

Legislative Assembly of Alberta

Title: **Wednesday, March 16, 2005** **8:00 p.m.**

Date: 05/03/16

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: We'll call the committee to order.

Before we proceed with the item before us, may we briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Ms Evans: Thank you, Mr. Chairman. I'm very honoured tonight to introduce a group of 40 people from my community from Our Lady of Perpetual Help church. It is called the Encore group, and June McNamee, who is the social director, brought them here this evening. They've had a tour of the Legislative Assembly. I've explained to them that when we're in committee, it's much less formal, but I'm sure that they're impressed that there are so many members sitting here this evening. I wonder if they could rise, and we'll give them the warm welcome they so richly deserve for coming out.

The Deputy Chair: Just for the information of our visitors up in the gallery, we are currently in the committee stage, which is a little informal compared to how we meet in the Assembly. So if you notice people moving around or taking their jackets off, it's allowed only in this phase of proceedings.

head: **Supplementary Estimates 2004-05
General Revenue Fund and Lottery Fund**

The Deputy Chair: I will now recognize the hon. Minister of Health and Wellness.

Health and Wellness

Ms Evans: Thank you very much. Well, it is a pleasure tonight to rise and speak to the 2004-2005 supplementary estimates. Mr. Chairman, the additional funding that is in the budget is for the following: \$350 million to support health renewal and \$12.4 million for Alberta's share of the public health and immunization trust fund, that was announced by the federal government in March 2004.

In the case of the trust fund, the federal government tabled its 2004 budget on March 23, 2004, and included in the budget was funding to the provinces for a national immunization program and support for provincial public health systems. This announcement came after Alberta's provincial budget was tabled. The share of Alberta's amount in this funding is \$40.2 million over three years. The \$12.2 million is the first year's share.

A list of the projects and initiatives that are funded are as follows: number one, consumption of vaccines; number two, the RHA vaccine administrative grants for the regional health authorities; the third, chronic disease management pilots for the Institute of Health Economics. The chronic obstructive pulmonary disease initiative has received funding. The Provincial Laboratory of Public Health has received funding. AADAC has received funding for the fetal alcohol spectrum disorder initiative, and prevention of type 2 diabetes and other chronic diseases has received funding. The

acquisition of vaccines has also received funding. The total is \$12,350,000.

So that is how we have spent the funds that are essentially received by our government and forwarded through as I've just identified. It's really something that is not in any part distributed as funding for the administration of Health and Wellness.

Now, on the subject of health renewal for \$350 million. In June 2004 the government announced an investment of \$700 million for health renewal. Three hundred and fifty million dollars was provided to the health authorities for, one, eliminating the accumulated deficits, a sum of 92 and a half million dollars; secondly, additional operating costs totalling 87 and a half million dollars; third, increased orthopedic surgeries for \$20 million; and, finally, acquisition of equipment totalling \$150 million. The remaining \$350 million was provided to Alberta Infrastructure and Transportation for health capital projects. On one hand, the \$350 million for Infrastructure and Transportation went to health capital projects that were identified in the capital plan. The other dollars offset deficits and provided additional support for surgery equipment and to support operating costs.

Now, the various health authorities in receipt of this money had provided their budgets and were granted the monies in the following amounts. The total additional funding – and I think it's important for the record, Mr. Chairman – was \$17.4 million for Chinook; \$2.7 million for Palliser; \$113.4 million for Calgary; David Thompson, \$28.7 million; East Central regional health authority, \$17.8 million; \$119.8 million for Capital health; Aspen received \$6.7 million; Peace Country received \$19.4 million; and Northern Lights \$3.9 million, for a total of \$330,307,000. Over and above this amount, the Alberta Cancer Board received \$17.6 million primarily due to the high costs of drugs that are part of the therapies for the cancer treatments, and the Alberta mental health program received \$2 million. Then the total of that amount was for the \$350 million.

Mr. Chairman, I think that at the time we looked at the dollars that were in-year spending as enabling us to improve access and quality, to look to the future. The minister of the day spoke about the really significant need to reduce waiting lists for joint replacements. Certainly, under the new access standards for cardiac surgery some patients scheduled for coronary artery bypass grafting received because of this grant intensive home care, and there was certainly an importance in helping patients wait at home for their procedures, and freeing up hospital beds for more surgery was also part of it.

Health regions were expected to use part of their additional funding for elective outpatient MRI scans, and then new health promotion projects in different communities were initiated to reduce and manage preventable illnesses such as cancer and heart disease. According to the Canadian Cancer Society, research suggests that up to 1 in 3 cancers can be prevented through diet and exercise. A good part of what was done with pilot projects and the monies that were provided were initiating some of those types of projects.

Finally, one of the most exciting things was that 11 of 26 proposals to form local primary health care initiatives, which is really a most successful team approach maximizing the benefits of staff in health care delivery, were approved to develop business plans. The implementation of those projects, those initiatives, should occur this year. Eleven projects involved 294 physicians who are working together with other health care professionals.

Mr. Chairman, just this evening we met with the Association of Registered Nurses. They truly believe that the third way will be much more successful as we work to collaborate, work to put our teams together in health care delivery, work to fulfill the ambitions of the Health Professions Act, which will get them functioning as a cohesive unit.

In total, the expenditures from the supplementary estimates, I am satisfied, were well spent on behalf of Albertans to improve their health care.

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

Ms Blakeman: Thanks very much, Mr. Chairman. I appreciate the attendance of the minister of health and her agreeing to get up first and lay out some information for me. I have quite a few questions about what's happening here, but I think that the single largest injection of money goes into this department, if I'm correct, or at least that's the one I was most concerned about.

Now, I think what is most significant to me – and I actually did have a little notepaper here. We started the budget I think on March 24 last year, and in fact the last day of budget debates was May 6. The appropriation bill passed third reading on May 13, and six weeks later we have \$362,350,000 plopped into this department. I think to myself: wow, that was a magic six weeks.

8:10

So I really have questions to the minister about why within six weeks of passing a budget you add another \$362 million into this account. Six weeks this budget was good for. That's a pretty short shelf life before you add in a lot of money. I was listening carefully as the minister ran through where this money went, and I thought: well, if this was part of all of the business plans, then why wasn't it in the budget that was passed six weeks earlier?

Now, some of it is connected to the government's share of the public health and immunization funding coming from the government of Canada, but that is – if the lion's share is the largest share, what animal represents the smallest share? – the mouse's share of what we're talking about out of this \$362 million.

I'm really struggling on behalf of Albertans to understand what is going on in the management of this government that their budget is only good for six weeks and then they have this decision. I mean, it was a press release. It's not as though this money sort of filtered out. It was a whole humdinger, you know, with 18-point font title on it. This was a big rollout of money. June 30, 2004: "Health renewal strategy improves access and quality now, looks to the future." And on and on it goes. I'm thinking: why didn't we get this in the budget? This just doesn't make sense to me.

The whole purpose of the budget process is to say: "Okay. Here's our plan. Here are our goals. Here's how we're going to measure it." The departments know how much money they've got at the beginning of the year, and they can work through the rest of the year as appropriate. Then we get this kind of thing happening. So did they know that that money was coming when they started the fiscal year at the beginning of April, or did they find out at the end of June and now they're supposed to deal with the next nine months of the fiscal year?

I'm really concerned about what I see as a skewing of the whole budget process. If I'm going to say, "Why didn't you include this money in the budget planning in the first place?" I guess the other way to say it is, "What were the factors that led the government to delay announcing this increase until six weeks after the budget was passed?" Either it should have been in the budget planning process to begin with, or explain to us why you delayed telling all Alberta why that choice was made. Obviously, a choice happened there and please share it with us.

What I'd like to know is on the disbursement of these monies. How has it been going? Have there been any glitches or problems that have come up with the distribution of this 362 million dollars and change since the 30th of June, and have the funds been appropriately expended? We're now two weeks away from the end of the

fiscal year. That money should have been mostly spent. Has it been spent? You should have been forecasting to the end of the year to know whether that indeed happened, and I'd like to know whether it did.

Now, the orthopaedic surgeries, the minister mentioned, were supposed to increase by 1,200 this year. I'd like to know whether that objective was met inside of this year or will be within the next two weeks. How many surgeries were planned to happen before the money was announced, and then how many got added? Was that 1,200 entirely new? Was that being added onto the orthopaedic surgeries that had been planned when the budget was actually brought down? Can you give us a breakdown, please, of where the orthopaedic surgeries have increased? In other words, if you want to go through the regional health authorities or you could provide in writing later as well how much each health authority got or how much in Edmonton, how much in Calgary, and how much in rural.

In the press release there was also a commitment to reduce the wait times for certain heart surgeries from nine weeks to two weeks. I don't have a medical background, so can you explain to me what "certain" means as in certain heart surgeries? What does that mean exactly? You obviously have a designation there in mind. Can you detail what that means? It's an interesting phrase to be using, and that's lifted right out of the press release. How close are we to achieving reducing the wait times for these certain heart surgeries from nine to two weeks? Again, if you don't have that with you, Madam Minister, could you table it, please?

Also according to the press release, the money was supposed to fast-track 600 hospital beds in Calgary and the capital region. So do Edmonton and Calgary as of today or as of two weeks from today, at the end of the fiscal year, have 600 more beds, and how did that break down? We've raised the issue in the past that Edmonton and Calgary have two of the lowest bed-to-population ratios in the country. Can the minister tell us what those ratios are today? What difference does this funding of these extra beds make?

Also according to the press release, the money was supposed to accelerate the planning and design of the south Calgary hospital. So could the minister update us on where we are with the south Calgary hospital? I think there's been at least one spade turning, sod turning, but no hospital. So I'm just wondering if that project is going to be completed on time and if the minister could also let us know whether it's going to be a P3 or not. We've heard that it's a P3, then it's not, and then it is. Perhaps you could share with us what it's going to be. Can the minister also give us some kind of projected new costs for that? Again, I wouldn't normally be going into this at this point, but it is in the press release; that is, around that \$362 million that we're looking at in this budget.

Now, this press release from June 30 also noted that there's \$50 million toward capital projects for rural Alberta including supportive living options for seniors in rural areas. I'm wondering if any of the \$50 million went towards acute care beds in rural areas, particularly targeted toward seniors, and can you give me a more detailed breakdown of where the money went and which specific rural communities benefited?

Now, the vaccines that the minister was talking about. I was writing as fast as I could, but maybe she could just table the list that she was reading from. The \$2,896,000 for the purchase of vaccines: now, she'd listed a number of them including, if I heard that right, that diabetes was part of that vaccine list. I'm just wondering if she can share that with us. I didn't know that diabetes needed a vaccine. I think what I heard the minister do is actually account for that money in a couple of different ways, but it is a little confusing because she added up how much each regional health authority got

for the total of \$350,302,000 but then also, if I'm getting you right, broke it down by the surgeries and capital grants. You seemed to give us the money in a number of different ways, so if you can just clarify that for me, please.

The other thing I'm interested in is exactly how much went to each health authority to eliminate deficits. I'd like to hear from the minister about government policy on eliminating deficits that have either been accumulated or are a one-year debt because it seems to me that we have a real checkerboard or patchwork across the province. Some health authorities don't run deficits, but then those that do get them wiped out for them. So, heck, why should you stick to the rules? You might as well just run up the deficit. I think that that gives different kinds of signals and the wrong message all the way across the board. So, once again, that question is: how much did each health authority get specifically for debt elimination or deficit elimination, and if there's an accumulated deficit, how much is it for each one of those? And a little bit of discussion from the minister about eliminating those deficits because I think it does send a very bad message.

8:20

Sorry. Just let me leap backwards here. I'm wondering if any of the vaccine money, the purchase of vaccines, included the avian flu vaccine. I know that there has been an attempt to do some fairly forward-thinking work on that, and that's why I'm wondering if it's including the avian flu vaccine.

Exactly how much went to local primary care? I heard the minister talk about it. I don't know that I heard an amount of money that went for it.

Now, the \$9.4 million "for various public health initiatives." I haven't had a chance to read the Blues. If the minister has already detailed that, don't do it again. I'll get it from *Hansard*. But if you didn't give us the breakdown of the \$9.4 million for various public health initiatives, could you give us the breakdown for that, please?

You did talk about the coronary artery bypass grafting and the intensive home care there and the expected reduction in wait times. Could you clarify whether that expected reduction in fact happened? There was an expectation that it would reduce the wait time to 14 days. Can you tell us if that in fact happened? All right. There are the funding allocations that went with the press release and the breakdowns in that funding. Okay.

Out of the equipment cost, the "capital grants for asset acquisitions, such as diagnostic and medical equipment," again, what's the breakdown for each regional health authority, and what exactly did they get? You know, how many heart-lung machines or MRIs are there out there? What exactly did we get with that asset acquisition? It's a lot of money, \$150 million, so what exactly did we get for it? Again, if the minister is not standing there with a list she wants to rattle off, I'm happy to have her table it or send it over.

One other question that I had. On page 60 under Health Services there's a Credit or Recovery column, and it's listing \$938,621,000. Can you tell me what that is, that credit or recovery? I'm sure that there's something incredibly logical, but I'm just wondering what it is because it's almost a billion dollars, I think. So what is it exactly?

I will take my seat and see if the minister is able to give me any kind of feedback on the questions that I've asked. I appreciate her willingness to do a back-and-forth on this one.

Thank you very much.

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

Ms Evans: Thank you very much, and thank you very much for the hon. member's interest and excellent questions. In the first instance,

I'm having the page print for all members of the House the list of how the vaccine dollars were distributed. Although I had read them out, I realize I didn't relate each particular one, for example, with the amount, so this would perhaps make it easier to look at.

Also, I have asked for copies of the distribution of dollars to every single health authority. You can see that some, for example Palliser, did not have dollars to offset deficits because, in fact, Palliser had not incurred deficits. Although the formula for distribution of dollars is, I think, somewhat complicated – and it's understandable – it's also one that there's always significant discussion about. When I talked to the chairs of all of the health authorities within the first week of assuming this particular portfolio, I discovered that, for the most part, the dollars are working well. However, where Palliser did not incur any deficit in terms of the management of the health services within their authority, they were very clear that they felt that it would have been appropriate for us to have considered their good behaviour in not incurring any deficit and giving them some acknowledgement because the other health authorities that had incurred deficits appeared to have benefited from behaviour, in terms of managing their health care costs, that would have been assumed to be in contradiction to best budgeting practices.

Mr. Chairman, I cannot adequately judge whether or not the disbursement of funds and giving Palliser fewer dollars than the others that received them who had incurred deficits – I cannot make a judgment that that was either right or wrong without looking at the program delivery with every one of those authorities. Clearly, the government, in determining that we should not have deficits in place and that the deficits, in effect, were a compromise to the continuation of properly delivering health care in the most cost-effective way possible, I think was responsible to provide those dollars. But I certainly have an empathy for the board of Palliser, that made it abundantly clear that their fiscal policies, their financial management, their accumulation of dollars in a surplus account were, I think, in their view responsibly used and that by abiding by the rules, they were concerned that they had missed out.

So let me address the first point that had been raised by the hon. member, and that is why we would so quickly after a budget had been introduced and passed consider providing additional dollars. I think that in order to be fair, I should provide an iteration of the calendar of events. A good part of it dealt with negotiations with our federal government between the ministers of health, talking about the dollars, for example, for diagnostic and medical equipment. Those dollars, which became part of the health transfer to the various provinces, have been dollars that were looked forward to by various health authorities throughout the province. I know quite clearly that in Capital health they were waiting for dollars, and we are still waiting for dollars that have been due as a transfer this year. To the best of my understanding, although it's supposed to arrive by the end of March, I'm not convinced that it will.

But in the negotiations of health care supports from the federal government I believe that at the point that the decision was made to add dollars to health care to take advantage of an opportunity to offset the deficits as well as pass through the dollars for diagnostic equipment, it was perceived that this would be a responsible way to expend money and extend supports for the health authorities. So if I may wrap up on that, to the hon. member opposite, I would be very pleased to illuminate this further for you by identifying exactly why the amounts came later or why that particular sum in total was being added at that time and why the diagnostic equipment account at \$150 million was separately extended from the original health budget. I'm almost a hundred per cent sure, Mr. Chair, that that related to the federal dollar transfers, but let me get that really quite definitively.

The wait times on heart surgeries and the question about certain heart surgeries. I don't want to be guilty of not giving the accurate medical definition, but the wait times, in fact, were reduced by the fall from nine to two weeks, so for some particular heart surgeries the access standards were considerably improved.

8:30

For each and every area where access standards were identified in the initial release, dated June 30, 2004, for each of those particular procedures I will, in fact, provide the hon. member regional health authority information about the success or the capacity to complete those particular procedures in that hoped-for or anticipated period of time and will also identify how the fast-tracking of beds, for example in Calgary, or other capital expenditures were achieved, if at all, and I suspect that not all of them have been achieved.

As you know, the south Calgary hospital was announced. Planning dollars are in place. I believe the planning dollars that were levered out at the outset were several million dollars, but as yet there are still discussions about whether or not the Cancer Board would locate a facility in conjunction with the south Calgary hospital or whether, in fact, the university site at the University of Calgary might become a possibility. Discussions are currently under way between the Calgary regional health authority and the Alberta Cancer Board on the placement of that. So I can provide and I'm very willing to table more about the scope of the planning on the south Calgary hospital, but when we get into this year's budget, when that budget is tabled, I think some of the other questions may be addressed.

In terms of the vaccine that's identified, the avian vaccine, I can't answer that. I don't know. The list that I have doesn't specifically address whether or not the avian vaccine is one of those properties that were purchased in the 12 some odd million dollars. Once again, I will provide you with that information.

Overall, the advancement of many of the care initiatives – when I met with regional health authorities, they were satisfied that the dollars were put to good use. The hon. member makes a good point in asking about the accomplishment of some of these targets. Mr. Chairman, those targets, their completions have not been available to me although we have talked about that. Many of the advancements on access are evident, but to be quite precise, I would rather table those as soon as it's reasonably possible to do so, and I will commit to doing that. Even if it comes in bits and pieces, I'll make sure that you get that.

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

Ms Blakeman: Thanks. Just one final question, then, that I'm still trying to nail down. The minister seemed to be saying that the reason that this came so late was that it was money from the federal government or as a result of that. So can I just get the minister to nail down exactly how much of this \$362,350,000 came from the federal government? How much of it?

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

Ms Evans: The federal government did come through with the \$12.4 million; that's when you were looking at the \$62 million. On the \$350 million I believe \$150 million was part of the agreement on diagnostic equipment, but I will get very precisely why those dollars came, how they came, and how they were advanced. I'll table that information directed to the hon. member opposite and, further, so that the balance of the House can have it.

Mr. Chair, the copies of the total iteration on vaccines and health authorities should be distributed here momentarily. I've given them, as I say, to the page.

The Deputy Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. I would just like to ask the minister questions in respect to any items in this budget that may relate to recent changes to physiotherapy.

Ms Evans: I believe the hon. member was questioning whether or not the dollars for physiotherapy or the changes on physiotherapy in any way related to the dollars that were a part of this budget. No. Those policy changes were made within the scope and are within the scope of the health authority. Initially, the Calgary regional health authority made a change determining that they would focus the dollars that were expended on low-income or higher risk patients, ones with more acuity of care, requiring more therapies and assuring that they were there. Most recently, Edmonton announced that as of April 1 it would follow suit with that. So if you are, for example, a senior who fit in the low-income bracket, then, obviously, you will not have to pay for your treatments. However, if you have a greater income, if you are not deemed to be acutely in need of the physiotherapy, then you would be required to pay.

Mr. Chairman, in defence of the regional health authorities' move in this direction, I recognize the significant importance of physiotherapy; however, I also recognize that in those areas where we have been providing services, we are almost in all categories more generous in our service delivery than other provinces with the amount of dollars we do have. But, again, if the hon. member wishes, I will provide very accurate briefing notes for him about the specifics of that because there are a few things with the schedule that might be useful.

Mr. Mason: On that, in recent hearings that the New Democrat opposition held on the future of health care, physiotherapy was one theme that came up again and again. We heard from physiotherapists as well as families of people and patients of physiotherapy. I wonder if the minister would just comment on one brief argument that was put to us several times and that is: well, Alberta may spend more on physiotherapy than some other provinces; it is, in fact, a very wise investment because by the provision of physiotherapy services you prevent people from having to reaccess the primary health care system in many cases. You actually help people recover and be well again. I just wonder if the minister agrees with that point of view and whether or not she believes that, perhaps, if we treat physiotherapy as an investment and spend more money on it, we might actually reduce overall health care costs in the long run.

Ms Evans: Well, you know, it's as if the hon. member opposite reads my mind because, quite frankly, I do support the premise that physiotherapy can reduce health care costs. However, I have also recognized that what we have done with the authorities delegated to regional health authorities is provided them the latitude to make decisions in certain areas. As it was in my previous portfolio, sometimes one wonders, then, about the equitableness of service delivery across the province. On one hand, I can accept that not everybody is going to be able to do heart/lung transplants, but on the other hand, with issues such as the delivery of physiotherapy services and other things that can mitigate against long-term hospitalization or at least enhance the capacity of the patient to get

back to work, I think that there's a practicality to that that makes it eminently sensible.

This policy, no doubt, as we review the third way, will be one of the ways we review it because, quite honestly, my own view is that if we make quality care delivered as quickly as possible available to Albertans, that will be one of the very best ways of improving and transforming the system so that we skate to where the puck is going and get ourselves to the future in a way that is going to make sure that Albertans get the health care delivery they need. I also have a great deal of empathy for that.

I feel some constraint by the policy of delegation to authorities, but through this next year as I become increasingly familiar with those kinds of issues, especially as it relates to delisted service elements, I hope that my discussions with the health authorities will help us understand and mutually reconcile where we spend the dollars. I mean, at the end of the day they're going to tell me: "Well, of course we could pay more. But where are the dollars coming from?" So they are making choices, and that has been their prerogative to do so. Physiotherapy is one that I have a very strong predisposition towards, and I will be looking at that.

8:40

The Deputy Chair: Anybody else? Are you ready for a vote on this estimate?

An Hon. Member: Were we going to vote them all at the end of the night?

The Deputy Chair: Do you want to vote at the end of the evening? If there's an understanding to vote at the end of 10 o'clock, we'll do it at that stage.

The next minister we'll go to is the Minister of Justice.

Justice

The Deputy Chair: The hon. Minister of Justice.

Mr. Stevens: Thanks very much, Mr. Chairman. I'm pleased to rise and speak to the supplementary estimates for Alberta Justice for the 2004-2005 fiscal year. I'd ask that you refer to the section beginning on page 73 of the estimates.

The estimates for Alberta Justice total approximately \$9 million, and our request is to provide funding for four areas. First, there's \$6.9 million required to pay Provincial Court judges in accordance with the recommendations of the 2003 Judicial Compensation Commission. Second, there is \$1.5 million needed to cover costs related to the implementation of the Child, Youth and Family Enhancement Act. Another \$331,000 is required for the cost of opening two additional courtrooms in Calgary Provincial Court, criminal division, and \$190,000 is required for the office of the Public Trustee to initiate the replacement of the office's information technology systems.

The bulk of the supplemental funding requested for the Justice ministry is to accommodate the increased compensation for Provincial Court judges as recommended by the Judicial Compensation Commission. The provincial judges and masters were paid retroactively to November 30, 2004, and then at the new rate to December 21, 2004. Those payments together with payment to March 31, 2005, again at the new rate, will cost approximately \$6.9 million. This is a decision that is out of our hands, and we are obligated to pay the new compensation rate to judges and masters.

The second largest portion of the funding is \$1.5 million to implement the Alberta Justice portion of the Child, Youth and

Family Enhancement Act. This act is under the jurisdiction of Children's Services and came into force November 1, 2004. It requires the justice system to significantly shorten trial preparation, dispute resolution, and lead times and increase mediation and dispute resolution services. This act is certainly good news for Albertans in that wait times will ultimately be reduced from the current average of 22 weeks to 10 weeks. When fully implemented, a total of 30 new staff members will be added in court services and legal services. Albertans accessing the courts will notice a big change for the better, but it does cost something to implement these changes. The \$1.5 million I'm requesting is start-up funding to begin to implement these changes during the 2004-2005 fiscal year.

In August 2004 a minister's report identified a significant increase in trial lead times in Calgary. In fact, the trial lead times were well above the provincial average and almost double the target lead time of 16 weeks. Obviously something had to be done, and it was. We moved to open courtrooms 105 and 106 in Calgary. Two new judges were appointed; four additional court clerks, two Crown counsel, and support staff for a justice were all hired. The total cost of that was \$331,000. This, once again, is money extremely well spent and is already making a difference to make courts more responsive to Albertans' needs.

The last of the supplemental estimates is a self-funded item. It will have no impact on government of Alberta surplus. I'm requesting \$190,000 as an incremental increase to the Public Trustee's office. This increase will be fully funded by a small increase in the management fee the Public Trustee can charge against the common fund administered for their fines. Over a period of several years the increase will allow the Public Trustee to replace the existing computer system, increase efficiency, and address ongoing staffing requirements. This, as I said at the outset, will be neutral to the government.

I would ask members to approve these expenditures as part of the Alberta Justice supplementary estimates. Thank you, Mr. Chairman.

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

Dr. B. Miller: Thank you, Mr. Chairman. I'm pleased to rise to respond to this supplementary estimate for the Department of Justice. I thank the hon. minister for his explanations. It helps to clarify some of the points because there's not much in this book to indicate any explanation. I was thinking that maybe the additional courtroom expense in Calgary had something to do with the building of a new courthouse there, but it doesn't have anything to do with that at all. Thank you for your explanation.

I just want to focus on the first point, the biggest amount of money, which is the \$6,949,000 to pay Provincial Court judges in accordance with the 2003 Alberta Judicial Compensation Commission. The recommendations were effective for a period April 2003 to March 31, 2006. That means that you had to give them retroactive back pay to April 2003, so that would account for some of that money.

It's very interesting that the commission had to consider many new circumstances, I think. I think they did good work. They expanded the scope of the work of provincial judges in recent years, the increasing responsibility attached to the office of a judge, and the relationship of Provincial Court judges to the judges of Queen's Bench. I take it that the commission was trying to bring up the Provincial Court judges to the same kind of level given the fact that, virtually, they do the same kind of work. In fact, that's what the Provincial Judges' Association concluded, that Provincial Court judges and Queen's Bench judges are both trial judges and generally perform equivalent functions.

But it's noteworthy that the commission's final recommendations are much higher in respect to the salary levels than the government of Alberta recommended. The commission saw fit not to agree with the ministry's submission, asserting its own independence and attempting to depoliticize the process. Now, I wonder if the minister could tell me how much was spent on the court challenge, on the challenge to the commission by the government. Does that money appear anywhere here? Also, the budget schedule, I'm not sure about the timing here. When this report got into the ministry's hands, did it come in time to get into the 2004 budget as the commission is the 2003 commission?

The commission made its recommendations taking into consideration many important points: the constitutional law of Canada; the need to maintain the independence of the court and the judges; the unique nature of the judge's role; the need to maintain a strong court by attracting highly qualified applicants to the Provincial Court; the compensation of other judges in Canada, that we want Alberta judges to get the same kind of pay as judges in other provinces; the need to provide fair and reasonable compensation for judges in light of prevailing economic conditions in Alberta and so on; the cost of living index; the nature of the jurisdiction of the court.

I learned so much in reading their report. All criminal prosecutions begin in Provincial Court – that's interesting – and 97 per cent conclude in Provincial Court. I'm on the way to supporting this additional money, so hear me out. So that means that what Provincial Court is doing is on a par with Queen's Bench. Queen's Bench handles murders and some very, very select other kinds of matters, but most matters are handled by Provincial Court. And then there are things that have to be considered like the new Youth Justice Act, which adds a lot to the workload of judges, and, of course, the whole area of domestic violence.

8:50

In conclusion, I'm not questioning the additional money although I'd like to know how much money was spent on challenging the commission and why this couldn't have come into the 2004 budget since the commission report was a 2003 commission. But I respect the commission's conclusions. I respect the independence of the Judicial Compensation Commission and the requirement of the government of Alberta to follow its recommendations, which are binding. The commission's role is to weigh the evidence and the submissions and to recommend the proper compensation and benefits for Provincial Court judges. Hopefully, in the years to come this kind of thing will be a part of the budget.

Thank you, Mr. Chairman.

Mr. Stevens: Briefly, Mr. Chairman, and I thank the hon. member for his comments. My experience is that often there is a price to pay for support. I am quite prepared to listen to the hon. member in order to gain his support with respect to these estimates, and I do appreciate that.

I can tell you that there is no amount relative to the legal dispute relative to compensation built into this particular estimate. It is solely for the purpose of paying an amount that effectively was directed by the court while the issue is ongoing. So this is exclusively for compensation for the judges and for nothing else.

I believe that that's the only comment I have with respect to this matter. Thank you.

The Deputy Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you, Mr. Chairman. I will have fun with your estimates, then, hon. minister.

I would like to ask the hon. Minister of Justice and Attorney General if within the supplementary estimates are contained any expenditures for external legal counsel and if so, where are they, how much, and what for?

Thank you.

Mr. Stevens: Certainly not to my knowledge. As I indicated in my opening remarks, we have judges' pay; we have start-up costs with respect to the implementation of justice matters regarding the Child, Youth and Family Enhancement Act; we have money that is associated with a new computer system regarding the Public Trustee's office that is very much required. Then there was the cost associated with opening two courtrooms in Calgary and the associated judge, Crown prosecutor, and support staff within the court itself. There are no dollars associated with this for external counsel.

The Deputy Chair: Anybody else?

I will recognize the Minister of Advanced Education now.

Advanced Education

Mr. Hancock: Thank you, Mr. Chairman. Supplementary estimates for Advanced Education are found on page 13 of the material which was circulated, with the explanations shown on 13, 14, 15, and 16. I'd be more than happy to respond in more detail to any questions that might be raised.

The Deputy Chair: The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chairman. First of all, I note that this ministry's supplementary estimates indicate that they only went 1.4 per cent over budget. Looking at some of the other departments' supplementary estimates, that's rather good, so congratulations.

I do have a couple of questions for the minister, not a whole bunch, I don't think. I'm curious about the \$1.3 million in grants to postsecondary institutions to support curriculum development and recruitment activities for the new Alberta school of veterinary medicine at the University of Calgary. I'm wondering if the minister can tell the House why that is not being approved through the normal budget process. Same question, essentially, for the \$2.8 million for the access fund: why is it not being approved through the normal budget process?

The \$11,674,000 for the performance envelope to reward institutions for the achievement of performance goals. The amount, as I understand it, that institutions can earn through achieving performance targets is limited, has maximums, and thus should be almost entirely predictable. So I'm wondering why this \$11.674 million is being approved for performance funding at the end of the fiscal year. The \$5.4 million for assistance for learners I would think should be similarly predictable, particularly the \$4.1 million requested there for student loan relief benefit payments.

In terms of equipment/inventory purchases we have a budget line item of \$162,000 for continued development of the apprenticeship, trades, and occupations management system. If that's part of the continuing development process, again, why is that not being approved through the regular budget?

I'm curious as to what specific enhancements to the student financial assistance system are being funded with the additional \$500,000. Why was this enhancement not envisioned and budgeted for in the '03-04 budget?

I think that's the extent of my questions at this time, Mr. Chairman, unless the minister says something that really perks my ears up.

The Deputy Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. A real challenge there to provide full and complete answers without perking the hon. member's interest. How to do it.

With respect to the \$1.3 million dollars for curriculum development for the veterinary program at the University of Calgary, apparently that program was approved. I believe the timing of the approval of that was in September, and then there was a decision taken that we ought to try and have that moved ahead more quickly. So the minister of the day gave the University of Calgary approval to move ahead with a \$1.3 million allotment in this fiscal year in order to allow them to move ahead with curriculum development and get-ready money, if you will. Rather than waiting for the budget process in a new fiscal year and saying, "Wait, and don't do anything until we get there," that funding money was approved to get started. So that's why the \$1.3 million is in the supplementary estimates rather than in the original budget forecast.

I should say at the outset that virtually none of this money that we're talking about voting in the supplementary estimates for Advanced Education is new money. It's just money that's being reprofiled, and because it was voted in other statutory categories, we need to seek the approval of the Legislature to move it from where it had been voted to where we want to spend it. So the questions that are raised are really questions surrounding what I would call matters of opportunity.

In other words, because we were able to reprofile the \$15 million from student loan funds because of some changes that had been made in there which resulted in the money being budgeted in that area and not being utilized and we were able to predict that early enough on in the process, we were able to take those funds and reallocate them to the access fund and the performance envelope where we wouldn't have been able to provide those additional funds, which I'm sure the hon. member and others of his colleagues will agree were very much needed in the system, and we didn't have them in the budget to provide them to the system. Because we were able to free up those resources from other parts of the budget, we were able to provide them to the system, and the best way of doing that was through the access fund and through the performance envelope.

In the same way, some of those funds could be channelled to much-needed projects; for example, the enhancement of the student finance system redevelopment. There's been an ongoing redevelopment of the student finance data system, the computerized system which handles the whole student finance process. That's been ongoing, and changes in the student finance program resulted in the need for some changes in redeveloping the existing legacy system. The \$500,000 made that possible, to move that project ahead.

In the same way, what we call the ATOMS project in apprenticeship and industry training, where we're moving to an automated system so that apprentices and employers can register online 24/7, basically automate a system which should have been automated, perhaps, many years ago, but now with the resources available we can move it into that project and move that project ahead so that we can have a much more effective and efficient system so that people can get the information they need 24/7, can register for a program, register for courses, can get the information about what their standing is. All that sort of information will be available through the electronic data system, and \$2.9 million of that redeployed money will be able to move that project ahead and make that much more effective.

9:00

Essentially, with all of the items under our supplementary estimates we're not talking about new money. We're talking about

some changes that were made which resulted in some savings on one side of the agenda, and we are asking for permission to use those monies to do more effective and more efficient work on the other side of the agenda. The three big areas that have been addressed: one is doing the curriculum development for the veterinary school; the second, improving our technologies so that people can have faster access to registration information; and three, providing additional resources to postsecondary institutions that have gone above and beyond in providing access to students.

The Deputy Chair: The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chairman. I thank the minister for those answers. I guess really the only additional piece of information I'd be looking for, then, since we're talking about this not being new money but old money, reallocated money – and this may just be a dumb rookie question; I don't know. Can the minister show me or demonstrate for me where the money came out of the budget in order to move into his estimates?

The Deputy Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. To the hon. member, the \$15 million came from student loans. We incur and cover the costs associated with the remission of student loans. We provide student loan relief to students. Even though these show up in future years, we provide for losses in the current year. The amount for that provision is set each year, but it's adjusted during the course of the year depending on the remission rates and the level of loan relief benefits. There's been a decrease in the remission rates and a lower than anticipated request for student loans, which resulted in an excess of \$15 million in this fiscal year for that particular budget item. So \$15 million of the \$19 million comes from that pot.

Four million dollars comes from the Alberta centennial education savings plan budget. There will be \$20 million budgeted in a normal year. There was an amount budgeted for the balance of this year, from January 1 to March 31. The reality is that very few of those children will be registered prior to the end of this year. So this is not really new money; it's basically moving forward. It's freed up the \$4 million this year. We anticipate that to be a three-month adjustment every year.

So we don't need the \$4 million in these three months. Those children will be registered in April, May, June, and the children at the end of the year will be registered the following fiscal year. So it's just a \$4 million shift forward, but it frees up \$4 million now that was budgeted and not needed for that particular program. But because that's a statutory vote, I can't spend that money without coming back to the Legislature and asking for permission to reprofile it into the program spending. That's what we're asking for.

Basically that's the money. It's \$15 million on overprediction of the remissions on student loans and the amounts available in the issuance of student loans and \$4 million that we budgeted, perhaps overzealously, for the start-up of the centennial education savings plan, which won't be actually needed just yet, so we can utilize that money for current urgent priorities.

Mr. Taylor: So if I understand the minister correctly, Mr. Chairman, the minister is borrowing, essentially, \$19 million from next year's budget to add to this year's budget. Is that correct?

Mr. Hancock: No, not at all, Mr. Chairman. In the first instance, that was an overprediction of need. We anticipated a higher demand

for student loans and a higher rate of remission than actually is going to come true, and because we now know what is going to come true, that frees up the money. So we'll be predicting in next year's budget what next year's use will be, but that's not connected to this year. This is money that was budgeted for but is not being utilized, so we'd like to get it out to the institutions so that they can fund the access to the students that the universities and colleges have provided. So that's not borrowing from next year at all.

On the educational savings plan again one could say borrowing from next year, but that's not really a reality. We will budget the full amount for next year. It's just that although the program had started on January 1, the expenses aren't, it appears, going to start really until April 1. There will be some money needed in there, but there's not a lot of money needed. So it's really that we anticipated spending some money too early and we're not going to need to spend it in that time frame. So because that money is in the budget and because there is a need, we'd like to reallocate it and get it out to the postsecondaries, who need it for the things that they're doing.

I should mention that there's another \$5.8 million that we are reprofiling as well, but that money can be reprofiled within the budget, so that doesn't form part of the supplementary estimates. So we're actually taking about \$23 million which can be freed up from other things to get it into the areas where we really need it to maximize the opportunities, most of that going through the performance envelopes and the access funds to get it out into the hands of the postsecondary institutions.

The Deputy Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Chairman. To the hon. Minister of Advanced Education: I wonder if he could elaborate, but not too much, about the \$11,600,000 "for the Performance Envelope to reward institutions for the achievement of performance goals." I'd like to know a little bit more about how that actually works.

I also have a question with respect to the \$15 million in overallocation for student loans and why the minister feels that that has occurred, why less people are applying for remission. Does it have any relationship to enrolment in our postsecondary institutions? Is there any indication that it may just indicate a problem with debt load of students, leading to their choosing to not access the student loan program?

The Deputy Chair: The hon. minister.

Mr. Hancock: Thank you, Mr. Chairman. With respect to the second one, that would be pure speculation as to why. I don't think that there's been any change – and I can check that, and I will and get back to the member on it – in take-up rates or that sort of thing. It's difficult to predict what the total remissions will be in any given year. It's difficult to predict what the take-up of loans will be.

There are a number of factors which go into the budget. One is how much we're putting out in terms of loans. We budget every year for a cost factor related to both the failure to repay as well as the remissions, so there are a number of factors that go into that. I can get some more detail if the hon. member would like.

With respect to the performance envelope of \$11.6 million, that goes to postsecondary institutions through performance envelope awards, which is one of the recommendations that was made by the MLA Post-secondary Funding Review Committee back in the fall of 2000. The one-time performance funding envelope is available to recognize achievement of excellence and improvements in perfor-

mance. They're awarded based on key performance indicators, which they apply through, those being responsiveness, accessibility, and affordability. So there are a number of factors that institutions put into the mix to apply for performance funding, and we were able to add approximately \$12 million to that performance funding envelope.

Human Resources and Employment

Mr. Cardinal: I'm pleased to be here, of course, to request supplementary estimates of \$34,925,000 for the 2004-2005 fiscal year. The department requires a net increase of \$14.9 million. The reason for that is, of course, our caseload. Costs per case were higher than we had budgeted for in the income support program or that portion of the program. Although we have been successful in moving more people off the income supports to employment and training opportunities, these decreases have been more than offset by caseload increases and the not-expected-to-work category, which is about 11,000 cases these days.

9:10

In addition, we have experienced some unanticipated cost pressures related to increased medical costs, primarily the escalating cost of drugs, and covering the cost of utility arrears and reconnection fees. This demonstrates that this government is committed to stepping up and providing more dollars for the needy that are still out there in Alberta.

You will also note that \$3 million is required in addition to the funding. It's required for the Alberta adult health care benefit program. This is, of course, a positive development that means that more people who were receiving assistance are now employed and are eligible to access the medical benefits available under this particular program. Again, another department program in place to help Albertans help themselves.

Due to the lower than anticipated enrolment in training programs funded by the department, some dollars were available to partially offset the income support pressures, actually about \$12 million. However, my department remains committed to funding opportunities for low-income Albertans to access the training they need to help them get jobs.

In addition, \$20 million is requested for the salary contingency fund, which will be allocated to departments on an as-needed basis. It's prudent planning to ensure that departments have sufficient funds available to them for fiscal obligations, in other words settlements. Without contingency the departments may have been required to fund these costs out of their next year's budget.

Support for the supplemental estimates for Human Resources is recommended and would be appreciated if you'd give it. Thank you.

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

Mr. Backs: Thank you, Mr. Chairman, and I thank the minister for his report. There are a number of I think interesting areas in the supplementary estimates that I'd like to have some questions asked on.

You know, skills investment seems to be something that is a very topical and important area right now and something that we seem to have a lot of attention focused on because of the needs and our economy. The ability to bring all Albertans forward as productive members of our economy I think is crucial in this area, but we've had \$14,925,000 – and the minister had mentioned that – for extra income supports and health benefits and for an extra high caseload for people not expected to work. Basically, there are more people

on welfare. I just have to ask that question. At the same time, we've had monies transferred from skills investment to the tune of \$12,943,000 that is not being used in the skills investment area to deal with that.

Obviously, the \$20 million for salary contingencies is something that may be necessary. You know, I've seen also some of the operations in some of the line departments, some of the line operations, and either they're doing a very good job of selling me on what they're doing – but I think many have been improving their things, and I could commend the department for some of their work in this area.

The skills investment area – that's career information, obviously, and some of the other areas, some of the basic skills and academic upgrading. I've heard the criticism from some of these people in these centres that, basically, sometimes they're transferring into these upgrading programs instead of actually being on welfare, and then as soon as they're off the supports for these programs, they then become a statistic on welfare again rather than in this so-called upgrading or skills investment area.

Crucially, I think in the skills investment we have to understand the need in this area for actually using that funding for providing those skills. I mean, more people on welfare, less money being spent on skills, money being transferred from skills investment to welfare: somehow that equation doesn't work for me in the Alberta where we need so many new people. There are people in many groups and areas that I've talked to that want to get into our economy and be a part of it.

Some areas, I don't think, have at all been adequately addressed, Mr. Minister. It surprises me, these areas such as the labour market partnerships, which are designed to identify, develop, and implement projects with organizations, industry sectors, and communities with common labour market needs. I see that the ministry has worked in certain areas like the hospitality industry to try and develop certain areas of expertise and develop personnel in that area, and I think they should be commended for that, but in reality some of our great demands are getting people to Fort McMurray, developing our aboriginal workforce.

I've heard great criticism that the aboriginal skills development outlined here has really just been a lot of paper and committee work. We haven't seen, really, any real action done other than that on the part of the government, and the results do show. I mean, again, monies transferred out of skills investment and away from developing our workforce while at the same time the department gets into the temporary foreign worker program, which seems to be a total cop-out in terms of, you know, developing our workforce. I think that's kind of a key area to look at.

The desired results in the 2003-2004 report state that "Alberta employers [should] have the skilled workforce they need." That's an objective of the department: to "identify, and advise stakeholders of significant labour market trends and issues." Again, there's a significant problem here in some of the labour market information that I've seen. It's very incomplete and very global, and some of the areas that we see do not really speak to the exact availabilities in certain areas. Indeed, we have certain areas targeted sometimes even though the government in its annual report said that in some certain key performance measures the "number of occupations that are in a skill shortage situation as defined by an unemployment rate below 3%" has actually dropped. That's on page 76 of the annual report.

It's interesting to look at these things, you know, when we see all the hype about a shortage in certain areas when I'm being told by many stakeholders that, in fact, there is not the shortage, and they

have an availability, and they can provide this. In fact, the problem is getting people to work in the oil sands area because of other problems.

9:20

The implementation of the strategy on Prepared for Growth: Building Alberta's Labour Supply I think has got to come into some sort of real work in terms of how we actually strategize the key areas, how we cut off the peaks and fill the valleys in terms of the needs for apprentices in many of the key skills areas, how we look at the demographic trends that will develop in five to seven years to begin to create some true pressures on our labour supply as people retire in the beginning phases of the baby boom retirement. Workplace effectiveness is actually one of the key areas that's looked at as a strategy here as well, and I really see very little, again, understanding that there's been money transferred out of skills investments even though there's a strategy from the department.

The "work-life balance, lifelong learning, workplace values": some of these things would look to having, you know, a working life that balances family life, family pressures, some of the cultural sort of values, multicultural values that some of us hold dear in this society, some of the traditional beliefs and ways of living that many groups in our society hold dear. There again, skills investments is going to just basically income supports and being transferred out of the things that could be doing something very positive for the economy of Alberta.

"Develop alliances at the local, provincial, national and international level that will contribute to human resource development." I think there are some areas of real alliances at the local level, you know, dealing with the colleges but also dealing with the various traditional groups like the trades, the aboriginal groups, and looking clearly at our deficit in youth unemployment, one of the highest rates in the land. Obviously, in the report there's the short-term training that was provided for farmers affected by BSE. That's a good short-term thing, but the best thing is long-term employment. A job is a very fulfilling thing for many people in our economy.

The interprovincial mobility initiatives that have been brought forward I think have been very effective. Some of these have been ongoing for the last decade: the red seal program, of course, and some of the other areas about bringing people from other parts of Canada. Actually, I think there's some opportunity to do so with parts of the United States. I've spoken with some of these areas where there are skills shortages. People could have access to labour pools in the United States, and they might be a quicker, easier mix for us than actually trying to retrain new people from a lot of other areas.

Immigration is important. It's absolutely a part of our history, our ability to develop our economy. But we have to be careful that we do not flood certain occupations. We have to develop certain occupations so that there are people here afterwards. To bring in some people from outside can bring about great difficulty and create holes or gaps in certain trades and occupations that we will see five and 10 years down the road or longer. You know, we've seen that happen in a period in the 1980s, when there was actually a construction depression in Alberta.

Some of the areas that I'd like to understand. There's been transfers in from skills development and some of the areas in safety such as the partners in health and safety program. It's had some successes. I've talked to a number of employers across the province, and you know they have done some great things in bringing down some of the safety figures.

Another area, actually, is the children and youth initiative and how well that is happening for people that are on income supports or not

going back to work: the crucial area of providing recreation to children and getting kids off of, you know, the ongoing generational sort of cycle of being in a kind of welfare or support situation and also decreasing gang violence by keeping these kids active.

Those are my general questions, Mr. Minister, and I thank you for your time. Thank you, Mr. Chairman.

The Deputy Chair: The hon. minister.

Mr. Cardinal: Thank you very much. Those are, of course, very good comments and very good questions and very good recommendations also. This is a very sensitive area, and it needs more careful attention.

I know that as we move forward, this year we may be moving some dollars from the skills development area. You can be assured that this fiscal year you won't see that happen, because right now, the way it looks with the spaces that may be coming open for training and various training opportunities for individuals out there, we'll be lucky if we can find enough dollars to fulfill what is required. So definitely we will be expanding the number of seats that are offered for training to ensure that whatever is allocated for skills investment, that money is fully utilized. In fact, we'll be lucky if we have enough to do the job that's required to be done.

As you're aware, the welfare caseload in Alberta is very low. At one time, going back to '92-93, it was about 97,000 cases, or 180,000 individuals, and 80 per cent of those on that system at that time were single people or couples without children. The move government made at the time was to make sure those people that were able to work and able to train were off the system and into the workforce, either through training or direct placement. That's been very successful because our caseload today is under 28,000, and about 11,000 of those 28,000 are people not expected to work for various reasons: larger families at home or lower education levels or situated in a geographic area where there are no job opportunities or a lot of underemployment and unemployment. That will no doubt continue, but I think we can still reduce that to a lower level yet.

The other competition we have, of course, when it comes to skills development and skills training and the reason why we would have some surplus to transfer this year is that we are having some stiff competition from the jobs that are available out there. Rather than people going into training programs to do academic upgrading and technical trades and even university, people are taking jobs out there and going into the workforce. That is also some competition, some challenge that we're faced with. I don't know if it's negative or positive. I guess in the long term it's probably positive, but in the short term it's probably negative.

So when you look at our offices in Alberta, we do not have a welfare office. I think it's the only jurisdiction, probably, in North America that does not have a welfare office. The reason for that is that no one out there wants to be on welfare. We know that. You people know that. We've put in a process here in this province that has looked after that generally. Very few people are on assistance that are employable and trainable, and that's not easy to arrive at.

We have about 26 offices, service centres we call them, which are in some cases co-located with the federal government and in some cases not. But what we provide in those offices is that basically you walk in, and the first thing you'll get is probably an application to get a job or a process for further education, further career counselling, or direct placement in a job opportunity, either in that community or in other communities. Actually, about 80 per cent of people that walk into our offices never end up with a file. I think that's a good move because I think that's what Albertans want, that's what taxpayers want: to ensure that wherever we can we move people

back into training, into the workforce, and to of course become self-sufficient and independent.

9:30

I know that in aboriginal communities – you mentioned that, and that's a good point; I commend you for that – we do have challenges in that particular area. The aboriginal communities we look after are people off the reserve, along with other Albertans, to provide the services that are required.

On the reserves we have absolutely no jurisdiction, and the present socioeconomic policies that are in place for the First Nations on-reserve programs do not really encourage people to get back into the workforce. It's a real challenge because that's not what the people want. That's not what the First Nations chiefs want. They'd like to see their people go back into the workforce. Until the federal socioeconomic policies change for on-reserve programs – and we can keep working with them to try to achieve that because it would be best for everybody – we will continue to have those challenges that employers have. They'd like to hire First Nations. When there's stiff competition from social support programs, then it's really, really tough for industries to hire First Nations people.

In relation to foreign workers, of course, that continues to be a real challenge for everybody. The first priority for Alberta, our government, and no doubt your support is to hire Albertans first wherever possible, Canadians second, and that includes aboriginal people; it includes persons with developmental disabilities, first opportunity. When an employer has exhausted that, then they have an opportunity to apply through the federal government to bring in foreign workers, and that's a complicated and a costly process. It's definitely not a top priority for industries, definitely not a top priority for our government, and no doubt not a top priority for you people, who like to see our own local people working first.

In some instances, of course, when you look at northern Alberta, some of the challenges that we have is a road network that's in there, for an example. We have a community north of Athabasca which used to be in my riding. The community of Wabasca has about 5,000 in population. There's about 80 per cent unemployment and underemployment in that community. The reason for that is there are jobs around, but they're not within commuting distance on the roads. We need a road developed between Wabasca and Fort McMurray, and if we did that, at least 2,000 or 3,000 people would get to work almost immediately either through training or direct placement on the job. So we need to improve the road network in northern Alberta also to accommodate the First Nations people that are out there. Industry would like to hire them, but the access is not there.

So with a few policy changes, a few changes in the infrastructure to provide access roads and proper services to support people to get back into the workforce, we'd have a lot more people working in the workforce. We do have a lot of work, and as an opposition we need your support to achieve that. I know that together in the next number of years we can achieve some of those goals we have.

In relation to the apprenticeship program, of course, we need to continue improving that although, from what I understand, Alberta presently trains close to 20 per cent of all the apprentices trained in Canada. On the other hand, the average age of a journeyman in Canada is about 51 years old. The average age of a person completing the four-year program in Alberta is about 26 years old. When you go back to the schools, say, in the north half of the province, 65 per cent of the students want to take technical trades, and they know that by the time they hit grade 10. Why is it taking from grade 10 until you're 26 years old to complete your four-year program? So

we need to make some changes to improve that and have more people join the apprenticeship program and end up with a journeyman certificate. Again, we'll need your help in ensuring that those changes take place.

The welfare cycle. Again, I stress that on the reserves we have reformed the welfare system. Off the reserve it has worked well. We need to encourage the federal government to make some of the policy changes that will ensure that the First Nations people on reserves move off the reserves and into the workforce and once again become independent and self-sufficient.

When you look at northern Alberta, before 1950 there was no welfare system. People lived off the land the traditional way, completely, 100 per cent self-sufficient. We didn't have health care problems. We didn't have the social problems, the cultural breakdown, didn't have alcoholism. In fact, in my community I remember days when I don't think one person even smoked in that community. That's how we lived before 1950. Industrial development came, and we didn't provide the necessary transitional supports to move people through the process to the industrial type of lifestyle. It's the same, you know. You live off the land the traditional way. It's no different today. We do live off the land, but we do it by harvesting the resources that are out there in the industrial setting. We didn't provide that link. We tried to provide it by providing welfare.

So you're exactly right: we need to break that welfare cycle because it is a disaster. With your help and the support of our government no doubt we can achieve that. I am sure that we have thousands of First Nations people that can get in the workforce if we work together with industry before we start talking about bringing foreign people in. That should be our top priority.

Thank you.

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

Mr. Backs: Thank you, Mr. Chairman, and thank you, Minister, for some very wise words. I have been up to many of those areas a number of times and lived in the area, actually, for a number of years. The need for some of the infrastructure actually is a real part of all of this. It is crucial to the development of our oil sands and of our greatest resource, which is our people.

Some of the problems with this infrastructure really have to be linked. You know, many of these things are interdepartmental in the way they do work, such as the need for a road. There are sometimes a number of winter roads from Wabasca through, you know, Pelican Lake and up through Fort McMurray, and some of those go up to Chip and some of those places and off to some of the areas in Saskatchewan as well which could use some great development. But I'm kind of diverging here, I guess.

I'll just say that some of the needs that you mention there are huge in developing skills and that if some of these skills investment monies can be programmed into some of the successful, actually, industry examples that we've had – for example, Neegan Development has had some successes. Some of the other aboriginal companies where there have been informal relationships between labour providers like building trade unions, Syncrude, some of the other people to try and ensure that there is in fact labour supply can be very successful. I'll just end with that comment, Mr. Minister.

Thank you.

The Deputy Chair: Anybody else?

Okay. We'll move on to the Minister of Economic Development.

Economic Development

Mr. Dunford: Mr. Chairman, as you know, there are times when I can be mischievous and playful and other times when I can just be relatively simple and direct, and that'll be one of these times.

The \$506,000 that we are seeking is based on two areas. The first area: the federal government and the provincial government agreed with the Edmonton Chamber of Commerce to get involved in a World Trade Centre. The federal government put in their money, \$3 million were put in by Gaming from Alberta, and Economic Development was responsible for \$500,000, so that is our ask tonight, and \$6,000 just for new computer hardware for Travel Alberta.

9:40

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

Ms Blakeman: Thank you very much. Just a few questions for the minister. Thank you for clarifying that the \$500,000 is Alberta's pony up to what the feds were putting in. I'm wondering just about timing here. Since we're so close to the next budget, why didn't the money just come out of the next budget year? Is it because you had enough surplus you could put it in and do your matching now? Or was there a requirement, some kind of guillotine timeline with the feds, that if you don't put it in by the end of March, you've lost it? The minister is nodding at me, so I'm taking it that the feds had set the timelines on this and we had to match it.

Can you give me any kind of a breakdown on how the money is spent? Or do we just hand the money over to Economic Development Edmonton, I think it is, and let them spend it? Or is there some definitive allocation or breakdown on what it's supposed to be spent on? Did we get any kind of indication from the World Trade Centre of what their goals or objectives were in the expenditure of this money? Is there any kind of performance measurement that we can put against it, where we can say: "Well, out of that \$500,000 of Alberta taxpayer money we expected to get the following six things, and looking back, we got them"? You know, what's the measurement that we can use for accountability of money spent there?

The computer hardware for the Travel Alberta Secretariat – oh, things are running together in my mind; when was I talking about this recently? Again, what's the timing issue here? Why wasn't this appearing in the budget that was voted on on the 13th of May 2004? Did the Travel Alberta Secretariat not know it was going to need computer hardware at that time? Or did their computers crash or fall out of a window that they had to come to you now and have this money allocated backwards? Or did they just overspend and come and ask for the money to make sure that they didn't go over budget?

So just a few quick questions on that, and thanks for the opportunity.

The Deputy Chair: The hon. minister.

Mr. Dunford: Thank you. We'll check the *Hansard* tomorrow and just make sure that I'm providing the proper information, but my understanding is that both the federal government and the Alberta government had agreed to provide the funding before March 31, 2005. It was a capital project rather than operating costs, so there was a proposal made in terms of how the capital would be used. Of course, the normal auditing procedures will be in place.

On the computer hardware, I believe the reason for that was the events that took place after the vote on the budget, and that was the movement, then, in anticipation of the legislation to go to a tourism levy from the old pillow tax.

The Deputy Chair: Okay.

We move to the next portfolio. The next one is Environment. The hon. Member for Calgary-Mountain View.

Environment

Dr. Swann: Thank you, Mr. Chairman. It's my honour and pleasure to respond to the supplementary estimates for this year. Let me say that it appears a modest supplement, with about 6 per cent of the average budget for this department of about \$122 million. How to assess whether it's appropriate, whether it's too much, too little? They've requested \$2 million in upgrades for information technology, 4 and a half million for Alberta waste management assistance, and 1 and a half million for water management and erosion control. I guess around those areas individually there isn't enough detail for me to say what it was about these areas – that is, information technology, waste management, and water management – that wasn't budgetable.

Having recognized that there is such a common need for supplementary estimates, I guess my question as a newcomer is: is there a problem with the budgeting process, and is there some way that we could reduce the amount of supplementary estimates over time? I don't know the answer, and I welcome feedback on that.

In relation to the details of those, I would anticipate further explanation about the allocations in each of those and how it was that these were required. Some explanation, in other words, around each of them would be appreciated.

In summary, then, with the lateness of the hour, who overspent, and why? If the budget is inadequate for this department – and I would argue that for most Albertans the idea of only 5 per cent of the budget of the government of Alberta going to protection of the environment may represent an inadequate support for a very vital department – if that's the case, then I would welcome this department putting forward a stronger case for increasing their budget annually. I would certainly support that, given the appropriate documentation. When will this department receive the appropriate amount, and when will the department apply for that appropriate budget?

Thank you for this opportunity, Mr. Chairman.

The Deputy Chair: Anybody else?

We'll move on to the department and minister for seniors.

Seniors and Community Supports

Mrs. Fritz: Thank you, Mr. Chairman. I'm pleased to rise and speak to the supplementary estimates tonight as well for Alberta Seniors and Community Supports and for the 2004-05 fiscal year. These estimates total 34 and a half million dollars. That includes \$30 million for the Alberta seniors' benefit program and 4 and a half million dollars toward support of housing initiatives.

In August 2004 we announced changes to the Alberta seniors' benefit, which is a program that provides lower income seniors with a monthly cash benefit, and \$30 million in funding for the Alberta seniors' benefit also allowed an increase in the eligibility thresholds. We added 17,000 more seniors to the program, and in addition seniors who are already receiving the monthly benefit saw annual increases of up to \$275 per year. Approximately 142,000 seniors, which is 42 per cent of Alberta seniors, receive a monthly cash benefit under the Alberta seniors' benefit, and the Alberta seniors' benefit now offers the highest monthly payment and the highest income threshold in the country. Mr. Chairman, we are committed to ensuring that the Alberta seniors' benefit continues to focus on lower income seniors who need our help the most.

In addition to this funding for the Alberta seniors' benefit, an additional 4 and a half million dollars was made available for affordable community supportive living, and this funding was transferred from Alberta Infrastructure to Alberta Seniors and Community Supports, with the responsibility for supportive living, to fund the development of new supportive living spaces in the East Central health region. This breaks down to \$2.4 million allocated to a new 40-unit seniors' supportive housing project in Vegreville, and \$2.1 million was allocated to a new 40-unit seniors' supportive housing project in Wainwright. The funding provides 50 per cent of total project cost and significantly reduces the amount that the management body has to borrow in order to build the project.

These projects help respond to the need for additional affordable supportive living, and they are currently in the design phases, Mr. Chairman. Supportive housing, as we know, is less expensive to build and operate than long-term care. It's estimated that 40 to 50 per cent of people in long-term care could have their needs met through supportive housing. Building affordable supportive housing in rural Alberta helps seniors with high health and personal care needs to remain in their community.

I'd ask that members approve these expenditures, and I have tried to be very quick so that we may have some questions in case there are any questions.

The Deputy Chair: The hon. Member for Lethbridge-East.

9:50

Ms Pastoor: Thank you, Mr. Chairman. This afternoon I queried the process of the interim supply, how I thought it appeared to me that budgeting and the dollar projections were lacking in, perhaps, proper planning, and the lack of dollars earmarked for contingencies so that there really shouldn't have been the need for the interim financing. But now, this evening, upon some further study of the supplemental estimates, I feel that my remarks bear some repeating. How on earth would a department be so far off in their budget that they would need \$30 million to find enhancements four months after the budget was passed? I'm hoping that it was just a coincidence that the election was just six weeks later.

Although the line items give some description – and I certainly thank the minister for the descriptions that she has given so far – I would ask that she could perhaps elaborate a little bit more, and I ask for some clarification on some further breakdown on how the dollars were spent. I actually had some specific questions regarding the definitions.

The dental and optical coverage that is going to take effect in April of 2005. I do know that the minister and I have actually consulted with the same people that we've spoken with, and I'm sure that this minister is aware of this, as I am, but I'm not sure that everyone else is aware of this: people who do not have proper dentures or their own teeth actually live 10 years shorter, and that's due to the lack of proper nutrition. I'm not sure that you're ready for this at this time of the night, but however. The chewing process that goes on actually doesn't break down the food properly. Then it hits the stomach, and the stomach has to work harder, which is all part of the process of why your lifespan is shorter.

So the dental part of this, I think, is exceedingly important. Just from my own personal experience, sometimes seniors will have small chips on their dentures, and they end up with huge cankers in their mouths that can't be cured, and it's because they haven't had the opportunity to go and have them fixed.

The other thing I wanted to discuss was actually supportive. I'd like a definition on that. You said that, in fact, it is better than long-term care, and I agree to a certain degree. I'm wondering how this

has been broken down. Is it assisted living or designated living? With those two designations, do these people pay extra over and above the very minimal amount of home care that they are allowed? Also, was this a P3 project to build these three institutions? Is it a private provider that is actually directing the management? If it was a private developer and it was a P3 sort of set-up, I'm wondering how long the building has been leased for and who would own it at the end of its natural lifespan.

The Deputy Chair: Hon. members, I just need to seek direction. We are about six minutes away to 10 o'clock, and the committee has to at that stage rise and report. Do you want me to proceed with the votes on individual items for the 12 portfolios that we have before us?

An Hon. Member: The vote call is tomorrow.

The Deputy Chair: Tomorrow? Okay.

Hon. Minister for Seniors and Community Service, did you want to respond?

Mrs. Fritz: If it may be helpful to the hon. Member for Lethbridge-East, I can take your questions under advisement. I can respond back to you directly, and then that may assist with moving the vote forward because we should, as you said, Mr. Chairman, vote here by 10 o'clock.

Ms Pastoor: In light of our time constraint I certainly would appreciate that. Thank you.

The Deputy Chair: Next we have on my list the Executive Council. It's my understanding that there are no questions for the Executive Council.

Some Hon. Members: Agreed.

The Deputy Chair: Okay. We will move to the next item, which is Finance.

Finance

Mrs. McClellan: Mr. Chairman, the \$1.4 million request from Finance was to deal with reforms in the insurance area. Automobile insurance in Alberta is mandatory. I don't have to remind anyone about that. It's against the law for any driver to get behind a wheel without having insurance for PL and PD on that vehicle.

The changes were made to those laws. It was our responsibility to inform Alberta drivers and other stakeholders, including the industry and medical professionals, about the new system, and that is primarily what that was for. Part of the money was used to develop products designed to educate Albertans and stakeholders. This involved a comprehensive brochure, it involved radio and newspaper advertising. That is really what the \$1.4 million was for.

I should just note that reform saved Alberta drivers about \$200 million at that point.

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

Mr. R. Miller: Thank you very much, Mr. Chairman. My opening comments would be to congratulate this minister and her ministry for being one of the more prudent ministries in terms of their

spending and only the one item in particular that is overbudget, which I'm pleased to see.

I do, however – and I recognize that I only have a minute or two – have a couple of questions. My first would be: I'm curious; she did not really explain why this money was not allocated in the 2004 budget, so I would like to know why that expenditure wasn't identified back in May of last year.

Also, Mr. Chairman, I'm wondering if there have been any steps taken to ensure that it won't happen again. I alluded earlier this afternoon to the fact that we're anxiously awaiting a report from the automobile insurance review board that the minister has requested, and I'm wondering if there may be some thought to doing another advertising campaign such as that one.

Lastly, I guess, I was just wondering if there's any performance measure to identify how effective that particular advertising campaign was in terms of informing Albertans of the new legislation.

Mrs. McClellan: Mr. Chairman, in the interest of being able to move on to another department, I will give you a complete answer in writing. However, I would just say that the reforms started in October of 2004. It was very difficult, if not impossible, to predict what the final reforms were going to be and to plan what type of information you might be required to present to Albertans. Finance simply just did not have that number of resources planned for that.

But I will give you more information on the performance, how we base it. Part of it is the savings.

But it would be nice if we could get one more department before you tonight.

Mr. Mason: Hon. minister, if I may, \$1,400,000 for advertising of a very controversial reform, and I use the term "reform" advisedly. Could you please provide us with, you know, what that was actually spent on and what the key messages were? How much went into advertising on television and so on? All of the components of that.

Thank you.

Mrs. McClellan: I will, but as I just explained, there was a brochure that was developed that went to households. Insurance is a very complex business, and the insurance reform was a very lengthy discussion with consumers and with the industry.

I would say to date we've had considerable success in our province. I gauge that by the number of people I hear from that are pleased, those that seem to have a problem that we are able to straighten out for them very quickly, and the fact that we have 72 companies in this province that are offering mandatory insurance that Alberta drivers must carry. Alberta drivers have saved about \$200 million, in our latest estimation, because of those reforms. That's not a bad benchmark.

10:00

The Deputy Chair: I hesitate to interrupt, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration of estimates, I would invite the Government House Leader to move that the committee rise and report progress.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the Committee of Supply rise and report progress and beg leave to sit again.

[Motion carried]

[Mr. Shariff in the chair]

Mr. Johnson: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions relating to the 2004-2005 supplementary estimates for the general revenue fund and the lottery fund, reports progress, and requests leave to sit again.

[Motion carried]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:02 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]