

Legislative Assembly of Alberta

Title: **Tuesday, March 22, 2005** **8:00 p.m.**
 Date: 20050322
 [The Deputy Speaker in the chair]

The Deputy Speaker: Good evening. Please be seated.

head: **Government Bills and Orders**
Second Reading
Bill 1
Access to the Future Act

[Adjourned debate March 15: Mr. Chase]

The Deputy Speaker: The hon. Leader of the Official Opposition.

Dr. Taft: Thank you, Mr. Speaker. It's a pleasure to see you there. It's my first shift in which you've been in the chair.

It's a privilege to rise tonight to speak to Bill 1, which is called Access to the Future Act. This is a bill that I made a particular point of coming in to speak to because of a number of reasons. One, of course, is personal experience. Postsecondary education is of real importance to me. I spent many years of my life in postsecondary education institutions, the great majority of the time as a student, but I did some research and a small bit of teaching as well, some publishing. Actually, my father taught in university for many, many years and ended up as a vice-president of a major university as well. He was part of a generation of academics post-World War II who played a key role in building the modern university system in Canada, and he would sometimes talk about the role of the university in society. So that's one of the reasons this piece of legislation is important to me.

Another one, of course, is that the largest postsecondary education institution in the province, the University of Alberta, is in my constituency. It's coming up soon to celebrating its own centennial, and it has established itself as one of the top universities in Canada. I think its ambition should be to be one of the top universities in the world, and they have tried that. They're working in that direction, but it's going to take time and will and resources from this government.

The U of A is a very large university. There are about 25,000 undergraduate students full-time. There are another 5,000 or more full-time and part-time graduate students. They grant between undergraduate and graduate degrees well over 6,000 degrees a year. Of course, they're a huge contributor to Alberta's cultural life, its intellectual life, and its economy. So I pay close attention to the University of Alberta. Hence, one more reason that I'm speaking to this bill.

There's another postsecondary education institution in my constituency of Edmonton-Riverview. It's the Centre for the Arts campus of Grant MacEwan College. Actually, it used to be called the Jasper Place campus, and it's on the far northwest corner of my constituency. I've toured that facility. It's got some wonderful programs, a good theatre program . . .

Ms Blakeman: It's moving downtown.

Dr. Taft: I'm told that's actually moving from my constituency to Edmonton-Centre, but so be it.

. . . and a great communications program there and other facilities and programs.

So personal experience, political commitment: those are two

reasons that I'm speaking to this bill. I also happen to be a big proponent and supporter of the role of postsecondary education in society generally.

First and foremost, I see it as a major contributor to citizenship. Education isn't, in my view, first and foremost about getting a job. It's first and foremost about taking an active role and fulfilling your life as a member of a broader society, and I think that's a crucial role for all education, including lifelong education. Producing committed, informed, engaged citizens who build a better society is absolutely key to postsecondary education. Postsecondary education also contributes to our cultural life, the academic or intellectual mix of a society, and of course makes an ongoing contribution to our economic prosperity.

If we are to be competitive in the world, we need a well-educated populace. We need research. We need people thinking at the leading edge, people innovating, whether it's in medicine or engineering or in the humanities or the arts or film or music, whatever. All of those are important mainstays of our economy, and we sometimes think too narrowly about the role of education in economics, thinking strictly in terms of job training, education for teachers or doctors or engineers or for apprentices, for journeymen, for those kinds of jobs. But we should remember that the arts also play a crucial role in our economy, and one reason that Edmonton, for example, has such a strong arts community, which contributes so much to our economy and culture, is the strength of the postsecondary institutions producing those artists.

Maybe it's for those reasons that we as a caucus have made postsecondary education such a high priority and that the Alberta Liberals made it such a high priority in the election campaign last fall. One of the brightest lights in our platform was a commitment to stronger postsecondary education, and we got a tremendous public response. People everywhere we went were encouraged and excited and sometimes actually were spontaneously cheering for our policy. Through the election campaign I stopped at Peter's Drive-In on 16th Avenue in Calgary. Is that in Calgary-Mountain View?

An Hon. Member: Yes it is.

Dr. Taft: It is in Calgary-Mountain View. As I had ordered my food and was walking away from the wicket with a couple of other people who were with me, we got about 50 feet away and suddenly we heard this cheering and people calling out for us. We turned around and a group of students had recognized me from the campaign trail and were actually spontaneously cheering us on because of our postsecondary education policy. So we know it resonated. We even got a photo of the students, and they might be on our website, Mr. Speaker, should you ever be interested in looking at it.

Our policy included an endowment fund. It also included a commitment to greater core funding for postsecondary education, a freeze on tuition costs, and an increase in the number of places for students to attend. SAIT, I understand from meetings, as recently as last September turned away over 5,000 fully qualified applicants because there weren't enough spaces, and that's a shame. That's not only a betrayal of those students; it's a betrayal of ourselves and our future.

So I would like to see in legislation addressing postsecondary education something comprehensive, something that addressed the heavy costs that students and their families face in attending postsecondary training, whether it's NAIT or SAIT or other colleges or universities, something that opened up the number of spaces so that we didn't have a labour shortage, so that we didn't have to import foreign workers, so that we trained aboriginal members of

Alberta and Canada and we trained our young people and we trained people who wanted to return to the workforce – why aren't we channelling more money to our technical schools instead of importing workers from, say, Venezuela? – something that addressed the issue of debt, something that addressed the issue of core funding, something that addressed the infrastructure decline in our postsecondary institutions, which is really quite dramatic and quite severe. I would have liked to have seen all of that, but until there's a Liberal government in Alberta, we won't. Instead, we will see somewhat more limited vision, and hence we end up with Bill 1, the Access to the Future Act.

8:10

Now, the Access to the Future Act has at its core a pretty good idea in fact, which is establishing an endowment fund, a very substantial endowment fund, to help offset the costs of postsecondary education either through supporting students or through supporting the institutions themselves, doing things like, I believe, endowing chairs, for example, and perhaps providing other services and supports to universities or colleges or technical schools.

This fund would be managed under the Alberta heritage savings trust fund, and while I can understand, on one hand, the reason for that strategy – I guess there's a claim that it will be somehow more efficient, save on administration – I do have a concern that we should in fact be establishing a separate endowment fund dedicated specifically to postsecondary education and without any cap on it. Why should we limit how much we're prepared to invest in postsecondary education, Mr. Speaker?

We could be building and we should be building the future of this province for decades and generations to come. In fact, we should be debating tonight what the people in Alberta will be looking at a century from now and judging us by because we do stand here from time to time and look back a hundred years and acknowledge the importance of acts such as that of the First Legislature, which established the University of Alberta. We say to ourselves: how farsighted. We should be asking ourselves: what can we do today that will be judged similarly a hundred years from now?

I think one of the things that would qualify for a good judgment a hundred years from now would be to establish an endowment fund without a cap. So instead of a \$3 billion endowment fund let's establish an endowment fund that could grow to \$3 billion and \$5 billion and \$8 billion and \$10 billion and \$20 billion and who knows how many billion dollars?

We know that investing in postsecondary education is key to building our future, and we should know that our oil and gas revenues, which bring so much prosperity to us today and will for the next few years, won't be there forever, or they won't be valuable forever. We might well find that new technology overtakes them, so we need to save what we have now and invest it in permanent prosperity through a much larger endowment fund than is proposed here.

I'm also concerned that one of the effects of Bill 1 is going to be to tighten – tighten – centralization and government control over our postsecondary education. That was actually a concern I had with a big piece of legislation that was brought forward I think it was last spring, the Post-secondary Learning Act. My concern is that instead of encouraging many voices and instead of encouraging a diversity of opinion as we centralize control in the hands of government and ultimately in the hands of a cabinet minister over our postsecondary system, we lose the vitality of our postsecondary education. We end up with a system that marches to the directions of a cabinet minister instead of marching to the directions of a thousand or 10,000 bright minds occupying the desks and classrooms of the province.

So centralization is a worry, and I'm not sure if that's an intent of this bill, but I think it could be an effect. We see it played out, for example, very early in the act: section 2, where the bill talks about establishing enrolment targets, and carries on through section 3 and section 4. You can almost feel the hand of the cabinet ministers tightening over the throat of the postsecondary education in this province.

I'm also concerned about the potential rise in the influence of corporations over our postsecondary education system. I happen to be a strong believer in education for the sake of education and of an independent and free academic voice in this province.

Those are some of my comments on Bill 1. We will be continuing this debate at some length, and I've really barely begun to scratch the surface. A lot of this bill leaves crucial things undefined, and that always makes me nervous. The measures to enhance interinstitutional transferability and the recognition of prior learning are undefined; relieve the measures to increase participation of disadvantaged groups, undefined. The mechanisms to establish institutional enrolment targets and admission requirements are undefined. Over and over and over we are turning the fate of our postsecondary education institutions of all sorts to regulation and, ultimately, to a cabinet minister, and that's a concentration of control and power that makes me nervous. Believe it or not, Mr. Speaker, I'm a skeptic of big government, and what I see coming out of this government more and more is exactly that, big government.

So, Mr. Speaker, I look forward to the debate. I'll listen to my colleagues. I'll read *Hansard*. I will study the many notes we have on Bill 1. Its intention may be good, but I think its execution is flawed.

Thank you.

The Deputy Speaker: Standing Order 29(2)(a). Does anyone wish to speak on 29(2)(a)?

Seeing none, I'll recognize the Member for Edmonton-Ellerslie.

Mr. Agnihotri: Thank you, Mr. Speaker. Let me start by saying something really positive about this government, positive as well as a misconception they are providing to the people of Alberta. The government promised the next Alberta will be a leader in learning. [interjections] Good. Good. The government promised the next Alberta will have a diverse and growing economy. [interjections] Good. The government promised the next Alberta will be a leader in Canada and the world. Finally, the government also promised that the next Alberta will be the best place to live, work, and visit and that all Albertans will share in the Alberta advantage. [interjections] Good. Good. This is the government's 20-year so-called strategic plan. [interjections] Shall I carry on?

However, through these plans the government is providing . . . [interjections]

The Deputy Speaker: Hon. members, the hon. Member for Edmonton-Ellerslie has the floor. We should let him speak.

Mr. Agnihotri: However, through these plans the government is providing false impressions to the people of Alberta. It's great to show the people an attractive word, but the words of the government have for the most part not had any credibility. [interjection] Listen, listen. Okay?

8:20

I'm pleased to say a few words with respect to Bill 1. First of all, I want to commend the government for a bold new initiative lifted from the pages of the Alberta Liberal platform that's then watered

down. Albertans have been starved for the last 12 years of underfunded postsecondary education. The minister himself said that it is time to take postsecondary education off its starvation, maybe late but good to start.

An Hon. Member: Who was starving it?

Mr. Agnihotri: A PC, of course.

Taking initiative on the issue which is the top priority of Albertans, I'm glad the government has seemingly taken a renewed interest in postsecondary education with Bill 1. The government seems committed in principle but not firmly committed enough to put the money into the fund without capping the value of the fund. What is the future of this endowment fund if there is a downturn in the price of oil and natural gas and future budget surpluses evaporate? Students will either have no endowment fund at all or a smaller endowment than initially promised. Leaving contributions to the fund to annual budget battles is short-sighted and falls short of the commitment of the Alberta Liberals.

I would like to commence by outlining some of the concerns from my riding's point of view. My riding is culturally diverse. A large population of immigrants, different nationalities are settled in this part of Edmonton. Many of the immigrants have blue-collar jobs, and they want their children to get a higher education. This bill does not provide any opportunity for them. Some of my constituents have taken a second mortgage to keep their children in postsecondary education. Students are frustrated with the student loan system, which is inadequate, the burden of their debt, large classroom sizes, and high tuition fees.

We have shortages of skilled labour – engineers, doctors, nurses, scientists, and so on – but why? Not because our children do not want to learn or not because parents do not like their children to get educated. The answer is very simple. They were unable to get the space, and therefore they were unable to get the opportunity they deserve. Where is the Alberta advantage? Higher education is critical for meeting our demands for skilled labour and ensuring that our students are able to compete in the job market. If we had a long-term, independent postsecondary learning commission to do a full review of the whole system, we would be more likely to find a real solution to these problems.

We do not have a long-term concrete plan to provide resources to the areas that need it most. The Faculty of Arts, the Faculty of Science have the highest numbers of students. Therefore, these are the programs that need to be sustainable. However, evidently funding these programs is not what the government cares about. They continue to ignore the arts and social sciences and are not committed to the arts and humanities that the Alberta Liberals would like to see. We, of course, had a plan. Again, this part was not adopted by the government. We had a plan to put 5 per cent of every annual budget surplus into a fund to complement the federal Social Sciences and Humanities Research Council. We think the government should do the same thing, Mr. Speaker.

If the government really wants Albertans to dream about high-quality postsecondary education, they should start high-quality affordable education from early childhood education right through to graduate degrees. This would be the foundation for creating a society with equal opportunity for all. It's also vital to remember that such investments pay off not only in terms of economics but by creating a sustaining condition for a vibrant, diverse culture and democratic society.

I want to see some amendments in this Bill 1. The first amendment we will be moving will be to remove the \$3 billion cap on the access to the future fund.

Number two. The second will put guidelines on the size and composition of the access advisory council and place some restrictions on the minister's ability to appoint whomever he wants. For the most part the advisory council members would be appointed by the minister from candidates nominated by others; for example, representatives from each of Alberta's public universities nominated by the boards of governors. There would also be council members chosen to represent public colleges and technical institutes, private not-for-profit colleges, faculties, sports staff, undergraduate students, grad students, members of the public including but not limited to the form of this amendment. It is still being fine-tuned, so I don't have exact numbers to share with you, but the information I have given should be enough to get you talking about this. I think that you should start working on this.

A third amendment will be required: the minister to bring accountability and transparency to the process by reporting on each new and ongoing grant made from the fund in the ministry's annual report.

Thank you very much.

The Deputy Speaker: Does anyone wish to rise on Standing Order 29(2)(a)? The hon. Deputy Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'm wondering if the hon. Member for Edmonton-Ellerslie would acknowledge, in the context of the comment he made about this proposal being lifted from the pages of the Alberta Liberal platform, that his own leader and party lifted the proposal they had in their platform from a resolution put forward by the PC Association of Edmonton-Riverview at the last annual general meeting of the PC Association of Alberta and, if not, whether he'll go back and do his research.

The Deputy Speaker: Does the hon. member wish to respond?

The hon. Member for Edmonton-Rutherford on 29(2)(a)?

Mr. R. Miller: No, I'd like to speak to Bill 1.

The Deputy Speaker: Okay. I recognize the hon. Member for Edmonton-Rutherford on the bill, seeing no other people wishing to talk on 29(2)(a).

Mr. R. Miller: Thank you very much, Mr. Speaker. I certainly appreciate very much having this first opportunity to speak to Bill 1, the Access to the Future Act. I think we can all recognize a good piece of legislation, and I will say up front that this is probably a pretty good piece of legislation. I think we can all recognize a good piece of legislation when all parties in the Assembly spend an awful lot of time trying to lay claim to it.

I am going to be speaking in favour of Bill 1 this evening, Mr. Speaker, with some qualifications. Since it was our idea, I would expect that I would be generally in favour of it. As others before me have said, I would like to remind all members that this was, in fact, Alberta Liberal policy during the past election when most people at the doors were telling us that the government had no policy at all. Now, our policy platform called for a full 35 per cent – and I think that was articulated very well – of any annual surplus to go into a postsecondary endowment fund.

8:30

According to a survey of Calgarians by the faculty association published last November, 45.5 per cent of those surveyed rated investment in university education as a high priority, and it followed only investment in health care and investment in K to 12 education, Mr. Speaker, in ranking.

Now, in the government's It's Your Future survey, that rather weighted survey, a full 50 per cent of respondents indicated that long-term investment in priority areas was something that they would like to see supported. So, quite clearly, accessibility, affordability, and quality of postsecondary education were indeed important issues in the election of last November. In fact, I would suggest that a number of Conservative members of this government lost their seats, Mr. Speaker, in constituencies which are home to a postsecondary institution. I'm very pleased to be able to stand here today and say that Edmonton-Rutherford is home to the Taylor University College and Seminary, which is among those postsecondary institutions on the list that I just referred to.

Since the current incarnation of this Conservative government has been in place, going back to 1993, funding for postsecondary education has not kept pace with inflation or enrolment increases. During the years 1994 to 1997, in fact, the government cut funding to postsecondary education by a full 21 per cent. Most postsecondary institutions continue to struggle to make up for that lost ground, and that struggle goes on today. Many of those same institutions in fact are predicting budget deficits in either one or more of the next few years. So, Mr. Speaker, I certainly applaud the government, as I said earlier, for taking a step in the right direction – and I do believe that this a step in the right direction – in an effort to address the concerns that I heard time and time again as I visited more than 10,000 homes last fall.

Now, it would be my preference, quite frankly – and I think the hon. Member for Edmonton-Ellerslie alluded to it – that there be no cap included in the legislation. I'm disappointed to see that. I think my colleague indicated that there will most likely be an amendment coming forward from the Official Opposition.

Ms Blakeman: That's a good idea.

Mr. R. Miller: Thank you to my colleague from Edmonton-Centre for indicating that she, too, thinks that it's a good idea that that cap be removed.

Now, we continue to hear from stakeholders almost every day hoping and praying for long-term, predictable, and stable funding, and I'm sure that members opposite have heard that too. Three billion dollars is certainly a beginning. It's been said in here many times already. But just imagine, Mr. Speaker, if you would, if the world price of oil continued to soar as it is doing almost daily: \$55 today; it could be \$60 in a week or a month. Maybe \$80 is the benchmark that some industry analysts are predicting.

An Hon. Member: It could be \$10.

Mr. R. Miller: It's not likely to be \$10 any time in the near future, although there are certainly those that might like to see that. I wouldn't expect, Mr. Speaker, that anybody on the government side would like to see oil at \$10 a barrel because I have a feeling that their political fortunes might suffer if that were to be the case.

Nevertheless, industry analysts are predicting that it could go as high as \$80 a barrel. Just imagine how this fund could grow if it were not capped but, rather, if it were allowed to do so. At \$80 a barrel, you know, the sky is truly the limit in terms of where that cap could go and what it might do for us.

During the election campaign, Mr. Speaker, the hon. Member for Edmonton-Riverview, who spoke to this bill a few minutes ago, dared to dream out loud about the possibility of Alberta being home to a world-class and world-renowned university such as Yale, Princeton, Harvard, Cambridge, or Oxford. Now, a \$3 billion cap on this fund would never allow us to reach that benchmark, unfortu-

nately. Again, if we were to allow the fund to grow and, in fact, encourage it to grow by removing the cap – \$10 billion, \$20 billion, \$50 billion – in a number of years who's to say where it would be, and who's to say just what standard of postsecondary institution we might be able to achieve. So I certainly look forward to the committee stage when we'll have a chance to deal with that amendment coming forward from the Official Opposition, and I would certainly hope that all members will be supportive of it when we get there.

I would also like to address the fact that Bill 1 seemingly targets and by targeting seems to favour applied research initiatives and other high-priority programs which seem to be related to commercial potential. Specifically, section 4(2)(d) says that the fund is generally “to encourage the creation or expansion of industry funded and privately funded scholarship and bursary programs.” Now, of course, the Alberta heritage science and engineering research endowment fund, otherwise known as the ingenuity fund – the idea of encouraging growth in those sectors and, in fact, legislating growth in that fund, those are both lofty goals. The program itself is a lofty program. Nobody on our side is going to suggest that science and research should not be a priority, Mr. Speaker, but nowhere in the bill – again, I think my colleague from Edmonton-Ellerslie mentioned this – does it talk about the arts and humanities, and I'm afraid that we're shortchanging our society if we don't address that particular issue.

Later in this spring session I understand that we're going to be debating a private member's motion. I believe it's Motion 505, Mr. Speaker. It's being brought forward by the hon. Member for Calgary-Egmont. This particular motion will call on the government to consider the merits of “requiring five credits in fine arts as a condition for high school graduation” in Alberta. Now, I think that would be a recognition, if it were to move forward, that our society is strengthened and, in fact, healthier and wealthier when we recognize and encourage the need for the advancement of the arts and the humanities rather than simply concentrating on science and economics and so forth.

Also, Mr. Speaker, yesterday afternoon myself and several of my colleagues had the opportunity to meet with a group of students from CAUS, the Council of Alberta University Students. In fact, I believe they were introduced in the Assembly this afternoon and some of them yesterday as well. They're on a tour, meeting with legislators across the province to bring forward the concerns that Alberta university students have.

For me one of the most interesting revelations to come out of the meeting yesterday was that approximately 50 per cent of student loan application denials come as a result of issues surrounding parental participation or lack thereof. That caused me a great deal of concern, Mr. Speaker. It's almost as if there's some sort of reverse discrimination taking place there. I'd like to explore the issues around that a little further, and I hope that perhaps the government will when they're developing their new tuition policy. Hopefully, we can have a serious look at just exactly what's happening and why so many loan applications are being denied on that basis.

Now, again, average tuition for colleges and technical institutes: the information I have shows that those tuitions have increased approximately 250 per cent since 1993. For some reason it seems like we're making it more difficult to access student loans rather than the other way around.

Moving on a little bit, in the bill section 5(2) allows for the minister to name the members of the access advisory council, and again I believe that both the Member for Edmonton-Riverview and the Member for Edmonton-Ellerslie referred to this council,

specifically the makeup of it and what the parameters would be surrounding how that council would work. We talk a lot about democratic renewal in the Official Opposition, and one of the things that I would hope for is that if there are going to be any members of this Assembly on that council, which often happens, the minister would ensure that there's representation from all parties on that council. [interjection] I don't believe the Alliance would qualify as a party in terms of recognition by this Assembly, so the Member for Edmonton-Highlands-Norwood probably doesn't have much of a concern in that regard.

8:40

Mr. Speaker, last night in this Assembly we began some debate on private members' business specifically related to private member's Motion 503, which, it was discussed last night, is remarkably similar, almost an exact duplicate in fact, to section 8 of this Bill 1 that we're discussing this evening. The only real difference is that Motion 503 clearly outlines a timeline for topping up the ingenuity fund to \$1 billion from the current amount of \$500 million, and in Bill 1, that we're debating tonight, that's left entirely up to the purview of the minister.

So although I'm not sure that we have an amendment coming forward from this side, I would certainly hope and I'll be encouraging the appropriate critic to make sure that that amendment does come forth because again I think that it would probably be better dealt with, quite frankly, as an amendment, that way ensuring that we have some solid guidelines in the bill for when that fund would be topped up as opposed to leaving it up to the whim, if I can say, of the minister.

In fact, I would like to see similar guidelines brought forward for the postsecondary endowment fund in general, to see some concrete legislation included in the bill that would outline when the money is going to be put in there. If we have to live with a \$3 billion cap, which I'm hoping will be removed, we can outline for the minister what the timeline is to get to that \$3 billion and get there just as soon as possible.

Now, Mr. Speaker, many of the members will know that I am the parent of two teenage children, one of whom is only months away from his graduation from high school. As a parent of two teenagers I certainly do share many of the concerns that I heard from the residents of Edmonton-Rutherford over the last six months or so specifically again regarding access and quality of postsecondary education but, most particularly, probably affordability. I don't imagine that I'm much different from most parents, especially if you have more than one child that you're trying to plan postsecondary education for, where affordability tends to be the number one concern for parents. I mean, getting in is one thing, but even if you can qualify for postsecondary given the high entrance requirements these days, there's always a question of how you're going to pay for it. As I said, I don't believe I'm much different from most other parents when it comes to that.

Now, having said all of that, Mr. Speaker, I would like to echo some comments that were made to me by Taylor University College and Seminary. As I indicated, this is a postsecondary institution that's in my constituency, and I thought it prudent to consult with them to get their input on this bill. They've indicated that from their point of view providing long-term secure resources to support higher education is a good way to use the wealth that Alberta enjoys as a result of the present exploitation of nonrenewable resources.

The Deputy Speaker: Under Standing Order 29(2)(a) there's a five-minute period for questions and comments if anyone has any. The hon. Member for Edmonton-Centre.

Ms Blakeman: Yes. Thank you. I'm wondering if the member could just expand on the comments he was making on resources. I'd be very interested in hearing that.

Thank you.

The Deputy Speaker: The hon. member.

Mr. R. Miller: Thank you, Mr. Speaker. I'd be happy to expand a little bit upon what I was saying there regarding resources. In fact, they were not my words but the words of the administration at Taylor University College when they were indicating that providing long-term, secure resources to support higher education is a good way to use the wealth that Alberta enjoys as a result of the present exploitation of nonrenewable resources. Accordingly, creating endowments for future generations of Albertans from the current resource revenue is in fact sound policy, and that was the point that Taylor University was happy to have me convey to you. I'm almost finished here. I'm happy to have had the opportunity to address the question about resources.

As I said at the outset, I will be supporting Bill 1 in second reading and look forward to the point when it's at committee so that we can deal with some of those questions that I've raised. I certainly would hope that other members in the Assembly would support some of those very worthwhile and well-thought-out amendments that will be coming forward from the Official Opposition.

Thank you.

The Deputy Speaker: On Standing Order 29(2)(a)?

Seeing none, the hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Speaker. It's a pleasure to rise and speak to Bill 1, the Access to the Future Act. It's a pleasure because it's a rare occurrence, at least in my tenure in this Assembly, to actually be able to debate a bill that talks about putting money into something like postsecondary education.

This is a real departure, I think, for the government, and I think that in that very broad sense this is an extremely positive bill and a tremendous sea change, I guess, in the government attitude. It's interesting that the Liberals and the Conservatives are fighting over the paternity of this bill, Mr. Speaker.

But there are a number of things here that need to have some scrutiny. You know, the fact that funding will be provided to postsecondary education needs to be carefully considered relative to some of the problems with this bill. First and foremost, Mr. Speaker, this bill is based upon unbudgeted surpluses, and we have had a concern in the NDP for years about the government's use of unbudgeted surpluses because we don't think that it represents very good stewardship of the province's resources.

The government has for years now lowballed – deliberately lowballed, Mr. Speaker – the energy prices in their budgeting and, as a result, produced multibillion dollar surpluses every year, which if they had accurate forecasts or reasonable forecasts for the price of oil and natural gas would not exist because those revenues would be captured within the budget. And they should be captured within the budget.

The first problem with this particular approach is it assumes that the government is entitled to continue to use inaccurate and far too low figures for the price of oil and gas as a way of budgeting for the province. It would be far preferable, Mr. Speaker, in our view, if you actually tried to accurately predict or as close as possible the real price of oil and natural gas and the royalties that flowed from that, and you put it into the budget, and you allocated that in the

budget for postsecondary education rather than perpetuating the kind of shell game that the Conservatives have played for a number of years relative to royalty revenues. That's the first thing, that it perpetuates that kind of deceptive budgeting on the part of the government and, in fact, institutionalizes it. So that's a serious concern.

We understand based on conversations with the minister that expenditures made with this fund – and maybe the minister can respond to this – will have to be matched by private sources. This brings up a second serious concern we have with the way the postsecondary system in this province has been unfolding in the last number of years, which is the increasing role of fundraising and in particular private funding for our public institutions, which helps to establish the priorities both in teaching and research for those institutions and in our view distorts what the universities ought to be dealing with. So the growth of private-sector funding for our public institutions of higher learning is a serious concern for the NDP opposition.

8:50

Now, if I can get to the basic problem with our system here, Mr. Speaker, it's that there's not really an overall framework that's been established. We haven't looked at the entire postsecondary system as a whole and what we want it to do, where we want it to be in 10 years, where we want it to be in 20 or 30 years. We haven't in this bill really addressed the overall situation facing our postsecondary system, nor have we sought on a very broad and systematic basis public input and stakeholder input in terms of defining the goals of our postsecondary system into the future.

The Alberta New Democrats have put forward a proposal that there should be a postsecondary learning commission, similar in structure and process to the Learning Commission that I think was fairly successfully implemented as a result of pressure from the Alberta Teachers' Association on this government, and the results that flowed from that I think were really excellent. The hon. Minister of Human Resources and Employment says that they listen and they care, and they certainly do, Mr. Speaker, when their backs are to the wall.

This is where we think we should begin. We should start at square one with our postsecondary institutions. I think that it's important to recognize and I think the province did recognize in the election that postsecondary education is the cornerstone to the province's future. I think that the government is attempting to recognize this through this bill, but without a fundamental analysis by all concerned I don't think we're going to come up with the kind of postsecondary system that we want and need for our future. So, Mr. Speaker, I would say that we should be starting with a postsecondary learning commission as a way to map the future of our postsecondary system.

The second major concern I have, Mr. Speaker, is that the base funding of our institutions is inadequate and is not dealt with by this legislation. We need to be establishing and we ought to be establishing a base level of funding. There's no reason in this province that we couldn't do that, and in my view until the institutions clearly know what funding they're going to get over a long period of time, at least three years, they will be unable to plan, and we will be unable to build adequately our postsecondary system. So establishing base funding over a period of years, budgeting over three years at least, would be, I think, the direction that we ought to take before we get to the ideas contained in Bill 1.

The third point that I want to make, Mr. Speaker, relative to this is that while there is lip service paid to accessibility in this bill, there are no clear guarantees, and there's no clear understanding of

accessibility as a fundamental problem of our postsecondary institution.

Student debt average is about \$20,000 per student upon graduation. The tuition fees in this province have soared dramatically over the last decade, and university and even college and technical institutions are very, very expensive. This needs to be addressed more substantially than establishing an accessibility council. I guess, Mr. Speaker, that I've been here long enough to realize that little councils to talk about accessibility or to talk about some problem aren't really a way of tackling it, not really a way of solving it. It's a way, I guess, of putting some window dressing out there and saying that, yes, this is a big problem, and we're concerned about it.

I would like to see clear legislation that indicates that a freeze in tuitions, in fact a rollback in tuitions, should be the starting point of tackling the accessibility issue in this province. The government has the financial resources and will have the financial resources for a significant period of time, at least for the foreseeable future, and they could do that. We could put this in the legislation, and we could actually tackle it.

I'm really concerned, Mr. Speaker, about this so-called tuition freeze that we've heard from the government because it doesn't really freeze the tuition. It just says that the increase this year will be paid by the government. That means that when they stop paying at the end of this year, that increase will still be there, and there may in fact be another annual increase to the tuition fees, so the students will be faced probably with a double whammy, a double increase one year from now. This whole approach is not a serious approach to the question of accessibility to our postsecondary institutions. It is, in fact, just a political ploy to try and convince people that the government is actually caring and listening, and it doesn't seem that it is.

So that would be something I would like to see in Bill 1. I would like to see a real concrete and specific commitment to accessibility, starting with a rollback and freeze in tuition fees, followed by consultations with the public including students and student organizations to establish a reasonable, accessible tuition policy.

The Premier's address, so-called, on television, his infomercial that we saw just before the session . . .

Mr. R. Miller: Who paid for it?

Mr. Mason: The infomercial, that was paid for by the taxpayers, had the Premier talking about a new tuition policy for the province. One of the descriptors that he used, Mr. Speaker, to talk about this new tuition policy is that it would be entrepreneurial. When the Tories combine the word entrepreneurial with social services, I get the shivers because it makes me really, really nervous. We still don't know what that means, but we do know that this bill will not deal in any meaningful or concrete way with accessibility.

Now, Mr. Speaker, I do want to say some nice things about the bill. I think that as far as it goes, establishing an endowment fund – which when topped up will provide about \$135 million annually based on 4.5 per cent of the \$3 billion – will increase funding to postsecondary education. The heritage scholarship fund will result in about \$45 million in scholarships being available, and the heritage science and engineering research endowment will double existing funds for that. So I think those are positive things. I think that the creation of a single point of entry to institutions and a database for bursaries and scholarships is an excellent idea. It's a small point relative to the claims that are made for this bill, Mr. Speaker, but it is in fact a positive thing.

Just in conclusion, Mr. Speaker, I think that while this bill falls far

short of what could be accomplished if this government had real vision and a real commitment to postsecondary education, it represents a giant leap forward for the Conservative government of this province because for the first time that I've been here, we're actually debating putting substantially more money into our educational system, and I think that that is a positive step.

So in principle, Mr. Speaker, I'm prepared to support the bill at second reading. I think it's going to be interesting to see what amendments come from the various parties in the committee stage, but quite frankly I'm disappointed because the government has failed to grasp the real extent of the opportunity that it has, given the financial resources of this province at this time, to really, really embrace postsecondary education and accessibility. In my riding there are lots of working people who pay taxes for postsecondary institutions, yet their own children cannot afford to attend, Mr. Speaker, and that needs to be corrected, in my view. First and foremost, before we start talking about new Harvards and new elite institutions, we need to make sure that every person in this province who has the ability and the desire can get the postsecondary education of his or her choosing.

Thank you, Mr. Speaker.

9:00

The Deputy Speaker: Anyone wishing to rise under Standing Order 29(2)(a)?

If not, the hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. Bill 1, Access to the Future Act. There's been a great deal said, and I may well repeat it. If I do, I think that it's worth repeating. Lifelong learning is important to all of us. There is no choice in today's world. We are constantly upgrading, and how hard or how easy that is is that's it's often impossible for single parents. It isn't just mothers that are single parents; men are increasing in numbers as the custodial parent.

I went back to school at 45, knowing that I was not an academic in high school. I wasn't there for the smart time. I was there for the good time. Then while I was raising my family, there was no need to punctuate the grocery lists. Therefore, I went with great trepidation. I got a loan, organized my daughters, and chose nursing because I knew that if I didn't get a job in my home province because of the cuts and the restructuring of the health care, I could go to the U.S., be welcomed with open arms, and be that foreign-trained worker willing to work for less because I had a job. So Bill 1, Access to the Future Act, is a very important document which includes the opportunity for our graduates to be global citizens.

Education is not just university, and I'm glad to see the word "apprenticeship" in this bill. The apprenticeship programs are in our schools, and I speak of the Lethbridge Community College, who have recognized trades programs and are capable of turning out highly trained, skilled workers, so badly needed in our economy, or at least we're led to believe that because of the request for thousands of foreign workers. I trust that these Albertan skilled workers will not have to leave their country to get a job. Mr. Speaker, this bill does not tell me that this government recognizes the need for leadership in working with industry to create apprenticeship spaces to allow graduates to actually be certified.

I would like to have seen at least some mention of police training colleges. In fact, at the Lethbridge Community College there has been work done to develop an accredited curriculum towards the Centre for Advancement in Community Justice. The police of today are dealing with very sophisticated crime syndicates with every available gadget to help them in their nefarious deeds. Crime is certainly global, and many of the crime rings are from different

cultures. Surely the least we can do is to have highly trained and educated police for their sake and their safety as well as our safety.

We have aboriginal youth and those trying to do upgrading or to go forward into their careers or to have a career change or, like me, having to go back to school to return to the workforce.

I see that virtual classroom space is contemplated with this bill. In fact, my three-year-old granddaughter will probably get her undergraduate degree in her PJs and not have to leave her bedroom. On the surface it sounds great, but with the possibility of corporate donations for research and scholarships I fear for the autonomy of the university presidents and boards, whose culture and vision shape each university differently and therefore give students a choice of how they want to be educated.

Universities should establish minimum standards for entrance, which doesn't say a whole lot to me because of my experience. I found out that I was quite intelligent; I just wasn't educated. There are studies that show that high school marks don't always equate to university performance or, in fact, that first-year and fourth-year level marks often have no correlation to one another. Marks usually go up as the students become more proficient in writing papers, performing the necessary tasks to learn, and prove their expertise of their faculty.

University professors and researchers must be free to think and think and think some more without worrying that if they don't come to the right conclusion, they may be asked to consider early retirement. Free thinking and open discussion is imperative if we are to move forward in our growth as a society.

Going forward in the economy is not the only way to benchmark success. The reasoning behind the idea of central admission is easy to understand. However, there are ways in which it could be abused. Students may be excluded from a university of their choice because the seats were filled or they were the last to apply to the computer, and to the computer someone has to be last. Marks are not all to be considered.

How much does an adult return to higher learning? How much do they bring? I would say a great deal. But will those attributes get lost? Perhaps a computer has a way of degrading persons to square boxes. Now, perhaps a new department will just have to be formed to handle the appeals, and heaven knows how fast they would be heard or, in fact, that they would not be evaluated by another computer with different criteria. How would a certain university or college find the people, not just the scholars, that they would like to have at their institution? Will we create cookie-cutter institutions and cookie-cutter students?

The subtle pressures that are apparent when the golden rule is applied – he who has the gold makes the rules – is flawed when it is applied to social policies and especially to public education. It is imperative that universities and colleges retain their uniqueness and their autonomy. The University of Lethbridge enrolment has increased over the past five years by 30 per cent and is currently carrying about 1,200 unfunded enrolments. Deferred maintenance on facilities is estimated at \$62 million. To balance budgets, it's often necessary to rob Peter to pay Paul.

Mr. Speaker, the endowment fund was a great Liberal idea, but how will this government use it? There is a lot of power being created by this bill for the Minister of Advanced Education. Having said that, this Advanced Education minister is knowledgeable and capable; however, it may not always be so. Where is the open, transparent, and accountable method to appoint the access advisory council? More backroom shenanigans, and heaven help us if academia is allowed to be overshadowed by who knows what or whom.

I would hope that this will never be a reward position and would

be peopled by those with nothing to gain except the knowledge that their decisions were the best for all Albertans. How about a retired professor, a retired principal, and the current student body president? How about an open competition, not appointed, for the positions with an arm's-length body to determine the recommendations? These endowment funds, totally controlled by the minister through appointments, also give rise to second, third, and fourth thoughts.

Mr. Speaker, there is lots of good stuff here, but there is sure a lot of detail missing, and the devil is usually hidden in the details.

The Deputy Speaker: Standing Order 29(2)(a). Any comments or questions?

Seeing none, is anyone wishing to speak on Bill 1? The hon. Member for Calgary-Fort.

Mr. Cao: Thank you, Mr. Speaker. First of all, I appreciate the opportunity to speak on Bill 1, Access to the Future Act. Before I get to this discussion about the bill, I want to say how great the Alberta postsecondary education system is. Indeed, only a greatly successful business can attract more customers than it can handle. Our postsecondary education system, with many of its outstanding institutions, attracts more learners than it can handle.

Mr. Speaker, I had occasion to attend many high school graduations where the students received outstanding awards and scholarships, and I think that is the source of students attending postsecondary education. They are so happy, happy that they have great institutions in Alberta that they can join.

I also want to talk about an opportunity that I attended, a graduation at the University of Calgary. This is talking about affordability. I was invited to speak at the engineering faculty graduation, and because three of our children graduated from university, I just wanted to use the story of my family. I told the people that the average estimate to raise a child in Alberta from diapers to grade 12 – that's 18 years of raising children – if you take all the costs together, people say that it's probably around a hundred thousand dollars. Now, add another four years after that. I did an estimate myself. His earnings during summer holidays and my contribution, with all the expenses – car insurance, car repairs, expenses here and there – I just grossed it up another hundred thousand. So let's just assume that \$200,000 is spent on a student from diapers to graduation from university.

9:10

With that cost, I also estimate that when the student graduates, they make on average – this is a gross estimate here – \$50,000 a year for 40 years of their working life, so the estimate would be \$2 million. So when you spend \$200,000 and then the return is \$2 million, that is a fantastic return just on the financial side. So the student, the parent, society invest \$200,000, and then you have a \$2 million return on it.

Let me not just talk about the finances but also the quality of life. When you have knowledge, when you have skills, then your quality of life is much better. So on this occasion I just want to use this as an example.

It's a great education system in Alberta, publicly funded. The students invest in it, the parents invest in it, and there's a great return. So this bill provides for the future investment, and I just want to emphasize that point, and I want to conclude with that. This bill, Access to the Future, is a great bill. With all of this detail coming up, I support it one hundred per cent.

Thank you.

The Deputy Speaker: On 29(2)(a), anyone?

Seeing none, the hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Speaker. I, too, am very pleased with the preamble of Bill 1 and the excitement that it gives to young people wanting to further their education. I just want to reiterate a few questions that I have, that have been brought up several times already.

Under accessibility and affordability: "shall identify and establish enrolment targets and minimum entrance requirements." It's been brought up, and I just want to also reiterate that it seems to me that that should be something that the university should be doing, not the minister. I have concerns in that area and think that the micromanagement will cause problems rather than enhance it.

The other area that I guess is my major concern is the access advisory council. As it goes through the points there,

the Minister may, with respect to the members of the Council,

(a) appoint or provide for the manner of their appointment,

(b) prescribe their terms of office, and

(c) authorize or provide for the payment of remuneration and expenses . . .

The Minister shall designate one of the members as the chair of the Council.

Once again, I'm concerned that we've got micromanagement here, that basically looks like it has complete control of this huge fund.

It's a concern to me, and I would like to see more involvement from the university level and perhaps each of them appointing someone on that advisory board and having the option of deciding how and where, which classes they want to expand, as we've seen with the University of Calgary bringing the veterinary school there. I think it's far more important that the universities decide where they want to go than to have us as elected members appointing them and telling them: oh, we think the future is here, or the future is there.

I do have quite a lot of concerns in those two areas. I hope that the minister will look at those areas and look at maybe how we can do better, have that fund more accessible to the university, and have the board of directors, then, rather than here, to this House, be accountable to the people through those who want to access the universities.

Thank you.

The Deputy Speaker: Any comments or questions under Standing Order 29(2)(a)? The hon. leader of the ND opposition.

Mr. Mason: Yes. I'd like to ask the hon. member his view on the accessibility of our students to our postsecondary institutions and his view on tuition fees.

Mr. Hinman: I think the most critical thing is that they have the opportunity to get there. The bill is so open ended that I would like to see that when someone decides to go into university, they know for the next four years what their costs are going to be. I mean, many members have brought it up already. This year their tuition is paid for. Is it going to be tripled next year? Is it going to be quadrupled? What happens if the price of oil goes down?

So I think that, as with any good management, when someone decides to go to school and they look at what their summer jobs can be, they have to be motivated and have that desire. But I do believe that it's critical that we have a better budget plan in there where students can look and realize that it's going to cost \$12,000 a year and not be worried about what inflation is going to do by year 3. I think that it's sad to see people start to pursue an education only to find out two and a half years later that they've got to back out for a year or two because costs have gone up. I would like to see some sort of long-term planning in there, where someone knows that this is what it's going to cost and can do some planning.

Accessibility. Like I say, I'd like to see that sitting at the

university level, where they decide, you know, that they want so many engineers in electronics or whether they want more in pharmacy or in a veterinarian school, realizing that they want more in small animals. I just believe that you hire and have responsible people to make those decisions and not from the top down. It should be from the grassroots up.

I hope that I've answered the hon. member's question.

The Deputy Speaker: Anyone else on 29(2)(a)?

Seeing none, anyone else wish to speak to Bill 1, the Access to the Future Act?

The hon. deputy House leader on behalf of the hon. Premier to close?

[Motion carried; Bill 1 read a second time]

head: 9:20 **Government Bills and Orders**
 Third Reading

Bill 21
Hotel Room Tax (Tourism Levy)
Amendment Act, 2005

The Deputy Speaker: The hon. Member for Calgary-Lougheed.

Mr. Rodney: Thank you, Mr. Speaker. Bill 21 demonstrates that from now on the hotel tax will be referred to as the tourism levy. The rate is going down from 5 per cent to 4 per cent, and guests of Alberta accommodations will save approximately \$11 million annually.

When we discussed this bill in second reading and Committee of the Whole, it was made clear that the charge that is collected as a result of these changes will determine the funding that will be allocated to tourism marketing and development for our province within Alberta, within Canada, and beyond to the international community. Based on estimates of hotel tax the government anticipates it will collect in 2004-2005, it is forecast that funding for tourism will increase by approximately 75 per cent. Mr. Speaker, I think we all recognize that this is a significant increase, and it will be well used to promote our great province.

I believe that all the hon. members who have spoken to this bill have commented on the beauty of Alberta, have drawn reference to the notion that we truly have a great deal to enjoy here, and are aware that we have a bounty to share with others who come to visit. It is easy to see how fortunate we are to live in a province with so many diverse and beautiful natural wonders as well as so many man-made attractions.

At this point I would like to note that consultation with key industry stakeholders over the past number of years has been pivotal to the development of the changes inherent to this act. Travel Alberta and the Alberta Hotel & Lodging Association have been particularly helpful. Numerous industry groups have worked with government on this bill to make sure it will benefit the needs of industry and government, and they worked with government to make sure that individuals who own accommodations in the province will be able to implement all changes as simply, quickly, and easily as possible.

Mr. Speaker, I believe that this is a good bill. The changes that come from it will help bring us into Alberta's next century and will keep tourism a strong, continued source of pride and economic growth for all Albertans.

With that, Mr. Speaker, I move third reading of Bill 21. Thank you.

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

Mr. R. Miller: Thank you very much, Mr. Speaker. By and large I'm going to echo the comments of my colleague from Calgary-Lougheed. I believe, and I have indicated to my caucus that I believe, that this is generally a good bill. Certainly, I applaud the government and the minister responsible for the consultation that has taken place over the many years with the industry and the various stakeholders, and perhaps it lays out a plan and a format that should be used more often in terms of consultation with the various stakeholders and making sure that people are onside before the legislation ever comes to this House, although it does somewhat limit the comments that the opposition members might have to make when there's already so much buy-in from the public. But, certainly, I believe that in general that's a good thing.

Earlier this afternoon one of my colleagues – I believe it was my colleague from Calgary-Currie – referenced a long-time member of this Assembly who had advised him that when in doubt, he should vote no. Well, I can assure you that I will not be voting no, but I do have a number of guidelines given to me by another long-time member of this Assembly, who indicated that we should ask ourselves if there is a problem when we're looking at a piece of legislation, identify exactly what the problem is, and then address whether or not the legislation will actually go some way toward solving the problem.

In that vein, I'm going to just identify the fact that certainly there was a problem, and I think I spoke to it when I addressed the bill in second reading. The problem, basically, is that there was a tax that was a very unpopular tax. It's been there since 1987. The member that I referred to a minute ago indicated in her comments that she's been hearing complaints about the tax since 1996, some nine years now.

Actually, the references to tax prompt me to refer to the *Oxford Dictionary*, which one of the pages so kindly brought to me. Mr. Speaker, I thought I should look this up and just check because there's been a lot of talk about the levy being directed specifically to the industry and promotion of the industry. So I looked up the word "levy" and, not surprisingly, what it says is: the imposition of a tax. I guess, as my colleague from Edmonton-Centre indicated the other night, if it walks like a duck and it talks like a duck and everything else, it's probably a tax. Despite the fact that we're sort of dressing up the hotel tax by calling it a levy, I would unfortunately have to conclude that it is nevertheless still a tax. That I'm not so sure necessarily addresses the concerns of the industry, but nevertheless they have indicated that they're by and large happy with this, and so I will be too. That's the problem.

Now, the question is: will the legislation address the problem? Again, I think we've all pretty much agreed that by and large this legislation will go some way toward addressing that problem provided that – and, unfortunately, I wasn't here, Mr. Speaker, when the bill was addressed in committee – there's some sort of assurance written into the regulations that the money actually goes to where it's been widely rumored and widely published that it will go. There's nothing in this legislation, as I indicated when I spoke to it in second reading, that guarantees in any way that the money will go to promoting tourism. If it does in fact go to promoting tourism, I'm all for it.

We debated Bill 1 a few minutes ago, where there's a segregated fund being established within the heritage savings trust fund that will manage the monies that are being put toward the postsecondary endowment fund, and I wish that there was some sort of a similar fund established within or outside of the heritage savings trust fund that would manage the money that's going to be raised by this new tourism levy. Unfortunately, that's not the case. We're past the point where amendments can be made, so I guess it's not going to

happen in legislation, but I certainly would hope that it does happen in regulations.

The questions around that, of course, are: who's going to determine what happens to that money if, in fact, it does go to promoting tourism? How is it going to be spent, and so forth? We talked a lot the other day in second reading about the fact that not only myself and members of my caucus but, in fact, members of the government caucus previously had indicated concerns that it not be spent on just promoting the so-called big three, i.e., the Banff-Jasper corridor, the Calgary Stampede, and West Edmonton Mall. Certainly, that would be a hope that we have as an opposition, that that money will be widely spread across all Alberta in terms of promoting tourism in this province and the province as a destination.

A question was raised in committee regarding the performance measurements of the promotions. Again, Mr. Speaker, nothing indicated in the legislation as to how we're going to determine whether or not we're getting a good bang for our 50 million bucks. Certainly, that would be a concern, and I hope that the regulations are written such that there are some very strong performance measurements in there to determine whether or not, in fact, the funds that are allocated to promoting tourism will be doing their job.

I'm just going to flip through a number of comments that I had highlighted earlier and didn't get a chance to reference when I spoke to the bill in second. Information here from Alberta tourism shows that in the year 2004 tourism jumped 10.9 per cent from the year earlier to somewhat over 1 million visitors to the province, Mr. Speaker. You know, it's a wonderful number, and it shows a good rebound from the rather drastic levels that we saw following September 11. I'm sure that all Albertans are pleased to see that taking place because certainly this is a growth industry in our province, and it's vital that we support it. I think I made that comment the other day as well.

I did mention in my comments that I wasn't sure, necessarily, that \$50 million was enough, given that some other jurisdictions are spending two times or even three times as much on promoting their industry.

Ms Blakeman: Who would that be?

Mr. R. Miller: That would be Ontario and B.C. amongst others.

Ms Blakeman: Oh, yeah.

Mr. R. Miller: Certainly, while I suggested that I wasn't sure that \$50 million was enough, at the same time I questioned whether or not there should be a tax at all. In that vein, as I was looking through some press clippings, I noticed that the previous Minister of Economic Development had indicated that his hope when he brought this forward, had he had the opportunity to do so, would have been to reduce the tax to somewhere in the neighbourhood of the 2 and a half per cent range. Obviously, that didn't happen. We're still at 4 per cent, and I guess a reduction to 4 per cent from 5 per cent is better than nothing; nevertheless, it's only a fraction of what the minister who was driving the bill at the time had hoped to see.

9:30

The other issue that, unfortunately, was not addressed in committee, Mr. Speaker – and I had certainly wished it would have been just from a purely procedural point of view – was the issue that was raised by the president of the Bed and Breakfast Association in Alberta regarding the apparent contradiction between this department and the health and human resources departments as to what constitutes a bed and breakfast versus a hotel or a motel, and

specifically that was the issue of eight people versus four beds. I hope that at some point that doesn't cause some problems for the department.

Ms Blakeman: They did answer that.

Mr. R. Miller: Well, actually, the Member for Edmonton-Centre says that they answered it, but the only answer I saw to it was an indication from the mover of the bill that four rooms contemplates double occupancy, meaning eight people, but that's not in the legislation, so I'm not sure if that, in fact, answers it or not.

There was concern, Mr. Speaker, as well regarding the \$25 commission that was paid to people that were filing, and the mover indicated that, unfortunately, that's just the cost of doing business. I can certainly say, as a small businessman who dealt with such filings over the years, although not specifically the hotel tax filing but certainly any number of others, that that so-called cost of doing business adds up awful quickly when you're a small businessman trying to comply with all of the government regulations.

Interestingly enough, one of my colleagues this afternoon, in talking about the interim supply bill, referred to the fact that in small business if you're late filing with your government filings, there is usually a rather stiff penalty, yet this government comes late to us with budget preparations, and there is no penalty at all. That's interesting from the point of view of a small businessperson.

That \$25 commission: I think that there are going to be a number of small businesspeople who are going to miss it and rue the fact that they now have to prepare this tax return, or levy return, without receiving the commission. Nevertheless, I suppose their numbers weren't big enough to sway the committee that was looking at drafting the legislation to leave it in there.

I think that will conclude my comments, Mr. Speaker. As I said, certainly there is a recognition on my part and that of my caucus that Alberta has incredible bounty, as the Member for Calgary-Lougheed indicated, to offer both as a destination for foreign tourists but also, certainly, for Alberta tourists. My hope is that perhaps with this added funding that's going to be coming to promote the industry, we can maybe carry on in the vein of what was one of my favourite promotions when I was a youngster growing up, and that was the Stamp Around Alberta promotion, which I actually fondly remember. I think I still have a passport at home, probably filled out with every zone stamped. If we can, you know, carry on in that vein and encourage not only people from outside of our province and outside of our country but those within Alberta to visit every corner of this province, then I'm hopeful that the money will have been well spent.

So with that, Mr. Speaker, I'll conclude my comments and gladly support the bill with the qualifications that I indicated, hoping that there will be some very strong regulations written in to ensure that the money is wisely spent.

Thank you.

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

Mr. Mason: Thank you, Mr. Speaker. I'm sure we'll get it by the end of the session.

Mr. Hancock: I don't know if you'll ever get it.

Mr. Mason: Well, I enjoy the Minister of Advanced Education when he's witty, Mr. Speaker, but not when he's halfwitty.

Mr. Speaker, I'm pleased to rise and speak to third reading of Bill 21, the Hotel Room Tax (Tourism Levy) Amendment Act, 2005. I

want to say that my comments will be very brief. I will be supporting the bill, and we will be supporting this bill. Generally we're of the view that tourism is a good thing, and if, in fact, this money is put towards promoting tourism, that is also a good thing. The fact that it's a tax on the people who benefit directly from tourism and tourism promotions, particularly the hotel industry, is in our view also a good thing. So the principles of the bill are certainly congruent with the views of the NDP opposition relative to this.

I just want to say a few things about the bill. Certainly, the reduction from 5 to 4 per cent – that's a 20 per cent reduction, a significant reduction – is acceptable. The bill shows that the government is now becoming serious about systematically collecting this revenue and making sure that hotels and motels actually pay it. There is a strengthened ability to deal with potential fraud, penalties for late or nonpayment, and so on.

I just want to make one comment, Mr. Speaker, on something that I've heard in this House from some of the members opposite, that this is good because it will reduce the rates that people pay for their hotel and motel rooms. In fact, the government press release talks about this too. The government news release said that this tax cut – they called a tax cut, thereby admitting that it's a tax – will save guests \$11 million. I don't know what kind of a fantasy world the government lives in when it comes to its understanding of how the private economy works, but the hotels and motels charge what the market will bear, and this doesn't change what the market will bear.

I will boldly predict, Mr. Speaker, that hotel and motel room rates will not come down, because that's based, really, on the relative supply versus demand and the available income that the tourists have to spend on hotels. But what it is is, essentially, increased revenue of \$11 million for the hotel and restaurant industry. The idea that you cut taxes for private industry and they automatically pass the full savings on to the public is nothing but a Conservative fantasy, and it has no bearing on economic reality.

So with that particular point made, I will indicate that we'll support the bill, and I will take my seat.

The Deputy Speaker: Standing Order 29(2)(a) is available for any questions or comments.

Seeing none, the hon. Member for Lethbridge-East.

Ms Pastoor: Thank you, Mr. Speaker. I will be brief. [interjections] Thank you. I just wanted to get a few comments out, and coincidentally who I would like to make them to is, of course, the Minister of Economic Development. As you all know, he's not only my colleague in the House, but we also share the representation in the same city.

I do feel very strongly about the fact that the dollars that are being taken from this levy should be put into a separate fund that we know for sure is going into tourism. As a municipal councillor I know that the Chinook Country Tourist Association would approach our council for the extra dollars for the amazing work that they were doing in southern Alberta. I think that if they along with all of the other smaller tourist associations in this province, regardless of how big or small, knew that those dollars, if they had dollars that were coming in on a regular basis, were being taken out of their work through the levy, they would be most appreciative.

The other point that I'd like to make and my hon. colleague has already spoken about is the commission for doing the paperwork. Although it doesn't sound like a lot, I can use my own personal example of going into nursing 16 years ago and actually nursing. At the end of the 16 years I swear I was spending an hour and a half a day on paperwork, so paperwork is worth dollars, and I'm not sure that it's given its proper appreciation. The \$25 I think is important.

Just with those two comments, I thank you.

9:40

The Deputy Speaker: Anyone on 29(2)(a)?

Seeing none, anyone else wish to speak on Bill 21? The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Speaker. Gosh, it seems everybody is so good. Is a person supposed to try and speak for 15 minutes? [interjections] I'll pass on it.

An Hon. Member: See if you can do it.

Mr. Hinman: No, I'll pass.

Two or three points that I want to bring up. The first and most important, I guess, is that it seems so often the government likes to govern from the top down. Out in the rural area that I am from, it's very frustrating for the towns, the municipalities, the library, whatever it is that's asking for funds from the government. It always comes in an envelope that says: yes, you may have this, but it must go towards this specific project. So I, like the others that have mentioned it tonight, would very much like to see a separate fund – what's good for the goose is good for the gander – so perhaps if the money is coming in, it is there, and we are totally accountable to the tourist industry and would have them participate in how they want that money being spent in order to promote tourism here in Alberta. They probably understand it and know what's best because they want the tourists to come here.

The other part. I guess that as I grew up, my dad always told me to use the KISS principle: keep it simple somehow.

An Hon. Member: That's not the way I heard it.

Mr. Hinman: Well, it changes as we get older.

The other thing, I guess, is that it seems like we have smoke and mirrors here and that we've changed. It was brought up again tonight that it was simple when we just called it what it is, a tax. To put in tourism levy I think was unnecessary.

The thing that I really want to address is how far this bill continues to go on. Obviously, there must be real problems in collecting the tax because it goes on for pages and pages. You know, even if someone owes something or expects money a year from now, they're still liable and responsible to make sure this money gets turned in to the government.

I would just really urge the government, when we continue bringing these bills forward, that we want it for the betterment of Alberta and to stimulate industry and to bring prosperity to our area and that we really try and reduce these bills and put it in there. To me, if you say that there's a 4 per cent tax on it that must be submitted quarterly or whatever we decide to do with it, then you go forward. It just seems a waste of a lot of paper and time and energy and reading to have so many different areas on how and where and if and when and why and who, that it should be collected and how they're going to do it.

So I'm in favour of it. I would love to see it in a specific fund and to let the tourism people be part of that fund and decide where to spend it: once again, to see it being driven from the tourism industry up and their having access and accountability on where the money is being spent.

Thank you.

The Deputy Speaker: Anyone wishing to rise on Standing Order 29(2)(a)?

Anyone else wishing to speak on the bill?

The hon. Member for Calgary-Lougheed to close debate.

Mr. Rodney: Thank you, Mr. Speaker. And thank you to our hon. members for Edmonton-Rutherford, Edmonton-Highlands-Norwood, Lethbridge-East, and of course Cardston-Taber-Warner for their comments and support of the bill. I will review *Hansard*, and I'm very happy to respond to these questions in writing.

With that, Mr. Speaker, I close debate on third reading of Bill 21.

[Motion carried; Bill 21 read a third time]

head: **Government Bills and Orders
Committee of the Whole**

[Mr. Marz in the chair]

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

**Bill 30
Appropriation (Interim Supply) Act, 2005**

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I'm really pleased to get a chance to speak in Committee of the Whole to Bill 30, which is representing the interim supply budget allocation, because I was not able to participate in the debate during Committee of Supply.

A couple of issues I'd like to put on the table and get some response back from the government side, and really what this is about is accountability. What I'm going to do is reference the Auditor General's report because I am very reluctant to allocate a significant amount of money without there being some detail given to us about what the money is going to be spent on. I think a number of my colleagues, if I know them, have probably spoken at length around this process, as they should have, because this is a flawed process.

The government is in complete control of the timelines on this. The government could have called us back into this spring session in December or January or February, but instead the government chose to call us in in early March. Generally, we get a budget speech two weeks after a throne speech. Well, that went out the window. That went out the window a couple of years ago. We stopped having that connection made. So now we're looking at having not only the budget speech months after the throne speech but well into the fiscal year for which we're trying to pass a budget.

It's become commonplace in my eight years here – commonplace, a regular part of our routine – to have an interim supply. I really feel strongly that this is very shabby management, but the government seems intent on that particular style of management. I believe that in the long run this will hurt them, but I will let the taxpayers of Alberta hold them to account on that one. Where I'm going to hold them to account is whether they have been successful in adhering to the recommendations made by the Auditor General in a number of departments.

Now, Mr. Chairman, you would say: well, that's what the Standing Committee on Public Accounts does. Very true. In the departments of Human Resources and Employment, Health and Wellness, Energy, Children's Services, Infrastructure and Transportation, Environment, Sustainable Resource Development, and Government Services, I indeed as a member of that committee will have an opportunity to question those ministers on their departments' spending, on their annual reports, whether they've been successful in implementing the recommendations from the Auditor

General. I will do that in the allocated meetings, following the schedule that has been put before us of when those ministers will be appearing before the Public Accounts Committee.

But for the rest of the ministries, Mr. Chairman, I will not have an opportunity to question them at all for the fiscal year that is before us in Public Accounts, and that's the year immediately preceding what we are looking at for interim supply. So I would like to go through, and for those departments where I will not get an opportunity to question them in Public Accounts, I'd like to put the questions on the record here and have them respond to those to have some measure of accountability as to whether or not they have been able to follow through and satisfy the requirements of the Auditor General for better accountability and transparency and overall management of the resources belonging to the people of Alberta.

I will start with the Department of Agriculture, Food and Rural Development, on page 80 of the Auditor General's report. Now, we have recommendation 3, recommending that the department

complete a risk assessment that analyzes the probability and impact of major risks to the agriculture and agri-food industry in Alberta.

Based on the results of the risk assessment, the Department should also develop risk mitigation and response strategies.

Of course, I'm wondering whether the department has been successful in implementing this and addressing the risk mitigation and response strategies.

9:50

I'd also like to know if the Department of Agriculture, Food and Rural Development has established "measurable targets for its emergency financial assistance programs," also appearing in the Auditor General's report for this fiscal year. Has that happened? We are looking at a request from Agriculture, Food and Rural Development for \$160,600,000. When that kind of money is being asked for, do we have measurable targets for emergency financial assistance programs?

Here's another one. Has the department improved "its external accountability reporting"? Or a key recommendation from the Auditor General – and these are so important they get highlighted with little symbols beside them. Has the Department of Agriculture, Food and Rural Development, working with other governments and industry, developed and implemented "a contingency planning process"? Very important.

Has it, working with the federal Canadian Food Inspection Agency and the beef and related industries, ensured that "Alberta meets its contribution to Canada's BSE testing quota"? Well, are we using any of that \$160,600,000 to do any of that? Is that what that money is being used for?

Do we have any answers to the recommendation that "the Agriculture Financial Services Corporation strengthen its internal controls and program evaluation for the Alberta Disaster Assistance Loan Program"? Has that happened? Is that what this money is being used for?

So if I can get answers to that either in this process of Committee of the Whole or through written response. But, you know, Mr. Chairman, I'd like to get written responses before I'm asked to vote on something. It's not very helpful when the government cheerfully tells me they'll give me a written response and it turns up four months later. If I'm supposed to be voting on this based on whether I feel that the government has met the tests, I'm putting it all out. They've had the Auditor General's report since September. They well know what they're supposed to be doing. So have they done it?

I am not in favour of this kind of sloppy management that has us approving – what is it? – 25 per cent of the budget for the whole year for two months, for one-sixth of the year. That's far too much money to be allocating here with absolutely no explanation of why.

Let's look at page 107 and on, which is the Department of Community Development, and the 107, of course, is referring to the Auditor General's report. Now, Community Development is asking for \$90 million in expense and equipment/inventory purchases and \$11 million in capital investment. So what's that money being used for? Have we satisfied the questions and reservations of opinion brought forward by the Auditor General?

Now, there was an unqualified report on the ministry and the historical resources fund. Some of the operations were "not recorded in Ministry financial statements." Some operations were "not recorded in the Fund financial statements." There's an information paragraph for the persons with development disabilities community boards, and these disabilities "did not meet the definition of a developmental disability, as defined in the legislation." So a couple of issues identified there. Have those been addressed before we go on to allocate more money to you?

Still with Community Development, recommendation 8, appearing on page 107. The Auditor General recommends

that the Persons with Developmental Disabilities Provincial Board, in conjunction with the six Community Boards, reduce the risk of service providers breaching contracts by:

- performing a risk assessment to identify service providers with a high risk of breaching contracts; and
- auditing high-risk service providers to ensure that they spend funding according to their contracts and that they meet the other terms of their contracts.

Well, this is very serious, Mr. Chairman. There's money, taxpayer money, that's going out into the community. We keep hearing about accountability and transparency, yet here's something clearly pointed out by the Auditor General as needing immediate attention. Has it received immediate attention? It looks like they're asking for \$101 million from us. Is that money to be met with the same laissez-faire attitude that this money was? Well, let's get the answer to the question.

There's also a recommendation that the Persons with Developmental Disabilities Provincial Board, working with the six community boards, "update and improve their contracting policies and procedures." I'm wondering if that has happened.

Key recommendation 9, appearing on page 111, recommends that the Persons with Developmental Disabilities Provincial Board, working again with their six community boards, "strengthen the monitoring and evaluation of the performance of service providers" by – and then there's quite a long list, Mr. Chair.

- requiring individual funding service providers to provide adequate financial reporting;
- obtaining annual financial statements to evaluate the financial sustainability of critical service providers;
- implementing a sustainable, risk-based internal audit plan;
- developing and implementing standard procedures to be followed when Community Board staff are in contact with service providers; and
- implementing a method to evaluate service provider performance.

We're not going to be able to examine this before Public Accounts. What can the minister or any member of the government tell me as to whether these issues raised by the Auditor General have been addressed, especially since they're asking taxpayers to fork over \$101 million?

Let me go on and have a look at some of the others. Let's look at the Department of Environment, and I know my colleague from Calgary-Mountain View will be very interested in this. This is appearing on page 138 of the Auditor General's report, and indeed there are recommendations from the Auditor General.

I should note – I'm sorry – in passing that there were not any recommendations made for Economic Development, which is why

I have not raised that particular issue, so congratulations to Economic Development. They don't seem to have had any new recommendations. I think they have some that are flowing over from previous years.

All right. On page 138 for Environment there's a recommendation that

the Ministry further improve its business plan by:

- clarifying its contributions to achieving the government business plan goals.
- enhancing the description of the significant environmental factors and risks, and their relationship to the strategic priorities in the plan.
- showing the corporate services areas as supporting all of the Ministry's core businesses.

Has this been achieved, Mr. Chair? Is the government able to give me any indication of whether that, in fact, has happened before we fork over \$22,700,000 to the Department of Environment?

Okay. Let's see if they have managed to fulfill recommendation 13 from the Auditor General, which recommends that "the Ministry improve the process for developing new performance measures and ensure the measures in its business plan assess the results each goal aims to achieve." Mr. Chair, that is my kind of recommendation from the Auditor General because he's addressing everything we're concerned about here. Do we have the performance measurements that will ensure that the measures in the business plan "assess the results each goal aims to achieve"? That's exactly what we're looking for. That's exactly the kind of accountability that I want.

Great recommendation. Was it implemented, before we give them \$22,700,000 for two months' worth of operation? Gee, that's like \$11 million and change for each month, and we don't have a process for developing performance measurements and ensuring that the ones they have assess the results of the goal they're aiming to achieve. I would think that was a major problem that would need to be clarified, wouldn't you, Mr. Chair?

How about the recommendation that asks that "the Ministry clarify the goals, performance measures and targets in its human resource plan, and improve the quality of employee performance assessments and the method of feedback"? That appears on page 141 of the Auditor General's report for Environment.

So there are a couple of very good recommendations from the Auditor General, and I would be very interested in hearing whether those have been achieved before I vote to approve any additional money to this particular department.

10:00

Now, the Executive Council. Ah, yes. Travel and hosting expenses. Well, I'd be interested in knowing how much of the \$5.3 million is going to be used for out-of-province travel. I would like a listing, preferably posted on the website, preferably in advance, that gives us the details of who is travelling, the purpose that they're travelling for, the position of the person that's travelling. I don't particularly need to know their individual name, but I certainly want to know their position. Why are they travelling out of province on the taxpayer dollar? What are they there to achieve? I'd like to know what their agenda is. Are they going to meetings? Are they private meetings? Who are they meeting with? What's the purpose of all of it?

If we're going to be okaying out-of-province travel – and sometimes that's a very necessary part of doing the business of government – I think that the taxpayers' patience for chartering private jets to whip people around the continent is increasingly short. I would like to know if any of this \$5.3 million is going to pay for any charter jets, and as I say, I'd like to know the details in advance of every trip that's planned to take.

This is \$5.3 million for two months, Mr. Chairman. Where the heck are they going to go, and how many people are going to go there, in two months for \$5.3 million? That's a lot of bananas, and I want to know where they're spending them and on what. What's the benefit back to the taxpayer of Alberta? So if I could get that information.

How many years have I been trying to get that information, Mr. Chairman? But I live in hope. I am an optimistic person. I get up here every year, and I ask these questions because some day I'm going to be on the other side, and someone else is going to be asking me, and I will have the answers for them. There we go. All righty.

Now we're into the Department of Finance, appearing on page 152. I'm sure there will be very good questions. Oh, yes, there we go. A key recommendation, Mr. Chairman, indeed. This is for the Department of Finance, who is asking for \$20,600,000 for expense and equipment/inventory purchases and \$11,700,000 for nonbudgetary disbursements. Nonbudgetary disbursements. Okay. Help me with that one. What exactly is a nonbudgetary disbursement? It's not budgeted, but we're going to disburse it? It's one of those interesting little kind of finance terms. So if somebody would like to get up and elucidate that one, I'd appreciate it.

More to the point, let's have a look in here from the members of the government's side as to whether they have been able to achieve recommendation 14, on page 152, from the Auditor General, that the Office of the Superintendent of Financial Institutions ensure that compliance staff:

- promptly review and follow-up on compliance information obtained from private sector pension plans

Oh, this would be a hot topic, Mr. Chairman.

- receive appropriate training to effectively discharge their responsibilities.

Yes. I know this one is a hot topic.

All right. Still, I think, on the same area recommendation 15, that the Office of the Superintendent of Financial Institutions improve its processes for monitoring private sector pension plans by:

- preparing a risk-based annual plan for its compliance monitoring program that identifies resources required to effectively carry out the plan
- reporting the results of regulatory activities by compliance staff to senior management
- updating its policies and procedures manual.

So that's another question that I'm looking to have answered for the Department of Finance before we give it looks like about \$33 million and change.

Those are two strong recommendations that have been made in that department. Oh, my goodness, here comes another one. Oh, another couple of them.

Recommend that the Office of the Superintendent of Financial Institutions obtain audited plan financial statements from all employer pension plans.

Yeah, I told you this was a hot one. I know that this is really top of mind for a number of people, so before we allocate that additional \$33 million and change, I'd sure like to know whether this has been addressed.

Additionally:

for high-risk employer pension plans, the Office of the Superintendent of Financial Institutions obtain:

- assurance from pension plans' auditors on the plans' compliance with the Employment Pension Plans Act, Regulation and plan document
- information on pension plans' governance structure and practices.

I know that I'm going to run out of time shortly here, Mr. Chairman, and I have not been able to ask the questions for Gaming, Innovation and Science, Justice, Municipal Affairs, and Seniors and

Community Supports. I will note, to be fair, that both the Solicitor General and International and Intergovernmental Relations did not have any new recommendations from the Auditor General. But all the rest of the departments do, and I'm looking forward to an opportunity to ask the questions on those before I approve their interim supply.

Thank you.

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

Mr. Mason: Thank you, Mr. Chairman. I appreciate that. I just want to raise one simple question, and I hope that we will get an answer either verbally or in writing, and that is to do with the increasing pattern of delays in bringing down the budget. The government has used the excuse in this case that the election timing meant that the Legislature convened late; therefore, the budget will be delayed. That's what they're saying this time, but the last two budgets have come down late. I believe that it causes significant problems in terms of the organization of the administration of the province among other things.

I would like to know from the government if they see this as a problem, if they're going to correct it, and whether or not they have a plan to make sure that the next budget of this province is brought forward in a timely way so that we don't have to deal with these interim supply issues. I hope that the government will respond either now or the Treasurer may wish to respond in writing, but I would like to know the government's plans for the next budget and whether or not they're going to bring it forward in a timely fashion or whether we're going to continue to see slippage. I agree with the hon. Member for Edmonton-Centre. It's just sloppy administration, in my view.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I won't presume to answer on behalf of the Minister of Finance for the timing of budgets in that respect but would like to just address the issue that's been raised a couple of times in the House now, at least the allegation that's been raised a couple of times, that this is sloppy practice.

There is nothing in parliamentary process which suggests a particular timing for budgets. If you look at parliaments across the nation and, indeed, in the Commonwealth, budgets are not necessarily brought in at any particular time. There are processes in place under our rules, one of which we're engaged in now, to deal with interim supply so that funds are supplied to government to run from fiscal year to fiscal year. But budgets are fiscal documents that come in at various times throughout the year depending on which parliament you might be in and what happens.

The hon. members opposite would seem to think that there's some magic to having a budget in February. There is no magic to having a budget in February. The magic to a budget is in fact in the business planning process that one engages in. In this government the business planning process that's engaged in is a very thorough and comprehensive one, normally starting about this time of the year for the next year in that the departments might start through their process of developing their business plan right about now for next year. Then in about mid-July there would be discussions around fiscal strategies that might happen.

I'm not sure that the members opposite have ever really appreciated the business planning calendar of a government because they've never had the opportunity to participate in one. But the concept of doing the fiscal strategies is in and about July. The annual reports, as they will know, come out in late August, and that helps to inform the business planning process for the following year.

Departments start working around the fiscal strategies to align their business plans with the fiscal strategies in the September-October time frame, and then Treasury Board begins to work with that in the November-December time frame so that you get the budget timing together in January and start finalizing the decisions process in January so that you can start the budget documentation process in February. It can take a month to a month and a half after you've made all the decisions just to compile the documentation and make sure that it's appropriate for entry into the House. So producing a budget is not something that you do cavalierly or that you do overnight. It's a long-term process.

10:10

Now, this jurisdiction, Alberta, is one of the only jurisdictions that has a three-year business plan process, so nobody has to wait for the budget to take a look at what is projected in spending. Now, granted, that spending profile can change, but the concept is that people have a three-year framework. Often we hear in this House that people need to know, people need some longer term certainty in terms of what their budget will be. Well, there is some long-term certainty in the business planning process that gives a three-year cycle. The problem is that most people don't like to live with that three-year cycle. They want those out-year projections, and quite appropriately so from time to time, adjusted on an annual basis when there's some certainty with respect to the income stream, when we know with a greater degree of certainty.

In addressing one of the comments about being out on the forecasts, when you're talking about oil and gas revenue and nonrenewable resource revenue, which is one of the most volatile revenue streams that a government can have, you can never know with certainty what that revenue stream is going to be. Therefore, you do have to, in all good prudence, project that conservatively.

Part of the business planning process, then, is to have that three-year plan that people can rely on but be able to adjust it annually and in the context of what the current realities might be. So I'd go back to where I started with this. It's not sloppy business planning at all. In fact, this government is probably one of the finest in the parliamentary system in terms of its business planning process, the length of the business planning process, the amount of time and effort that goes into the business planning process, and, quite frankly, the results of the business planning process.

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

Mr. Mason: Thank you very much, Mr. Chairman. Well, I appreciate the hon. Government House Leader's response, but it really sounds like he's saying that he doesn't think there's a problem. There was lots of bureaucratic gobbledeygook to try and explain how somehow three-year business cycles mean that they can't get the budget done on time. I would think that if you've got three years to plan – and that's not a bad thing – you'd be able to get your budget in on time.

I do believe that there's a significant impact on operations. You know, the government can't keep operating as if they're on a 13-month calendar, Mr. Chairman, because all the rest of us have to work on a 12-month calendar. I think the government needs to pull up its socks on this.

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

Mr. R. Miller: Thank you, Mr. Chairman. I would like to echo the comments of my colleague from Edmonton-Highlands-Norwood, and at the same time thank my neighbour from Edmonton-Whitemud

for the lesson in parliamentary budgeting. However, I'd like to point out that certainly the criteria he outlined do not apply to various health authorities, as an example, when they're expected to have their budgets on time and in place for the government to deal with. Likewise, school boards would be expected to have a budget plan in place and on time.

Mr. Mason: Municipalities.

Mr. R. Miller: Municipalities I'm going to get to in just a minute. Thank you to the hon. colleague from Edmonton-Highlands-Norwood.

Nongovernment agencies and volunteer groups, Mr. Chairman. I've been involved with many of these over the years. Especially when it came to our dealings with government, we were always not only recommended to have our budget plans in place and on time, but often it was a demand on which our funding depended. If we were late, there was no funding, and that was just how important the budget process was to us.

My colleague mentioned municipal governments. Certainly, I have a number of friends that serve currently on the city of Edmonton council, and they were astounded, quite frankly, Mr. Chairman, when they were first elected to find that the first week – the very first week – of their service on Edmonton city council they were handed budget documents to deliberate.

Frankly, I'm astounded, knowing that, that we've been here now almost a month and we have not seen a budget document to deliberate. Instead, Mr. Chairman, what I was handed the other day was a request – and bear in mind that this is coming from a small businessman – to approve \$5.5 billion in spending with nothing more than one or two lines in the way of explanation. I am astounded at that, that this government, which brags about three-year plans in place – I will echo again the comments of my colleague in congratulating the government for having the foresight to move to a three-year budgeting plan. But if in fact that three-year budgeting plan is as effective as the hon. Minister of Advanced Education indicates it is, then it should make the preparation of a budget for this Assembly to deal with all the more simple and would, in my mind, negate the impact of things such as an election cycle. So I'm not sure that explanation that has been offered up many times would really be relevant in this case.

Mr. Chairman, I'm going to cede the floor again to any other colleagues who might wish to speak to it. I will just echo the fact that as a small businessperson who is used to having to deal with regular budget cycles and having them in place and on time, to come into this Assembly and be told that it's perfectly normal to be expected to approve 5 and a half billion dollars of spending without any more than a one-line explanation – I have trouble accepting that.

I'm not sure if the Minister of Advanced Education has had a chance to check *Hansard*, but I've referred a couple of times now to the fact that our sister province, Saskatchewan, right next door, which happens to be exactly the same age as this province, for the very first time ever in its history last year dealt with an interim supply request. That was the first time in nearly a hundred years that Saskatchewan had had to do that.

Mr. Mason: Those irresponsible socialists.

Mr. R. Miller: Those irresponsible socialists.

Here it is in Alberta. These supposedly fiscally responsible Conservative governments year after year continually overspend and continually come to us late with a budget which requires an interim supply estimate. In fact, Mr. Chairman, I think I indicated earlier

this afternoon that one of my very serious concerns is that this particular document is dealing with only up to the end of May, and if we don't see a budget soon and have an opportunity to debate it soon, we might well be dealing with another one of these interim supply estimates very soon, and that would be a travesty, in my mind.

So with that, Mr. Chair, I will cede the floor to anybody else, but certainly I think this draws into serious question the practices of this government when it comes to budgeting.

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

Ms Blakeman: Thank you very much. Well, I've just been drawn back into this debate by the remarks from the Minister of Advanced Education. Where to begin. I cannot believe that he would get up and defend a practice and say that it doesn't really matter when budgets come down. If that's the case, then why do we have a fiscal year that begins on the 1st of April? Why doesn't it just start whenever we get around to it?

We've got a fiscal year that starts on the 1st of April and runs to the end of March, so it makes sense then – let's say that we want to go by logic, never mind by reality – that we would have a budget passed that allocates the ability to pass the budget before we get to the beginning of the fiscal year. So I have to disagree, with all due respect to the Minister of Advanced Education.

When he talks about business plans that are done in advance, up to three years in advance, again I have to disagree. I've seen those business plans. Sure, they're for three years. Then when I say, "How come the performance measurements are changing every year so that I cannot track this from point A to point B over a five-year time span because every year the performance measurements have changed?" well, I'm told that it's a rolling three-year plan, so that's why everything can change. Oh, really? Well, then that's not sticking to what the minister has brought up here: these three-year plans in advance, and we'll stick to that. No. It doesn't happen that way at all.

10:20

Finally, I want to raise the issues that have been raised repeatedly by the Auditor General around the budgeting process for the health authorities and the school boards. The health authorities are supposed to have their business plans and budgets approved in advance of that April 1 fiscal year, and that's impossible to do because we're not even close to having a provincial budget passed in that time. So the ministers responsible for those various areas can't turn around and then approve the health authorities' or the school boards' plans well into the fiscal year, and this is just poor management. I don't care how you cut it; that's what it is. It's putting a number of other agencies that we all expect to operate with integrity in the province – it jeopardizes them as well.

I appreciate that the minister is trying to defend the practices of his government, but frankly this is not unique to the government under the current Premier. When I was working with the Advisory Council on Women's Issues in the late '80s and early '90s, we were on exactly the same budgeting cycle that the minister just described, so there's nothing new there. That is not an invention of this particular government under the Progressive Conservatives and the various incarnations they have had. They have gone through this same budgeting process for some time, but it's only recently that we've made a habit of not coming anywhere close to getting a budget passed by the time we need to. Again, the government is in total control of the timelines here, absolute total control. They can call us in any time they want. They can move those timelines

around for when deadlines happen any time they want, and they choose not to. I have to assume that they're choosing not to. They are certainly in control of all of that, and they are choosing not to.

Mr. R. Miller: Laurie, I was ready to go to work on the 1st of January.

Ms Blakeman: That's right. I think most of the new people who were elected were ready to go to work on the 1st of January, as soon as session was called in.

Okay. If I may, in the time that I have remaining – I had indicated that I'd like to go back and pick up, Mr. Chairman, on some of the unanswered questions from the departments that will not be examined by the Public Accounts Committee and, therefore, will not receive scrutiny or any kind of report back on, in fact, what's been done here.

On page 168 we're looking at the Department of Gaming and any of the Auditor General's recommendations that have been made there, and in fact there is a recommendation "that the Alberta Gaming and Liquor Commission (AGLC) improve the worker registration process, including controls to confirm the identity of gaming worker applicants." This is a fairly critical recommendation because it is around maintaining confidence in the gaming workers and the registration process for gaming workers. I'm wondering if it's possible to have any feedback or reporting back on whether that has been accomplished. I think that's all that's being raised under Gaming.

What's being asked for here as an interim supply is \$38,200,000 for expenses, and the lottery fund payments are \$316 million for two months. There has got to be front-end loading in that because that is a third or better than a third of the budget for that department for one-sixth of the year. So could we get some information on: what is the front-end loading? There must be anticipation that in these first two months there are going to be a lot of expenditures. Are there any programs that have particular deadlines or activities that are happening in April and May that would account for the fact that we've got a much larger percentage of money coming out of that lottery fund than one-sixth of the year would indicate? So if we could get the information on that, please.

For the Department of Innovation and Science, on page 227. Ah, yes, the SuperNet.

An Hon. Member: Which ministry is that?

Ms Blakeman: It's Innovation and Science.

What we had there was a plan. There was a recommendation for a plan for testing the SuperNet that was recommended. There's an indication from the Auditor General that the recommendation was implemented, and the ministry did extend the SuperNet completion date for one full year, which we're aware of in this House.

There has been a team to resolve – I'm sorry; this is with Imagis. They did follow those recommendations.

We're wondering about recommendation 25, appearing on page 231, recommending "that the Corporate Chief Information Officer implement a security awareness program for government employees." Was that implemented? If we could get some feedback on that, please.

In the Department of Justice, on page 242: "Ministry is following up on certain files and developing a monthly reconciliation process" on the maintenance enforcement program. But there is a note that "the Ministry needs to complete monthly reconciliations and complete its follow up of the 268 matched files." If we could get a progress report on that, please.

Only two departments left, Mr. Chairman. On page 266 of the

Auditor General's report for Municipal Affairs – this is around the computer control environment – there were weaknesses identified in security. The IT policies were “drafted, but compliance procedures not yet implemented.” There were “identified threats and impacts against IT assets,” but not identified was how to manage those risks. There was also “no assurance on its and service providers computer control environment,” and therefore we “cannot guarantee integrity and confidentiality of its data and systems.” Could we get an update on that, please? What's being requested here from Municipal Affairs is \$31,600,000 for equipment and expenses and inventory purchases, so I'm assuming that this is going to have a lot to do with the IT purchases that are being recommended here.

I'm sorry. I missed the actual recommendation that the department

approve its draft security policies and implement procedures so that only authorized users can access the ministry's systems and data. We also recommend that the Ministry strengthen controls over its information technology by:

- implementing a risk assessment framework to manage IT risks [and]
- obtaining assurance on technical aspects of the general computer control environment.

That's pretty important stuff, so I'm wondering if it has been implemented so that we can feel secure in allocating an additional \$31,600,000 for new equipment purchases.

Finally, Mr. Chairman, under Seniors and Community Supports, which actually would have been just under Seniors, appearing on page 284, we had a recommendation

that the Alberta Social Housing Corporation ensure its program objectives are supported by the appropriate business arrangements.

We further recommend that these arrangements be accounted for in accordance with Canadian Generally Accepted Accounting Principles.

What's being requested here for Seniors and Community Supports? That's a huge amount of money: \$347,100,000. Why? That's a lot of money. Do we have any kind of an explanation on why that's so much money? There's got to be a front-end load on that, and why? There is no explanation for that, and I would sure be interested in it because that is, I think, more money than was allocated to come out of the lottery fund for two months. So \$347 million for two months' worth is a rather staggering amount of money. Now, I'm sure that the seniors' benefit program, AISH, and PDD will all be coming out, but there has to be something that's front-end loaded on that. If I could get the information on what that is.

I think that we're still going to get an opportunity to debate in Committee of the Whole on supplementary supply, so I look forward to that. If I could just get the answers to my questions, I'll be able to make an informed vote on interim supply.

Thank you very much, Mr. Chairman.

10:30

The Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Chairman. Just a few points, I guess, that I want to make. I struggle in the fact that we, as has been brought up many times, have an interim supply estimate of \$5.5 billion.

We have in here support to the Legislative Assembly of \$12 million. Since the last time we spoke to it, I went to Members' Services because we couldn't come to an agreement with the House leaders, asking for a very small amount in order to . . .

Mr. Lukaszuk: How much?

Mr. Hinman: Ninety-seven thousand dollars.

Mr. Lukaszuk: That's a small amount of taxpayers' money?

Mr. Hinman: I hope that can get on the *Hansard*. I appreciate the instructions from the hon. Member for Edmonton-Castle Downs.

But we have \$12 million – we have \$5.5 billion here. I guess I always look at putting on the other person's shoe and having to walk down there. To me, if I was bringing this to the people that elected me and said that I was going to spend \$5.5 billion and handed that to them, I'd be embarrassed to go there.

As a businessman when I'd go to the bank and we'd figure out the budget for the year, you'd want your budget good enough because your operating loan would be maxed out if you didn't adjust for fertilizer going up 20 per cent or something else happening. So to look forward and do that budgeting is a good business practice.

Many times we hear here that we have no business being in business. This is a huge business, a \$23 billion a year business, and we should be looking at it and running it that way. The comments in the Members' Services Committee were that \$97,000 to a new and starting party would be a waste of taxpayers' money, yet we have \$5.5 billion that are unaccountable for and \$12 million going to this House. I struggle with the fact that they're saying they're being good operators, that we're going to run this efficiently, that we've got a whole new portfolio to help run more efficiently: you know, we're going to restructure, we're going to be more efficient, and we're only going to spend \$66 million waiting to get some better results.

So it's very frustrating to me as a new member here to look at something like this and be asked to vote on it. I just don't understand how someone can bring this forward and say: “Don't worry. This is a blank cheque. It's just a small amount, not \$97,000 but \$5.5 billion, and it's all being spent wisely, prudently, and there's no waste in it.” I would sure like to have a breakdown of the estimates in all of these areas and have something sensible to read and to look through and to be able to say: yes, I understand that these estimates are needed, that we do have to continue on with business, and there is no waste.

I would urge the government to bring forth documents that are meaningful and something that the people of Alberta can know that we are representing them, that we are scrutinizing where the tax dollars are being spent and have a handle on it and know what's happening because I certainly don't know what's happening with this document and would like to be given a document that means something. What is Restructuring and Government Efficiency going to do for \$62 million? Where is Municipal Affairs going with \$32 million? What are Seniors and Community Supports going to get for \$347 million? Is that, you know, going to get them glasses? Is it going to get them dentures? What are we going to get for that? It needs to be itemized. It needs to be there and make sense to the members in this Assembly as well as to the citizens of Alberta.

Thank you very much.

The Chair: Are you ready for the question on Bill 30, Appropriation (Interim Supply) Act, 2005?

[The clauses of Bill 30 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 27

Appropriation (Supplementary Supply) Act, 2005

The Chair: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Chairman. I rise to speak to the supplementary for Alberta Environment and acknowledge the many good initiatives that I see in the Alberta Environment department and recognize that the listed supplementary of roughly \$8 million is identified under three headings, which include information technology, increased waste management, and water management. I guess I'm needing more information about where that extra need came from, and I raised this before and haven't seen any information on it yet.

More to the focus of my comments, though, is a recognition that this is the number three priority for Albertans, and it's receiving roughly 5 per cent of the budget of the government of Alberta. This, I guess, by many perspectives would constitute a starvation diet for what many people in Alberta feel is one of the primary ministries of this government.

They've developed a new water strategy, a very impressive document, two years ago, and I don't see progress on it. I wonder about the lack of resources to move that important planning document forward. They talk, indeed, about new treatment and monitoring standards, very important from a public health point of view. Again, where is the funding to support this and the staffing to monitor and enforce these important new standards?

There's been a five-fold increase in the last decade in oil and gas activity in the province. Where is the new capacity in the department to evaluate approvals, to monitor implementation, and to do testing and enforcement of agreements under this very low budget?

There's obviously a boom in Alberta, more construction both in terms of domestic and industrial activity. How can the Alberta Environment department possibly carry out to the satisfaction of Albertans the important role that it has in monitoring, assessment, and enforcement?

There's also an increased concern about intensive livestock operations. What impact are they having, and how are they being monitored, and what are air quality, water quality, and other concerns that we rely on Alberta Environment to monitor?

People in my constituency, which is an urban constituency, have raised the issue about recycling. Why are we still not recycling oil in this province on a consistent basis? Why are we not recycling, indeed, more than 20 per cent of all of the recyclables in our homes and in our industries and in our construction? Why is it that we're not hardly recycling or composting almost any of the organics when this is contributing hugely to landfill and to greenhouse gas problems?

10:40

Oil sands development has been raised a number of times in the House. How can Alberta Environment satisfy Albertans that cumulative impact and sustainable planning and monitoring are going on in this very important and very active part of the oil sector? I guess my main message today, Mr. Chairman, is that if Alberta Environment is overspent, who's surprised? They have basically a starvation diet to work with in terms of the importance of the ministry. So my main message today is that if the government is serious about addressing the issue of supplementary expenditures, particularly in this department, they need to seriously look at staffing and investment in this ministry for the protection of all Albertans.

Thank you, Mr. Chairman.

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

Dr. B. Miller: Thank you, Mr. Chairman. In terms of the supplementary estimates under Solicitor General there are two items which I would like to ask questions about. I don't think the Solicitor General has spoken about these items to the House.

One is \$2,900,000 for the province's share of the costs of the RCMP task force investigating high-risk missing persons in the Edmonton region. Well, this is a very important undertaking, and my understanding is that it's an integrated homicide investigation, but it's not clear to me who the RCMP is working with. I assume that it's the Edmonton Police Service, but I'm not sure about the cost sharing involved.

So it's not clear to me when Project Kare began. And is it continuing? How many officers are involved in working on this project? One report that I read suggests that only three RCMP members are involved, but that surely doesn't add up to \$2,900,000. So it must involve a lot of other kinds of activities, offices, and so on. I'm not sure where that project is at. I hope that Project Kare is more than just a public relations exercise to satisfy a concerned public. What progress has been made through the action of Project Kare, and how many arrests have been made through the activities of Project Kare?

The other item in the supplementary estimates is \$6,877,000 for a "ministry-wide manpower and other pressures including security costs to operate additional court rooms in the Calgary Provincial Court – Criminal Division." Mr. Chairman, it's so vague. So my question to the Solicitor General is: what does he mean by "ministry-wide manpower and other pressures"? I don't know what those other pressures are.

When you look at the budget side, it looks like most of the costs are for correctional centres throughout Alberta. I don't know what that involves, whether there's a problem of prison overcrowding, whether there's a problem of having to increase staff. Are there issues of violence within the prisons that need increased staff? Those are specifics that need to be explained. So \$5 million for adult remand and correctional centres in Alberta. It's my intention in the future as the critic for Solicitor General to visit these correctional institutes and to find out what pressures they face in Alberta.

The Chair: I hesitate to interrupt the hon. Member for Edmonton-Glenora, but under Standing Order 61(4) I must put the question proposing the approval of the appropriation bill on the Order Paper for consideration by the Committee of the Whole. Does the committee approve the following appropriation bill: Bill 27, Appropriation (Supplementary Supply) Act, 2005?

[Motion carried]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that we rise and report bills 27 and 30.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. VanderBurg: Mr. Speaker, the Committee of the Whole has had under careful consideration certain bills. The committee reports the following bills: Bill 30, Bill 27.

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

Some Hon. Members: Agreed.

The Deputy Speaker: Opposed?

Some Hon. Members: No.

The Deputy Speaker: So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that the Assembly adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:47 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

