

Legislative Assembly of Alberta

Title: **Wednesday, April 27, 2005**

1:30 p.m.

Date: 05/04/27

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon and welcome.

Let us pray. Guide us so that we may use the privilege given us as elected Members of the Legislative Assembly. Give us the strength to labour diligently, the courage to think and to speak with clarity and conviction and without prejudice or pride. Amen.

Please be seated.

head: **Introduction of Visitors**

The Speaker: The hon. Minister of Agriculture, Food and Rural Development.

Mr. Horner: Thank you, Mr. Speaker. I am pleased to introduce to you and through you to all members of the Assembly His Excellency Poul Kristensen, ambassador of the Kingdom of Denmark. His Excellency is accompanied by Mr. Ole Jorgensen, honorary consul for Denmark here in Edmonton, as well as his wife, Mrs. Else Philipp. I was pleased to host our honoured guests at our official luncheon earlier today on the ambassador's first visit to Alberta. We had a great discussion about our two regions, value-adding, tourism, education.

Mr. Speaker, Danes first settled in Alberta before we became a province. The first Danish settlement in western Canada was founded in Dickson, Alberta, in 1903. The town of Dickson is now home to the Danish Canadian National Museum and Gardens. Today Alberta companies are active in Denmark's oil and gas sector. In addition to our trade ties, Alberta's educational institutions are actively engaged with their Danish counterparts. The University of Alberta is itself a leader in Nordic studies. We look forward to working with His Excellency towards expanding on the Alberta/Denmark ties and opportunities.

I would ask that our honoured guests, who are seated in your gallery, Mr. Speaker, please rise and accept the traditional warm welcome of this House.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of this Assembly Rajan and Pushpa Bali from my constituency of Edmonton-Whitemud. They are, of course, the proud parents of Janiesh Bali, one of our very talented, dedicated, and hard-working pages. Rajan is an electrical engineer and owns his own company, and Pushpa works with Rajan as the bookkeeper and accountant of the company. They've been the proud owners of this business over the past eight years.

I wish to share with you and all members of the House that our page Janiesh will be shaving his head today for Cuts for Cancer, a fundraising that they've done at his school, Harry Ainlay. He has to date raised personally \$1,100 for this great cause, and I'm chagrined to say, Mr. Speaker, that he did it without my help. Although he's a neighbour of mine, he did it without my support because one of his classmates got to my door first. [interjections] Okay, okay. I'm going to match that donation.

Mr. Speaker, Rajan and Pushpa are seated in your gallery. I'd ask that they please stand and receive the traditional warm welcome and thanks from this Assembly.

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. It is indeed my pleasure to introduce to you and through you to members of this Assembly a group of 45 enthusiastic and promising young people from the Lac La Biche-St. Paul constituency. Today we are honoured to have the grade 6 class from Glen Avon school from St. Paul observe the proceedings along with their teachers, Shane Boyko, Dave Doonanco, instructional assistants Christine Reaney, Karen Odegarden and parent volunteer Dale Drummond. These students tell me that they are very excited and looking forward to May 12. That is the day when the sod-turning for a long-awaited new school is going to take place. They are seated in the members' gallery, and I would ask them all to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Lacombe-Ponoka.

Mr. Prins: Thank you, Mr. Speaker. It is also my pleasure to introduce to you and through you to all members of the Assembly two groups of children from the Lacombe upper elementary school. They're a grade 6. There are about 50 children and 12 adults. This is the group that was intending to come some time ago and was stopped by the bad weather. Their teachers are Mrs. Heather Mackay-Hawkins and Mr. Derek Rankin. Their parent helpers are Mr. Bill Crawford, Mr. John Alden, Mrs. Bev ter Steege, Mr. John ter Steege, Mrs. Kayrn Anderson, Mr. Travis Thacker, Mrs. Susan Prins, Mrs. Debbie Sissons, Mr. Darren Howie, Mr. Rob Smillie. They are seated in the public gallery. I would ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Member for Calgary-North Hill.

Mr. Magnus: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of this Assembly a tireless advocate on behalf of firefighters' and, indeed, emergency workers' rights in this province. He's been instrumental in a number of bills that this House has put through this Legislature in the last couple of years, including the firefighters cancer bill as well as the Blood Samples Act, and he's very interested in the new Traffic Safety Act. I'm very proud to call him my close personal friend. I'd ask Gord Colwell, the president of the Alberta Fire Fighters Association, to stand in the members' gallery and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Leduc-Beaumont-Devon.

Mr. Rogers: Thank you, Mr. Speaker. I'm not sure if my guests are here, but just the same I would like to introduce to you and through you to all members of this Assembly Jasmine, Charlene, Jaylene, and Alise Bishop and Sharon, Danae, and Renée Caouette. These are two parents and their children, who are home-schooled. They're from my constituency of Leduc-Beaumont-Devon, and I'd like to welcome them to this House.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Coutts: Thank you very much, Mr. Speaker. I'd like to

introduce to you and through you to all members of the Assembly Dr. Roger Gibbins, president and chief executive officer of the Canada West Foundation. Joining Dr. Gibbins today is Mr. Barry Worbets, a senior member with the foundation. The Canada West Foundation is a leading public policy organization that is well regarded by Albertans for its strong western vision. It's currently engaged in a number of projects, including how to balance economic development with landscape considerations. They're seated in the members' gallery, and I'd ask them to rise and receive the traditional warm welcome of this Assembly.

The Speaker: The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Speaker. Our government is continually working to help improve safety on Alberta's roads. Today I'm pleased to introduce to you and through you to members of the Assembly an individual who has been a key champion in the effort to promote safety, high standards, and continued excellence in the transportation industry. Cliff Soper, who is with us today in the members' gallery, is the executive director of the Transportation Training & Development Association. I met with Cliff and with other members of the association today to discuss a potential certificate in transportation and truck driving skills at Red Deer College. Mr. Soper is an example of how stakeholders and the government are working together to make a difference in industry training, standards, and safety. I'd ask him to please rise and receive the traditional warm welcome of this Assembly.

The Speaker: Are there others? The hon. Minister of Gaming.

Mr. Graydon: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to members of the Assembly a couple of guests of the Grande Prairie caucus who are visiting us today. I'm pleased to see, up above, Alderman Bill Given from the city of Grande Prairie and an employee of the city of Grande Prairie, Mr. Greg Scerbak. I would ask them to rise and be welcomed to the Assembly.

head: 1:40 **Oral Question Period**

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

Securities Commission

Dr. Taft: Thank you, Mr. Speaker. The Minister of Finance has been sent a letter from a large group of Alberta Securities Commission staff alleging that the work environment there is abusive and intimidating, that there has been no effective leadership for months, and that this has a negative impact on the future of Alberta's capital markets. This is the latest in a series of problems brought to this government's attention concerning the Securities Commission, but this government seems incapable of decisive leadership. To the Finance minister: given that this government has suspended duly elected school boards and regional health authorities for serious management problems, has this government considered suspending the current Alberta Securities Commission Board and appointing an interim administrator?

Mrs. McClellan: Mr. Speaker, in the preamble the hon. member alluded to a letter that I had received from a number of staff. Let me make it very clear what I did receive. I received an unsigned letter that has a blank with a number, 35 in fact, filled in. I can't table the letter or refer to it directly because I have not spoken to the sender

of the letter because I don't have that identity. I do have an assurance from the letter that they would be prepared to have at least some of those employees sign on the basis that I keep their names with the utmost confidentiality and anonymity.

Dr. Taft: Well, I guess she avoids the question, so I'll ask it again. Has this government considered suspending the current Alberta Securities Commission Board and appointing an interim administrator?

Mrs. McClellan: Mr. Speaker, I'm not avoiding the question as I have not avoided any question on this matter in this House over the last several weeks.

I met with the chairman and the part-time commissioners this morning for about two and a half hours, almost three hours in fact. One, we discussed the transition, as the present chair's term ends a week Friday. Secondly, we discussed the management issues, particularly around the human resource issues.

Mr. Speaker, I have said in this House previously and I'll say it again that the Mack report and the report from the part-time commissioners do say very clearly that the regulatory and enforcement matters of that commission are being handled with consistency and even-handedness; however, there are issues on the human resource side. We discussed the human resource issues. I impressed on them the importance of resolving those as quickly as possible, and I am satisfied at this point that the commission is dealing with this.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. Well, then, does this minister have full confidence in the board of the Alberta Securities Commission and its executive director?

Mrs. McClellan: Mr. Speaker, as I said, I met with the board this morning. We discussed the issues.

Mr. Speaker, it is very difficult for me to deal with allegations without a basis in fact. It is very difficult to deal with unsigned documents. I would say, given the seriousness of the role of the Alberta Securities Commission, that if the hon. Leader of the Opposition has any concrete evidence – I mean concrete, not rumour, not innuendo – that besmirched the names of people, then I think he has a duty to bring that forward. I can assure him that if he does that, I will act swiftly.

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

Dr. Taft: Thank you, Mr. Speaker. She is avoiding answering, so I will repeat the question. Does the Minister of Finance have full confidence in the Alberta Securities Commission Board and its executive director?

Mrs. McClellan: Mr. Speaker, I answered the question. I met with the board and the chairman of the Alberta Securities Commission this morning. I spent three hours with those folks. We reviewed the actions that are being taken, and I have confidence that the board is proceeding in a manner that will address those issues.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. To the same minister: is the minister concerned about cases of alleged irregularities in enforcement at the Alberta Securities Commission? Is she concerned?

Mrs. McClellan: Mr. Speaker, I think the key word is “alleged.” I have said consistently and over and over again that you cannot attack people, you cannot attack a commission, you cannot attack a board on allegations.

This is a very important commission in this province. It is important to the business community and to the investment community, and it is the second-largest securities commission in Canada and has been and continues to be highly regarded for its ability to bring forward improvements to securities legislation in this country.

Mr. Speaker, this is not a fair way to do anything. If you have anything to support those allegations, you should bring them forward or you should cease and desist to cast allegations, innuendo on these issues.

The Speaker: The hon. leader.

Dr. Taft: Thank you, Mr. Speaker. To the same minister: who does the Minister of Finance believe is effectively investigating cases where enforcement irregularities are alleged?

Mrs. McClellan: Mr. Speaker, Perry Mack, I believe a highly regarded and respected lawyer in this province, reviewed a number of these issues. He reported to the part-time commissioners. The part-time commissioners relayed to me that they were confident from the findings of that report that the regulatory and enforcement matters of that commission were being handled consistently and even-handedly. That is where I take my information from.

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Electricity Marketing

Mr. MacDonald: Thank you, Mr. Speaker. There is yet another blackout in this government’s communication system. This morning the Minister of Government Services said that no decision on extending the regulated rate option would be made until June. Yesterday the Premier, who is still the top Tory, advised consumers not to sign long-term electricity contracts but to stay on the regulated rate option. My first question is to the Minister of Energy. Why is Alberta Energy still trying to force consumers to sign up for long-term electricity contracts when even the Premier wants consumers to stay on the regulated rate?

Mr. Melchin: Mr. Speaker, I think, first off, the Premier spoke as an individual in this case as to what he would do in contracting, and that’s what we’ve tried to do, is allow all Albertans to have a choice of getting the products that would best match their need. As in any market short-term instruments come with volatility. If volatility is something you don’t want to manage, then longer term contracts are the better way to proceed.

Mr. MacDonald: Mr. Speaker, given that the only choice here is higher or even higher electricity bills, my next question is to the Premier. Will the Premier guarantee here and now to electricity consumers that the regulated rate option will be extended immediately and indefinitely past 2006?

Mr. Klein: Mr. Speaker, he does not tell the complete truth. Now, his leader was in the scrum. I was asked the question by a member of the media – what would I do personally as a consumer? – as a consumer, not as the top Tory but as a consumer. I said that I pay very little on my condominium power bill here in Edmonton. My

wife looks after the bill in Calgary. As a consumer I would probably stay with the regulated rate. That’s where we are right now. I was speaking not as the top Tory but as a consumer, as a private citizen. I would ask that he get his facts straight, straight from the horse’s mouth, and that’s the leader who attends every meeting.

1:50

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. To the Minister of Energy: will the minister post on the Department of Energy’s website the Premier’s advice that consumers should avoid signing long-term electricity contracts and stick to the regulated rate? That’s real consumer protection. Why don’t you do it?

Mr. Melchin: Mr. Speaker, we’re very fortunate that the Premier made a very clear statement just now, and all Albertans are going to be able to have that record in *Hansard*. That’s a very public document, and that is the source of it.

With respect to the issue at hand there has been a tremendous amount of progress that Albertans have received because of deregulation. We now have the lowest nonhydro electricity rates in this country because of a great supply of electricity that has come on, a new supply, secure and reliable for the long term.

The Speaker: The hon. Member for Edmonton-Calder, followed by the hon. Member for Cardston-Taber-Warner.

Mr. Eggen: Thank you, Mr. Speaker. The NDP opposition has said for years that retail power and gas contracts are a bad deal for consumers and are priced up to 25 per cent higher compared to regulated rates. In past years, when electricity rates hit an all-time high, the Premier and the then Energy minister not only defended the contracts but promoted them as a hedge against high prices. Yesterday the Premier finally admitted that the retail power contracts are such a bad deal that even he hasn’t signed on. My question is to the Premier. Why has the government been promoting the benefits of the so-called consumer choice, leading almost a hundred thousand residential, farm, and small business customers to buy a high-priced product that even the Premier is now calling a bad deal?

Mr. Klein: Mr. Speaker, I’m not calling it a bad deal, and I want the hon. member to listen. Deregulation has worked very well in many areas, in most areas. It has brought thousands, literally thousands, of new megawatts of power on stream. It has provided industry and large businesses with options as to how to buy power and where to buy from. It’s allowed Alberta to become a leader in green power. You know, the hon. member can ask any producer of small power, green power in particular, if it was through deregulation that it was allowed to happen. Most importantly, it’s ensured that Albertans have a secure, stable, and affordable source of electricity for generations to come. That’s what deregulation is all about.

Now, my advice to Albertans is not to sign any contract, be it a mortgage or a cellphone or a long-term power contract or cable television or anything else, without reading the fine print and being satisfied it is the best option, the best option for the consumer and his or her family.

Mr. Eggen: Well, given that a hundred thousand Albertans or more have bought their retail power and gas contracts on false pretenses at the urging of this government – and I will table information from the website that does say that – will the government now compensate those consumers for the difference between the lower regulated rate and the higher contract rate?

Mr. Klein: Mr. Speaker, we do not tell consumers whether to sign or not to sign. We're saying caveat emptor, let the buyer beware, and make sure you read all the fine print in a contract. I'm sure that the hon. member being a smart person, albeit a member of the NDs but being a smart person, would read a contract.

Mr. Eggen: If the Premier won't compensate Albertans who fell for this sales pitch – and I know of many, many seniors, especially in my constituency, who did so on good grounds – will the government, then, take immediate legislative action to allow any Albertan who is locked into these three- and five-year high-priced contracts to cancel them now without penalty?

Mr. Klein: Mr. Speaker, this is an arrangement between a power company, a retailer, and a consumer. We don't get involved other than to offer advice. We have a department in the Department of Government Services, the consumers' affairs department, that warns people, just as I'm warning people, to read the fine print and don't take as gospel what a salesperson tells you.

The Speaker: The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Wetaskiwin-Camrose.

Mr. Hinman: Thank you, Mr. Speaker. It's easy to figure out how to lose any battle, race, or debate, but to win requires the best. We need the best fighting for Albertans when it comes to BSE, energy, auto insurance, and Ottawa's intrusions. There is no free market without competition. The current rates and regulations this government has set benefit the power industry, not the people of Alberta. To the Premier: will this government continue or reregulate the residential and small-business and farming portion of the power industry until there are rules that will allow competition in the power market for the benefit of Albertans?

Mr. Klein: Mr. Speaker, I can understand that being a new member there's a lack of understanding as to the whole situation relative to deregulation. [interjection] The hon. member for wherever he is, the former school board and MLA who's now back, is yapping and he knows better.

Mr. Speaker, 93 per cent, as I understand, of consumers are on the regulated rate. Ninety-three per cent. The hon. member is talking about 7 per cent who have preferred to sign contracts. Ninety-three per cent are on the regulated rate option. Deregulation, when it was introduced back in 2001, I believe, applied only to the generation side of electricity. Through deregulation many thousands of megawatts of new power were brought on stream.

The Speaker: The hon. member.

Mr. Hinman: Thank you. Mr. Speaker, to the Premier: will you put Alberta residents, agriculture, and small business first, who are only 15 per cent of the load and use less than one-third of the coal-fired power generated, and reregulate them back to the competitive coal-fired prices?

Mr. Klein: Well, Mr. Speaker, I don't know the situation relative to businesses and farm operations, but as I pointed out, certainly 93 per cent of all individual residential consumers are on the regulated rate, so I don't know what he's talking about.

Mr. Hinman: That's obvious.

Again to the Premier: will this government change the rules and turn the table 180 degrees for the consumers and make the power

producers who generate the power bid, with the lowest bid getting the contract and not the highest bid setting and raising the selling price for all the producers at the cost of the consumers?

Mr. Klein: Mr. Speaker, I'm confused. In the hon. member's preamble he talked about the free market, and he talked about free enterprise, and now he wants us to interfere. You know, you can't suck and blow at the same time.

The Speaker: The hon. Member for Wetaskiwin-Camrose, followed by the hon. Member for Edmonton-Decore.

Long-term Care Standards

Mr. Johnson: Thank you, Mr. Speaker. My questions are all to the Minister of Health and Wellness. A resident of Bethany long-term care in Camrose is on a hunger strike to protest a lack of staff and, therefore, care in the new Bethany long-term care facility. Can the minister tell us if this facility is meeting the standard of care expected of Alberta's long-term care facilities?

Ms Evans: Mr. Speaker, this is a brand new facility. The Health Facilities Review Committee was there in January and at that time found that both the staffing and the facilities were appropriate, but we take very seriously every complaint that comes to us and follow up on every single one. I have a great deal of concern about a senior anywhere in Alberta that represents such an open demonstration of concern. I have not previously had contact with this senior, but the hon. member opposite certainly made me aware last evening that this is a concern for her and for her family.

As we speak, the regional health authority has officials at the Bethany care centre to review both the staffing and the issues that may be affecting this senior and other residents there. It is both a long-term and an assisted facility. We want to make sure that the staffing mix is appropriate to the gravity that's faced by each senior.

2:00

Mr. Johnson: My first supplementary: is there a shortage of qualified care attendants to work in our long-term care facilities in Alberta and particularly in our rural facilities such as those in Camrose?

Ms Evans: Well, Mr. Speaker, there are shortages in all manner of health care disciplines throughout Alberta. Rural Alberta is not unique, but it does include personal care attendants. I think that in rural Alberta we have some wonderful facilities and wonderful staff doing an amazing job, and I want to table that at least first.

This year, Mr. Speaker, along with a 10.3 per cent increase, \$522 million more for all of the health regions in Alberta, we added \$15 million over and above that to emphasize the importance of quality of care and quality of care for every senior and every resident. Some of those dollars will assist us not only in training and enhancing staff credentials but in working to make sure that we attract the appropriate mix of staff in every long-term care facility.

Mr. Johnson: My final question to the same minister: can the minister clarify the role of the Health and Wellness department and the regional health authority in providing adequate funding to long-term care providers like Bethany in Camrose?

Ms Evans: Well, Mr. Speaker, clearly, the dollars that are provided for the health authorities are distributed based on their particular needs and priorities. There is an obligation, however, with every facility, whether it's a long-term care facility or some other form of assisted-living facility, for that facility's management to report to the

health authority, and the health authority in turn reports to Alberta Health and Wellness. Alberta Health and Wellness examines whether or not those facilities are meeting the expectations, the quality, and the standards. In turn, we have been working on new standards both in nursing homes and long-term care and examining standards for assisted living so that we can ensure that we're closing the loop on standards for seniors and those frail elderly in our province.

Coal-bed Methane

Mr. Bonko: Mr. Speaker, coal-bed methane production in Alberta is increasing rapidly. There remain concerns, considerable concerns. The impact on our lands, our environment, our health have not been fully considered even though production is expanding at an alarming rate. My question to the Minister of Energy: given that coal-bed methane development may occur on public lands, will the minister ensure that public members who demonstrate a genuine concern can have intervenor status in order to protect the public's interest in this process approval?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. He does mention that natural gas and coal have an enormous potential, potentially 500 tcf of gas that's in the ground. We know that the expanse of the coal seams that are there and the gas is really just in infancy of discovery and exploration at this stage. In that light, it is true that the landscape that it covers is far reaching. Two-thirds of the southern half of this province has the potential for natural gas and coal. In that respect, we have already existing very good high standards of regulatory processes for where to site wells, locate wells, and the density of wells so that those impacted by that would be consulted and be able to participate in that before well licences are issued.

The Speaker: The hon. member.

Mr. Bonko: Thank you, Mr. Speaker. To the minister of agriculture: given that the EUB allows up to eight wells of coal-bed methane drilling per section compared to the conventional wells of one well per section, what is the minister doing to aid farmers who will lose farmland and value with this type of development?

Mr. Horner: Well, they are compensated, Mr. Speaker, for this type of development and negotiate with the oil companies as well. There has not been to my office any particular concerns other than the concerns of the industry, and we're working with the industry to negotiate on various aspects along with the Minister of Energy and the Minister of Sustainable Resource Development as well as the Minister of Environment, so we're doing a cross-ministry type of discussion.

Mr. Bonko: Mr. Speaker, my third question is to the Minister of Sustainable Resource Development. What is this government doing to protect the vital long-term interests of Albertans with respect to water, grazing, food production, fishing, and hunting on public lands?

Mr. Coutts: Well, Mr. Speaker, there are many questions in there. It starts out with coal-bed methane and ends up talking about fish and wildlife, and certainly in between there's water quality, which comes under the purview of the Minister of Environment.

Coal-bed methane. Let's speak to that. It's another form of

natural gas, and the same stringent rules that apply to surface regulations, that have been developed over the years, also apply to conventional gas and also apply to coal-bed methane. Our role in Sustainable Resource Development is to make sure that we manage the surface impacts of coal-bed methane and other energy development in exactly the same way as conventional oil and gas.

The Speaker: The hon. Member for Calgary-Bow, followed by the hon. Member for Edmonton-Manning.

Electricity Marketing Review

Ms DeLong: Thank you very much, Mr. Speaker. Albertans enjoy the lowest non-hydroelectric rates in the country, and there is ample generation to meet growing demand. However, there is currently under way a review of the wholesale and retail electric markets. My first question is to the Minister of Government Services. Has the Utilities Consumer Advocate provided feedback to the review?

The Speaker: The hon. minister.

Mr. Lund: Well, thank you, Mr. Speaker. The answer is yes. As a matter of fact, our advisory committee has been out and around the province gathering information. As has been discussed in the House over the last two or three days, there was a report written on February 23, and in that paper it clearly suggested that the advisory committee was suggesting that there needed to be something other than what was proposed or suggested in the discussion paper. The committee has also in that paper suggested that there were some problems. They've now come forward with another paper, that I will be filing today, that clearly indicates some of the proposed solutions to the problem. So we will be making sure that the Department of Energy has this in the mix as they design what needs to go forward.

The Speaker: The hon. member.

Ms DeLong: Thank you, Mr. Speaker. My question is to the Minister of Energy. Again, given that Albertans enjoy reasonable electricity rates and ample supply, why has the minister initiated this review?

The Speaker: The hon. minister.

Mr. Melchin: Thank you, Mr. Speaker. The regulated rate option is anticipated to expire on July 1 of 2006. Before that would happen, we wanted to make sure that we had the review of both the wholesale and retail markets to ensure that the rules that are in place are functioning well, that they will ensure that there's an adequacy of supply of electricity for the long term as well. Those things will help ensure that we have reasonable prices. Therefore, there would need to be sufficient time needed, whether we extend that rate or not – all of those things are the options we're talking about – whether that continues or whether we find other options. Those are the parts of the review that we felt had to be completed by this June.

The Speaker: The hon. member.

Ms DeLong: No further questions. Thank you.

The Speaker: The hon. Member for Edmonton-Manning, followed by the hon. Member for Foothills-Rocky View.

Stony Plain Youth Justice Committee

Mr. Backs: Thank you, Mr. Speaker. Restorative justice and alternative measures are effective ways to deal with youth crime outside of the court system. Signed decisions of community justice committees are binding unless a prosecutor refers these decisions to the courts. Last night one-quarter of the members of the community justice committee of Stony Plain and area resigned, including the chairman and half of the executive, because of government meddling in their decisions. My question is to the Solicitor General. How do you plan to restore confidence in the powers of youth justice committees given the events in Stony Plain?

The Speaker: The hon. minister.

Mr. Cenaiko: Thank you very much, Mr. Speaker. I can't discuss any specific case involving young persons within the Assembly. However, I am aware that there is some disagreement about how a recent case was handled that resulted in the resignation of some members of the committee, and I will explain our sanction review policy to address this question.

2:10

The youth justice committees administer the extrajudicial sanctions program, Mr. Speaker, under the supervision of their local probation officer. Extrajudicial sanctions are what was formerly known as the youth alternative measures program. The probation supervisor of the youth justice committee is obliged to approve or vary the sanction imposed by the committee. There are occasions when the sanction is found to be unfair or inappropriate, depending upon the circumstances of the case, but the youth justice committees across the province impose hundreds – hundreds – of sanctions each year, and fewer than 1 per cent have ever been varied by a probation supervisor.

Mr. Backs: Supposed to go to the courts if they don't.

Mr. Speaker, to the same minister: what directives to government representatives will you give so that the decisions of youth justice committees are not interfered with arbitrarily?

Mr. Cenaiko: Well, as I mentioned, Mr. Speaker, the youth justice committees meet under the supervision of their local probation office, so clearly the system is working very well now.

In addition, Mr. Speaker, I'm pleased to tell you that the youth justice committees are incredibly successful. Alberta is a leader in the country in youth justice programs. We have 116 youth justice committees and 1,500 community-minded Albertans who volunteer their time. The program deals with first- and second-time offenders involved in minor and nonviolent crime, and the consequences that are provided by these committees are varied and are based on the offender's attitude and the nature of the offence. These sanctions include community service, essays, a cash donation to a charity, an apology, or counselling.

Mr. Backs: Mr. Speaker, this was one of the most successful committees of its type in Alberta. To the same minister: will you have your department representatives ask the chairman and other resigned members of this very effective community justice committee, which has made hundreds of successful recommendations, to return to their positions?

Mr. Cenaiko: Mr. Speaker, our department will be working, obviously, with the probation office in that community, but as well

I'm sure there has been conversation between the youth justice committee and our office.

I want to ensure that the hon. member is well aware that last year the committee dealt with 2,500 cases and, as I mentioned, 116 youth justice committees throughout the province, but 2,500 cases, Mr. Speaker, at a cost of almost \$400,000. So the program is working very well.

Mr. Speaker, just a final note. A follow-up study shows that 80 per cent of the offenders in this program were not in the justice system two years later.

The Speaker: The hon. Member for Foothills-Rocky View, followed by the hon. Member for Edmonton-Beverly-Clareview.

National Child Care Initiative

Dr. Morton: Thank you, Mr. Speaker. Recently there has been speculation about the status of the Liberals' national child care initiative and how close the provinces are to an agreement with Ottawa. Section 92 of Canada's Constitution states explicitly that matters of a local or private nature are provincial responsibilities, and certainly raising children is both a private and a local matter. This federal initiative is a crude attempt to usurp provincial jurisdiction, and many Albertans are concerned that their government not be bought out on this issue by the feds' abuse of their spending power. My question is for the Minister of Children's Services. Is Alberta close to signing a deal with the federal government on a national child care initiative?

The Speaker: The hon. minister.

Mrs. Forsyth: Well, Mr. Speaker, thank you. I can tell the hon. member that Alberta is cautiously optimistic about signing an agreement. We've had many, many discussions with the federal minister, starting with a federal/provincial/territorial meeting in January, then some telephone conversations with him. I can tell him that he agreed verbally over the phone with Alberta's concerns and what we wanted entailed in the agreement. We have written him twice and have called him once and are awaiting written confirmation to ensure that he understands what Alberta has agreed to, and we would like to have it writing.

The Speaker: The hon. member.

Dr. Morton: Thank you, Mr. Speaker. To the same minister: can you assure this Assembly that Alberta families that choose to raise their own children, that choose not to use daycare, will be treated fairly by the new federal Liberal initiative?

Mrs. Forsyth: Well, Mr. Speaker, I can tell the member that I brought that question up at the federal/provincial/territorial meetings in regard to tax relief for stay-at-home parents, and the hon. Minister Dryden indicated to me at that particular time that it wasn't part of the discussion and that it wasn't on the table. What he wanted to talk about was daycare. I can assure the member that we have been very, very adamant that we want to respect Alberta's rights and let Albertans make the choices for their children, what's in the best interests of the children, whether it's nonprofit, for-profit, kinder care. We look at ourselves in Alberta at providing tax relief for stay-at-home parents.

The Speaker: The hon. member.

Dr. Morton: Thank you, Mr. Speaker. To the same minister: how

are you protecting our province's long-term interest in preventing Ottawa from taking away our constitutional and democratic right to made-in-Alberta child care and family policies?

Mrs. Forsyth: Well, as the member indicated earlier in his preamble about constitutional rights, it was very important to us, to Alberta, for the federal minister to understand that this is provincial jurisdiction and provincial responsibilities and that we wanted our parents to be able to have choice, not dictated what Ottawa wants. So we were very adamant. That was part of the negotiations all through the process. We are, again, cautiously optimistic. We're waiting for a written response from the minister. He agreed verbally with what Alberta wanted.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Edmonton-Ellerslie.

Long-Term Care Standards

(continued)

Mr. Martin: Thank you, Mr. Speaker. For years this government has created a crisis in long-term care through a combination of understaffing, overcharging, and lax inspections. Last week the Premier said that this was totally false, but it was the Premier that was wrong. In fact, as already mentioned, the seniors' long-term care facility in Camrose has gone on a hunger strike to draw attention to the problems in long-term care. My question is to the Minister of Health and Wellness. Is it going to take seniors going on hunger strikes to finally get this government to address the severe understaffing in long-term care centres?

Ms Evans: Well, Mr. Speaker, I think my earlier response today would indicate that it does not take anything more than one complaint, one note to the authorities or to this minister for follow-up action to occur.

Relative to long-term care staffing over the last two years we've been working on standards to increase the staffing. This year it'll go from about 3.1 to close to 3.3, in some circumstances 3.4. As seniors' facilities expand, not only in terms of staffing numbers but take a very close look at the personal care pattern for each senior, at what is required for each individual in the facility. That is the most important question because today lodges in this province aren't what they were 30 years ago. Lodges frequently have people with much more fragile needs, much more typical caseloads like long-term care facilities. We're working to make it appropriate staffing to the people that are within the facility.

Mr. Martin: Well, Mr. Speaker, I guess the question to the minister: does the minister consider it acceptable that long-term care centres are so severely understaffed that elderly residents get, if they're lucky, one bath per week? If not, rather than the rhetoric, what is the government going to do about it right away?

Ms Evans: Mr. Speaker, although there is a regulation relative to having one bath per week, that is a minimum standard, a minimum acceptable standard. It applies to many long-term care facilities that I have been in that many times as many as three attendants will lift a person into a very specialized type of bath facility and make sure that they have a proper and thorough bath.

But, Mr. Speaker, again relative to the individual care plan, if patients are incontinent, if they're incapable of bathing themselves, if there are some other reasons from a health perspective that they need assistance and need more frequent bathing, then that is done on the basis of the care plan for the individual.

Mr. Martin: Mr. Speaker, the minimum standards seem to be the maximum standards.

Given that petitions, direct appeals from seniors and their advocates, an Auditor General's investigation, and now a hunger strike have failed to move this government, what is it going to take to get action from this government to address the serious long-term care problems that are occurring right now?

Ms Evans: Well, there are a number of initiatives that are under way. I know that the hon. member is probably keenly aware, as I am, that the Auditor General has been reviewing circumstances for managing care in long-term care facilities and very soon will release a report. At that time and through the Committee of Supply I will be pleased to further expand on some of the things we're doing.

Mr. Speaker, if I may, we're currently planning amendments to nursing home operation regulations, reviewing our monitoring mechanisms to support quality of care, reviewing the funding methodology in concert with the regional authorities, enhancing the skills of staff providing specialized care, particularly for persons with Alzheimer's, and implementing a standardized provincial quality-indicator reporting system.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Edmonton-Castle Downs.

2:20

Access to Medical Services

Mr. Agnihotri: Thank you, Mr. Speaker. I have received many calls and letters from my constituents concerned about eight- or nine-hour wait times for services at the Grey Nuns hospital in Edmonton. Sadly, this is also an issue that I have had first-hand experience with recently. My questions are to the Minister of Health and Wellness. How does the minister explain the government's failure to ensure that Edmontonians receive timely access to essential services?

Ms Evans: Well, Mr. Speaker, one comment I'll make in responding to that question is that in Canada there is no better graded or better recognized or premium quality-of-care delivery region than the Capital health region, and we should applaud their efforts.

Mr. Speaker, as to individual circumstances for waiting and access, there are certainly issues that we still have relative to diagnosis, the kinds of assessments that are necessary. As we learned fairly recently, although it may not apply to the hon. member's illustrated case, with hip replacements and joint replacements sometimes 40 per cent of those patients waiting need more care, more health-assisted living kinds of support before they actually are able to have the surgery. So frequently it's not the fault of the system but, in actual fact, relates to the condition that the patient is in when they come forward to receive services in health.

Mr. Agnihotri: Again to the same minister: considering that it's not uncommon to have as many as 80 to 100 people waiting in emergency for admission, how long will it take to translate the government's promises of funding into action and results?

Ms Evans: You know, Mr. Speaker, I'm glad that question was asked because it allows me the opportunity to comment on an initiative of my predecessor, which is local primary care initiatives, which will see us reconstitute the way we access health systems and not after hours necessarily go to emergency departments but go to places where teams of health care professionals including doctors, nurses, occupational therapists, mental health specialists, counsel-

lors, nutritionists, and other specialists will be able to address the concerns which may be of a very important nature but not necessarily urgent. One of the problems in the emergency departments of Alberta and all over the country is that frequently people who access these departments are not going for urgent reasons but for important reasons.

Mr. Agnihotri: Again to the same minister: given that wait times create unsafe conditions for both patients and staff, how can the government continue to claim that the Alberta health care system is number one in Canada?

Ms Evans: Well, Mr. Speaker, in fact, it isn't us that are saying it, although I'm happy to reiterate it. I'm very happy to applaud those people. But everything we're doing, including the focus on the international symposium looking at ways that people are doing it differently elsewhere, I can assure you, will be brought to bear to the best practices of the health system. Perhaps the best illustration is from Dr. Alastair Buchan from Oxford, who had defined our stroke strategy. He went back to the United Kingdom, and when he came back, he said: you know, we're better here than they are there. He said that in some circumstances we are nine years ahead of Oxford.

The Speaker: The hon. Member for Edmonton-Castle Downs, followed by the hon. Member for Calgary-Currie.

School Construction

Mr. Lukaszuk: Thank you, Mr. Speaker. Two days ago the Edmonton Catholic school board revised their capital plan, which they will present to the Minister of Infrastructure and Transportation. In their revisions the school board moved the proposed Castle Downs high school from a top priority to a bottom priority. Instead, the board decided to build an elitist academic school on the south side of Edmonton. This suddenly changes the events, appearing to have little correlation with the dire need of a high school in my riding. Mr. Speaker, my first question is to the minister of infrastructure. Does this government or your ministry have any influence on where and when schools are built?

Speaker's Ruling Anticipation

The Speaker: Hon. member, and hon. minister, it is our tradition that when a particular estimate is up before the Assembly, questions are really not directed that day in the question period for that particular estimate. It so turns out that this afternoon, I do believe, the hon. Minister of Infrastructure and Transportation will be in the Assembly to answer those questions. Perhaps we might wait just half an hour or so, hon. member.

Proceed to your second question.

School Construction (continued)

Mr. Lukaszuk: Mr. Speaker, I'll proceed to a question that has no financial implications. My supplemental to the minister of infrastructure: once a capital plan is filed with the ministry, does the ministry have any influence on the possibility of a revision?

Dr. Oberg: Thank you very much, Mr. Speaker. The process is that each and every school board in the province puts forward their capital proposals. We then go through and attempt to find out which capital project is a higher priority when it comes to between the particular school boards. So we do have the ability to fluctuate

between the school boards. When it comes to the actual school board on their specific priority list, it is very difficult for my department to change what is on their priority list. We certainly can ask the school boards for justification. In this particular case what we saw was one particular school, which had been on the list for two years, taken off the list and another one put on. So we do have to question why this was done in this particular circumstance.

The Speaker: The hon. member.

Mr. Lukaszuk: Thank you, Mr. Speaker. My last supplemental to the Minister of Education: does the minister encourage school boards to establish such elitist schools that require students to have an average of over 85 per cent in order to be accepted?

Mr. Zwodzesky: Mr. Speaker, the fact is that local school boards with their locally elected trustees have to be responsive to the needs of their students and the families in the areas that they serve. So if a local school board wishes to pursue a particular style of policy implementation, that is entirely up to their discretion. We do not encourage or discourage. All that we try to do is ensure that they follow the laws of the province, the guidelines that we have set forward, and that they themselves look after their own policies and adhere to them to the best of their abilities.

The Speaker: The hon. Member for Calgary-Currie, followed by the hon. Member for Airdrie-Chestermere.

Access to the Future Fund

Mr. Taylor: Thank you, Mr. Speaker. Increased investments in advanced education are certainly welcome on this side of the House, even if they amount to fixing damage done by years of underfunding or starvation diets, as the minister has described it. The proposed access to the future fund certainly has potential, even if that potential is being stunted somewhat by inadequate funding. My concern today – and I hope that it can be allayed – is that the public relations strategy is considerably ahead of the legislative process. My question is to the Minister of Advanced Education. Why is the minister publicly committing money from the fund even to worthy projects when this Assembly has yet to pass the legislation that establishes the fund?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. When you're in government, you have to do planning, you have to look forward, and you have to deal with the issues as they come up in the context of planning and looking forward. Every year a government, as this member will know having sat through one of them, brings forward a throne speech which outlines what its program of activity is for the year, and in that throne speech there's a plan and a program for the year. The government also brings forward a budget, and in that budget there's a plan and a program for a year. Obviously, in the context of both the throne speech and the budget there are things which are proposed which the government has the intention of bringing forward but which are always subject to the approval and sanction of the Legislature.

In the throne speech this year there was promise of an access to the future fund to be funded at a level of \$3 billion, which would provide funding for certain types of projects, and in that budget there were two projects mentioned as demonstrations of the breadth of the fund. One of them was the Lois Hole Campus Alberta digital

library, and the other was a centre for Chinese studies at the university.

2:30

So commitments were made in the throne speech, commitments which have been followed through in Bill 1. When the bill is actually passed, if the Legislature passes it – if the Legislature doesn't pass it, of course, as minister I will have to go back and make some explanations, but the government expects that the bill will come to the Legislature and be passed – we will follow through with the commitments.

The Speaker: The hon. member.

Mr. Taylor: Thank you, Mr. Speaker. To the same minister: I'm a bit confused about the difference between an intention and a commitment, I guess. Why is the minister publicly committing money from the fund before the advisory council envisioned by the fund has been set up?

The Speaker: The hon. minister.

Mr. Hancock: Thank you, Mr. Speaker. In the throne speech there was a commitment made to show the breadth of possibility that the fund could produce. One of those was a centre for Chinese studies. That commitment was in the throne speech. The other was the Lois Hole Campus Alberta digital library. That commitment was in the throne speech.

One of the things that has happened since that time, Mr. Speaker, of course, is that there's an enthusiastic groundswell of activity, with people looking at the promise that's been made in the throne speech and in Bill 1 and saying: when does this start, and how does this happen? The clear answer to that has to be that this fiscal year it starts. How does it happen? Well, we can give some general parameters to it and, indeed, yes, say to people: this fits into the broad parameters of access, affordability, and quality. So we can give some assurances that particular gifts will fit within the parameters of the fund even as we wait for the access council to design the specifics on some of the other aspects.

Mr. Taylor: Mr. Speaker, why is the minister publicly committing to projects when the promised rules and regulations around eligibility haven't been established?

Mr. Hancock: Mr. Speaker, when the proposed gift fits so obviously within the parameters of what the fund is going to establish, it's not difficult to in fact encourage those gifts to be made and indicate that they do fit within the parameters. Where the rules and regulations are going to come in, clearly, is with respect to defining the parameters and the margins. So the question about matching gifts in kind: there might have to have specific rules around that, certainly rules with respect to what type of a gift or what type of a project might qualify that's a so-called ingenuity project or a project that doesn't require matching grants. There are lots of areas where there have to be rules and processes and procedures put into place, but in many cases the gift is so obviously going to fit within the parameters that it's very easy to encourage that gift to be made.

The Speaker: Hon. members, I will apologize to the six hon. members that I was unable to get into the question period today. It seems that in the days in which I was recognizing the hon. Member for Edmonton-Highlands-Norwood, we actually got more than 14 members in.

Hon. members, might we revert briefly to Introduction of Guests before we move on?

[Unanimous consent granted]

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

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

Dr. Pannu: Thank you, Mr. Speaker. I'm delighted to introduce to you and through you to the Assembly 33 special guests from my constituency of Edmonton-Strathcona. These guests are members of Wanna Walka seniors' group. They meet in the Bonnie Doon mall for their walking and are engaged in many charitable and community-building activities. They're accompanied by Germaine Lehodey and Carol Lockhart and are here this afternoon to observe the proceedings of the Assembly. My guests are sitting in the members' gallery. I will now request them to please rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Aboriginal Affairs and Northern Development.

Ms Calahasen: Thank you very much, Mr. Speaker. Today I'm very happy to introduce to you and through you to the members of this Assembly 67 students and nine adults from the Roland Michener secondary school. They are seated in the members' gallery as well as in the public gallery from what I gather. They are accompanied by their teacher, Miss Tracey Crain, as well as teacher's assistants Mrs. Sheri Smears, Mrs. Tina Rediron, and Ms Melody Wilson as well as parent helpers Mrs. Brenda Grove-White, Mr. Renato Pablo, Mrs. Julie Sparks, Ms Allyson Goyette, and Mr. Mark Carnegie. I'd ask that they stand and receive the warm welcome of this Assembly.

The Speaker: The hon. Minister of Advanced Education.

Mr. Hancock: Thank you, Mr. Speaker. Earlier today I introduced to the House Mr. Cliff Soper. I won't go through the full introduction. I will send that to Mr. Soper as a copy of *Hansard*, but I would ask him, now that he's arrived, to stand and please receive the traditional warm welcome of the House.

head: **Members' Statements**

The Speaker: The hon. Member for Calgary-Nose Hill.

Anne Frank Memorial

Dr. Brown: Thank you, Mr. Speaker. I rise today to recognize a young Jewish girl who was caught up in the human tragedy of the Holocaust of World War II, yet she brought inspiration to millions of people around the world.

While hidden by a Dutch family from the Nazis in a secret annex of a house in Amsterdam, Anne Frank documented her life and thoughts in a diary. Her diary was discovered after the liberation of Holland by Canadian troops. It was published as *The Diary of Anne Frank*.

While Anne did not live to see the end of the war, her wisdom and courage carry on through her diary, which has been read and loved by people of all ages around the world. I've had the opportunity to visit the Anne Frank House in Amsterdam, and the exhibits there are thought-provoking, chilling, and yet inspirational.

Her father, Otto Frank, felt that in her diary his daughter chal-

lenged him to champion the causes of reconciliation and human rights throughout the world, and that task is also for us as we work for unity and peace. It is important for all of us to remember victims of the Holocaust, like Anne, who have suffered from hatred and injustice. By remembering, we can help to ensure that such horrors never happen again.

Albertans are able to reflect on the life of Anne Frank and the Holocaust by visiting a remarkable exhibit: Anne Frank in the World, 1929-1945. The exhibit is currently at Calgary city hall until May 1, and following that, the exhibit will be moved to the Beth Tzedec Synagogue in Calgary until May 8. I encourage all members and all Albertans to take the opportunity to learn about the life of this young girl and this dark period in history.

Thank you very much.

The Speaker: The hon. Member for Whitecourt-St. Anne.

Northlands Park

Mr. VanderBurg: Thank you, Mr. Speaker. In the past several weeks some members of the opposition have questioned the funding of organizations such as Northlands Park and Stampede Park without perhaps understanding what these organizations do. I'd like to share some of the activities in which Northlands Park is engaged so that in the future the members opposite will be able to ask informed questions.

Northlands is first and foremost an organization which is volunteer driven. Each year more than 20,000 hours of service are contributed by 700 volunteer supporters. These volunteers and the organization which they support are dedicated to enhancing economic and social benefits not only for Edmonton but for northern and central Alberta as well. This is accomplished through the production of agricultural, entertainment, and business events and maintaining multipurpose facilities.

Northlands is also Edmonton's second-largest tourism attraction and draws an estimated 3 and a half million visitors to its site each year. The economic impact of the various events produced and supported by Northlands is estimated to be \$400 million per year.

While Northlands Park is justifiably well known for horse racing, they also represent world-class events such as the Canadian Finals Rodeo and Klondike Days Exposition. Klondike Days are not only a fun event with many economic benefits for Edmonton businesses, but this event also benefits charities. For over 50 years Northlands Park has partnered with Edmonton's major service clubs to raise funds for charities during Klondike Days. Each year approximately \$500,000 is raised for multiple projects, including the Glenrose hospital and the Salvation Army.

Mr. Speaker, money which this organization earns from the Alberta lottery fund is utilized to ensure that events such as those that I have just listed are possible. I believe this is a great social investment for central and northern Alberta.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Castle Downs.

Catholic High School Construction

Mr. Lukaszuk: Thank you, Mr. Speaker. Two days ago I attended a board meeting of the Edmonton Catholic school board during which the board approved several brand new and innovative curriculum programs for its students. These programs included jazz dancing, film studies, and science technology adventure, programs aimed at educating the whole child. These new programs underline and reinforce the fundamental value of public education, being all

inclusive, comprehensive, and accessible and relevant to all children. Furthermore, these programs will entice students to discover their talents and potentials. The school board should be commended for creating such distinctive programs for our children.

2:40

However, Mr. Speaker, at the same board meeting the school board approved construction of a high school which will not be accessible to all of our children. This new high school will be constructed only for the academic elite. Placed in an affluent Edmonton neighbourhood, this high school will only admit children with a grade score average above 82 per cent. This will be the Harvard of high schools.

Mr. Speaker, as an educator, a parent, and an MLA I am concerned. I appreciate the need of challenging our gifted children with extracurricular assignments and instruction, but this can be accomplished in a regular high school setting. We must not allow our public education to become segregationist, where bright kids are set aside from average kids, who, in turn, are in a different setting than elite athletes. This violates the fundamental principles of public education and prevents our children from sharing their talents with each other. As such, I hope that our Ministry of Education will examine this issue accordingly.

Thank you.

The Speaker: The hon. Member for Dunvegan-Central Peace.

Agriculture Industry

Mr. Goudreau: Thank you, Mr. Speaker. Between 1901 and 1905 40,000 homesteads were granted in what became the province of Alberta. Homesteaders were given freehold title to their land in exchange for paying \$10, agreeing to stay on the land at least three years, breaking a certain amount of land each year, and, finally, building a house.

That was a century ago, Mr. Speaker, and over the past 100 years new technologies, management practices, and economic environments have challenged Alberta's agricultural industry and transformed our province into a mainstay of our provincial economy and the global marketplace.

The strong foundation of Alberta's agricultural industry and the continued successful growth is due to Alberta's agricultural innovation. From its humble beginning through the introduction of Marquis wheat, irrigation, the Noble blade cultivator, and numerous other advancements Alberta's agricultural industry has proven itself a success and resilient.

As Albertans celebrate our great province's centennial and look back at where Alberta began, the agricultural industry both planted the seeds of what Alberta has become but is also positioning itself to nurture our province for future generations. Through expanding research and development in the agricultural industry, Alberta is on pace to increase value-added production to \$20 billion and increase primary production to \$10 billion by the year 2010.

Mr. Speaker, I rise today to recognize the essential role Alberta's agricultural industry continues to play in the success of our province yesterday, today, and tomorrow. Thank you.

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

Edmonton Public Schools

Mrs. Mather: Thank you, Mr. Speaker. As we celebrate Education Week, I would like to share with pride some of the work Edmonton public schools is doing to provide over 80,000 students with an

outstanding education. As a district Edmonton public schools is committed to achieving superb results from all students. It is concentrating on improving both high school completion rates and student achievement results. Edmonton public schools believes that all of the students should leave grade 3 knowing how to read at a grade 3 level, complete and pass their grade 10 courses, and complete high school.

As part of the district's planning process each school has selected an instructional focus to address the most pressing academic need among its students, such as reading comprehension, writing, or critical thinking. Individual schools in the district as a whole have also set a number of targets for improving student achievement and high school completion which align with the district's priorities and provincial requirements.

Over the past few years Edmonton public schools has been making progress in improving its student achievement results and high school completion rates. For example, on the provincial achievement tests the district has been making steady increases in the percentage of students achieving the acceptable standard and the standard of excellence over the past five years.

To better support the work of teaching and learning, the district has been increasing the opportunities for collaboration among staff and fostering the use of research-based teaching practices in its schools. Edmonton public schools is also involving parents, business, and community partners in supporting the work of teaching and learning. The district is committed to offering a wide variety of programs to assist students in achieving superb results. In partnership with parents the district has developed 30 alternative programs, including language, sports, dance, cadet, and faith-based programs as well as programs based on particular teaching strategies or philosophies.

Thank you.

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

Chris Muller

Mr. R. Miller: Thank you, Mr. Speaker. It is with a heavy heart that I rise in this Assembly today to recognize a truly outstanding Albertan who has left this world far too soon. Chris Muller, only 29 years old and a resident of Cochrane, was killed in a hang-gliding competition this past Friday near Orlando, Florida.

Chris was a champion in the very truest sense of the word, having won both the Canadian hang-gliding and paragliding championships on multiple occasions. He was among the very best foot-launched, free-flight pilots in the world, yet he was perhaps the most humble man I have ever known. From their home-based school on top of the big hill at Cochrane Chris, along with his dad, Willi Muller, and his mom, Vincene, taught hang-gliding and paragliding to thousands of enthusiasts and operated one of the most successful businesses of its kind anywhere in the world. Almost everyone who has ever spent an afternoon in Cochrane enjoying the famous ice cream has looked up at the big hill and marvelled at Willi, Chris, and their friends soaring on the breeze with the hawks and the eagles.

Even at such a tender young age Chris was not only a friend but a teacher and a mentor to all who knew him, including those of us who were many years his senior and even many who had been flying long before Chris began his aviation career. Most recently Chris flew as an extreme aerobatic pilot for the Red Bull Air Force and travelled the world representing his sports, his province, and his country. It was Leonardo da Vinci who said, "For once you have tasted flight you will walk the earth with your eyes turned skywards, for there you have been and there you will long to return."

Mr. Speaker, Alberta and the sports of hang-gliding and paragliding have lost a favourite son, an invaluable ambassador, but most importantly a remarkable young man. And for that we are all less well off today.

Thank you.

head:

Notices of Motions

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

Dr. Taft: Yes. Thank you, Mr. Speaker. Pursuant to Standing Order 30 I wish to advise you that at the appropriate time I intend to move "to adjourn the ordinary business of the Assembly to discuss a matter of urgent public importance"; namely, the loss of investor confidence in the Alberta Securities Commission's ability to adequately regulate the securities market and the resulting threat to Alberta's capital markets.

head:

Tabling Returns and Reports

The Speaker: The hon. Minister of Government Services.

Mr. Lund: Thank you, Mr. Speaker. I have the required copies of the response to the Department of Energy's call for comments on its discussion paper on the wholesale and retail market, and I would just like to read a little bit of what it's about.

The Utilities Consumer Advocate Advisory Council has reviewed the options available to the Government concerning retail electricity policy. We believe that the deregulation of the Alberta electricity market has been successful in many ways. For example, competition in the market for electricity generation has added new generation and has removed inefficient generation from service. We characterize . . .

The Speaker: We're into tablings, hon. minister, not Ministerial Statements.

The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you, Mr. Speaker. I would like to table an e-mail from Brad Wutzke, the vice-president of TWU local 204 in Calgary. The e-mail details initial lockout actions Telus has apparently used against their unionized workers. Employees at Telus have been attempting to negotiate a contract . . .

The Speaker: The same admonition provided to the hon. Minister of Government Services will now be provided. We're into tablings.

The hon. Member for Edmonton-Calder.

2:50

Mr. Eggen: I'm under pressure now.

Thanks, Mr. Speaker. I would like to table a document that casts a solemn shadow on Alberta's first hundred years. On the eve of International Day of Mourning, which is tomorrow, the Alberta Federation of Labour has released a tally of the number of Albertans killed on the job in the first hundred years: 9,219 individuals.

I would also like to table an excerpt from the government of Alberta's web page called Consumer Choice. This page offers several arguments for purchasing competitive retail long-term alternatives.

Thanks.

The Speaker: Well, hon. members, it would certainly be my hope that we could get the hon. Member for Edmonton-Highlands-Norwood back into the question period. Did you want to be recognized, sir?

Point of Order Imputing Motives

Mr. Mason: I'd be pleased to do that.

Mr. Speaker, yesterday I used certain language in my questions to the hon. Minister of Government Services in suggesting that he had misled the House. I know the parliamentary rules a little bit now, having been here, and I recognize that such an expression is considered unparliamentary. I also know the rule that you're expected to accept the word of a member when he makes a statement. My, I guess, frustration with the answer caused me to overcome my normal tempered good judgment, so I would withdraw those comments and apologize to the member and to the House.

The Speaker: That should now conclude that matter, and the hon. member will be recognized in the future if he chooses to be recognized.

head: **Request for Emergency Debate**

The Speaker: The hon. Leader of the Official Opposition on the Standing Order 30 application.

Securities Commission

Dr. Taft: Yes. Thank you, Mr. Speaker. I'd like to propose the following motion.

Be it resolved that this Assembly adjourn the ordinary business of the Assembly to discuss a matter of urgent public importance; namely, the loss of investor confidence in the Alberta Securities Commission's ability to adequately regulate the securities market and the resulting threat to Alberta's capital markets.

If I could just speak for a very few minutes, Mr. Speaker, as to the urgency of this. Alberta is a major business centre. It's the second largest centre of business head offices in Canada, and it's home to one of the world's largest concentrations of petroleum corporations. This sector depends on a credible capital market, as do thousands of jobs, especially in Calgary. Capital markets are under terribly close scrutiny these days in light of scandals at Enron, WorldCom, Martha Stewart, Hollinger in Canada, and so on. Capital is incredibly mobile. It can move from country to country with the flick of a switch.

The problems at the Alberta Securities Commission have been building for well over a year, and they've now reached the crisis stage. They are clearly interfering in the enforcement activities of the commission, and if action is not taken urgently, they will interfere in all aspects of the commission's activities. Today we see the leading financial newspaper in the country, the *Financial Post*, plastering this story all over its front page.

Markets depend on one thing more than any other: trust. If investors cannot have trust and confidence that a securities market is operating fairly and efficiently, they will move elsewhere. Thousands of jobs are at stake, billions of dollars, and it's not an exaggeration to say that one of the cornerstones of Alberta's economic future is at stake.

Today there is an active movement to consolidate all securities activity in Canada in Toronto, pulling control out of Calgary and putting the guiding hands for the future of business in Alberta in offices on Bay Street. Delaying action on the Alberta Securities Commission feeds that movement. The Legislature must turn its attention to this issue urgently, today, now, or we'll be sending a signal of neglect and inaction to the world.

Mr. Speaker, debate on the estimates of the Ministry of Finance have concluded. The emerging issues at the Alberta Securities Commission require extended discussion. Questions clearly have

been raised repeatedly in question period, but many of the most serious issues remain unanswered and unresolved. This requires a discussion not constrained by the procedural parameters of question period. The minister and the commission itself appear to be at odds regarding who has authority to release which information. This Assembly and the public need immediate clarification on who has authority over this complicated investigation.

Alberta Securities Commission staff have indicated that they are, quote, unable to perform their jobs effectively due to an environment that continues to deteriorate daily, end quote. The minister has defended the current course of action because the problems are, in her mind, limited to the human resource side and says that the Alberta Securities Commission remains a functional regulatory and enforcement body. However, employees in large numbers are indicating that the toxic workplace environment, quote, will negatively impact the future of the organization and the health of Alberta's capital markets, end quote.

Mr. Speaker, the Securities Commission governs the second largest financial market in the country. Shaken or diminished confidence in the Securities Commission will result in significant financial repercussions to Alberta investors and businesspeople and a loss of national and international confidence in our markets. Every day that passes with unresolved questions and continued uncertainty about the future of the Alberta Securities Commission and the ability of staff to do their jobs makes the ultimate resolution of the problem more difficult. It also gives ammunition to those who are pressing right now to centralize securities regulation in Toronto. Alberta needs to resolve this issue if we are to retain regional control of these markets.

Mr. Speaker, an extended debate is needed immediately to clear the air on this issue. Putting aside our ordinary business and having this debate will demonstrate how seriously this Assembly takes this issue and send the proper signals to the investment and business communities that this issue will indeed be resolved in a timely fashion.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 30(2) indicates that the member, in this case the Leader of the Official Opposition, "may briefly state the arguments in favour of the request for leave and the Speaker may allow such debate as he considers relevant to the question of urgency of debate." So I'm prepared to recognize additional members. The hon. Minister of Finance on the urgency.

Mrs. McClellan: Yes. If I may speak to the urgency. First, Mr. Speaker, I would point out that this has been a subject of question period for many days, so it has been discussed. Secondly, there was a two-hour opportunity during my estimates to discuss this further just last Thursday. So there has been an opportunity for discussion.

I would say to the House and to the hon. member that there is no evidence that the issues at the Alberta Securities Commission relate to investor confidence or pose a threat to capital markets. The evidence on enforcement activities and the regulatory function administered by the Alberta Securities Commission, as quoted in their report from the review of this, states clearly that those enforcement policies administered by the Alberta Securities Commission have been, are, and continue to be applied consistently, fairly, and with an even hand. Mr. Speaker, I continue to have confidence in the staff at the Securities Commission to carry out that work in our province.

I would remind the House that the Auditor General as part of his audit process is going to look at the systems and processes there,

beginning almost immediately. Given the importance of this commission in our capital markets, I've asked the Auditor General to expedite his review and report to this Legislature as soon as possible.

Mr. Speaker, the focus is on human resource matters. I would be the first to say that if this continued, there could be – could be – possibly linkages to work performance, which could – there has been no evidence to this date – cause some concern on the ability of staff to carry out their duties.

3:00

Mr. Speaker, I would remind the hon. members of the sequence of events. Early in January, when it was brought to my attention, I wrote to the Securities Commission part-time commissioners, told them that these issues had been raised with me, asked them to investigate and respond as timely and completely as possible. They engaged an outside person, Mr. Perry Mack. He subsequently interviewed the anonymous complainants, presented a report on February 16. The persons who were involved in the allegations and other staff were then interviewed by Perry Mack. A second report was presented to the commission members on about March 22, in that time frame. Then the part-time commissioners forthwith reported back to me.

Mr. Speaker, there was a confidence in that report on the regulatory and enforcement matters. There were human resource matters raised. I spoke of that in the House. Part-time commissioners immediately engaged BearingPoint, a very credible firm, to assist them in dealing with those human resource matters and questions, and that is under way. Subsequently, to ensure the security and the integrity of the systems at the Alberta Securities Commission, KPMG was engaged to do a forensic review of their systems.

To suggest, Mr. Speaker, that this is not being dealt with, to suggest that we are at odds as to who owns the information is completely wrong and should not be used to lend credence to an urgency. I don't go by newspaper reports. I have said clearly in this House that the information that is under question, the Mack report, was provided to me on condition of solicitor/client privilege to protect the identity and anonymity of the persons who brought the information forward. If I were not prepared to accept the report on that basis, I would not have taken that report. I think it would be a lack of credibility. Obviously, the report is not mine to give. I don't have that ability. That is not, I don't think, in anything other than the comments by the hon. member, to clear that up.

So, Mr. Speaker, I don't agree with the hon. member. There is no hard or even soft evidence that this is affecting our business community and our capital markets. I've encouraged the hon. member if he's receiving information from them other than from the newspaper reports. I have some letters that have been raised with me. I have responded to those people immediately. Much of what I hear is based on newspaper reports.

Mr. Speaker, we are dealing with this. I have confidence in the commission's desire to have this dealt with thoroughly and completely. As I indicated earlier, I spent three hours with those members this morning. They have every desire to protect the integrity of the Securities Commission.

Mr. Speaker, the last point. The issue of a national regulatory system has been in the works for, I would say, at least two years. Now, it is clear that the passport system is endorsed by all the provinces except Ontario, so to suggest that because there is a desire in Ontario to be the single regulator is cause for this issue certainly does not hold any credence with me and does not speak to urgency. This is a matter that has been going on for some time. In fact, the passport system is designed to be in place in Canada in August of this year.

Mr. Speaker, I do not believe there is an urgency. I do agree that this is an important matter, but I do believe it is being dealt with.

The Speaker: I'm going to recognize the hon. Member for Edmonton-Beverly-Clareview, then the hon. Member for Edmonton-Centre.

Mr. Martin: Thank you, Mr. Speaker. Speaking to the urgency of this, of course, I think we'd all agree about the public importance, namely the loss of investor confidence in the Alberta Securities Commission. This is a very serious matter, and I do believe it is urgent. Contrary to the Minister of Finance's approach that this is ongoing, and we're looking at it, and the Auditor General is going to be involved – this is true – the reality is that it crosses two important groups that have to believe in the Securities Commission.

One is what is happening nationally. We can talk and pooh-pooh the idea that these are in national newspapers – the *National Post*, *Globe and Mail*, *Financial Post*, and all the rest of it – but the reality is that investors read those particular newspapers. If you're an investor and you're looking at those headlines that are occurring almost on a regular basis, as the minister said, since January, ask yourself if you're going to invest in the Alberta Securities Commission. The answer is probably not, unless you're a real gambler, and then probably you'd want to go to Vegas in that case. So perception is everything, and that's the important point here: perception. That's what's going across Canada.

I have here in front of me one that might be even be more particular. It's called the *Business Edge*. It's Ontario business news. This came out March 31. The whole article is about what they see happening on the Alberta Securities Commission in terms of enforcement. It's very damning, if I can put it that way, Mr. Speaker, if you're a businessperson, an investor reading this. It says here, just one quote: "The people who are the subject of a (securities) arrest warrant pretty much have to stumble into the police." Whether this is right or wrong is not the point. This is what's going out nationally. If you're an investor, you're not going to say: well, I've got a few thousand dollars here, and there's something that looks good on the Securities Commission in Alberta. You know, it seems to me to be logical that you're not going to want to do that unless you have money that you want to throw away.

The second group, Mr. Speaker, is the same sorts of things. We're getting, and I'm sure the Minister of Finance and the leader of the opposition are, e-mails from a lot of small investors in this province. Again, these are people with perhaps a few thousand dollars who want to invest in some new, fledgling company that looks good, and they looked at the prospectus and all the rest of it. If they don't believe that there are rules and regulations there that are followed – and, again, they're reading the news reports and seeing all the problems that are occurring. Perception is the important thing here because we don't all have the facts. Perception is everything.

I think it would behoove us to say: okay, this Legislature sees this as a very serious problem and of some urgency because, as the Leader of the Opposition was talking about, it certainly could be hurting investment in this province not only in the short run but if this thing festers on. Sure, the minister is going to have the Auditor General report, but my understanding is that the Auditor General is not going to report back on this until July. You know, in investment time that's a long time. After the House is over – and we don't know when we'll rise; perhaps sometime in May. Who knows? Then there's going to be not even the focus there.

If I'm an investor both nationally and provincially, I'm saying: what's going on with that Securities Commission? What's happening? Not even an Auditor General's report on this coming down, I

believe, until July. That's what I've been led to believe. I think there is some urgency to deal with this. At least it would show to the people of Alberta and to the people of Canada – and I might point out that there are American investors that I'm aware of and world investors that invest in the Securities Commission too. At least they're saying that the Legislative Assembly is taking this seriously if we have this urgent discussion. Perhaps some direction could flow from this because if we just let it fester and fester and fester, I can absolutely guarantee that this will impact investment in Alberta. I don't think there's any doubt about that, Mr. Speaker. Thank you very much.

3:10

The Speaker: Hon. members, I've recognized three hon. members to this point in time. I've indicated that I'll recognize the hon. Member for Edmonton-Centre, and then if there's one additional speaker from the government side, perhaps that would be pretty good leeway under Standing Order 30.

Ms Blakeman: Thank you very much, Mr. Speaker. I would like to speak in favour of the motion, in particular to the matters of urgency. The issue of question period has been raised. We work under the constrictions of what is set out by parliamentary process. Question period is too limited to be discussing the range of issues that is involved in this particular issue. The issues are in fact unresolved. The crisis is growing. We have had three reports done, each one leading to the next one, and no resolution is forthcoming from this, again showing a trend for the issue continuing to grow with no resolution.

Dr. Taft: It festers.

Ms Blakeman: Continuing to fester.

The staff clearly do not have confidence and have expressed that. Their concerns and, indeed, their actions that they have been taking have continued to grow. The Auditor General will not be reporting until July, which does not resolve this issue as far as investors are concerned and as far as our concerns as expressed are. It has been four months since this issue was identified, and as I say, we get more reports, more concern, more activity, and the issue is not being resolved. It is festering.

We need an urgent conclusion to this. I believe that there is urgency to this issue, and I ask the Speaker to rule in favour of the Standing Order 30 and in support of the motion proposed by the Member for Edmonton-Riverview, the Leader of the Official Opposition.

Thank you.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. The only question really on the table at this point is a question of urgency. There has been all sorts of discussion about importance, but very little discussion about the urgency of dealing with it today. As well, if I might say, there's been no comment on what light, if any, would be brought to the topic by having a discussion today and whether or not, in fact, having a discussion today might create more of a problem than it solves.

The issues that we have before us with respect to the Securities Commission. The Securities Commission is a very important body, and confidence in the Securities Commission is very important. Nobody will deny that. The fact of the matter is that the issues that have been raised have been out for a considerable period of time

now. They've been out, as the hon. Minister of Finance mentioned, publicly since January and had been ongoing before that. There have been steps taken to deal with the issues. The reality is that there is no evidence of consumer nonconfidence in the Securities Commission. There's no evidence of the things that the hon. member has raised about the problems.

Notwithstanding the exhibits which the hon. Leader of the Opposition blatantly exhibits, breaking the rules of the House yet again and probably not again apologizing for it, just as he did last week when he raised egregious comments about the Auditor General, notwithstanding that, Mr. Speaker, there is no evidence of urgency. There is a very good chance that by moving to a public debate with the people who are the least knowledgeable about the issues and ignoring the fact that the Auditor General has his study ongoing, that there will be a new chair appointed to the Securities Commission imminently – now is the last time, Mr. Speaker, that we should be moving to an uninformed discussion this afternoon about an issue without any resolution but just merely discussing yet again in public, engaging in the same witch hunt that the hon. Member for Edmonton-Riverview has engaged in in the past.

It's not an urgent issue. It is a very important issue. The Securities Commission is very important, and one should not take lightly the discussion of the Securities Commission, its regulatory processes, and the effect on the public markets. Certainly, we shouldn't go to a discussion this afternoon without any evidence, as the hon. Minister of Finance indicated earlier, that there is a lack of consumer confidence in the commission or anything else that could be repaired by a discussion this afternoon.

The Speaker: Hon. members, under Standing Order 30(2) the Speaker must now rule on whether the request for leave to adjourn the business of the House is in order. I would like to point out at the outset that the application was received in the Speaker's office this morning at 11:15, so the requirement of providing at least two hours' notice to the Speaker has been met. The motion reads as follows:

Be it resolved that this Assembly adjourn the ordinary business of the Assembly to discuss a matter of urgent public importance; namely, the loss of investor confidence in the Alberta Securities Commission's ability to adequately regulate the securities market and the resulting threat to Alberta's capital markets.

To be in order, Standing Order 30(7) requires that "the matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration." I would refer all members to Marleau and Montpetit's *House of Commons Procedure and Practice* at pages 586 to 588 and *Beauchesne* 390 with respect to genuine emergency. Clearly, there's no hesitation in the chair's mind that this is a serious issue as demonstrated by the number of questions that have been raised in the question period over the past month.

In reviewing the proposed Notice of Motion, the chair notes that the hon. leader is saying that the matter of urgent public importance is "the loss of investor confidence in the Alberta Securities Commission's ability to regulate the securities market." I would however like to point out that that requires a very subjective interpretation. The chair is hard pressed to condone a statement that there is a "loss of investor confidence" of such a magnitude to constitute a "genuine emergency" in the province of Alberta and to justify adjourning the ordinary business of the Assembly. I want to emphasize the subjective interpretation of "the loss of investor confidence."

As the chair indicated in granting a request by the then Leader of the Official Opposition on May 24, 2000, which the chair notes was the last time that an emergency debate occurred in this Assembly, things can change in the matter and in a manner of a day to make

something a genuine emergency. The chair is prepared to recognize and watch this evolving situation.

The chair would also like to point out *Beauchesne* 428(e) with respect to newspapers, and hon. members might want to just reflect on that as well.

At this time, based on the arguments submitted today, the chair does not find the request for leave in order.

Speaker's Ruling Estimates Consideration

The Speaker: Now, hon. members, we come to a very, very interesting time in parliamentary democracy in this Assembly. I would like to refer all members to Standing Order 58(5), which says that "on Tuesday, Wednesday or Thursday afternoon, during the consideration of the main estimates," this being a Wednesday, and we are considering the main estimates, "the Committee of Supply shall be called not later than 3:10 p.m." – and it's now 3:19 p.m. – "provided that Orders of the Day have already been called" – they have not – "and shall rise and report no later than 5:15 p.m."

So in order to proceed, we need unanimous consent of the House to waive this standing order so that I might say "Orders of the Day."

[Unanimous consent granted]

head: 3:20 **Orders of the Day**
head: **Committee of Supply**

[Mr. Marz in the chair]

The Chair: Hon. members, I'd like to call the Committee of Supply to order.

head: **Main Estimates 2005-06**
Infrastructure and Transportation

The Chair: The Minister of Infrastructure and Transportation.

Dr. Oberg: Thank you very much, Mr. Chairman. Thank you to all hon. members who have allowed me to come today and allowed me to speak here, and thank you for the unanimous consent.

An Hon. Member: It was tough.

Dr. Oberg: I know it was a close vote, so I truly do appreciate that. It is certainly an honour for me to serve as Alberta's Infrastructure and Transportation minister and present the ministry's estimates for the 2005-2006 fiscal year. I'll also provide a few details about some of the ministry's extensive programs and activities.

I wish to publicly thank my deputy minister, Mr. Jay Ramotar, and his executive team and all Alberta Infrastructure and Transportation staff for their outstanding work, and I'm sure they're out doing that outstanding work right at this minute. I'm proud to have such a group of hard-working people.

This upcoming year marks the third year that the department's estimates have been completed using the new fiscal framework. That means the committee will have two votes, one for operating expenses and equipment/inventory purchases and one for capital investment. This fiscal framework, which was first introduced in Budget 2003, allows the ministry to address infrastructure needs in a more predictable way and has allowed a significant increase in the level of capital spending.

The department's estimates to be voted include approximately 3 and a half billion dollars for operating expenses and equip-

ment/inventory purchases and roughly \$700 million for capital investment. It's an overall budget of approximately \$4.2 billion. Of that \$4.2 billion \$320 million is for noncash items such as amortization and consumption of inventory. This translates into an actual spending target, then, of approximately \$3.8 billion. This \$3.8 billion will be spent in two broad categories: first of all, operation and maintenance, noncapital plan programs; secondly, investment in government-owned and -supported infrastructure, or capital plan programs.

The first category, operation and maintenance, includes plant operations and maintenance funding of \$351 million for school facilities. This supports the lights-on requirement for schools, including utilities, caretaking, insurance, routine repairs, and minor maintenance such as snow removal, groundskeeping, and painting. There's another \$279 million for government operations and services. This includes property operation leases, operating the Swan Hills Treatment Centre, capital and accommodation projects, maintenance of government-owned facilities, site environmental services, land services, centennial projects, air transportation services, and vehicle services.

Still within the first category, operation and maintenance, we have \$217 million under provincial highway systems and safety for highway maintenance, vehicle inspections stations, rest areas, ferries, and maintenance of transportation infrastructure in provincial parks and on Indian, or native, lands. It also includes \$30 million for vehicle and driver safety programs, monitoring the commercial carrier industry, numerous traffic safety initiatives as well as the operation of the Transportation Safety Board.

Finally, \$285 million is budgeted for the energy rebates program.

The second category of program spending is investment in government-owned and -supported infrastructure, which represents our capital plan programs. Over the next three years another \$762 million has been budgeted to cover increased costs on previously committed education, health, and road costs. I want to reiterate that: \$762 has been budgeted for cost overages on existing projects. These costs are the result mainly of increased labour and material costs and in some cases increases in the scope of the projects.

For 2005-2006 \$2.6 billion will be invested in roads, schools, health facilities, and municipal infrastructure to build strong communities and support the future growth of the province. Municipalities will receive over \$1 billion in infrastructure funding to address local transportation and infrastructure needs. Of that, \$600 million is part of the new five-year, \$3 billion municipal infrastructure program. The ministry will invest \$308 million in provincial transportation grants, allowing Edmonton and Calgary to continue to receive funding based on 5 cents per litre of fuel sold within city limits. Other cities, towns, villages, and eligible municipalities will still receive funding based on \$60 per capita.

Rural municipalities will continue to receive formula-based grants and support through the local road/bridge program. Rural municipalities are also eligible for funding through the resource road program. This program provides funding assistance to address increased industrial, resource-based, or heavy truck traffic on local roads. Cities other than Edmonton and Calgary may also apply for funds under the cities' special transportation grant. This program assists these cities in addressing transportation infrastructure affected by rapid growth.

The ministry will also provide approximately \$32 million to the municipal water and waste water partnership program to municipalities. This partnership provides funding assistance for municipalities to address water and waste-water infrastructure issues. This program also includes \$7.2 million for the Water for Life strategy for regional water systems.

A further \$40 million in federal funding will be provided to municipalities. The province will receive the funds from the federal government for the recently announced new deals for cities and communities and will then allocate the funds to the municipalities, depending on whether or not there still is a government in Ottawa.

Finally, \$37 million in grants will be provided under programs such as Canada/Alberta municipal rural infrastructure program and the infrastructure Canada/Alberta program. These are cost-shared programs between the federal, provincial, and municipal governments.

To keep Alberta on course as a leader in learning, we have allocated \$201 million in '05-06 to continue 109 major ongoing school projects, including Victoria school in Edmonton and nine other ongoing school projects in Edmonton; 19 ongoing school projects in Calgary, of which 16 are new schools; and approximately 81 school projects in other parts of the province. Additionally, \$105 million has been allocated for postsecondary facilities to support planned renovations as well as ongoing expansion projects. Such projects include the University of Lethbridge service building replacement, Banff Centre renovations to Sir Donald Cameron Hall, University of Calgary Craigie Hall renewal.

In '05-06 \$392 million will go to continue 55 major health projects, including commencement of construction on the south Calgary hospital, the health sciences ambulatory learning centre in Edmonton; continued redevelopment of the Red Deer regional hospital, the Royal Alex in Edmonton; the first phase of the Foothills medical centre in Calgary, and the first phase of the Peter Lougheed in Calgary, as well as completion of the Alberta Children's hospital in Calgary and the Alberta Heart Institute in Edmonton.

Over \$640 million will be invested directly in the provincial highway network for new highways, highway resurfacing and widening, interchange and intersection construction, and improvements in bridgework. Major projects include continued twinning of the north-south trade corridor; continued work on Douglasdale Drive interchange on the Deerfoot Trail in Calgary; the Calgary and Edmonton ring roads, including construction of the southeast section of the Edmonton ring road and continued work on the northwest section of the Calgary ring road; 16 interchanges, including those on highway 2 at Innisfail, highway 16 at the campsite road, and, most importantly, the Trans-Canada highway and Cassils Road in Brooks, highways 16 and 21, highway 2 at Airdrie; 12 bridge replacements and 13 new bridges; and work on almost 2,071 kilometres of highway across Alberta.

On a final note regarding highway construction, Alberta Infrastructure and Transportation will be building the southeast leg of Edmonton's ring road using the new made-in-Alberta P3 process. As you'll note in these estimates, the capital investment vote for 2005-06 does not include funding for this P3 project. The \$83 million shown for this project on the statutory program page represents the projected funding requirement to deliver this project as a P3. This is not voted because no cash outlay is required by the government up front. It is the private sector's responsibility. The capital investment vote includes \$25 million per year for this project contributed by the federal government.

3:30

Finally, the ministry will invest nearly \$28 million in the construction and rehabilitation of the province's water management infrastructure. This includes components such as dams, canals, and spillways. The major project is the continued rehabilitation of the Carseland-Bow River headworks system in southern Alberta.

Mr. Chairman, it's been my pleasure to present Alberta Infrastructure and Transportation's estimates for the 2005-2006 fiscal year.

I would be pleased to answer any questions the hon. members may have. If I'm unable to provide a specific answer due to time or whatever, I'll certainly provide one as soon as possible in a written format.

Thank you very much.

The Chair: The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you very much. My comments are mostly of that nature. There are a few questions, but I'm sure there will be a response.

It is my belief that infrastructure and transportation are two highly important portfolios which should not have been combined. To paraphrase the Biblical reference, you cannot serve two masters. I would suggest that no matter how qualified an individual minister is, they cannot be expected to successfully manage two separate responsibilities upon which the development for and safety of all Albertans depends.

Both the crucial areas of infrastructure and transportation have been neglected by this government over the past decade of cutbacks. The excuse repeatedly put forward in interminable press releases and government slogans has been the need to pay down the debt. I would like to inform this House and, through the House, all Albertans that it was this government that created the \$23 billion debt and not the people of Alberta, who are forced to suffer its consequences.

Although this government over the past 12 years has received over \$69 billion in oil and gas royalties alone on top of the numerous property tax, health care premium, long-term care rent increases and deregulated electricity rate increases in addition to allowing private insurance to jack up their rates by 60 per cent, from which this government receives a cut, between a third to a half of the government's debt was borne on the backs of public infrastructure, including public and postsecondary schools, hospitals, the public service, and public roads and the 3.2 million and rising Albertans dependent upon them.

The \$9.2 billion over three years infrastructure solution to a decade of downloading onto the municipalities will not restore lost or eroded infrastructure to Alberta's two major cities of Edmonton and Calgary, never mind the needs of Alberta's fastest growing, government neglected, oil sands rich, provincial infrastructure poor city of Fort McMurray or of all the other municipalities throughout this province which have been the recipients of the government's downloaded infrastructure debt.

This afternoon I will begin by addressing the need to eliminate the department of infrastructure as a separate entity. It is my firm belief that infrastructure should be a component of each ministry's budget rather than a far-removed overseer of funding to which all other ministries must come on bended knee and cap in hand for omniscient, omnipotent, and omnipresent needed funding. I contend that it would be far more efficient for the various ministries to control their own infrastructure funding so that they could make the critical decisions and be able to carry out their own long-term planning.

This used to be the case, for example, for the ministry of public education, which was able to decide along with publicly elected local school board representatives where and when school upgrades as well as new construction were needed. Since Infrastructure took over this role and the government in its infinite wisdom took away local autonomy and responsibility to collect and appropriately invest the education portion of property taxes, which formerly accounted for 50 per cent of local school board revenue, both school programming and school infrastructure have suffered badly. When you add to the schools' suffering a prejudicial funding formula based upon

a flawed floor utilization space plan which includes hallway space as teachable space, older, now inner-city schools are drastically disadvantaged.

This ministry of infrastructure with its tag-team partner the ministry of learning attempts to wash their hands of their collective guilt or wring them in the air and protest their innocence. However, it is their fingerprints rather than those of local school board members who are all over the school closures crime, whether it was the previously closed Parkdale elementary school in Calgary or Strathearn and the other 19 schools in Edmonton on the chopping block.

Prior to 1994 school closures were rarely considered as schools were considered the heart and soul, the epicentre of the community. Now, due to this government's lack of foresight, established older neighbourhood schools are unnecessarily being forced to close. Closing inner-city schools is the death knell for reinvigoration, for growth, and as an incentive for young families to move in and renew the community cycle. The government not only robs Peter to pay Paul but uses the divide-and-conquer strategy of forcing parents in new suburbs to combat with families in older neighbourhoods to have a school. Given the billions of dollars of royalty surplus, this forced, either/or, divisive battle is totally unnecessary.

The government, while starting to correct the mistake of overcrowded classrooms, the result of punishing pupil-teacher ratios and unsupported inclusion practices, has either not addressed or poorly addressed the school infrastructure problem. Last year, for example, the total infrastructure spending, which included school renovations as well as new construction, was in the area of \$109 million. Contrast this amount, for example, with the Calgary board of education's deferred infrastructure repair bill, which now sits at over \$300 million. This government has a preference for temporary portables and new, lunch box K-3 schools with no gymnasium/auditorium although it has mandated a half-hour daily exercise, which I gather is supposed to take place in hallways or between crowded rows of desks and tables.

If education is an investment in the future, then educational infrastructure has to be an important part of this investment. Lack of investment in educational infrastructure is not limited to public education alone. An equally grim reality exists in postsecondary education, where a single dollar's investment produces a fourfold return. Alberta has on a per capita basis the lowest number of postsecondary graduates in Canada. This certainly runs contrary to the so-called Alberta advantage notion. Last fall 25 per cent of eligible students who could afford the dramatic increase in tuitions over the last decade as the government shuffled off its funding responsibility could not find spaces.

The government has announced its bold reparation plan to provide 15,000 new spaces by 2008, which is rapidly approaching, with a total of 60,000 additional seats by 2020. This sounds impressive. Unless these are virtual seats connected to the SuperNet, the government has shown no concrete evidence of carrying out its plan. I would invite all Albertans who are fortunate enough to have postsecondary institutions in their constituencies to look out their windows or walk through their neighbourhoods to search for the telltale signs of cranes looming over their horizons, which would support the government's claims. While I am pleased to see these cranes, symbols of active learning accommodation, from my temporary Edmonton apartment balcony, I am sad to say that they are not in evidence at the University of Calgary in my Calgary-Varsity constituency or, to my knowledge, at any other postsecondary sites throughout the province.

This is not an either/or, Calgary versus Edmonton competitive scenario. All postsecondary institutions in Alberta must have their

infrastructure needs addressed. Are the 60,000 spaces by 2020 a pipe dream, a distracting rhetorical scheme to win back lost favour, or a reality? Show Albertans the plan and the money.

A second strong argument for allowing ministries to manage their own infrastructural needs is the diminished state of health care in Alberta. The lack of foresight or connection to reality, especially the future, shown by this government in its lack of support for educational infrastructure is echoed or mirrored by this government's approach to health care infrastructure. As has been the case with schools, more hospitals have been closed by this government than opened despite its annual billions of additional royalty wealth.

It wasn't enough for this government to simply close half of Calgary's hospitals on the clearly foreseeable eve of a population boom of Alberta advantage seekers. They had to blow up the General. The footage of this unnecessary implosion should serve as a pictorial monument to mindlessness for all future governments, never mind in this province alone but throughout the country. Wings of this hospital were newer than those of Calgary Foothills.

3:40

As a result of this blundered, debt-riddled demolition, a series of shockwaves continue to be felt throughout the province which the rise and fall of the Premier's third way – private, for-profit, at public expense – proposal will not address. While the impact of this infrastructure closure decision is most keenly felt by the million-plus people of Calgary and its surrounding regions forced by the government to be underserved by the Calgary health region, this one combined with other health care facility cutbacks or closures throughout both rural and urban centres has created a forced exodus of thousands of health care professionals, which the province is having considerable difficulty attracting back. Even if we could entice them back, where would they literally operate?

Albertans have seen the preview of the Premier's third way in private operating rooms in what was arguably western Canada's top women's services hospital, the Grace, prior to its fire sale to its current private, for-profit operator. Since insufficient public operating space is now available due to premature closures, Albertans are on the hook for an additional 10 per cent premium to have hip and knee operations performed in this private facility, which has added to the waiting list times rather than reduced them.

If the Premier's third way includes further facility closures, reduced service provisions, delisting of coverage, increases in private health coverage, and private, for-profit contracting out, then Albertans will see first-hand the U.S. model which has resulted in 42 million Americans not being able to afford health care insurance. Calgarians will have waited for over a decade for the southeast replacement hospital to finally come online. How much longer will rural residents have to wait for health care infrastructure relief?

The fact that I have only begun to address the problems of the infrastructure ministry with little time left for transportation signifies the enormity of the problems associated with combining these two significant but should-be stand-alone ministries.

Albertans are very aware of the deteriorations of their roads and highways over the past 13 years. What they are probably not aware of unless they derive pleasure from surfing the Department of Infrastructure and Transportation's website is the projected government forecast that it is acceptable for 44 per cent of Alberta's roads to be in either fair to poor condition by 2008. Where is this ministry's concern for either highway-dependent commerce or public safety?

What Albertans don't need are infrastructure and transportation band-aids. They need a separation of the departments, a return of

the infrastructure funding authority to the individual ministries, and a sustainable long-term vision.

Thank you.

The Chair: The hon. minister.

Dr. Oberg: Well, thank you, Mr. Chair. I, too, will just make a few comments if I can, as there really weren't a huge number of questions that were just recently raised.

First of all, on the merging of infrastructure and transportation one of the things that has to be very much remembered is that in many ways an engineer is an engineer is an engineer. When it becomes a road, an engineer works a considerable amount on it. When it becomes a building, that same engineer has the ability to utilize his expertise on the building of the particular facility.

Mr. Chair, the whole idea behind merging infrastructure and transportation was to get economies of scale. The suggestion that we should put the buildings back into the individual departments could be accomplished two ways: first of all, increasing the amount of dollars to allow each department to hire their own engineers, their own architects, their own designers could be one way; or, secondly, to contract out the whole system so that each department would have contracted-out services on their particular element.

Mr. Chair, we don't feel that either of these are acceptable. We feel that we can get economy of scale by having our staff that are responsible to us in Infrastructure and Transportation actually doing the work. There are some cases where we will contract out consultants when it comes to a particular area of expertise, but these consultants are on the hook to people in my department and ultimately to myself. We feel that that is extremely important.

By having each department have their own mechanism for doing their own building, for doing their own engineering, what we're looking at is a gross lack of economy of scale, a gross overusage of taxpayers' dollars. The whole idea behind this was to gain the economy. We've brought together information systems. We've brought together concepts that have been taken from the transportation industry that can equally be utilized in the infrastructure industry.

In reality what should happen is what is happening, which is basically that the departments such as education or health care determine the priorities, which is what their operational core business is, determine the operation of their facilities. They then instruct Infrastructure and Transportation on what to build, where to build it but not how to build it. Because how to build it, quite simply, is the responsibility of the engineers, the architects, and the designers that are included in my department, Mr. Chair. I really believe that that makes a considerable amount of sense, especially in some of the smaller departments. For example, in some of the seniors' residences there's \$4 million per year that is spent on seniors' residences. In that \$4 million there's no way that you can have architects, designers, engineers employed by the department. You can, however, go and contract them out, but I find that a little bit hypocritical on what the hon. opposition has put forward in the past.

There was also a comment made about P3 schools. Mr. Chair, at this particular point in time – and I use this particular point in time – there have not been any P3 schools that have been approved. We have looked at several of them, and quite frankly one in Canmore I thought would have been an excellent P3 project purely because 20 years from now I think it's very doubtful how many students will actually be in this one particular subdivision in the town of Canmore. I think we're going to see costs there go absolutely through the roof, and I think the young families are probably not

going to be able to afford to live in Canmore. The utilization of a school 20 years down the road is very much of a concern. Any school that's put there will have to have the ability to be turned into something else, whether it's a community centre, whether it's a senior citizens' residence, whether it's another community facility. So a P3 component would have been very good.

We did the numbers on it, we costed it out, and as we do with each and every P3 project, we determined the viability of it. The viability of this particular project was not to proceed with the P3, and subsequently in this budget there was funding announced for that Canmore school to the tune of around \$11 million.

Postsecondary institutions. I will challenge the hon. member when it comes to the actual number of cranes that have been on our campuses. In Calgary, for example, there have been numerous buildings that have been built. You have the health research innovation centre, which is under way right now, which is under way today. So there are, certainly, cranes that are going on there. That is the university building that is affiliated with the Foothills hospital.

There was recently an engineering building that was built and just finished. As a matter of fact, Mr. Chair, in my former capacity as minister of learning I had the opportunity to put my handprints in the topping-up ceremony, and as recently as last week I actually did a press conference at the newly finished school of engineering. We have also turned over the Esso building, which was a research facility. We turned that over to the University of Calgary. There's also money that is in the budget for a veterinary school at the University of Calgary.

Mr. Chair, at Mount Royal College within the last two or three years there was a \$93 million project that was completed. At the University of Alberta all you have to do is drive over there and all you see, quite simply, are cranes. There are projects upon projects upon projects at the University of Alberta.

There are numerous other components. There has been a capital plan at Red Deer College. There was capital construction at Medicine Hat College. Bow Valley College is currently in line for capital construction. There's capital construction at Donald Cameron Hall in Banff Centre, which was one of the worst buildings in the province when it came to our audit scores. So I do take exception with the hon. member when he states that postsecondary institutions aren't being looked after.

3:50

I will also add one comment, and I do apologize, Mr. Chairman, for going very broad on the element of postsecondary institutions, but I really do believe that we have to look at the utilization of these facilities. We can build and build and build, but if the schoolrooms are not being utilized, then at what point do we decide that enough building has occurred?

At the Southern Alberta Institute of Technology at 9 o'clock in the morning there are approximately 30 per cent of the classrooms that are being utilized. At 2 o'clock in the afternoon there is roughly 80 per cent, and at 4 o'clock in the afternoon there is roughly 40 per cent again. We have to start utilizing these classrooms. We have to start getting central registries so that these classrooms become utilized.

A professor does not have the right to put his name on a classroom and use that classroom exclusively only when he is teaching. A typical professor at the University of Alberta or Calgary teaches somewhere between six and nine hours a week. Those classrooms have to be utilized for other classes during that time frame.

Mr. Chair, I think there arises another very obvious question, and that very obvious question is: what are these universities and postsecondary institutions doing during the summer? Do we put out

billions and billions and billions and billions of dollars simply to have these facilities sit idle during the summer? I don't think so. I think we have to move to a trimester system to allow students the ability to obtain a university education, a college education, a college diploma during the summer months as well. There's no point in building new buildings simply to keep them empty for four months of the year.

When we talk about 60,000 spaces, we have to, in all conscience, take that into consideration when we are looking at these new spaces. I think the new spaces are critical. I think it's essential that every student – every student – in Alberta goes on to a postsecondary education, whether it be apprenticeship in trades, whether it be university, whether it be college or technical schools. However, those spaces are there, and we do have to utilize them. We have to start taking into consideration the empty space, the unused space when it comes to this very critical issue.

I'll make two other comments, Mr. Chair, if I can.

An Hon. Member: Make several.

Dr. Oberg: Make several? Two others. First of all, when it comes to the whole idea of Alberta graduating the fewest university and postsecondary graduates, well, what's not taken into consideration is the tremendous apprenticeship and industry training courses that we have. We currently have 40,000 active apprentices, and this was not taken into consideration in the study that showed that there were fewer university and postsecondary graduates in Alberta than anywhere else. In Alberta we have an excellent, excellent, excellent apprenticeship system, and it encompasses some 20 per cent of the Canadian market when it comes to apprentices. These students were not included in the numbers that were shown to be the university and postsecondary students.

The last point I want to make. Much of the time was spent, actually, about schools. I agree with the hon. member that we do need to build schools and that we do need to put schools out there but for a completely different reason. The main reason is not demographics. It's not that our students are increasing. When we plot out the number of students that we have in Alberta, right now it's a zero per cent increase per year and actually declining. Over the 10 years we predict a 5 to 10 per cent decrease in the number of students, and indeed in many rural areas it is not so much: where do we put the new schools because we have a lack of space? It's what do we do with the declining student enrolment? That tends to be the most significant issue that is happening in a lot of rural schools.

In the urban centres the issue is different. Again it is not lack of space. The Edmonton public school system, for example, has 160,000 square metres of extra space. The issue, quite simply, is that the space is in the wrong areas. We used to build the beautiful sandstone schools, the beautiful permanent schools. Well, what has happened is the kids have moved away, and I don't think anyone – anyone – in this Assembly who is concerned at all about taxpayer dollars would want some of these facilities being utilized at 20, 30, 40 per cent. It just doesn't make sense when there's another school three or four blocks away.

So, yes, we do have to build some schools in some of the new areas. We have to be smart though, and we have to take a very serious look at modular schools. Anyone who thinks that they can predict demographically what's going to happen to an area may get it right for one or two years, but in reality over 10 years they're going to get it wrong. We have to make the schools flexible so that when and if a student population completely goes, you can still have a gymnasium, administration space, a library that can be used by the community on that particular site, but the classrooms, the modular

components of the classrooms can be moved elsewhere to where the students are. This I believe is an essential component of anything that Infrastructure does in the future.

Mr. Chairman, I've kind of rattled on a little bit here, but some of it was in response to what the hon. member has said. I'll certainly take my seat and await any other questions that come up.

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

Mr. Agnihotri: Thank you, Mr. Chairman. Thank you for giving me the opportunity to speak on this budget debate of the Infrastructure and Transportation department. I had written a few questions. Most of them were answered by the hon. minister, but still some more to go.

I'll start with aging infrastructure, page 311 of the business plan. Does the government consult MLAs on the priority of which capital projects receive funding? Could the minister please provide the names of the companies that bid on the recent renovation for the Calgary Rockyview hospital?

I also request you to please explain why, on page 244 of the 2005-06 Government and Lottery Fund Estimates, voted equipment/inventory purchases is \$39 million this year compared to \$48 million last year.

Please explain the cut to postsecondary education infrastructure funding from \$133,300,000 in 2004-05 to \$88,500,000 in 2005-06 on page 247 of the Government and Lottery Fund Estimates. The capital plan indicates cuts to postsecondary facilities from \$228 million last year to \$111 million this year.

The following postsecondary institutions are expected to receive postsecondary infrastructure funding: the Cold Lake campus of Portage College, Lethbridge Community College, Red Deer College, Medicine Hat College, Northern Lakes College, and Grant MacEwan. This is all in the capital plan, page 72. Why are a number of the other postsecondary institutions – SAIT, U of A, U of C – left off the government's infrastructure list?

4:00

The next one I see is on page 312 of the same business plan. What specific measures is the government taking to reduce traffic fatalities on Alberta highways? Could the minister please provide a list of the fatality rates of all highways in Alberta? What factors does the minister take into consideration when determining which roads will receive upgrades?

In regard to roads and royalties what is the department's current position on this option? Could the minister please table any documents related to roads for royalties? Will the minister please release any and all records he has regarding any plans to implement a roads for royalties program in Alberta?

I'm looking at page 246 of the 2005-2006 government and lottery fund estimates. Why did the transportation safety services budget barely increase by \$800,000? Would the minister please explain why, on the one hand, it argues that it supports traffic safety initiatives while, on the other hand, it has reduced its provincial highway systems and safety budget from \$342 million in the year 2004-05 to \$331 million in 2005-06?

The next question is regarding economic growth and changing demographics on page 312 of the same business plan. What specific upgrades are planned for highway 63 to Fort McMurray? Could the minister also please provide a timeline for these projects?

Given that the government acknowledges on page 312 of the business plan that seniors will need accessible transportation, what is the government doing to address this concern? Will it release all records and reports relating to seniors and transportation?

What steps is the government taking to ensure that there is an adequate number of commercial drivers as a number of them start to retire? Will it release all the records and reports relating to this subject?

Next, on page 312 of the business plan it states, "The construction industry that provides vital support in maintaining and rehabilitating the province's infrastructure is also faced with an acute shortage of skilled trades personnel." What information is the government using to base this claim on? Will the government deny that it is trying to make a perception that there is a shortage of skilled labour in Alberta to justify more non-union workers in the trades and, number two, to justify cheaper foreign labourers? This is the question. Would the minister please release any and all records he has regarding a shortage of skilled labour in this province?

Another question is about the intersection at 23rd Avenue in Edmonton. I just want to know because it's very close to my riding, just outside my riding. What's the present position? Is the development going soon? Is the civic government waiting for the money?

That's all I want to ask today. If you can answer today, that would be fine. Otherwise, please give it to me in writing any time.

Thank you very much.

The Chair: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Chair. Obviously, there were a huge number of questions that were asked. I'll attempt to knock off a few of them, and any that I didn't catch or any that we can't answer here today, we'll certainly undertake to get you written answers on that.

First of all, the names of bidders on Rockyview hospital. Under our privacy laws we are not allowed to give out any of the names of bidders except for the successful bid. That is private information, and certainly it's something that we can't do.

There were some questions – and I apologize for missing some of it – on traffic fatalities. In the province of Alberta each and every year there are approximately 400 traffic fatalities on the roads. Although the RCMP has this rate actually co-ordinated with the particular elements of the road, particular aspects of the road, we do not. We do not keep track of that. The RCMP does, and the police detachments do.

Just purely for the sake of interest, Mr. Chair, the 400 fatalities, that's compared to 60 or 70 homicides each year in the province of Alberta. I would just question to the Assembly how many dollars are spent on investigating the 60 to 70 homicides versus how many dollars are spent on the 400 traffic fatalities.

We have undertaken in our road safety 2010 initiative to decrease the number of traffic fatalities in Alberta by 30 per cent by the year 2010. We feel that we can do it through, obviously, increased education, through increased enforcement, through increased knowledge of what is happening on the roads as well as road quality.

We've taken huge steps with the Traffic Safety Amendment Act, 2005. Actually, the act that you have before the House at this particular point in time has several initiatives that should decrease traffic fatalities. The idea of slowing down going by emergency vehicles is huge. Certainly, those people who are running emergency vehicles should not have to worry about getting mowed over as soon as they open the door of their vehicle. That's critically important whether it be fire, whether it be ambulance, whether it be any emergency vehicle.

Secondly, the whole idea of enforcement where we have doubled the fines in construction zone areas I think is critically important because we have to raise the awareness that when there is an active construction zone, you can't just zoom by because people will walk

out when they're under construction, and we just have to have that acceptance that it's there.

The roads for royalty. I just caught a little bit of it. There is no intention on the roads for royalty. One of the issues, of course, is our royalty regime in Fort McMurray, which is a well-documented regime. I think it could raise some significant issues if we went into the regime and actually changed it because that could cause investor unrest due to the fact that that regime was opened up.

Highways 63 and 881. There are going to be a significant number of improvements included in this budget, and included in the three-year time frame is around \$120 million that is specifically for the Fort McMurray, highways 63 and 881 areas.

Briefly, what we're looking at doing is putting a significant number of passing lanes in highway 63. We're also putting some staging areas. One of the staging areas is going to be about halfway on highway 63 as well as a very significant one at the junction of 63 and 881. The rationale for there is that the heavy loads, the over-height, overweight loads, are destined to go through Fort McMurray between the hours of 1 o'clock and 3 o'clock in the morning. What we're doing is putting a staging area that will enable them to get through Fort McMurray in that two-hour stretch. So that will be significant.

4:10

From the junction of 63 and 881 through to Anzac we're looking at widening the road. One of the issues there is that the roads essentially have no shoulders, and these huge loads are going through towns with basically no shoulders on the road. So it is essential. We do have some land negotiations that have to take place there, and we're currently attempting to do that as quickly as possible.

I think highway 881 affords us a huge amount of potential. It is another route. It is an optional route that we could quite easily turn into a truck route that would take a lot of the pressure off highway 63. Highway 881 will have some significant improvements to it this year again. Approximately 40 or 50 kilometres of paving will occur. Another issue with 881 is the potential for truck traffic to go on there, albeit it would be a little bit longer. I think we have to take a look at alternative routes up to Fort McMurray.

Another interesting question which arises on the whole Fort McMurray traffic issue has to do with highway 63. Realistically, the number of trucks and vehicles on the road on Sunday nights and Thursday nights is huge, but the rest of the week, Mr. Chair, actually, there is not that significant a number of cars and trucks on that road. During two days of the week there certainly is a significant issue, and I think that can be addressed in several ways.

The skilled labour is a very interesting point. Albeit not in my particular department, I'm really glad, actually, that the hon. member asked me that question because I was the minister of the day who brought the skilled temporary foreign worker agreement through to fruition. Included in that document, which has been tabled in the House, is the need that there has to be comprehensive advertisement and evaluation of the labour markets. It has to be shown by the companies to the federal government that there is a labour shortage before any temporary foreign workers can be brought in. Those foreign workers must be paid the going rate. There can be no decreased salaries for these foreign workers.

Interestingly enough, as well, Mr. Chair, included in this is the requirement for the Department of Advanced Education to actually physically go to the country and certify these people in their country before they come over. We don't necessarily want someone saying that they are a welder in a particular country, arriving here, and having no usable trades that can be done. So they are going to be certified in the country before they come over here.

Lastly, the whole idea behind a temporary foreign worker is just that. It's to protect our workforce. It's to take these workers, bring them over here for a temporary period of time when they are needed, when there is the workforce boom that is going on, when we can't supply it, and then at the end of three years they have to go home. They cannot stay. They do not become landed immigrants. They must go home at that time. I think that that's very advantageous to the unions. I think it's very advantageous to all of the workers because we don't then have the glut that can certainly be created by the influx of the actual jobs.

We all see the huge amount of construction jobs that are there at the moment, and we know that this is not going to continue. It may continue for the next five or six years, but after that we don't necessarily want a bunch of unemployed construction workers. So, Mr. Chair, that's why they're going home, and that's why it's a temporary foreign worker program.

The other question was the intersection of 23rd Avenue. Mr. Chair, that is a municipal responsibility. The municipal government in Edmonton has stated that that is their number one priority, and they're going to be looking at doing it.

The interesting point about that interchange, for those of you who are wondering about price, is that it's estimated to be \$107 million for that particular interchange, which is an absolutely massive amount of dollars for one interchange, albeit a very important one. It's very close to the hon. member's riding, which was just alluded to, but it is a lot of money. The city is looking at doing this as one of their priorities with the municipal infrastructure funds that were just given out to them.

Mr. Chairman, through to the hon. member, I'm sure that there are a lot of questions that I didn't answer. We will endeavour to get the answers to them and to the hon. member in as expeditious a time as possible.

Thank you.

The Chair: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you, Mr. Chairman. I have a few general comments along with the odd question along the way. I notice, and of course it's been trumpeted, that the budget for infrastructure is increasing by 10.6 per cent to nearly \$4 billion. That all sounds extremely impressive. It's a lot of money, but it's relative. I think we would all agree that there's been an infrastructure deficit in this province. There's no doubt about that, whether we're talking about schools or hospitals or seniors lodges or whatever. So it's hard to tell at first blush, because we've allowed the infrastructure to fall behind for so long, whether this is enough or not. Probably not. My guess is that in the next budget year there'll probably have to be almost a similar increase.

The only point that I'd make in a general sense, though, is when we look at parts of the deficit. I know that the \$3 billion – the bulk of this is what was announced before – that's going across the province in new infrastructure was roughly a billion and a billion and a billion, which didn't quite work out that way. That money is needed. There are just a couple of questions flowing – I think the minister alluded to this in question period at one point, but there is always sort of the Big Brother's control. We always argue about the federal government meddling in terms of provincial affairs. It seems that we give out the money, but the minister still has some control, I believe, of how that money is going to be doled out. I'm not sure why we needed that because I think most municipal governments know what their needs are. Maybe the minister – he did expand on it in question period – could expand on it a little more.

The only other point I'd make about that particular amount of

money is that one size doesn't fit all. Rural areas have different sorts of infrastructure problems, probably mainly to do with roads. Cities have different sorts of problems. The point I'd make as an Edmonton MLA: when this eventually came out, I believe that of the billion here it's \$678 million to Edmonton, and I think the capital region gets \$952 million, as I recollect.

The only point that I'd make to the minister is that the core in Edmonton is different in the way it has grown. The core is in the city of Edmonton, and the city of Edmonton does have different problems in infrastructure than the surrounding areas do. Somehow, the sort of broad brush – and I'm not sure there's an easy answer to this – of a third here, a third there, and a third there doesn't necessarily work, I don't think, especially well in the Edmonton area because the inner city or the established part of the city is older, has more infrastructure problems, has more people coming into the city. The other places don't need to worry about LRT and these things.

I would hope that in the future perhaps – and it probably won't be easy – we find a way to get away from this one size fits all because I do think that hurts the inner core, especially in the city of Edmonton. So I'd leave that with the minister. If he has some comments on that, that would be fine.

He would be surprised if I didn't go into some other areas like chartered flights and school closures and P3s and these sorts of things. The chartered flights. We've had some debate about this, and I guess I would say to the minister that I think there is an abuse here, perhaps not meant to be, but it becomes too convenient, I think. All of us, especially with Adscam and the rest of it, all people in public life are being judged, I think, differently and perhaps rightfully so. I don't think it will ever be business as usual.

4:20

So I look at the fact that we have our own government air and vehicle fleets – and all charters have two pilots on board – and there's been some discussion, as the minister's well aware, of whether that's been abused or not. I understand his point that sometimes a minister has to go to a place in northern Alberta or southern Alberta. There is the odd time that you have to do that. I don't think any of us are questioning that. I think what is questioned by the public and others is whether it becomes sort of the means and not always the end.

Then, when I look at the private aircraft charters that the minister released the other day, it's hard. Maybe there's some legitimate reason, but when you go through them, you know, we see planes flying empty between Calgary and Edmonton. These are the charters that I'm talking about, that people have mentioned in question period the other day. Here's one, a mystery one, a charter costing \$3,576.50 simply called one trip but destination and passengers unknown. Then we have two unnamed passengers fly from Edmonton to Vegreville. That's an hour away.

The minister said there may be a good reason. I'm sure he doesn't know, and I don't expect him to know, every one of these flights. But I guess the point that we would make, I think, maybe to the minister is that there has to be some better controls over both the government flights and the air charters, especially when we say we don't know. You know, it's a mystery flight. In this day and age I think we have to be more accountable than that.

I remember the minister being – what did they used to call you guys, the Deep Six and that? You were going to control government expenses and get government out. Here's a good way to start. You can be a Deep Sixer again and start to look at how this is being used or abused. I think, perhaps, to come back with some guidelines – and maybe the minister is looking at that about when this could be used and how – then there would not be this criticism of the

government. I think that if there's not the criticism, all politicians are served better whether we're in opposition or in government.

So, Mr. Chairman, I go on from there to P3s, one of the minister's favourite topics. Now, I honestly don't see why we are rushing into some of these P3s. The big one is Henday, and I'll talk about that in a minute. But the record with P3s all over in Canada and all over everywhere I've seen is not very good. The minister's well aware that the Nova Scotia government, a Conservative government after a Liberal government brought them in, got rid of it because it said the work was shoddy; they were paying too much. There are just many, many cases of where this is happening.

I know the minister says: Well, we check to make sure that we're getting the best bang for the buck. And, you know, the Calgary courthouse – they eventually did get out of it. But I wonder why we need to do it, I mean, especially in building. There may be a case for a P3 like the SuperNet maybe or something like that. But in the traditional way, especially when we have as much wealth as we do, even if we needed to borrow money, which we don't right now, we can get it at a very low rate, cheaper than companies can do it. And there's still the private sector involved in terms of tendering and the rest of it. So I almost think it's ideology, the triumph of ideology over common sense and why we need to do this.

Now, we've had this discussion in question period about Anthony Henday, the southeast Edmonton ring road. Well, I looked through the figures – I'm sure that if the minister thinks I'm wrong, he would be not too shy in pointing it out. But, Mr. Chairman, when we go back in the history, on September 22, 2003, the estimated cost of the 11 kilometre stretch of road connecting highways 2 and 14 was \$300 million. Eighteen months later the cost is now \$493 million, almost a 60 per cent increase. The government's justification is that in addition to construction inflation – well, inflation may have been that we waited too long instead of waiting for a P3 – which is running 8 to 10 per cent, they've added things to the project including two additional bridges, six lanes instead of four lanes, maintenance of 14 kilometres of southwest Anthony Henday as well as the southeast ring road.

Now, I don't pretend to be an expert to know whether we needed all those things or not, but I wonder. In September we didn't think we needed it, and it was \$300 million. Now we need all these things with the P3, and it's gone up to – well, the minister has said that it would cost between \$452 million and \$497 million if it's built by conventional financing. But the P3 costs, we're told, would be \$493 million.

The minister sort of spun it that it would be a \$4 million saving. But then the government release that was put out, as the minister is aware from question period, said it would have cost up to \$497 million, that it was a range. So we don't know if it's the low end of the range or the middle point or whatever. In fact, the cost could be up to \$41 million higher under the government's own figures because of the range. So you can say that at the top range the best case scenario is \$3 million – right? – on that end, but it could be at the other range. It could cost us \$41 million more. I think it should be a little more definitive than that.

Mr. Chairman, I don't think we need P3s, but I would ask the question flowing from this. The Auditor General has issued a set of six recommendations on P3s:

1. improve the definition of a P3
2. determine key prerequisites to identify projects most suitable for P3s
3. define when differences in key processes are appropriate
4. improve the timeliness of information and the overall analysis of alternatives to decision makers
5. define what constitutes a significant change in project scope
6. evaluate transparency and accountability of P3s.

My understanding is that the government has accepted them, so I guess the question that I'd ask the minister is: will the minister apply these recommendations from the Auditor General retroactively? That is, will the minister, for example, evaluate the transparency and accountability of the Edmonton ring road under the P3? Even if you believe philosophically in P3s, those are the things the Auditor General has laid out, that we should all have access to know whether we're getting a good deal or not. So that's a question that I have for the minister, if he is going to do that and lay out to the public and the Legislature how he's followed those six recommendations from the Auditor General in that thing.

Now, one of my least favourite topics, because I've had to deal with it, is school closures. The minister has alluded to that. Mr. Chairman, the minister talks about unused space and the rest of it. I was there. I know, you know, the arguments one way or the other. But I think we have to look at schools differently. I know this is not in the minister's area. It's in education, but the minister is the former minister of education.

This school closure process as set down by this government just doesn't do the job. It's almost a recipe to close schools. We've mentioned that in Ontario they've changed that because they look at schools differently. They know what it does to the community if you close a school down, whether it be in rural Alberta or urban Alberta. So they made it a much more rigorous process to do it. It doesn't mean you can't close a school down. It doesn't mean, Mr. Minister, that schools – and I've said that – can't close themselves down. They can. But when we get into what's happening in the Edmonton public with the cluster groups fighting each other, one principal on this side, parents on the other side – it happens in rural Alberta, and the minister's well aware of it – it's a very divisive process. So we should come at it from a different way. I'm sure the minister is aware of it. He's had discussions, I think, with the school boards.

4:30

Let me give you an example. Older schools – and most of them in Edmonton are older schools; probably in Calgary too – are just different than the new schools that the minister is talking about. I have no objection to this modular approach with the new schools, but that's not the reality of most of our schools. I think in Edmonton – don't quote me on this, but it's pretty close – in the next couple of years over 50 per cent of our schools in Edmonton public at least will be 50 years of age or over. Now, the problem with the older schools, when you use the utilization rate that the province is using, is that it doesn't take into consideration the difference because the older schools have thicker walls, wider corridors, and smaller classrooms. So we take the building, and everything is included.

Let me give you an example of one of the potential schools that's on the block, Mr. Minister. This is from back when I was a public school trustee, and we had the board look into this. It says that older schools before 1950

generally have much wider corridors, smaller classrooms, and, in some cases, thicker walls. When an area per student factor based on current design standards of 60:40 is applied, it results in the school having a larger rated capacity than is realistic. For example . . .

And I'd like the minister to look at this. The minister was well aware. This school was praised in the Learning Commission.

. . . North Edmonton School has wide corridors and large separate boys and girls mud-rooms. The school's 14 classrooms rated at 25 students would generate a capacity of 350. The current formula, based on area per student, does not allow for the older architectural style of the school and generates a capacity of 448.

If you go into that school right now, all the classrooms are being used. I don't know where you'd put them. There are 200 there. I

think even 350 is too much. Certainly, 448 is patently ridiculous. I mean, if we're going to use the utilization rate, at least it should apply to a per-student factor in what we would term instructional areas. I think there's been some discussion. Perhaps the government is looking at their utilization rate, so we could talk about that.

I guess what I'm saying is that we should look at the school closure, and then we should begin to look – and I thought the minister was sort of alluding to that – at a school as a community centre. We're doing that with some of the new schools: the George P. Nicholson school for example, as the minister is well aware. The Y is there. Capital health is there. That makes sense. If it makes sense in the new schools that the minister is talking about, surely it should make sense in rural areas and in the inner-city schools.

The minister is right when he says that people just want to look at demographics. We don't know what those demographics are going to be. In fact, many of the people can't afford new schools. Eventually young people out in the suburban areas are going to have to look back to some of the inner-city places if they want to buy a house. That's starting to happen. In fairness, I don't think the Edmonton public is aware of that, and I've made that case. They always look at the demographics, and they could be outdated right away.

Why don't we say that if it's good for the taxpayers, if there's a seniors' group in there, if there's daycare, if there's this or that, and the school's being used – it's all the same taxpayers – why can't we include that as part of the utilization? I think makes eminent good sense. As I've said, we've sort of accepted that, and the minister, I think, half alluded to that in the new schools. Why don't we do that and avoid this divisive process that we go through?

In 2001-2002 the Edmonton public school district provided almost 70,000 hours of after school community use in gymnasiums and classrooms. Again, I suggest to the minister that it's all the same taxpayer. Maybe it's not from the one department. It could be from Children's Services, seniors, all the rest of it, or whatever. That make sense for the community. Then the community can begin to cut down the spaces. Maybe you have to demolish part of a school or whatever, as the minister is talking about, but keep the school there as a community centre.

It's especially crucial for high needs. Now, I'm as upset with the Edmonton public school as I am with the minister because in high needs areas – and these are kids that I've always represented – this idea that bigger is better and they can offer more programs is ludicrous. The evidence is overwhelming right across here and from the Edmonton city centre project that small schools are the best for those kids, especially high-needs kids. They need the stability, if you like, of caring teachers. They need the stability of a small school because they come from unstable backgrounds.

The Chair: Your time has elapsed, hon. member.

Mr. Martin: Okay. I could go on longer.

The Chair: The hon. minister.

Dr. Oberg: Thank very much. The hon. member has raised a lot of issues here. I'm going to touch on as many as I can.

First of all, I want to combine two of his issues. His first issue was on the relativity of the infrastructure dollars and whether or not there is an infrastructure deficit. I don't think anyone, certainly on the government side, would deny that there is an infrastructure deficit in Alberta. There are a lot of things that need to be built. There are a lot of schools that need to be built. There are a lot of roads that need to be built. There are a lot of things that need to be

done. All of that is very much a sign of a booming economy. It's a sign of an economy that's taking off, but it's also more than that, Mr. Chair. It's a sign of a government that paid off its deficit and paid off its debt because that's what the people who elected us told us to do, so it's also a sign of a government that did its job.

Our job now, though, is to go after infrastructure. It's to improve roads. It's to build infrastructure. It's to get it back. I'll be the first one to say that we probably let some projects lag over the last 12 years due to the fact that we were paying off our debt, but there's a new horizon now. There's new ability with the debt paid off so that Albertans can truly realize the issues that they have seen over the last 12 years.

[Mr. Lindsay in the chair]

I want to now put that into the context of a P3, and I'll use the Anthony Henday as an example, Mr. Chair. The Anthony Henday is a project that cost \$493 million, and it's very unfortunate that the hon. member wasn't at Public Accounts this morning because we got into a very interesting discussion on risk assessment, risk management, and risk assumption. It became very, very apparent that the P3 element of risk assumption by the private sector was very valuable to us and was a very important component.

Included in this budget are a lot of cost overages. In fact, Mr. Chair, of the \$9.2 billion that is included in this budget, included in this three-year plan, there's \$762 million in cost overages – \$762 million in cost overages. These are dollars that have not gone to improve facilities. They're not dollars that could have been used to build schools. They're dollars that have simply gone because the economy is booming, because the price of wages has gone up, because the price of steel has gone up, because the price of the economy has gone up. So those dollars have been used for that.

The point that I'm trying to get at here is that on the P3 the whole risk assumption is done by the private sector. We have one cost, and that one cost is \$493 million, that we will be paying back over the next 30 years. Included in that cost is the ability to operate the system. Probably more importantly, in a conventionally funded project we have a guarantee for one year, possibly two years on some projects. On this particular project, because the private sector continues to assume the risk, there is actually a 30-year warranty, or a 30-year guarantee, on this project. So there are no cost overages, there's a huge warranty, and all the risk assumption is in the private sector. All that's wonderful.

More importantly, I have not taken \$493 million out of this budget and simply put it towards one project. I have enabled this government to do other projects around the province to develop the other infrastructure deficit that is out there. There is more to this province than simply Edmonton or Calgary. There are a lot of other areas in this province that need a lot of infrastructure work. If I were to sterilize \$493 million so that we could not use those dollars in other elements of the province, quite simply, there would not be any roadwork done in Brooks, Alberta. There would not be any roadwork done in Bonnyville, Alberta, or in Olds, Alberta, Mr. Chair.

4:40

That's exactly what we did on the P3s. They are borrowed money that's going to be paid off over a period of time, Mr. Chair. That's the rationale for P3s. It frees up dollars. It gives us a 30-year warranty. The risk assumptions on cost overages are all on the private sector.

The hon. member raised the question of the municipal infrastructure program and the whole idea of control. In a perfect world, Mr.

Chair, we would simply turn over the money to the municipalities, and all the municipalities would use the money in absolutely the best possible fashion. We are still stewards of the taxpayers' dollars in this particular Legislature, and those dollars are going through to the municipalities.

[Mr. Marz in the chair]

This program is for needed infrastructure within the municipalities. We have to ensure that a municipality doesn't say, "Oh, by the way, I'm going to put this money to a recreation centre," and then next day come back and say, "By the way, I also need a water treatment plant." I think we have to recognize and realize that there are some priorities in life, and some of the priorities that are extremely important are water treatment, water sanitation: things like that.

This is not going to be an onerous task. It is not going to be a task that's going to require a lot of time or a lot of paperwork. Quite simply, we want to ensure that the municipalities have a capital plan, that they follow this capital plan in their priorities. As a matter of fact, Bob Hawkesworth, a former colleague of the hon. member, has put forward as the president of the AUMA that each municipality should have a capital plan, and these dollars should follow that capital plan. If that were to occur, then the approval process would be extremely, extremely simple, Mr. Chair.

The other point I wanted to make was a billion, a billion, and a billion. Again, we've got to get over the Edmonton-centric type of viewpoint on this one. If Edmonton were to receive a billion dollars when in actual fact it would be due \$677 million, then Lethbridge, Red Deer, Bonnyville, Wainwright, and all these other towns in the province of Alberta, and Olds especially, Mr. Chair, would not receive the same amount of per capita funding. Certainly, the point can be made that Edmonton has unique needs, but the point can also be made that Bonnyville has unique needs, that Olds has unique needs, that every other part of the province has unique needs. I think a wonderfully unique need is the amount of roads, particularly in some of these small municipalities where there is a small population but there's a vast amount of roads that need to be worked on, that need to be paved in these particular areas.

We have to recognize that in government simple is better because the more complicated we get it, the more it costs us to actually administer a program and the fewer dollars that actually go down to the municipalities to actually do the things that are needed.

The simple way to do this was to do it on a per capita. I think we had to recognize, and certainly we did, that there are some municipalities that are just too small, but they still have some infrastructure needs. We can't have them paving 15 feet of road one year and 15 feet of road the next year. We have to give them a critical mass, which is the reason why \$500,000 was set as the amount that all municipalities would receive regardless. This amounted to 99 per cent of the dollars being given on a per capita basis.

Also, what it did is that the metro Calgary area accounted for \$972 million, and the metro Edmonton area accounted for \$952 million. Realistically, Sherwood Park, you know, being two miles or so from Edmonton, should have the same population needs, have the same issues as metro Edmonton. Certainly, the hon. member made a point about Edmonton being older and its downtown and some particular areas, and that's true but no more true than it is in High Prairie, Alberta, no more true than it is in Bonnyville or Brooks.

So every municipality has individual needs, every individual municipality has unique needs. This program has been embraced by these municipalities and encompasses all these various needs. So you're right: there is no easy answer to this one. But what we've

attempted to do is deliver these funds out in as fair a fashion as possible, and I really think that we have achieved it.

Since I've arrived at this ministry, there have been numerous questions about charter flights, about aircraft flights. It's been in many ways a sexy issue du jour. The *Edmonton Journal* did an interview with me back in June. They spent a lot of money on it, trying to dig up dirt. In reality, what they got was not necessarily dirt, but because they had spent so many dollars, they had to spin it into a story over a five-day period. I think what it did was successfully alienate a lot of rural readers. It successfully alienated a lot of people we see on an everyday basis because of these planes, because we're able to go out and visit rural Alberta, because we're not in our cars for three and four hours a day. We're actually having meetings; we're actually carrying on the business of government.

Quite honestly, Mr. Chair, if I were an opposition member, I wouldn't want government to have airplanes either because it makes it too convenient. It makes it too easy to go out and see our constituents, to communicate what we're doing, to tell people what we're doing, all elements of a good, good government. Quite simply, I wouldn't want it either if I were them, but it is a good way to do it.

A couple of things have arisen, though. I haven't made these announcements, but for every troublesome bit, for every problematic bit there is some good that comes out of it. I'll give credit where credit is due: to the opposition members.

An Hon. Member: No.

Dr. Oberg: Okay. I won't.

In going through the charter logs – and I'll do two; I'll do one for the opposition New Democrats and one for the opposition Liberals. In following through on the charters, what we found was that our records were not very good. There were some significant issues in how our records were kept from the chartered companies. I think that the hon. member alluded to a couple where there wasn't a destination on them. The unfortunate part is that we did not have that information. I have now alleviated that. There is a strict regime and a strict protocol so that even on charters we have to know what it's for, where it's going, and who is on the plane.

The second issue was actually raised by the opposition Liberals, and that was the issue about the wonderful bookkeeping system that the federal government has when it comes to planes. Well, we looked into this. The first thing we did, of course, was the easy way, which was to go on the Internet and attempt to find the flight logs. Well, Mr. Chair, they're not on the Internet. They're not posted on the Internet.

So we contacted the federal Liberals, and we asked for their flight logs. They said, "Well, the flight logs are public." I said, "Yeah, and we would like a copy." They said, "Well, there's an issue." I said, "Well, what's the issue?" "Well, the issue is that they're in the library." And I said, "Why don't you just copy them and send them to us?" They said: "No. Sorry, we can't. You have to come to the library in Ottawa in order to get them." Despite the fact that they have said that they're made public, the actual accessibility to the public is very, very limited.

Mr. Chair, we are going to be putting our records, our transcripts, our charter records in the library, as well, so that anyone who wants to come to Edmonton to take a look at them, in very much the same fashion as the federal government, will be able to.

I will emphasize, though, that out of something negative comes something good, and I think we have really gotten a better record keeping system. I think a lot of the issues that have been brought up in this House are due to poor information, poor record keeping, and

I've certainly tightened that up since I've become minister. As I say, part of it certainly is due to the opposition and their line of questioning.

The other point I wanted to make was on the P3s. The hon. Member for Edmonton-Decore asked a very good question of the Auditor General at Public Accounts today. He asked the Auditor General: could you please explain your comments on P3s? The Auditor General said that P3s are a "viable" alternative that should be looked at in each individual case. Again, that's why we look at them in each individual case. I'm not saying that in every circumstance a P3 is the direction to go. I'm not saying that in every particular case conventional financing is the way to go. What I am saying, though, is that we owe it to taxpayers to take a very close look at each and every opportunity that is there to (a) get a good product and (b) use as little of the taxpayers' dollars as is absolutely possible.

4:50

The other point was about the \$450 million to \$496 million range, and that was outlined very clearly in Public Accounts this morning, where we can have on any project a plus or minus 10 per cent of what we estimate the cost is going to be. If it is more than 10 per cent, then we consider that unacceptable, and we take a very serious look at what could be causing it to be more than 10 per cent. It could be a shortage of workers. It could be an increase in products. It could be that we made a mistake in our estimates. But we take a very close look at it. In any project there is a plus or minus 10 per cent from an estimate. There is no guarantee that an estimate is the price that something will be built for.

Again, I'll use the example of \$762 million in cost overages that are presently included in this budget that are part of that plus or minus 10 per cent that occurs. The unfortunate part is that these days we don't get many that are in the minus 10 per cent range. We get a lot that are in the plus 10 per cent, and that's where these budgetary commitments are.

The hon. member makes a reasonable point about the financing costs. The interesting point about the P3 is that the financing costs included in that P3 are about 6 and a quarter per cent. We probably could have borrowed the money for about 5 and a quarter to 5 and a half per cent, so we might have shaved off about three-quarters of a point. But even with those dollars this proposal came in cheaper than what we could have done it for. So all the benefits that we talked about already, the 30-year plan, the risk assumption, all of that was included in this P3.

I think we have to seriously take a look, as the hon. member has stated, at potentially accelerating some infrastructure building by looking at alternative ways of financing. Whether or not it's us financing, whether or not it's a private company financing, I think we need to keep our brains open to whatever possibilities are there. You know, the hon. member just makes some pretty good statements such as: they're all the same taxpayer. We've got to remember that when it comes to things like school utilization and paying lights and power and things when you're lighting an empty school.

You know, one of the unfortunate parts about being transferred from one department to the other, in my case from being minister of learning to being Minister of Infrastructure and Transportation, is that you kind of have to put your money where your mouth is. I was one of the outspoken critics of the utilization formula on this side of the House. So we are taking a look at it, and we feel that we can get a better system than the utilization formula.

The hon. member was absolutely right when he talked about thickness of walls, when he talked about distance in hallways, when he talked about gymnasiums, all of these different variables that are

out there. I think the utilization formula was good for what it was initially intended, but we are going to be taking a look and ensuring that a different formula will be in place. Included in that is a different distribution of the dollars. I will not say that it's going to allow any changes to whether or not a school stays open or a school closes because, quite simply, that was not the rationale that Edmonton public, as an example, was using for their school closures.

I'm kind of running out of time here, but there's one other very important element that I just feel I cannot leave, and that's the whole idea about small schools. For those of us who have been to small schools, I think there are a lot of attributes. But at times we have to move beyond the intuitive nature of education, and we have to start looking at some hard-and-fast facts.

One of the very interesting things about small schools – and I'll use the rural schools as an example. If you went exclusively on class size as the only determinant of whether or not a person is successful in schools, what you'll see is that rural students do not do as well statistically – and it is statistically significant – as they do in urban schools. One of the issues that we have to find, that we have to identify is: what is the reason for that? My belief – and I think that there's a valid component to this belief – is that it does tend to be learning opportunities. Quite simply, in many of the rural schools there are not the varied learning environments, there are not the varied learning opportunities.

I think that the whole idea of the SuperNet is going to enhance rural schools. I think it's going to be a huge, huge mechanism to give the rural schools an opportunity to stay open by simply offering more classes. I think we do a disservice to our students by only offering a few classes in some of these exceptionally small schools. Smaller is not always better, Mr. Chairman, in all sorts of things in life. Especially when it comes to schools, there's a point to be made that there is a critical mass that is needed for a school.

Just to close, in any study that has been done in Canada, in the last study that was done it showed that 15-year-old kids actually did have a correlation with class size. The larger the class size the better the students did as 15 year olds.

Thank you.

The Chair: The hon. Member for Whitecourt-Ste. Anne.

Mr. VanderBurg: Thank you, Mr. Chairman. Budget 2005 has set in motion a \$9 billion construction plan. This will ensure that the infrastructure that Alberta needs in place to support the future growth of our province will happen.

The recent announcement of \$577 million worth of construction for a world-class health and learning centre in Edmonton will change the way patients are diagnosed and treated and how medical students are trained. If this facility was being built in my constituency, I'll tell you, we'd be shooting off the fireworks, and we'd have one party. But given that there was very little recognition for this announcement, I will thank you on behalf of the constituents of Whitecourt-Ste. Anne that will use this facility. This is a great announcement for Edmonton and for all of Alberta.

I had some mayors contact me with regard to the Alberta municipal infrastructure program, and I'll list off a few questions with hopes of bringing back some answers this weekend. I have a small community like Alberta Beach that needs some new projects to deal with their water and sewer, and this new infrastructure funding will be given from your department to them over the next five years. What they need is all the funding at one time. They may have a project that's about \$600,000 or \$700,000 – not \$600 million or \$700 million – and I'd like to know whether the community could ask for lump-sum funding.

Also, I've had the county of Lac Ste. Anne ask me if the cash from this new infrastructure program could be used to gravel roads. Again, I didn't have the answer off the top of my head. Then, again, the same municipality asked me if a group of municipalities – remember, I have over 20 mayors and reeves – could pool a portion of this new funding and dedicate it towards a regional project like a seniors' facility. So, again, I didn't have the answer, and I was hoping for some clarity.

Then the summer villages. I have 12 summer villages with 12 mayors. Some of them don't even live in my constituency. They live in other parts of Alberta, but they do a great job of representing their local summer village, and they're asking more about the clarity of the funding, how they got the funding versus larger communities. So I thought maybe you could expand on that.

Then moving on to another issue – and it was brought up by the previous speaker – about airplanes. Well, those airplanes come into my fire base carrying fire crews. I think little gets said about that, and I'd like to know if you have a little bit of information with regard to the fire crews that we carry around our province and across to Saskatchewan and British Columbia and I think in previous years even to Washington and Montana, that we use our Dash for. We really hear nothing about that use of our airplanes.

5:00

My last point is this big structure that's just north of this building. It's been empty for a number of years. It's the old federal building, and it's been a pet peeve of mine that I've brought up every year during this period, wondering if there's anything in this budget to either paint a sign that says, "For Sale," or just demolish the damn thing and get rid of it.

That's it for me, and I look forward to those answers.

The Chair: The hon. minister.

Dr. Oberg: Thank you very much, and thank you for those excellent questions. First of all, with the \$577 million on a program in Edmonton the hon. member is absolutely right. In Alberta we tend to get spoiled. Five hundred and seventy-seven million dollars on any project anywhere in the world is absolutely huge. To have it in a particular hospital or a particular ambulatory learning centre, as this is, is massive. As a medical doctor and now as the Minister of Infrastructure and Transportation I'm extremely proud to be able to take this part in health care reform, and I really see this as the next step in health care reform.

I had the opportunity of working in the Colonel Mewburn Pavilion, which was on the site of the University hospital. It had 32 patients in one ward. I then had the opportunity to be one of the first medical students in the Walter C. Mackenzie health centre, which is the new hospital that is over there, to see the advances and some of the trials and tribulations with that. Now I have the opportunity to see the next evolution of health care reform.

For those of us in rural Alberta I think it's underappreciated what is going to happen here. In rural Alberta this is huge because what it simply means is that you can make one trip into that facility and see all the specialists and have all the tests at one time or over a period of two to three days as opposed to making trips back and forth. This is sort of the Mayo Clinic approach to medicine, and I think it's the way of the future. I think it is going to provide excellent service. I think it's going to provide quick diagnosis and quick treatment to all the patients who utilize this. It is not necessarily a hospital where there is going to be a huge number of beds, but I think that this is significantly better. So I agree with the hon. member that this is just a huge announcement, and quite simply I

wish I could have made the announcement in Brooks. It would have been absolutely wonderful. In Edmonton, though, it manages to make it on to page B27 of the paper, which I guess is fitting.

The municipal infrastructure program. I'll attempt to address your questions. They cannot get all the funding at one time, but they do have the ability to save it. They will get a cheque each and every year. They will be getting five cheques. They will have 10 years to spend it, and there's no problem with them actually accumulating it and, indeed, accumulating the interest as well. The interest can be utilized towards their capital funds. They can't for example, though, take the dollars, put them in the bank, and use the interest off those dollars to run their town. It can't be used for operating. It still has to be used for the capital expenses. So that kind of does the lump funding as well.

Gravel roads. Sure. If the highest priority in a municipality is the gravelling of roads, then I see no reason why that can't be done. Again, though, we have to ensure that these are the highest priorities. We're attempting to eliminate some of the infrastructure deficit and debt in the municipalities. Gravelling roads is probably on the borderline of being a capital expense, but on the other hand if that's their highest priority, then certainly they'll be able to do that as long as everything else is done.

A group of municipalities pooling funding. As opposed to saying anything against that, I would strongly encourage it. I think it's absolutely the way to go, especially where we have a bunch of municipalities in a small area that can pool these funds together and actually achieve a greater economy of scale. So I would certainly encourage that, and from my point of view the ability to do that is huge, and I would like to see it.

Summer villages. What we decided is that we could not use the \$500,000 range for summer villages because there were some that had, you know, 50 people, and these 50 people were temporary people. We could not give \$500,000 to 50 people for their summer village. What we did do, though, is we used a formula that had \$50,000 as a base grant plus the \$904 per capita. So \$50,000 plus \$904 over the five years is what was done, and I think that that's a pretty good system to do.

The airplanes. The hon. member is absolutely right. Too much time and energy has been focused on whether or not a particular minister took someone on an airplane to a meeting and what the meeting was for. We have to remember that these planes are there on an urgent basis when there's a fire, when there's a natural disaster.

I was up in Grande Prairie attending an AAMD and C convention, and I'd flown up there in the morning. I came there, and the plane was gone. The reason the plane was gone is that there was an incident in a town in northern Alberta where someone had a gun and was holding his wife hostage. Our planes went down, picked up the RCMP SWAT team, and brought them up to that particular community. So you cannot put a price tag on that type of ability. These are the things that we see. Thankfully, that was not a common occurrence, but it certainly is an occurrence. Fire crews, however, are a very common occurrence.

The other issue that we have with our Dash is that each and every Thursday that Dash flies down to Calgary for the land sales, which bring in huge amounts of dollars for this government, and typically there are 30 or 40 people on the plane. So we achieve a huge cash savings to us by allowing these people to utilize that plane.

The last question – and again this goes a little bit back to the comment that I made. When I started off in this government, I actually lived at the Inn on 7th for a short period of time. I walked past the federal building, back and forth, each and every day and each and every night, and I, too, felt the same as the hon. member

saying, "What the hell are we . . ." I mean, Mr. Chairman: "What are we doing? What are we doing?" I'm sure *Hansard* will correct that.

An Hon. Member: You said: what the heck.

Dr. Oberg: That's right.

"What are we doing with this building that looks like it's had such good potential?" Well, here we are 12 years later, and I, too, have been critical of this, and I, too, have been wondering what was going to be done with the building. Now I am in the position where something has to be done, and I will vow that by July of this year, August at the latest, there will be something done with the federal building.

We have undertaken a study of the federal building, the Annex, and the Terrace Building to see what is the best utilization of these three aged buildings. It's not entirely altruistic as well. One of the issues that we have with the federal building is that within two years we're going to have to put in \$250,000 to replace the roof. Do we put \$250,000 into a building that is just going to sit there? What makes more sense to me is: why don't we plan for what this building could actually be? Let's utilize this building. Whether it's selling it, whether it's turning it into offices, whether it's turning it into condominiums, well, let's use it. It's too nice a building and it's too important to Edmonton's downtown to be sitting there empty. I will certainly give an undertaking to the hon. member that that will be done this summer.

Included in this study, of course, is going to be the Terrace Building. The Terrace Building is having to undergo some renovations very, very soon. I think we have to ask ourselves the question: is that the right place for an office building for our employees? The Legislature Grounds is a place for the people. It is a place for the people of Alberta, and I think we should endeavour to do what ever we can to ensure (a) that it's beautiful, (b) that it's functional, and (c) that it is accessible to the people of Edmonton and the people of Alberta, and there are lots of different things that can be done with that building. It's such a gorgeous sight looking out over the river valley that I really feel that it's extremely important to do something about it. So we will be endeavouring to look at that. That's why we had the study done.

I think there's probably not a person who is not architecturally challenged by the sight of the Annex. For anyone who says that the Annex provides a beautiful piece of landscape to Edmonton, I think there are other places that we could take you, and some of them have locks on the doors.

Mr. Chairman, the mayor of Edmonton talked about architectural design, talked about architectural standards, and I completely commend the mayor on what he has said and what he is looking at doing. The interesting component is that regardless of what architectural standards are being put forward in Edmonton, I really don't think that the Annex is going to fall into that particular design structure unless we go for a wonderful retro look in Edmonton, which you never know. We may come into the multicoloured retro look. I would caution people that we really don't want to do that.

5:10

We are taking a very serious look at what should be done with these three buildings and what the future is for our Legislature Grounds and going back to the key purpose of what this Legislature is for, which, of course, is for the people of Alberta and the people of Edmonton particularly.

With that, I believe I've answered the majority of questions that you have given forward. If there are any others that we haven't, I'd be more than happy to take them. Thank you.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's with interest that I get to participate in the debate this afternoon on the budget of Alberta Infrastructure and Transportation, as we're calling it these days. In the limited time that is available, I have quite a number of questions.

Now, the first question. Again, I'm not satisfied with the answers that were provided to the hon. Member for Edmonton-Beverly-Clareview on the provincial utilization rate. Certainly, everyone agrees that the current method of calculating utilization rates in the provincial government's guidelines for new school funding is forcing particularly the Edmonton public school board here to close schools that don't need to be closed. It is a well-known fact that the Edmonton public school board is under pressure from the provincial government to achieve an 85 per cent utilization rate for the city. According to a provincial government document the utilization rate is important because it is used by Alberta Infrastructure to determine a school district's eligibility for new school construction.

It is unfortunate, and I'm getting my information from the Strathearn community school parent advisory association and the community league, their response to the Edmonton public school board's cluster study. Now, they go on to say here that it's unfortunate that schools in the inner city are being sacrificed in order to build new schools in the suburbs, that one school should not be closed before another is opened, or one neighbourhood should not be pitted against another.

The provincial government is currently in the process of rethinking the way utilization rates are calculated. That's a good thing, but prior to the current system Strathearn school, for instance, would have been assigned a capacity of 475 students. It now has an assigned capacity of 195 more, at 670.

As architectural styles and design standards have changed over the years, schools built in different eras, as pointed out by previous speakers, have large variations in the ratio of instructional space. For example, older schools generally have much wider corridors, smaller classrooms, and in some cases even thicker walls. If an area per student factor based on current design standards of 60-40 is applied, it results in a school having a larger rated capacity than is realistic. A solution – and I would be grateful if this would be considered – would have the area per student applied only to areas used for actual student instruction as opposed to the boiler rooms, vestibules, which support learning but do not function as classrooms.

Now, the Edmonton public school board has stated that the proposed closure of Strathearn is due to concerns about limited educational opportunity for the students enrolled there. However, the public school board's three-year education plan states: "The efficient utilization of space is clearly a goal of this district. The utilization rate should be used as a yardstick by which the district can measure its responsible stewardship of public facilities. Within this plan, space reduction initiatives are proposed at Belvedere, Horse Hill, Parkallen, Richard Secord, Ritchie, Hardisty and Strathearn schools." Given this statement, one would have to conclude that the main goal of this cluster study was to close schools. Of all these schools listed, only Strathearn has been slated for closure.

Now, the authors of this report propose that all school closures be put on hold until the new utilization rate is calculated. The new rate may offer relief for older schools in older neighbourhoods. If the province is using the utilization rate as a measure for school closures, all schools should be given the opportunity to be rated with the new formula. So again I'm asking the hon. minister to put a halt to all this talk of closures until after we see this new utilization rate.

While we're talking about the new utilization rate, I would be interested to know what the current utilization rate is of the minister's office and, if he would know, also, what the utilization rate is of the Edmonton public blue building.

Dr. Oberg: It's 120 per cent.

Mr. MacDonald: It's 120 per cent capacity at the blue building. [interjection] Oh, in your office. Okay, 120 per cent.

Also, when we're talking about repairs of schools, I'm still puzzled as to why we're having this talk of closing Terrace Heights after taxpayers have put over \$3 million into that school.

Now, I also have some questions about the School Infrastructure Manual: A Guide to Existing Legislation, Regulations, Policy and Guidelines. Could the minister tell the House, please, whether all school boards are obligated to follow this document? Is this just a guideline, or is it mandatory? We were startled to discover at a meeting at Strathearn school that the Edmonton public board just considers this to be guidelines. The chief of planning over there stated at our public meeting: oh, this is just a guideline.

I would like to know if the minister could clarify that for me because there are many interesting procedures and policies in this manual. For instance, how does procurement of portables occur? It states in the School Infrastructure Manual in section 3, Provincial School Capital Plan and Funding Process, "No other space is available in another school in the jurisdiction, or in schools belonging to another jurisdiction in the community, or in the region, to which transportation may be feasible." Now, if that is the criteria – certainly there is lots of space available – why are we placing portables at Kenilworth to take the students that are currently being educated at Strathearn school?

Portables are considered to be part of expansion funding, and in the funding application process one of the general considerations in section 4.3.4 states, "Making more efficient use of existing space available in other schools or other facilities in the community, in other communities in the region, in the sector, or in other school boards." Now, why are we not doing that before the public board is applying for funding for an expansion project which includes portable classrooms? If we're going to make these rules and regulations, I think we certainly should abide by them.

I could go on at length, Mr. Chairman, in regard to that guideline, but I would really like to have those questions answered. If they could be answered in writing if we don't have time today, that would be fine.

Now, I'm also looking at the *Alberta Gazette*. We're talking about increasing funding to Infrastructure and Transportation, but I see in the *Gazette* that there are always contracts where we've seen approval for increases in the amount of contract given. Now, we've got one here. It's got a contract number. The contractor is Cox Brothers Contracting and Assoc. Ltd., and this is for excavation and related construction costs for a contract. Per cent of increase: 38 per cent.

5:20

We've got another one on the next page, and it is a significant contract. It's at Hamelin Creek north of Blueberry Mountain. In the contract amount there's an increase of 61 per cent, or \$2.7 million. The contractor is Alberco Construction Ltd. We have another one here for Ledcor, by the Iosegun River west of Two Creek, a \$7

million contract with a 12 per cent increase. There are others in here that are of significance. Here's one with a 190 per cent increase. Another one with a 56 per cent increase.

How are all these contracts worked out? Is there a tendering process where people can go back, or is there not a set of engineer's drawings that gives the estimate?

The Chair: I hesitate to interrupt the hon. Member for Edmonton-Gold Bar, but pursuant to Standing Order 58(4), which provides for not less than two hours of consideration for a department's proposed estimates, I must now put the following question after considering the business plan and proposed estimates for the Department of Infrastructure and Transportation for the fiscal year ending March 31, 2006.

Agreed to:	
Expense and Equipment/Inventory Purchases	\$3,463,437,000
Capital Investment	\$699,618,000

The Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I'd move that the Committee of Supply rise and report the estimates of the Department of Infrastructure and Transportation and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Stony Plain.

Mr. Lindsay: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2006, for the following department.

Infrastructure and Transportation: expense and equipment/inventory purchases,	\$3,463,437,000;
capital investment,	\$699,618,000.

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

Hon. Members: Concur.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 8 o'clock p.m., at which time we'll return in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:24 p.m.]