate investment opportunities and risks.

I thank the hon. member for the question.

The Chair: The chair hesitates to interrupt the hon. minister, but pursuant to Standing Order 58(4) and Government Motion 9 agreed to earlier this afternoon, I must now put the following questions with respect to the 2003-04 supplementary estimates, No. 2, for the general revenue fund for the year ending March 31.

head: **Vote on Supplementary Estimates
General Revenue Fund**

Agreed to:

Aboriginal Affairs and Northern Development	
Operating Expense	\$1,750,000
Health and Wellness	
Operating Expense and Equipment/Inventory Purchases	\$6,167,000

Capital Investment	\$6,350,000
Human Resources and Employment Operating Expense and Equipment/Inventory Purchases	\$28,680,000
Infrastructure Operating Expense and Equipment/Inventory Purchases	\$35,000,000
Innovation and Science Operating Expense and Equipment/Inventory Purchases	\$1,550,000
Learning Operating Expense and Equipment/Inventory Purchases	\$14,600,000
Revenue Operating Expense and Equipment/Inventory Purchases	\$875,000
Seniors Operating Expense and Equipment/Inventory Purchases	\$10,900,000
Sustainable Resource Development Operating Expense and Equipment/Inventory Purchases	\$14,800,000

10:10

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'll move that we rise and report, but I just wanted to put on the record as I do that – the hon. Member for Edmonton-Riverview indicated for the record that the opposition only had eight hours to look at these estimates before Committee of Supply. Just for the record I'm not aware of any request from the hon. members to schedule the Committee of Supply at a different time than was proposed. Always open to working with members of the House with respect to scheduling and when things might come forward and always had a good working relationship with the retiring House leader on the other side. Always open to requests for scheduling at more appropriate times if it's possible.

Having said that for the record, I would move that the committee rise and report the estimates that have been voted in Committee of Supply.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Lougheed: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows. All resolutions relating to the 2003-2004 supplementary estimates, No. 2, have been approved.

Aboriginal Affairs and Northern Development: operating expense, \$1,750,000.

Health and Wellness: operating expense and equipment/inventory purchases, \$6,167,000; capital investment, \$6,350,000.

Human Resources and Employment: operating expense and equipment/inventory purchases, \$28,680,000.

Infrastructure: operating expense and equipment/inventory purchases, \$35,000,000.

Innovation and Science: operating expense and equipment/inventory purchases, \$1,550,000.

Learning: operating expense and equipment/inventory purchases, \$14,600,000.

Revenue: operating expense and equipment/inventory purchases, \$875,000.

Seniors: operating expense and equipment/inventory purchases, \$10,900,000.

Sustainable Resource Development: operating expense and equipment/inventory purchases, \$14,800,000.

Mr. Speaker, I wish to table a list of those resolutions voted upon by the Committee of Supply pursuant to Standing Orders.

Thank you.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? Carried.

Mr. Hancock: Seeing the enthusiasm of my colleagues, Mr. Speaker, I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:15 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

