

Legislative Assembly of Alberta

Title: **Wednesday, April 27, 2005** **8:00 p.m.**

Date: 05/04/27

head: **Committee of Supply**

[Mr. Marz in the chair]

The Chair: Good evening, everyone. I'll call the Committee of Supply to order.

Before we get started, may we revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

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

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to rise this evening and introduce to you and through you to all hon. Members of this Legislative Assembly the Jacobs family. The Jacobs family is in the public gallery. We have with us this evening Mike Jacobs and his two sons, Len and Ron, and Len's son, Mike Jacob's grandson, Brett. They are in the gallery this evening after attending the rally outside in support of Canadian families concerned about some of the labour practices of this current government.

Len and Ron are both members in good standing of boilermakers lodge 146, and they are not only very good boilermakers. They're very, very, very good hockey players. It's very difficult to get the puck off those guys in the corner; trust me. They're in the public gallery, and I would now ask the Jacobs family to please rise and receive the warm and traditional welcome of this Assembly.

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

Mr. Backs: Thank you, Mr. Chairman. I'd like to rise and introduce through you and to all members of this Assembly Brent Clouthier, a good tradesman, a member of the International Brotherhood of Boilermakers, lodge 146, a member of the executive board. Please rise and receive the warm welcome of this House.

head: **Main Estimates 2005-06**

Executive Council

The Chair: I would recognize the hon. the Premier.

Mr. Klein: Thank you. Mr. Chairman and hon. members, I'm pleased to appear before this committee to discuss the 2005 to 2008 Executive Council budget estimates and business plans. Programs under Executive Council include the office of the Premier and Executive Council, the office of the chief internal auditor, and the Public Affairs Bureau. My remarks this evening will include a fiscal overview for 2005-2006 and details on upcoming initiatives listed in the business plan.

Executive Council spending for 2005-2006 is forecast at \$26.2 million. That's an increase of approximately \$1.8 million over the 2004-2005 budget. That increase includes \$600,000 to cover the 3 per cent salary increases taking place in all ministries, \$500,000 for operational costs such as software and staffing for the office of the chief internal auditor, some \$275,000 for upgrades to Service Alberta call centre equipment, \$220,000 in one-time spending to cover costs related to the centennial and the visit of Her Majesty the Queen, \$160,000 for two new FTEs, full-time employees, and

\$90,000 to allow the Lieutenant Governor's office and the Alberta Order of Excellence Council to respond to the increasing costs of doing business.

The budget also shows a \$3.6 million decrease in revenue. This is due to discontinuing cost recovery for the office of the chief internal auditor, and I'll address that change later in my remarks because the figure that I just cited comes from other departments.

As I just mentioned, FTEs for Executive Council will increase by two. These new positions are to meet the communications needs of Restructuring and Government Efficiency and the personnel administration office, and both ministries have very small communications branches. The personnel administration office is seeing increased responsibilities due to growing cross-government efforts to attract and retain the best possible staff for the Alberta public service.

Mr. Chairman, I'd like now to offer an overview of the priorities outlined in the business plans, and I'll begin with Executive Council proper. For the benefit of any new members, I'll offer a quick overview of Executive Council offices. They're located in 307, on this floor. They include secretarial support to cabinet and cabinet committees – the cabinet room is also on this floor – my offices here in the Legislature and in McDougall Centre in Calgary, the protocol office, administrative support for the office of the Lieutenant Governor and the Alberta Order of Excellence Council, and the deputy minister's office, which includes support for policy coordination and business and strategic long-term planning for the government as a whole. The Deputy Minister of Executive Council is also located on this floor.

Strategic long-term planning is a central focus not just for the deputy minister's office but for my cabinet colleagues and for me. Last year when I appeared before this committee, I referred to the launch of the government's 20-year strategic plan. Since that time ministries across government have been working with Executive Council and cabinet to ensure that the government's short- and medium-term strategies all contribute to the larger picture, and that larger picture is the strategic plan's ultimate vision of a vibrant and prosperous province, where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children.

The vision is particularly meaningful in the context of Alberta's centennial year because this year is all about the future. Albertans have built a remarkable province in a relatively short period of time, 100 years. The plan will help give future generations an even greater level of prosperity, security, and quality of life than we enjoy today. Executive Council's activities in the coming year and every year will focus on making sure the government does everything possible to contribute to that goal.

The centennial is also an important time for the protocol office and the office of the Lieutenant Governor, believe me. Both offices are hard at work putting final touches on what promises to be one of the highlights of the centennial, and that is the royal visit of Her Majesty Queen Elizabeth II and the Duke of Edinburgh. I'm beginning to wonder if she thinks that everywhere she goes, she smells fresh paint. As members may know, the official itinerary was released last week. It includes major public events that offer ample opportunities for Albertans, all Albertans, to see the royal couple.

Alberta's new Lieutenant Governor, the Hon. Normie Kwong – Norman Kwong, as he likes to be known – will be a central figure in the visit in his role as the Queen's representative in Alberta. I know that the Lieutenant Governor is very excited about his new duties, and he's dedicated to serving his fellow Albertans with distinction. I think he'll do a wonderful job as our official host to the royal couple and as Alberta's Lieutenant Governor. I had an opportunity again to see and witness his sense of humour last night at a roast for

the Progress Club. It was something to behold indeed. He doesn't miss a beat.

Mr. Chairman, I would be remiss in discussing the office of the Lieutenant Governor if I didn't mention the passing of the late Hon. Lois Hole. As members will know, Alberta submitted a formal request to have her term extended, and Mrs. Hole dearly wanted to help celebrate the province's centennial as Lieutenant Governor. Although she put up a courageous fight, she lost her battle with cancer before that wish could be realized. Albertans can take comfort, however, in knowing that her legacy will live on. Her contributions to this province are already reflected in scholarships, a new provincial park, and other honours, and I'm sure Albertans will continue to find ways to remember and honour her many contributions.

8:10

I'll now turn to a very brief discussion of the office of the internal auditor. That office was created in response to an Auditor General recommendation to centralize internal audit functions across government. The goal of the office is to help government managers and employees be more productive and effective in their jobs while ensuring that taxpayers get maximum value for dollars spent. Since the office was opened last March, the chief internal auditor has worked to recruit and train staff, and those staff members have completed almost 200 audit projects. The office will continue working in the coming year to ensure that government ministries are as productive and efficient as possible.

Members of this committee will note that performance measures for the office are under development, which is standard for any new initiative. The office will work over the coming year to flesh out those measures so that Albertans can see how the office is performing.

As I mentioned earlier, this budget reflects a change in revenue for the office. This is largely related to a difference in accounting processes. Instead of charging back the cost of internal audits to each ministry, the costs will now be covered centrally through Executive Council. So while it reflects a larger amount in my budget, really the dollars across government are the same. At the end of the day the same tax dollars are being spent. The government pays for the cost of the services whether they are charged back to the ministries or are covered centrally. This change will simply make the process more efficient.

Mr. Chairman, I'd like now to touch on the business plan strategies for the Public Affairs Bureau. The bureau's goal is to increase communications with Albertans in the areas they identify as top priorities and, of course, areas that are identified by the government as top priorities. The business plan organizes upcoming communications activities into four strategic priority areas.

The first is to ensure that Albertans have the information they need to take part in the 2005 centennial celebrations. That's important. A sample of centennial communications includes programs related to centennial medallions for Alberta students, those who have turned 100 years of age this year, special guests of course, the public, the Alberta Premier centennial invitation program, which encourages Albertans to invite former Alberta residents back home to celebrate, and a wide range of other programs from the recent Centennial Hockey Challenge, which Alberta won, to local centennial events to legacy projects across Alberta. Of course, this all leads up to the biggest event of all, and that's Alberta's official 100th birthday party on September 1. Mr. Chairman, I can tell members that plans are under way to make sure the party is one that Albertans won't soon forget.

The second strategic priority communications area for the bureau is to "ensure Albertans are aware of opportunities available to

themselves and to their families." This falls under the broader government goal of making sure the next Alberta is even better than the province we enjoy today. Mr. Chairman, the list of specific communication initiatives is far too long for me to go into here, but a sample includes the Alberta centennial education savings plan, new postsecondary funding to create thousands of new spaces and expand scholarships, and new spending to hire more teachers, reduce class sizes, and improve student learning. It also includes increased funding to regional health authorities, the new mental health innovation fund, and new facilities such as the Alberta Heart Institute and the south Calgary hospital.

Again, Mr. Chairman, I could run out the clock just listing the range of opportunities and initiatives that this government has the responsibility to communicate to the public. Suffice it to say: the list covers the gamut, really, the whole gamut from health care and education to capital investments, to environmental initiatives like the Water for Life strategy, to community priorities like policing and municipal infrastructure, to economic development opportunities.

The third strategic communications priority area is helping to "communicate Alberta's position on national and international issues." This is where this province is playing a much larger role. As all members of this committee know, Albertans take a highly unique and original approach to everything they do. It's what stands behind a good part of our success, and that is the ability to think differently and having the courage to try different things.

It's important that the government of Canada and major trading partners such as the United States hear and fully understand Alberta's unique position on key issues. This area of the plan focuses on ongoing communications related to BSE, mad cow disease, marketing choices for Alberta's grain producers, Alberta's new office in Washington, DC, and other issues. It also includes providing communications support to the Council of the Federation, which, by the way, will be meeting here in Alberta in 2005 in Banff. Of course, we'll be chairing the Western Premiers' Conference next week in the fine border city of Lloydminster.

The fourth strategic communications focus of this business plan is providing "disadvantaged and vulnerable Albertans with information on available programs and supports." Again, the list related to this communications program is varied and very extensive.

What they all have in common is a focus on making sure that Albertans receive information on the supports they need and on opportunities to build a better life for themselves and their families. It includes upcoming communications-related programs to help people develop the skills they need to find and keep a job, programs and supports for disabled Albertans, fetal alcohol spectrum disorder prevention, prevention of family violence including Alberta's role as host of the upcoming World Conference on Family Violence, prevention of childhood sexual exploitation, parent link centres, crime prevention campaigns, workplace safety awareness and promotion, and the list goes on and on.

I'd like to turn briefly to the bureau's goal 2, which is to "make government information more accessible." As I mentioned earlier, the budget includes an upgrade to Service Alberta call centre equipment. Service Alberta is the government's main toll-free switchboard. Service Alberta agents process one million calls a year. The agents work from special consoles, and those consoles are rapidly showing signs of wear and tear. As it stands now, if even one console breaks down, an operator would have to sit idle as the stock of backups is depleted. On average each operator answers 70,000 calls a year, and the upgrades will make sure that the system is able to keep up with them.

Another key access point for Albertans is the Alberta government home page. A new initiative is the introduction of the RSS technol-

ogy, which essentially allows government to automatically deliver news and updates to regular website visitors. Albertans who sign up for the free service receive regular updates directly to their computer so they can stay on top of the latest news quickly and easily. Alberta is one of the first provincial governments to offer the service along with Ontario.

Mr. Chairman, that concludes my introductory comments, and I welcome members of the committee to ask any questions they may have about the 2005 to 2008 business plans and the current year's budget for Executive Council. Thank you.

The Chair: The hon. Leader of the Official Opposition.

Dr. Taft: Thank you, Mr. Chairman. I appreciated the Premier's comments, and I'm sure we'll have an interesting debate here. I assume, as we've done previous years, we can go back and forth a little bit. It keeps it more interesting. I hope so. Is that okay with the Premier if we ask questions and get answers? Is that how you'd like to proceed?

8:20

Mr. Klein: However you want. If I can answer, I will.

Dr. Taft: I appreciate that. I'm sure that's always the case.

I appreciate the opportunity to discuss the budget and the business plans for the Executive Council. It's a substantial amount of money now, as the Premier said, I think over \$26 million. The largest portion is for the Public Affairs Bureau, which, as I've said in the past, I think is this government's secret weapon and an effective communications organization albeit a very large and well-financed one as well. In fact, I didn't hear in the Premier's comments if he indicated how many full-time equivalent positions will be working this year in the Public Affairs Bureau. It may be in the business plan, but that's always useful to know. If the Premier has that information, that would be terrific.

Last year there was some discussion about the corporate identity program for the government and plans that were under way for perhaps updating the logo and going far beyond that to include other issues involved in corporate identity: colours, all kinds of design issues. I'm curious to know if there's been progress on that, if it's on the government's corporate identity work. We discussed it a bit last year, and I'm just wondering where that went, whether that's just limited to the centennial logo, which is on all the letterheads and so on, or if it's beyond that. Of course, it's useful to know how much it's costing to modernize or to update or change the corporate identity of the government of Alberta. Because everything costs money, I'd be interested to know how much that costs.

Last summer there was some interesting media coverage on the role of the Public Affairs Bureau in developing and providing extensive briefing books and even a secret website available only to Tory MLAs. I guess I have some problems with that because I don't think the Public Affairs Bureau is meant to be a partisan branch of government in the same way that, say, cabinet's direct staff are. So I'd be curious to know some more information on that and the role of the Public Affairs Bureau in preparing the briefing binders that are provided only to government MLAs. I think it's an intranet site that's also available exclusively to government MLAs.

I'd like to know what that costs and whether the Premier sees that as a legitimate role for a branch of the public service that is funded, frankly, to support everybody in the province, not simply Tory backbenchers. So if there is some information available on that. It did get some extensive coverage in the media last year, last summer.

There are three questions. Does the Premier want to respond now?

Mr. Klein: I can respond now, Mr. Chairman. I'll try and answer the last question first. This is relative to the secret website. If the hon. Leader of the Official Opposition has the home page, I would surely like to know it because, you know, I'd like to get in on this. I know of no secret website on the Internet, but if you have the web page, please send it over, and I'll put it on my computer.

Relative to the corporate identity, I really can't answer that question. Perhaps my officials can advise me as to work on the logos and what is being done relative to developing the corporate identity. I know that a logo has been designed for the centennial year, and it's being used on all our letterheads and virtually on all our communications. It is designed, of course, to create awareness of the centennial. I'll attempt to get that information.

The Public Affairs Bureau's full-time equivalent staffing for 2005-2006 totals 133. Now, I don't have the names of all the people, but I can get them, I'm sure. As I mentioned in my opening remarks, this bureau is not the secret weapon of the government but really helps the government to communicate with Albertans on priority issues.

In the Public Affairs Bureau on the communications side there are 80 full-time employees. I can mention – and I think this is worthy of note, Mr. Chairman – that of the 133 employees this is 100 fewer employees than when I took over as Premier in 1992, so we have reduced the size of the total Public Affairs Bureau by close to a hundred. The FTEs for communications support in Restructuring and Government Efficiency account for two of the new full-time employees, and I mentioned that in my opening remarks.

Basically, the Public Affairs Bureau supplies professionals to 23 government departments to develop and implement communications programs. It provides communications planning and consulting support to government. It co-ordinates government communications to and from Albertans on priority areas, on government initiatives and during public emergencies, and it provides specialized writing and editing services to government.

There are 34 full-time employees in a branch of the Public Affairs Bureau that is the part that communicates directly with Albertans. This involves managing the Service Alberta call centre to give Albertans toll-free access to government, and I mentioned that in my opening remarks and how we needed to upgrade some of the equipment. It provides Alberta Connects call centre support for comments and information on major government initiatives. It provides the management of a two-way flow of information through the Alberta government website, which is not secret. It provides technical support for major government news coverages and announcements and provides communications technology support to the Executive Council and Internet consultation to departments and manages the province-wide distribution of news releases. That involves 34 full-time employees. Most of these are technical people and administrative people.

There are 11 full-time employees working on publishing and selling Alberta's laws and other government materials, and then there are eight full-time employees offering administrative services, and that is the overall management of the Public Affairs Bureau: managing the human resource and finance needs of the Public Affairs Bureau and developing business plans and budgets and performance measurements and annual reports and general administration. So we have eight, 11, 34, and 80, to bring us up to 133 employees in the Public Affairs Bureau.

Corporate identity project. I received some information from my staff: the logo hasn't been redesigned. I don't know what logo

they're talking about. Are they talking about the 2005, or are they talking about the stylized Alberta?

8:30

Mrs. McClellan: Stylized Alberta.

Mr. Klein: The stylized Alberta. The logo hasn't been redesigned, but it has been reformatted so that it can be applied to more formats such as the electronic website uses. It looks the same, but it's more flexible, as I read from the note.

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

Dr. Taft: Thank you. Well, continuing for a moment with the Public Affairs Bureau, a substantial amount of the almost \$10 million is spent on advertising and promotion and that kind of thing. I'm wondering what role, if any, Highwood Communications has in government advertising and public relations, and how much of that \$9.7 million will be managed by them? I'm sure you've heard of them.

Mr. Klein: I don't have the exact number, Mr. Chairman, but I'm sure my staff heard the question. Highwood, like any other advertising agency, would have to bid. I think that they do some work for the government in one of the areas. Relative to advertising, we do advertise; there's no doubt about it. We spend significant dollars on advertising because government has a duty to tell citizens about its decisions and policies and about upcoming initiatives.

If we didn't advertise, we would have to depend on the media and the daily scrum, and there are not always assurances that we can get our message across. I can tell you that I attend the scrum every day at 3 o'clock, and the Leader of the Opposition is there for reaction, and it's often the reaction that gets the headlines and not the action, or it's the reaction to the reaction or the reaction to the reaction to the reaction.

So advertising campaigns in 2005-2006 will inform Albertans about a range of topics from new government programs and services to risk to public health and safety. I can tell you – and I don't want to belabour this point – but I can't address the Highwood situation specifically because we contract to a number, I believe, of advertising agencies.

The advertising campaign topics include education awareness of bullying prevention, the Alberta centennial education savings plan, marketing choices in agriculture, prevention of fetal alcohol spectrum disorder, prevention of childhood sexual exploitation, our 2005 centennial celebrations, Alberta's water strategy, the Asian bird flu, the Healthy U advertising campaign to keep Albertans healthy, West Nile virus, Alberta child health benefit program, Work Safe Alberta, traffic safety, crime prevention, wildfire prevention, and the list goes on and on. There are just so many issues that need to be properly communicated to the public.

The Chair: The hon. member.

Dr. Taft: Thanks, Mr. Chairman. At this time I'll switch to the chief internal auditor, which I think last year the Premier indicated was unique in Canada. I'm still not convinced that it's a necessary job, but fair enough. The Auditor General seems to support it, and we'll go along with that for now anyway.

There are some questions around how the two public members are selected for this position. I raised this issue a day or two ago in question period: one is the vice-president of finance for the PC Party, and the other is Jack Halpin, who is a long-time supporter of

the Premier. Fair enough. I would be curious about two things with the role of the public members on the chief internal auditor's committee. How were they chosen? What was the process through which members were chosen for that committee? And in this budget what's their honorarium? How much, if anything, are they paid?

Thank you.

Mr. Klein: Mr. Chairman, the audit committee would not be included in my budget. The audit committee is separate and apart from the function of the chief internal auditor. You know, I would like to comment, but I think more appropriately it would be a question that should be addressed to the hon. Minister of Finance. I don't know if the hon. minister has had her estimates heard yet, but that is a question that ought to be put to the hon. minister. Perhaps she can make a note of it and supply that information to the hon. member.

The office of the chief internal auditor is recommended by the Auditor General. Basically, every department, every ministry, has an internal auditor, and the internal auditor's job is to make sure that that ministry is running properly, including Executive Council, including International and Intergovernmental Relations, Finance, Advanced Education, Economic Development, Innovation and Science, Solicitor General, Seniors. They all have internal auditors.

The work of the chief internal auditor for the ministries is not generally reported publicly because the office is a government branch. It's not the creation of the Legislative Assembly. Basically, the chief internal auditor and his staff report to an external audit committee, and that's the committee to which the hon. member alludes. In addition, all that work of the chief internal auditor is examined by the Auditor General to ensure quality and to avoid potential duplication. If the Auditor General – I think this is very important – were to deem a chief internal auditor matter of sufficient importance, he could choose to bring it forward publicly. In other words, if there's something that is so overwhelming and so obviously wrong in a department, the Auditor General can bring it forward publicly.

Oh, Highwood: I've got the information. The question was specific to Highwood. I was going to report this, but I wasn't quite sure. Highwood is one of three agencies of record for the government. I think we put out tenders, and people bid on whether they want to become the agency of record. They have a contract for a three-year period through a competitive bid process. Basically, their job, because it's broken into segments, is to negotiate the purchase of advertising space, and they get a commission of 4 to 5 per cent to provide that service. They did not win the component that involves the design of ad campaigns. So each campaign – purchasing, design, and I don't know what the other one is – is tendered to a different agency.

8:40

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

Mr. MacDonald: Yes. Thank you very much, Mr. Chairman. I've been listening with a great deal of interest to the exchange between the hon. Member for Edmonton-Riverview and the hon. Premier. Certainly, the office of the chief internal auditor is a new office when you look at the annual reports of Executive Council going back a couple of years, and I'm surprised to see that it goes from zero, essentially, to \$5.25 million in expenditures so quickly. If it's to save money, I don't know how this is to work. Certainly, if we go back two years in the annual reports, there seems to be very little interest in this office of the chief internal auditor. I became aware of this office for the first time last summer. It has been mentioned on several occasions in Public Accounts since.

I had some questions for the Auditor General in regard to public accounts, and I'm still not satisfied with the answers that I have received from the government. But I was doing some additions to the public accounts, and for the last fiscal year that was available, I discovered that there was a percentage difference from the public accounts to the annual report of Executive Council of 34 per cent. There was a total spent in the department of \$3.5 million, but listed in the annual report was only the actual amount of \$2.3 million. So perhaps the chief internal auditor could start at home.

But I do have some questions. The first one is: how often do the Auditor General and the chief internal auditor consult? Do they decide which work each office is going to do? Do they have exit interviews with one another after an audit is completed? The last time that the Premier visited Public Accounts, he was gracious enough to introduce Mr. Nick Shandro, who was a former employee of the Auditor General's office. I believe he was the chief internal auditor of this office. The experience I've had with Mr. Shandro is that he's a very fine fellow and very capable, very able. Does the Premier consider that a conflict of interest, now, to have a senior employee go from the Auditor General's office to this chief internal auditor's office?

Mrs. McClellan: What did you have for supper?

Mr. MacDonald: What did I have for supper? Well, that's an interesting question. I bet it's a lot less than the hon. Minister of Finance has had. I was startled to see outside the Assembly this evening two stretch limousines. They were longer, Mr. Chairman, than a King Air. A black one and a white one, stretch limousines.

An Hon. Member: It was the boilermakers.

Mr. MacDonald: It was the boilermakers, was it? No, it was not the boilermakers. Certainly not. There were two stretch limousines out there, and I'm sure the government caucus was getting taxed or ferried or whatever you want to say to a rather elegant meal. [interjections] I didn't have that elegant of a meal, nor would I accept that kind of transportation. I was surprised to see the black and white stretch limousines parked right out there, and this was before all the tradesmen and the tradeswomen arrived to express their opinions.

The Chair: Hon. member, if we could have your comments directed through the chair, I think it would be helpful.

Mr. MacDonald: Sure.

Now, getting back to the public accounts and our budget here. This is a significant increase in budget amounts if we go back, say, two or three years in the Executive Council's annual reports. I see in the past, Mr. Chairman, where the Executive Council has paid over \$200,000 – and this is for fiscal year 2002-03 – to Environics Research Group (Western) Limited. Highwood Communications in this fiscal year got \$1.5 million. Margaret Kool Marketing Inc. got \$350,000. National Public Relations Calgary Inc. got close to \$60,000. The Royal Rubber Stamp Co. only got 50 bucks. So there's quite a range in expenditures there.

Now, could the Premier tell us how much is budgeted in this budget year for Highwood Communications Ltd., how much is budgeted for Margaret Kool Marketing Inc., and Environics Research Group (Western) Limited, how much are they going to receive in this budget, if any?

Now, this is a very small department. In the \$26 billion budget it may look like a small department, but when you look at it and you look at previous fiscal years for this department, this is definitely a budget that is getting quite extravagant. Quite extravagant indeed.

Before I cede the floor to an hon. colleague, my last question to the Premier will be this. If the chief internal auditor is busy working in other departments – and I assume from his response before that other departments are going to pay for those audits that are going to be conducted by the chief internal auditor – will we perhaps have the RAGE minister look into the significant increase in the budget of Executive Council?

Thank you.

The Chair: The hon. the Premier.

Mr. Klein: Thank you, Mr. Chairman. Relative to the hon. member's second-last question, the amounts that were paid out of the Public Affairs Bureau advertising budget to Margaret Kool, Environics, and Highwood Communications, I don't have that breakdown. I honestly don't. Perhaps the administrator of the Public Affairs Bureau has that breakdown and can supply that information. I just don't have it here.

Relative to the internal auditor, Mr. Chairman, the budget did not go from zero to \$5,254,000. The budget went up by \$625,000, and that accounted for wage increases generally. The reason it appears in my budget as having gone from zero to \$5.2 million is that the internal audit functions from all the departments were taken out of those departments and centralized under Executive Council. So the amount of money is the same, and I think I explained that in my opening remarks.

The office of the internal audit was set up by reassigning audit staff, all the staff from the various departments, that were individual departments, to consolidate them in one location. I would be more than happy to have the RAGE minister look at it. We believe and the Auditor General believed that it resulted in more efficiency and more consistently high standards.

8:50

Now, the question was also asked: how often does the chief internal auditor report to the Auditor General? I don't know for sure, but I would suspect that they are in fairly constant communication. He would certainly report at least once a year, but I'm quite sure that they are in constant communication because they work hand in glove.

So the chief internal audit office is not an entirely new office; it's simply a consolidated office.

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

Mr. Elsalhy: Thank you, Mr. Chairman. I appreciate the chance to participate in this debate. I have two or three very brief questions for the hon. Premier. My first one is with regard to the strategic priorities for the years 2005 to 2008 on page 230 of the budget. My preamble, if you like, is basically that the Premier indicated that efficiency is a priority for this government, and for every question we ask of any respected minister, they default back to answering how efficient this government is and how competent the ministers are and so on.

For example, in the strategic priorities priority 1 talks about providing "Albertans with the information they need to participate in 2005 Centennial celebrations." My question here would be:

couldn't this have been done by the Minister and the Ministry of Community Development? The second would be to "ensure Albertans are aware of opportunities available to themselves and their families." Again, isn't this the responsibility of both the Minister of Economic Development and the Minister of Human Resources and Employment? Third, it says to "help to communicate Alberta's position on national and international issues." Again, I see this as the prime reason to have an international and intergovernmental affairs minister. Four, it says to "provide disadvantaged and vulnerable Albertans with information on available programs and supports," and this is where the Minister of Seniors and Community Supports comes in. I think, to put it mildly, this is duplication of services.

Moving on, I would touch on the Public Affairs Bureau. I know that two of my colleagues have previously discussed this or asked questions about it, and the hon. Premier replied. My take on this, again as a layman: the Premier highlighted the fact that the Public Affairs Bureau is comprised of 133 employees, and he actually went ahead and divided them as to who works at the call centre, who works at the Queen's Printer, and so on, and who is an administrator, you know, who actually has direct contact with Albertans, and so on, which is fine. Why do we have 133 employees who actually report directly to the Premier? Because the Premier is the head of the Public Affairs Bureau. I see this as an unnecessary concentration of power, if you like, in the hands of one person.

Again I would ask the Premier: why do we have such a big number compared to a province like Saskatchewan, which has 96, or a province like Newfoundland, which has 39? [interjections] Oh, you're laughing. Hear this. Why do we have 133 employees compared to the White House, which has 55? I don't think this is a laughing matter. [interjection] Yes. Is the White House less important, or are they less capable of conveying their message? This is a serious question, and I don't think it's unfair.

Also, having said that, this does not really preclude the communications personnel and resources in each ministry. I know that the hon. Premier indicated that they're hiring two full-time equivalent staff to look after the needs of the newly formed Ministry of Restructuring and Government Efficiency, so two people are going to be added to that battalion of information officers, if you like. I would still argue that this is unnecessary because if you add all these communications people from all these ministries – we have 24 ministries now – it would probably be a lot more.

My question to the hon. Premier would be: does this represent a reduction from 2002 levels? We have a copy of the 2002 Public Affairs Bureau telephone list. On that list there were listed 260 employees. Can the Premier state that maybe the number has been reduced?

The Public Affairs Bureau is a media outlet, or they're more of a propaganda machine, if you like. They advertise, and they tell Albertans how wonderful the government is and so on. Examples of those campaigns or projects that the Public Affairs Bureau worked on would include a campaign that cost the taxpayers about \$3 million to tell us and convince us how wonderful deregulation is and how great it is and how it is not a big mess. They also spent about \$1.5 million on turning public opinion against Kyoto. They also spent over \$1 million convincing Albertans that Bill 11 was such a good deal. Very recently, in the year 2003-04, they spent about a quarter million telling people that the budget was a good deal.

Mr. MacDonald: What about gas contracts and electricity contracts?

Mr. Elsalhy: The majority of Albertans don't want to buy into long-term contracts through that deregulated market scheme, but once that regulated rate option expires in June of 2006, people will be left to make this tough decision and swallow this hard pill.

The Public Affairs Bureau has a budget of about \$15 million. I honestly think that this is unwarranted and unnecessary for the simple fact that the Public Affairs Bureau advocates a one-way flow of information. Every time I or one of the hon. colleagues from the opposition asks a question, the government minister in charge stands up and says, "We're telling people and we are informing people of the merits of the program. We're telling them how wonderful it is." We've had that with Energy. We've had that with Agriculture. We've had that with Sustainable Resource Development, and every other ministry you talk to will tell you how wonderful and how great their programs are and why the average Albertan should buy into it and should be extremely happy that the government is doing this and that. So the flow of information is one way.

The government tells Albertans what's good for them and why they should be happy and how they should react. They're not as eager to receive information the other way, basically to listen or survey or ask questions. Satisfaction surveys are mainly geared at stakeholders, at the industry, not at the public. I see this as a one-way flow of information, and I think it's humongously expensive to spend 15 million bucks to tell people how to think.

Also, I think it's not telling the bigger picture, where we have other government departments which appear to be at arm's length who have their own communications departments. Take the regional health authorities for example. The government would argue that they're quasi-independent, but they have their own marketing departments.

9:00

My final question is to the hon. Premier. Again, with efficiency as the theme or the preference we added one ministry in 2004 after the election, the Ministry of Restructuring and Government Efficiency, and it looks for opportunities for efficiency. In his introductory remarks the Premier said that the chief internal auditor is also looking for ways to streamline and make government departments more efficient, so I see this as duplication. He also said that the chief internal auditor reports to or works with the Auditor General. I again disagree because if the Auditor General is provided and empowered with the right tools and the right mandate, we don't need a chief internal auditor. The Auditor General can do it, as they do federally.

Lastly, the hon. Premier indicated that the protocol office does a wonderful job in promoting Alberta and now with the Queen coming and so on. I don't disagree. The protocol office is needed, but I think the entire department has to be sort of trimmed down. Twenty-six million, as the hon. colleague from Edmonton-Gold Bar said, compared to \$26 billion might not seem a big percentage, but if we're looking for opportunities to streamline and be more efficient, I think that saving one dollar would be advisable.

So with that, I would cede the floor and invite the answers from the hon. Premier. Thank you.

The Chair: The hon. the Premier.

Mr. Klein: Thank you. There were quite a few statements there that I have to disagree with, to say the least. One, the comparison to the White House is totally unfair. Mr. Chairman, there are literally hundreds, thousands of communications people in the U.S. federal government and, I might add, hundreds and hundreds and hundreds in the Canadian government. I've seen them all plugged in and

wired. When you go to 24 Sussex, you can't find a place to sit down because of communications people, and they don't work for us, I'll tell you that for sure.

On Saskatchewan, I don't know, and I'm going to ask Premier Calvert next week, when I see him in Lloydminster, just how many people work in the public affairs bureau or in communications in Saskatchewan. I know it's more than six. Maybe he's right about 54 or so in Newfoundland; I don't know. But you've got to compare apples to apples. You know, in my own office I have three communications people and one administrative person on advertising out of my office.

To answer another question that was raised relative to why the Department of Community Development doesn't advertise, why the Department of Economic Development doesn't advertise, they do. The way it works is that the individual departments are responsible for designing the advertising and the preparation of the advertising campaign. The Public Affairs Bureau simply co-ordinates the purchase and assists with the design of ads based on the departmental plans. But it's the department that makes the decision as to what should go in the ad and how the ad should be framed and the message that the department wants to get across. The Public Affairs Bureau, using the expertise that's available in that department, simply assists with the design of the ads and co-ordinates the purchase of the advertising.

Mr. Chairman, I have a note here. It goes back to a previous question from the hon. Member for Edmonton-Gold Bar. It mentioned Margaret Kool, and it somewhat relates to the question that was asked by the hon. Member for Edmonton-McClung. Margaret Kool advertising and other companies mentioned were primarily the companies that designed and ran our Kyoto campaign ads.

Now, the Liberals across the way might say that it was anti-Kyoto, and it was. But it wasn't anti greenhouse gas reduction, and it wasn't anti-environment. It was pro doing the things that made sense and the things that could be accomplished without hurting industry to the point where we might have an industrial shutdown. Kyoto is not the end-all and the be-all. Believe it. You know, I could tell the hon. member that one way we would contribute to the reduction of greenhouse gases, at least about 3 per cent, as I understand it, is to have everyone on Earth die, and then we would stop breathing and emitting CO₂. That's only 3 per cent, but that would be more than the whole country of Canada would achieve under the Kyoto protocol and the reduction of greenhouse gases.

We think that our legislation is much more sensible and presents a much more reasonable time frame. We needed to get the message out that we are not anti global warming. We understand that there is a problem, but we understand that there is an issue here of sustainability and that you have to achieve environmental remediation and at the same time allow for economic development and growth, and that is what is generally referred to as sustainable development. Basically, that's the message we're trying to get across.

The other issue that the hon. member alluded to was the advertising campaign relative to deregulation. I can tell the lone member of the media up there and the Official Opposition that this has been a frustrating thing for me because deregulation has something to do with the generation side, but everyone blames everything on deregulation. As a matter of fact, natural gas – I'm getting blamed for deregulation of natural gas. Well, that was done in 1985. Write that in the newspaper. Write: gas was deregulated in 1985. But the Liberals would have people believe that, no, it was this government that deregulated gas.

Mrs. McClellan: Yesterday.

Mr. Klein: Yesterday. So gas has been deregulated for a long, long time. I was the mayor of Calgary. I don't even remember it being deregulated, but I guess it was.

This hon. member – you know, Mr. Chairman, I hate to say it, but he's more guilty than anyone in this Assembly of saying that deregulation is responsible for all the problems related to power bills. It has nothing to do with the retail side. Ninety-three per cent of the consumers are on the regulated rate, the regulated rate that was in place 30 years ago.

Mr. MacDonald: But it was cheaper 30 years ago.

9:10

Mr. Klein: So was everything else. So was Coca-Cola, and so was gasoline, and so was everything else.

The only thing that has been deregulated – and this is why we had to advertise: to get the facts out because, God forbid, we weren't getting the facts out any other way and certainly not through the Liberals. The only thing that was deregulated was the generation of power, and that allowed about 3,000 megawatts of new power to come on stream. So we had to advertise.

Bill 11. Again, a massive campaign of misinformation: this is the slippery slope on the way to that so-called evil American two-tiered health care. It was a benign bill that simply allowed better access for people suffering in pain who needed joint replacements and so on, to allow clinics to operate on an overnight basis so that we could free up space in the public system to allow people to get joint replacements. A benign bill – people crawling over the bannister and pounding on the doors and ripping the door handles off. This was the misinformation being spread by the Liberals and the NDs. So we had to advertise to get the truth out about this bill.

Mr. MacDonald: Oh, the truth squads. We forgot about those.

Mr. Klein: Right. You know what? We needed the truth squad at that time because we had the lying squad over there.

To talk about the budget. Well, the budget was a good deal. I don't think the ad said: folks, the budget of the Alberta government is a good deal. But we spelled out what the budget contained. All you have to do is talk to the people who are affected by this budget to determine whether it's a good deal or not, to people like the president of the University of Calgary, the University of Lethbridge, the University of Alberta, Athabasca University, the presidents of Grant MacEwan College, Mount Royal College, Lakeland College. You have to talk to the people who are directly affected, the people in postsecondary education, the presidents of the various student councils in the colleges and the universities and the technical institutions. Talk to the people involved in health care.

Here's one from Red Deer College just handed to me by the hon. Deputy Premier. It's addressed to Minister McClellan, and it says:

Congratulations on a great budget to launch Alberta's second century. The Board of Governors at Red Deer College commend you for your leadership in providing sustainable, predictable, adequate funding for post-secondary education.

I could table countless letters like this.

This significant investment will help us to provide quality learning programs and services that are accessible to students.

Those are the kinds of people you need to ask. But, no, what we get is reaction from the Liberals, and predictably it's going to be negative. It's going to be negative. They can't say anything nice.

Mr. MacDonald: Whenever we do, you take our good ideas.

Mr. Klein: No. Whenever they say something nice, sir, I start to wonder, and I say, "Oh, my God. What did we do wrong?"

Mr. Chairman, we have to advertise to get the facts out.

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

Dr. Brown: Thank you, Mr. Chairman. Let me begin by congratulating the Premier on the program and the vision set out in the throne speech and also in the budget which his Minister of Finance has proposed and which is now under debate in the House. The investments in that budget will certainly ensure that Alberta continues to be on the leading edge in infrastructure and education in the years to come.

As regards the Executive Council business plan I do have some questions regarding the operation of the chief internal auditor. As I understand the mission of the chief internal auditor, the auditor is to provide advice to the government regarding measures to identify and mitigate risks and to identify improvements. Given the fact that the office of the internal auditor has now completed its first full fiscal year, could the Premier give us some idea of what the effects of the office of the internal auditor have been, how effective it has been, and could the Premier also advise what the office's priorities might be for the coming year and whether or not the reports generated from the office of the chief internal auditor would be made public?

Mr. Klein: Well, first of all, the hon. member is correct. The restructured office, the consolidated office of the chief internal auditor has just ended its first full year of operation. It's important to note that the internal audit function has existed in government for decades, and I pointed that out loud and clear in my opening remarks. We have always had internal auditors. They've been assigned to the departments. Prior to last year there was no uniform internal audit process, and virtually all departments had their own internal auditors. Some departments did not, some of the smaller departments.

The Auditor General did an investigation of this whole situation, and following on the heels of a recommendation by the Auditor General in his 2001-2002 annual report, the centralized internal audit function was created and housed in Executive Council. Now, it could have been housed in Finance. It could have been housed in IIR. It could have been housed anywhere, but they preferred to house it in Executive Council. The thing is that having this service centralized brings greater consistency and accountability to the internal audit function. That could be one of the reasons that the Auditor General recommended that the office be established.

Basically, what the office provides is one set of eyes across all of government, ensuring that accountability and financial and measurement systems are consistent and effective and properly administered.

Now, as I understand it, over the last year the office of the internal auditor has been very busy. It has conducted almost 200 projects and worked with every ministry of government. It's important to note that in all of their work, the chief internal auditor and his staff strive to use the most rigorous standards and principles available. All of the people, as I understand it, are skilled, and they're well-trained members, dedicated individuals.

Hon. members should be aware that the office reports to an audit committee made up of senior public servants and external members, to which the hon. Leader of the Official Opposition alluded. In addition, all of its work is examined by the office of the Auditor General, and that is to ensure quality and to help the Auditor General's office avoid unnecessary potential duplication because the

work of the internal audit relative to any of the departments of government may be audited as well by the Auditor General, and he just wants to avoid that duplication.

9:20

The work of the chief internal auditor is not generally reported publicly, as I stated in my opening remarks. This is because the office of the chief internal auditor is a government branch and not the creation of the Legislative Assembly, unlike the Auditor General. But as I mentioned previously, if the Auditor General were to deem a chief internal auditor matter of sufficient importance – in other words, if he found something dramatically wrong in any of the departments . . .

Mr. MacDonald: Like what?

Mr. Klein: Well, you name it. You find out, as you're so capable of doing. Report it. If it's a matter of significant importance, right? If he finds that you have your hand in the cookie jar, or someone has their hand in the cookie jar, if he deems it appropriate, he can make it public.

In the new fiscal year I understand that the chief internal auditor's office will be focused on four key areas. These areas are government programs and functions with an eye to improving efficiency and effectiveness of management and control systems, assessments of whether current controls are adequate to manage identified risk . . .

The Chair: Hon. Premier, your time has elapsed.

The hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Thank you, Mr. Chairman. A couple of things here. I first of all would like to thank the hon. Premier for giving me the opportunity to ask him some questions. I will be honest with the members of this Assembly. I never thought in my wildest dreams that I would have this opportunity, and I'm very pleased to have been elected and have the opportunity to stand here tonight and ask the Premier some questions.

My business partners would certainly, probably, have my head if I didn't raise this issue, so on behalf of my business partners I'm going to ask the hon. Premier about the \$50 that was in the 2003 expenditures to Royal Rubber Stamp. I'm wondering if the Premier can enlighten us as to how much money Executive Council has allotted to rubber stamp purchases for this current year because my business partners would certainly want to get in on that action, I can assure you. I have to say that I was going to really make a lot of noise about this until a little further down the page I noticed that CompuSmart that year took in a grand total of \$6 worth of business from Executive Council, and then I decided that maybe I shouldn't make so much noise because Royal Rubber Stamp did relatively well compared to CompuSmart.

Mr. Chairman, I, too, saw the big black limousine out front this evening and the big white limousine, and certainly they weren't hauling opposition MLAs around, I can assure you, and they weren't hauling boilermakers around. It did cause me to notice in the 2003 expenditures for Executive Council \$14,000 on limousines, and I wouldn't mind knowing how much of this year's budget is allocated to limousine service given that that seems to be a topic of some interest tonight.

I did notice in that year's expenditures \$26,000 allocated to CFRN for the paid government infomercial that takes place every January, and I would like to know if the Premier could tell us how much is allocated in this year's budget for the upcoming January infomercial

that we're most likely to see once again. I would just remind the Assembly that every year, of course, the Official Opposition asks for equal time. We never get it, but we certainly make a point of asking for it. More recently I noticed that this government's federal Tory cousins asked for equal time last week when the Prime Minister made his address to the nation, so certainly I would expect that there would be some understanding on the other side as to how we feel about that given that their federal cousins obviously experience the same frustration.

In the 2003 expenditures there was \$128,000 listed for the Bank of Montreal. Now, there's a number of other bank charges listed in there and they're smaller amounts, \$1,000 here and \$2,000 there, but \$128,000 to the Bank of Montreal. I'm wondering how much would be in this year's budget for similar charges and which banking institution might be benefiting.

So those would be the questions that, if the Premier wouldn't mind answering, I'd be pleased to hear. If not, perhaps I could see answers to those at a later date in writing.

Thank you very much, Mr. Chairman.

Mr. Klein: Mr. Chairman, I'll try and get the information relative to the \$50 expenditure for Royal Rubber Stamp and the \$6 paid to CompuSmart. Limousine services: I don't know what the \$14,000 was spent on. I won't even venture a guess, but obviously there are officials in the gallery who heard the question. Well, I will venture a guess. First of all, I can tell the hon. member that none of it was spent on me. I don't take limousines. You know, I have a car. Well, there's a driver here who acts as security. When I drive my own car, I have a '77 Volkswagen.

An Hon. Member: Yellow?

Mr. Klein: Red. No, it's blue. Blue. Tory blue. Yeah. It wouldn't be red. Orange and blue. It's got an orange top and blue bottom.

I would suspect that the limousine service involves traffic from the international airport. You know, I don't know what it costs, but people tell me that it's about a \$50 cab bill or whatever the limousine is, 50 or 60 bucks. A lot of money. You know, it used to be a \$5 or less ride down to the muni. I'll check that out, but I suspect that that's what it is.

The Bank of Montreal is the government bank, and all departments have charges that are levied by that bank for various banking services, but I'll try and get the hon. member a breakdown.

How much in the budget for the Premier's address? It's an opportunity I take once a year to basically give a state of the province account of where we're headed and give some ideas to the public of what is upcoming in the throne speech and the budget. I don't have the breakdown as to how much is in the budget, but I can tell the hon. member that immediately after the show, the next day, I received a phone call from the president of Shaw Communications, J.R. Shaw, offering to broadcast free and, as many times as he possibly could, to rebroadcast that speech. My advice to the Liberals would be to contact Shaw and put a show together. They can use the talent, I'm sure.

An Hon. Member: I thought you said the Liberals.

Mr. Klein: The Liberals. Right. I'm sorry.

They might. I don't know what. I can't speak for Shaw. I know that we received an offer to rebroadcast it for free, which was quite flattering actually, because Mr. Shaw was very impressed with the presentation.

What was the other question? Royal Rubber Stamp, CompuSmart, limousines. That was it. Okay. I'll attempt to get the exact figures and what the limousine service was all about.

9:30

The Chair: The hon. Member for Wetaskiwin-Camrose.

Mr. Johnson: Thank you, Mr. Chairman. I'd like to make reference to the introductory comments of the Executive Council business plan where I read that the office of the Premier/Executive Council provides administrative support to the Alberta Order of Excellence Council. I'm not sure just how long the Order of Excellence Council has operated, but earlier this evening I was discussing this with Dr. Bob Westbury, who told me that he was involved in this right from the beginning, and it seems to me that it goes back to the '80s or thereabouts. Anyway, he was very, very supportive and very positive about this council and considered it an honour to be involved.

Now, it seems to me that there are always many benefits to recognizing Albertans and honouring Albertans for outstanding work. It's the proper thing to do, I believe. I wonder if the Premier might comment on the value of the Alberta Order of Excellence program for Albertans. Is this program being profiled and promoted as well as it should be and could be? Will any of this year's budget increase go to raising the profile of the AOE; that is, the Alberta Order of Excellence?

Mr. Klein: Well, an interesting question about the profile of the Alberta Order of Excellence. It certainly is a wonderful ceremony. I've had the opportunity of attending, and so has the Deputy Premier and, I believe, other ministers and members of Executive Council and members of the Conservative caucus and perhaps members of the ND and Liberal caucuses. It's a wonderful program.

The Order of Excellence is the highest order that the province can bestow upon a citizen. It's the province's equivalent to the Order of Canada. The act, as the hon. member pointed out, was created in 1979 to recognize Albertans who have rendered service of the greatest distinction and of singular excellence for or on behalf of all the residents of Alberta.

There are currently, as I understand it, 58 members of the Alberta Order of Excellence. They come from all walks of life. They represent very different fields of endeavour. Those include agriculture, education, science and research, the arts, health care, business, law, politics, engineering, the military, and, of course, community service.

Each year names are put forward through a public nomination process. There were five previously, but we've expanded that to 10, beginning this year. Ten of those nominations are chosen by the Alberta Order of Excellence Council for induction. The people who are chosen for induction into the order are selected because of their extraordinary contributions to this province. Members are all people who place a high premium on service to others whether through their professional work, through philanthropic contributions, or through volunteer activities. The contributions of members can be seen in many cases at the national and even at the international level.

I'm very, very proud as Premier and as an Albertan of the men and women who have been inducted into the Alberta Order of Excellence. I'm also proud of the members of the council, who have devoted their time to examine and screen those worthy candidates. The chancellor, of course, is none other than His Honour the Lieutenant Governor, Norman Kwong, and the chair is Dr. Robert Westbury, as the hon. member pointed out. Council members include Bunny Ferguson, Jack Gorr, Harley Hotchkiss, Walter Paszkowski, and Harold Storlien.

To their credit the council has instituted a number of changes in the past years, and it's all designed to create public awareness of this order. The call for nominations to the order has resulted in a record 44 nominations, so that obviously has improved. This is a drastic increase from the average of four nominations received in previous years.

As well, planning to develop a new members' gallery in the Jubilee auditoriums in Edmonton and Calgary has begun, so that will bring a focus to those people who have been inducted into the order. In addition, the council is encouraging those who have been inducted into the order to wear the pin, very much like people wear the Order of Canada pin, to show that they have this very special distinction. The council will also be designing this year a website specifically for school-aged children, one that could be used as a learning tool in Alberta's elementary school curriculum. Additional events may be planned to attract both media and public interest.

You know, this province boasts many resources, but the greatest resource we have, I've always said, is the great people of this province. The Alberta Order of Excellence is a wonderful program that properly honours the very best that we have in this province.

Thank you.

The Chair: Hon. Premier, previously, when I called time on you, apparently there was an error in setting the clock, and you actually had an extra five minutes. So just for the record I'd like to clarify that.

Mr. Klein: Thank you, Mr. Chairman. Just for record, I appreciate that. I won't take up the five minutes, but I would like to apologize to the hon. members of the Liberal opposition. I used an unparliamentary phrase in that I called them the lie squad, and for that I apologize.

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

Mr. Mason: Thank you very much, Mr. Chairman. Well, I've seen many wonders here tonight in the short time that I've been in the Chamber.

I appreciate the opportunity, as well, to ask the hon. Premier some questions about his budget. In some of the comments that he was making earlier, he ranged rather widely and touched on a number of issues including postsecondary education, Kyoto, health care, and so on. I might ask about some of those things as well, but I do have some fairly specific questions for him. This is one of the few times other than question period, Mr. Chairman, that you actually get an opportunity to ask the Premier questions in a broader sense about the operations of government generally and the Premier's office, and so on.

I'd like to start with the question about the Ministry of Restructuring and Government Efficiency. I'd like to start by asking the Premier why he created this ministry in the first place. You know, it's certainly always enjoyable to ask the minister questions in question period, but I really don't see the reason for this ministry at all. In fact, it looks to me like the Premier has just taken the SuperNet out of Innovation and Science and created the ministry with the ironic title of Restructuring and Government Efficiency. I think that this particular ministry should be the first target of any restructuring or attempt to bring about greater government efficiency.

9:40

I see a number of things in the business plan for that department, and I know, Mr. Chairman, that we're not talking about that depart-

ment's estimates tonight, but we could just go through some of the core businesses that it's supposed to be doing.

- 1: Define and prioritize opportunities for business improvement and service delivery with and on behalf of government.
- 2: Lead the transformation and improvement of priority business practices for government in optimizing the delivery of programs and services to Albertans.
- 3: Integrate information and communications technology and knowledge management standards, practices and frameworks with the business needs of government.
- 4: Deliver and continuously improve shared services with ministries and partners.

In answer to questions in the Assembly from the opposition, the minister has said that the only focus he has, at least at this time, is the SuperNet. So my questions to the Premier are: what is exactly going on with this department? Why is it necessary, and why doesn't the Premier just wrap it up? It's got expenses of \$258 million. So that's a big cost, Mr. Chairman, and I think that the Premier should make a compelling case why this department shouldn't simply just restructure itself out of existence.

I do have a comment on the Premier's infomercial. In fact, is the Premier going to take Mr. Shaw up on his offer in the future and hold his Premier's address on cable TV for free and spare the taxpayers the costs of doing it on Global? That's a good idea, and I also like the idea that there should be equal time for all three recognized opposition parties in having an opportunity to respond. So I think that's an excellent idea by Mr. Shaw, and I hope that the Premier will accept his offer and save us the costs.

Now, I wanted to ask about some of the expenses. On the Premier's website there are a number of costs related to expenses for international travel, and I wondered if the Premier would agree to also post information respecting his office's domestic travel on the website. Some specifics, Mr. Chairman. On September 12, 2004, the Premier and six guests travelled from Edmonton to Ottawa and back again on a private chartered aircraft. The total cost was \$41,514.81. Could we not have accomplished this more efficiently just using a regular domestic air service? And that, of course, doesn't include the whole cost. The Premier travelled at one point to Washington with one guest, and the total cost including airfare, accommodations, and meals was over \$10,000. There was a trip from Calgary to Toronto with the Premier and six guests on July 23, 2003, that cost taxpayers \$22,628, and the Premier and his guests stayed, and the plane came back empty.

This question is to the Premier, and it's more broadly around transportation for the government. We've recently received information from the minister of infrastructure relative to air charters that show over a million dollars in expenditures over the last three years on charters in addition to the four government aircraft that we also know about. I am wondering what steps the Premier thinks are necessary in order to make sure that the most cost-effective transportation is used by the government at all times. Is there, in fact, a system there to evaluate these decisions and direct ministers and other officials of the government and government caucus members to take the most cost-effective means of getting around? I think a review of that would go a long way to eliminating concern in the public about unjustified expenditures for those things.

Mr. Chairman, I'd like to talk a little bit about the Public Affairs Bureau. It's become customary. I see that there is a 6 per cent increase yet again. This is one of the most well-developed propaganda arms of any government in the entire country, and we have often found, for example, that the government can afford to send highly paid full-time staff to monitor our news conferences or our scrums or put out counterspin to work that we do with a very small budget. I really wonder if that's what the public information bureau

is really intended for. It seems to have become a rather partisan arm of the government and is used, I think, basically to try and counter-act opposition comment.

I was interested earlier when the Premier was going on and on about how the terrible opposition parties with their tiny resources had been able to brainwash the entire population of the province on postsecondary education, on Bill 11, on Kyoto, and so on. I really don't think that that's the case. I rather think that we're outgunned pretty significantly on those matters, and if there weren't some real concerns on the part of the public of Alberta, those issues would not have been as big as they are.

The question I have relative to the budget and the staff positions that are identified in the Executive Council budget for people from the Public Affairs Bureau would be: how many people in similar communication jobs are there that are to be found in the budgets of all the line ministries of the government? It would be nice if we could have a complete accounting of every communication professional working for the government in all departments.

Mr. Chairman, that concludes my questions and comments, and I look forward to the Premier's response.

The Chair: The hon. the Premier.

Mr. Klein: Thank you, Mr. Chairman. One of the responsibilities, of course, of the Department of Restructuring and Government Efficiency is SuperNet, and that is a project that is imminent. This ministry will oversee that project, but certainly that is not its only function.

In government, Mr. Chairman, there are literally hundreds of functions and activities that take place each and every day. There are regulations that I think, if they were stacked up, would probably consume all the space in this legislative Chamber. Those regulations have been developed over years. There are volumes of legislation, volumes of reports and policy manuals, and the job of the Department of Restructuring and Government Efficiency is to really get rid of a lot of those rules and regulations that no longer make sense.

9:50

You know, they use the acronym RAGE. I could call it the dumb rules ministry, and it is the responsibility of the minister to really look for efficiencies and determine what makes sense.

Now, I'm going to give you an example. This is one example involving one segment of government. The hon. leader of the ND opposition doesn't know this, or maybe he does know it, but he's not telling anyone. Well, I'm going to ask him a question. Maybe he would like to answer it. I bet you he doesn't know. Maybe he'll answer it publicly. How many departments deal with disabled people?

Mr. Mason: Too many.

Mr. Klein: How many?

Mr. Mason: Four at least.

Mr. Klein: He's so wrong. He is so wrong. There are far more than that. But, anyway, there are numerous programs to deal with disabled people under 13 different ministries. Thirteen different ministries. What the Minister of Restructuring and Government Efficiency will set out to do is co-ordinate those activities to achieve efficiencies and more consistency in the delivery of services to disabled people. There are literally — well, I don't know how many. I understand about 24, not four but 24, programs that extend to

people with disabilities under 13 different ministries. That is phenomenal.

In the areas of environment and energy there are constantly conflicts. So how do you sort those conflicts out?

We find throughout government that there are silos and there's some turf protection. I went through it when I was Minister of Environment, and after I became Premier, of course we started to sort things out, and I'll give you an example. I was not as Minister of Environment going to give up the Environmental Centre at Vegreville. I was not going to give it up to the Alberta Research Council, although it made sense. I said, "No, this is under environment," but when I became the Premier, of course I said, "It makes a lot of sense for this to be under the Alberta Research Council."

There are many instances like this where things need to be co-ordinated and someone needs to drive the public service into giving up turf, and that can only be done through policy decisions and through the power of a minister. So that's why the Department of Restructuring and Government Efficiency was created.

The hon. leader of the ND opposition asked me to take Mr. Shaw up on his offer. The offer only extends to this year's broadcast, and that is to rebroadcast this year's broadcast free. Now, to buy the time is the most inexpensive part, as I understand it, of the whole production. It's the production time, you know, the amount of time that goes into it, and whether it's on cable or whether it's through a commercial station, Global or CFCN or CFRN or CBC, you still have to do the production. I will pursue with Mr. Shaw whether they would make the air time available. I'll pursue that with him, but it's the production time, really, that is the cost consumer.

Mrs. McClellan: That's very gracious of you.

Mr. Klein: It is very gracious of me.

Mr. Shaw did not give an undertaking that he would provide the air time for next year's broadcast. He said that he would provide air time to rebroadcast the tape that had already been made of this year's broadcast.

Back to the department of government restructuring. All of the other questions related to that department should have been asked when the minister appeared before this committee I think about two weeks ago. He was the first minister after the budget to appear before this committee, and those questions should have been asked of him at that particular time. Why they weren't I have no idea. I can only answer as to why the department was created.

Relative to travel again I don't know if the hon. Minister of Infrastructure and Transportation has appeared before this committee or not, but those are questions that ought to have been asked of him. I simply go where they wind me up and tell me to go, and I always ask the question: is this the most efficient and effective way to go? In other words, does it make sense?

By the way, they are not guests. They are not guests. You know, this is one of the problems that I have. The leader of the ND opposition stands up and says that the Premier and his guests, you know, flitted off to Toronto or Washington. They are not guests. They are public service employees. They are not guests. As a matter of fact, sometimes I feel like I'm the guest. They are public service employees who would be going to those places anyway and paying a full fare on an airline. So what we do is measure the cost of chartering or taking our own aircraft against the cost of buying full-fare tickets on airlines, and we try and work that out. That's all I can say about that. Relative to the detail it's a question that more appropriately is asked of the Minister of Infrastructure and Transportation. But I would just like to reiterate that they are not guests, Mr. Chairman, and I can't say this enough. This is the same frustration.

The question is: why do we advertise? Because there has to be a way to get the truth out.

Mr. Chairman, to stand up and imply that the Premier and his guests – that is the kind of thing we have to contend with on a day-to-day basis. Oh, by the way, it is not this government that has all this all-consuming, overpowering power. No. It is the vocal minority. You know, it's the squeaky wheel that gets the grease. It's the NDs and their Friends of Medicare and all the people that they can round up to create noise and to bang drums and to smash windows and to climb over the bannisters – that's what creates the news, and they know that – and then send them over to the local drinking hole over here where all the union people and the media go and then boast about, "Boy, did we ever get those Tories, yeah," with their good NDP buddies sitting there, you know, lapping up the beer.

10:00

The Chair: A point of order has been called. On a point of order?

Point of Order

Factual Accuracy

Mr. Mason: Yes, please. As much as I was enjoying that, Mr. Chairman, I want to assure the Premier that we didn't order anyone to rappel over the sides of the public galleries.

The Chair: Will you provide the reference for your point of order and what it is?

Mr. Mason: Yes, Mr. Chairman, I will. The Premier was using language which imputed motives and was likely to create disorder in the House, and I'll get you the numbers in a minute. But, you know, we of course both know what they are.

The Chair: Hon. member, if you're going to stand on a point of order, the chair would expect you to stand and give a reference immediately.

Mr. Mason: Mr. Chairman, the point of order is under 23(h), (i), and (j). That is when someone "makes allegations against another member." That's (h), as we both know. Citation (i) is "imputes false or unavowed motives to another member," and (j): "uses abusive or insulting language of a nature likely to create disorder."

Now, I want to be perfectly clear that the Premier is not correct in saying that we incited anyone to come over the railings during the Bill 11 debate or sent anyone over to disturb the cabinet ministers in their beer. So I think the Premier should apologize and withdraw those remarks.

Mr. Klein: Mr. Chairman, for the sake of the decorum of this House I will apologize. Thank you.

The Chair: That should deal with the matter.

Debate Continued

The Chair: After considering the business plans and proposed estimates for the Department of Executive Council for the fiscal year ending March 31, 2006, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:	
Expense	\$26,246,000

The Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? That's carried.

Mr. Hancock: Mr. Chairman, I would move that the Committee of Supply rise and report the estimates of Executive Council 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.

Executive Council: expense, \$26,246,000.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

head:

Government Motions

The Deputy Speaker: The hon. Government House Leader.

60th Anniversary of VE Day

20. Mr. Hancock moved:

Be it resolved that the Legislative Assembly of Alberta on May 5, 2005, welcome to the floor of the Assembly three representatives of the Canadian armed forces, one from each branch of the services, with one of those members being invited to address the Assembly to mark the occasion of the 60th anniversary of VE, Victory in Europe, Day.

Mr. Hancock: Thank you, Mr. Speaker. It's my honour and privilege tonight to move Government Motion 20. As you're aware, the Speaker's office has arranged for a celebration and commemoration of Victory in Europe Day on the date that we sit closest to the actual day of the 60th anniversary of victory in Europe. In inviting members to participate and to help commemorate that particular day, it was perceived to be an opportunity to pay particular remembrance by inviting representatives of the service to the floor and have an historic occasion, one of very few that have happened in this Assembly or in any parliamentary Assembly, to invite someone other than someone elected to the floor or the representative of the Queen to attend on the Assembly and speak. Victory in Europe Day is a very, very important day in our history, in the collective history of democracy, and I would ask the Assembly to afford this opportunity for us to commemorate it in a most appropriate and special way.

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

Dr. Brown: Thank you, Mr. Speaker. The hon. Government House Leader mentioned May 8, 2005, as being Victory in Europe Day, VE Day, which was the official day of celebration of the end of World

War II. In fact, May 5, which is the very day that the motion refers to, at 8 a.m. local time was when the surrender happened on the British and Canadian front in Europe, on the European front. So May 5 in itself is a very significant day as to when the enemy forces surrendered. In fact, the last three Canadians were killed on that day, May 5, 1945, in the European theatre.

So this was a momentous day in Canadian history. I think the hon. members ought to remember two things with respect to that particular time in Canadian history; first of all, the very significant role that Canada played in World War II right from the outset. On September 10, 1939, only one week after the declaration of war by Great Britain, Canada entered that conflict. We were in it for six years, and during that six years a million men and women served in uniform in this country, a remarkable number for the size of the country at the time. We had at the end of the war the fourth largest air force in the world, the fourth largest navy in the world, and the first Canadian army which fought as a unit in the European theatre. So Canada played a very significant role in that conflict.

The second thing that we ought to remember is the huge sacrifice made by Canadian forces during that conflict: 45,000 Canadians perished in World War II.

I mentioned that during the period of 1939-45 a million people served under uniform. That constituted 41 per cent of all men in this country between the ages of 18 and 45, and there was no other nation on Earth that came anywhere near to the per capita participation in that conflict as to Canadians. Given the fact that it is 60 years since the end of that conflict, I think it is also an opportunity for this House to remember some of the veterans which are still around, and this will be the last great, significant decade anniversary of the end of that conflict.

So I would urge all hon. members to support the motion made by the Government House Leader. I think it is extremely fitting that we would have not only the three members of the services appear on the floor, but I know that the Speaker has planned to invite a number of veterans to join us in the gallery on that special day.

Thank you.

10:10

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

Mr. Backs: Thank you, Mr. Speaker. I'm pleased to rise and speak in favour of this motion. I think it's a very appropriate motion, and the Official Opposition, of course, supports it.

The victory in Europe 60 years ago from that date that we will celebrate is one of great importance to many, many Albertans and many Albertan families. If we go through every town, every summer village, every place that has been around since that time, you'll see a memorial. There is a memorial even in the halls of this Legislature that speaks to those who passed in that great conflict.

Many families were hurt by it, you know. I don't in my own family look to the history as being special or unique. It really was something that affected almost everybody. As the Member for Calgary-Nose Hill said, 42 per cent of the population was somehow in the armed forces. To have them here on that particular day to commemorate that event, I think, is just a perfect thing to do, and it is indeed the last probable decade anniversary that we'll see for some of the veterans.

My father's cousin was shot down in a Spitfire in the Battle of Britain. My uncles, a number of them, were in the Netherlands, and they spent the war taken away and were in slave labour. My dad was in the Dutch underground and fought with the Stoot Troepen and was attached to the Canadian forces in the occupation and the liberation, indeed, of the Netherlands.

It was a day of tremendous rejoicing in western Canada. That day almost 60 years ago was a day of incredible rejoicing in Europe and especially in those places that were liberated through the sacrifice of the many Canadian forces that were present there.

I speak strongly in favour of this motion, and I'm pleased to support it here today, Mr. Speaker.

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

Mr. Mason: Thank you very much, Mr. Speaker. I am pleased as well to rise in support of this motion, and I appreciate the effort that the hon. Minister of Justice and Government House Leader has made in bringing this forward and certainly believe that the approach that he's suggesting is extremely appropriate.

The Second World War, Mr. Speaker, was a horrific war, the scale of which we have never before seen and which, hopefully, we will never see again. We in the New Democratic Party take pride in our role and reputation as people who fight for peace, but sometimes war is unavoidable. In this case, war was unavoidable, and the fight was necessary, justified, and required acts of supreme sacrifice from millions of individuals.

The war was a battle against fascism and militarism that enslaved millions in the world. Estimates on the number killed in the Second World War are difficult to estimate exactly, but anywhere between 30 million and 40 million people were believed to have been killed. The horrors inflicted by the Nazis on the Jewish population and other populations of Europe are unparalleled in history.

Canada played a very proud role in that struggle, Mr. Speaker. Most of the effort was directed against the Axis Powers in Europe, Nazi Germany, and fascist Italy. Canada, as the hon. Member for Calgary-Nose Hill has pointed out, played a very, very large role. We fought in Italy, we fought in the Battle of Britain, we fought in France, played a major role in bomber command in the bomber offensive against Germany, and took on a major responsibility for the defence of shipping in the Atlantic. In fact, the western half of the Atlantic was under Canadian control and the sailors, including the merchant sailors, who made tremendous sacrifices.

We shouldn't forget the battalions that were involved in the defence of Hong Kong against the initial Japanese onslaught either. That was one of the tragedies of the war. A very small Canadian force was overwhelmed by a very much larger Japanese force in the defence of Hong Kong.

So Canadians played a full role throughout the war, and I think the prospect of having three veterans of that war from the different services with us in the Chamber to help mark that occasion is a tremendous opportunity that we should accept. I want to express the support of the NDP opposition for this step.

Thank you.

The Deputy Speaker: The hon. Government House Leader to close?

[Government Motion 20 carried]

Korea War Veterans Day

21. Mr. Hancock moved:

Be it resolved that the Legislative Assembly recognize July 27 to be Korea War Veterans Day.

The Deputy Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. It is also an honour and a privilege and, I think, quite fitting on the same night to move Motion 21. A number of jurisdictions across this country have moved to recognize Korea War Veterans Day on July 27. It's full time that Alberta joined in making that recognition. This request has been brought forward by a number of people, but none other than a former member of this House, Mr. John Gogo, from Lethbridge, requested that we move ahead with this consideration and I think, again, on a timely basis.

Many Albertans served in Korea, and every year when I attend the Remembrance Day ceremony in Edmonton, as I know others do across this province, there are many who are there whose time of service and sacrifice and contribution was in Korea. Again, it's fitting that we remember the service that was provided and that we recognize that day, which is being recognized in many other jurisdictions as well, as Korea War Veterans Day.

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

Dr. Taft: Thanks, Mr. Speaker. I'm also honoured to rise to speak to this motion, which resolves that the Legislative Assembly recognize July 27 to be Korea War Veterans Day. The Korean War is often called the forgotten war. As I was collecting my thoughts to speak to this motion, I couldn't help thinking of the great memorials we have to World War I and, in particular, the magnificent memorial at Vimy Ridge, which my wife and our two sons have visited and I commend wholeheartedly to every Canadian as a place to visit. It's overwhelming in its power.

I think of the events of World War II that have entered the common culture of Canada, names like Dieppe or Ortona or the liberation of Holland and the north Atlantic battle, for example, and how each of those are marked. In some cases there are veterans still surviving those. My own father served in the western command of the north Atlantic on an aircraft that spent endless hours patrolling for submarines.

10:20

The Korean War has too easily disappeared from our memories even though it's the more recent war and even though there are more veterans surviving that war than World War II or, certainly, from World War I, so we need to take this step to give those veterans their due. I know there are constituents of mine who served in the Korean War under United Nations command. It was, I think, the first and, I believe, remains the largest single United Nations intervention or action of its kind. Substantial numbers of Canadians served, substantial numbers suffered, and substantial numbers died.

I have had conversations with veterans of the Korean War, and what struck me most is how, even though it's half a century later, those memories are so close to the surface of the minds of those people. Within minutes of opening a conversation, they're actually sometimes in tears because those memories are so fresh. We owe these people the recognition that this motion would bring forth, and I am privileged, genuinely privileged to support this motion.

I do have one question for the Government House Leader, who made the motion, and that is to confirm that this, in fact, will be an annual and ongoing recognition. It's not just July 27 of this year, but that it is an ongoing and permanent fixture on the calendar.

I'm sure that all members of the Liberal caucus will be proud to support this motion. Thank you.

The Deputy Speaker: The hon. Government House Leader to close.

Mr. Hancock: Thank you, Mr. Speaker. Only to confirm that there is, in fact, no year in the motion, and therefore as I read the motion,

the intention of the motion would be that July 27 in every year would be known as Korea War Veterans Day or, at least, accepted as such and remembered as such by this Legislature.

[Government Motion 21 carried]

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

Bill 37
Financial Statutes Amendment Act, 2005

Mrs. McClellan: Mr. Speaker, I did make a commitment to respond in writing to my colleagues across the way. I hope that they've had a chance to review that. There were responses that were referred to the hon. members for Edmonton-Riverview, Edmonton-Gold Bar, and Edmonton-Calder. I hope that they had a chance to review those. I do have copies of them here that can be tabled if that's appropriate.

Dr. Taft: That would be useful for us. Thank you.

Mrs. McClellan: If that's appropriate, I would do it now if the page wouldn't mind taking them. We will table those.

Mr. Speaker, I appreciate the support that we've had from members across the way on this bill, constructive comments on the bill, and questions that have been asked that I hope I was able to answer for them.

The amendments essentially do three main things: lock in the funds in the debt retirement account so they can only be used for repaying the debt; increase the nonrenewable resource revenue that can be used for budget purposes from \$4 billion to \$4.75 billion. That, of course, allowed us to make our increases to health, education, advanced education, community policing, supports for AISH, and many others that were outlined in the budget, and I think we've had considerable support from all quarters on those. The other amendments are to really make available the amendments to the Heritage Savings Trust Fund Act and other endowment funds to clarify how the monies can be transferred into those funds.

That really is the essence of what we dealt with in this act. I don't think I'll get into the technical amendments. I think we were able to deal with anything that was in that. I think I would rather take the time that's remaining for any further questions or comments. Again, in the interests of time – it's entirely up to the members – if they have further questions, I'll respond in writing or this evening if they wish.

So, Mr. Speaker, I'll take my seat and wait for comments from members.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to speak to Bill 37, the Financial Statutes Amendment Act, 2005. This bill will increase the amount of nonrenewable resource revenue the government can use for the budget from \$4 billion to \$4.75 billion. It will simplify the contingency allowance to be 1 per cent of revenue, and it will eliminate the schedule of allowable accumulated debt. It has implications for Bill 1.

I just want to briefly indicate that we support the increase in the amount of nonrenewable resource revenue for program spending, but we are seriously concerned, though, Mr. Speaker, that the government doesn't seem to have a plan for a postpetroleum Alberta economy. We think that they should be doing more to build the

Alberta of the future, whose economy is driven by innovation and by technology, not by oil, gas, and forestry.

We are concerned that there's no timetable for Bill 1. This year's budget will only put \$250 million into a \$4.5 billion commitment. This is a concern, not that it's \$250 million but that, in fact, there's only \$11 million available for students in the present funding of the endowment.

We believe that the funding towards the endowment should be on budgeted money and not from unbudgeted surpluses. We believe that the government should accurately predict its oil and gas revenues, or as accurately as possible, and budget money to put into this fund because the approach that's been taken, I think, both by the Conservatives and the Liberals is to grow this endowment through unbudgeted surpluses. We just don't believe in unbudgeted surpluses. We think if the money should be going into the fund, it should be accurately budgeted and should be put in there in the budget in a fixed amount every year. To say otherwise is only to encourage the government's practice of lowballing oil and gas revenues.

So, Mr. Speaker, with that, I'll conclude my comments and take my seat.

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

Dr. Taft: Thank you, Mr. Speaker. We are nearing the end of the debate here, I'm sure. I must thank the Deputy Premier. She and I lock horns on various issues, but I do appreciate her coming forward with this information. She's consistently quick to respond to our questions, and that is appreciated by us all.

Frankly, I think part of the bill is fine, and part of it concerns me. Clearly, we're supporting the idea of setting aside money to pay off the debt, keeping it locked in an account. Terrific. Good. Terrific idea.

My one concern is with the other part of the bill, which raises the threshold for spending from nonrenewable resource revenues. I am concerned about us becoming overly dependent on nonrenewable resource revenues on an ongoing basis to pay for ongoing programs. I am not convinced, and it's not clear to me that there is a solid, long-term plan for managing the various revenue streams that this government has: the nonrenewable resource revenues, the personal income tax, corporate tax, and all the other revenues. I would feel more comfortable supporting this bill if I could see that in the long term we are not getting off balance on what we can sustain in the long term. I won't go into the details of my concerns. I'm sure the Minister of Finance understands where I'm coming from.

So I'm a bit torn on this bill, but after all, it does lock us in to paying off the debt, the last step in that process, and let's get on with it. With those comments, Mr. Speaker, I will take my seat and allow the Minister of Finance to wrap up, I think.

10:30

Mrs. McClellan: Mr. Speaker, I appreciate the comments that have been made by members. I will inevitably write them a note.

I'm not sure that this is a good sign, but I actually am in agreement with the Leader of the Official Opposition that it's incredibly important that we ensure that the dollars that we commit from resource revenue are sustainable. Certainly, that is why there are some unbudgeted dollars. Because of the uncertainty for future spending, it is not wise to expend those dollars when you don't know they'll be there next year, especially on program spending. It is important that we invest those dollars, and we've laid out some ways. I think that the Official Opposition agree with the endowments. We may not agree entirely on the mechanism but have some

agreement on how those investments should be made. Of course, those will be further discussed.

I thank all members for their comments, and I will respond in writing to give fuller answers in some of the comments.

[Motion carried; Bill 37 read a third time]

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

[Mr. Marz in the chair]

The Chair: I'd like to call the Committee of the Whole to order.

**Bill 16
Business Corporations Amendment Act, 2005**

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

Dr. Brown: Thank you, Mr. Chairman. The clerks and the pages are presently circulating a House amendment. This is a minor amendment to Bill 16, the Business Corporations Amendment Act, 2005. The nature of the amendment is to correct a drafting oversight. In the section that is being amended, the terms "unlimited liability corporation" and "limited corporation" are actually being used in an improper context because those terms were previously defined in the old act as being Alberta corporations. Since we're dealing with the transitional provisions dealing with unlimited liability corporations, they were used in an improper context. The proposed amendment reworks the wording of the section to simply take those definitions out of there and to make sense in terms of the unlimited liability corporations.

So I would move the amendment to Bill 16, which is now circulated to the House.

The Chair: We will call this amendment A1 and recognize the hon. Member for Edmonton-McClung to speak on the amendment.

Perhaps we'll just wait a bit until the amendment can get circulated. Does everybody have it? Okay. Proceed.

Mr. Elsalhy: Thank you, Mr. Chairman. First, I would like to start by thanking the sponsor of the bill and the amendment, the hon. Member for Calgary-Nose Hill, who invited me yesterday to receive advance warning of the amendment. I thank him for sharing it with me. Although I admit that unlike himself I don't have a law background, I checked very briefly, and we don't have any problems with this amendment. It doesn't seem to be difficult or malicious or ill intended. It's basically to correct a drafting oversight in the language of Bill 16.

Having said that, I would like to voice our support as the Official Opposition for this amendment. Thank you.

The Chair: Are there any more speakers on the amendment?

[Motion on amendment A1 carried]

The Chair: Anyone wish to speak on the bill as amended? The hon. Member for Edmonton-McClung.

Mr. Elsalhy: Thank you, Mr. Chairman. Before we close debate on this bill, I was under the impression that the sponsor of the bill, the hon. Member for Calgary-Nose Hill, would actually come back to committee with some answers to questions that were asked in second

reading. If I am correct in this assumption, I would appreciate it if the hon. member would present these comments.

Thank you.

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

Dr. Brown: Thank you, Mr. Chairman. I do have some comments to make with respect to the questions that were posed in second reading. The hon. Member for Edmonton-McClung had asked questions regarding whether unlimited liability corporations would escape taxes on their investments in this province. I can simply answer that by saying that the advice that we've received from the officials in the Department of Finance is simply that that would not be so, that they would be taxed, in fact, the same as any other Alberta corporation.

Other jurisdictions do treat unlimited liability corporations in a somewhat different manner. For example, the United States of America deals with unlimited liability corporations as though they were a quasi-partnership, so it's a different type of investment vehicle as pertains to them. But being incorporated in Alberta, they would pay taxes exactly the same as any other corporation.

The other question that the hon. Member for Edmonton-McClung had asked was regarding the shareholders of the unlimited liability corporation being ultimately and fully responsible for a liability and whether or not there were any safeguards or we were letting the directors off easy. Of course, generally in Canadian companies we would not have shareholders being liable. That is the whole purpose behind limited liability corporations, and that is the reason that that vehicle exists, primarily: to encourage investment and venture capital.

10:40

Generally speaking, Canadians would not be likely to enter into such a relationship with an unlimited liability corporation because there would be no tax advantage as far as our citizens would be concerned. In the unlikely event that a Canadian was a shareholder, there would likely be an agreement in place between the shareholders that would state that the American shareholders would take care of those debts and liabilities of the corporation to an equal and joint and several extent as any Canadian shareholders.

In Alberta the unlimited liability corporation is still a regular corporation for all intents and purposes. As far as directors go, directors would have the same responsibilities and liabilities as they would under the existing Business Corporations Act either federally or provincially here in Alberta. Granted, there is nothing that would prevent a director from heading across the border. However, if anything, the debts and liabilities of the unlimited liability corporation are better secured because the shareholders are directly liable. Not only is there director liability, but the shareholders are personally liable for all the debts and obligations. Of course, that is not the case for either directors or for shareholders in a normal corporation.

The hon. member had asked: what guarantees will the public have after the initial phases, after the euphoria and the ecstasy subside that the unlimited liability corporations will continue to invest here and to employ Albertans and Canadians? I'm not sure whether there would be any euphoria or ecstasy over the introduction of the unlimited liability corporations, but I can advise the hon. member that I have had telephone calls in the last two weeks from two different law firms in the city of Calgary who have advised of very significant business deals coming out of Toronto. They're interested in knowing when this bill is going to pass because there are deals that are ready to be done but which would flow into Nova Scotia rather than into Alberta if this legislation is not passed in a timely

fashion. So there is, obviously, a demand out there for this type of an investment vehicle and to do business here in Alberta. I'm not sure about whether or not investing in any of those unlimited liability corporations would be advisable for the hon. member or myself unless they are prepared to risk all of their personal assets.

As to the issue of whether or not they would continue to invest here and employ, the best assurance that we have is to maintain that connection, to have a business-friendly environment here in Alberta with a competitive regulatory taxation agreement and a competitive environment as far as governance of the corporations. That's why the unlimited liability corporation vehicle being brought here is something that I think is a great advantage.

The unlimited liability corporation, like other corporations, would still have to have 25 per cent of their directors resident here in Alberta or in Canada. So they would have to be residents here.

Now, the hon. member also asked whether or not there would be more transparency and truth in the government's audit procedures by only allowing neutral, unaffiliated, and impartial auditors to review the books. I'm not sure what government audit procedures are being referred to. Normally, the Alberta government would have no direct role in auditing any corporation's books. However, what the government can do and does do is to ensure that any corporations that fall under our jurisdiction – that is, if they're incorporated under the Business Corporations Act – do have specific audit requirements.

In the case of a corporation – that would be in the case of a private corporation – any shareholder could demand an audit, demand that the books of the corporation be audited. So even if one shareholder objected at the annual general meeting to the waiver of an audit, it would be required. Of course, public corporations are certainly required to have audits as well.

So the proposed amendment would clarify some of these interpretations.

The hon. Member for Edmonton-Manning had asked further about the issue of the dividend payments to the capital account of the corporation. Just by way of explanation, currently only the declared amount of a dividend has to be put into the capital account. The problem is that the term "declared amount" is being interpreted in two different ways, so there's an ambiguity there in the act right now. Either the directors right now can arbitrarily declare the amount, or the amount could be determined by the value of the stock. What we're trying to accomplish with this amendment is to clarify that the second interpretation is correct; that is, the amount to be determined is the value of the stock. So the amendment is going to reduce potential abuse by directors.

Another question asked by the hon. Member for Edmonton-Manning was with respect to the provision that allows for beneficiaries of registered shareholders that hold shares in trust to vote on corporate decisions. It was asked: what about the blind trust situations?

Now, this provision does not obligate beneficial owners of shares to vote on corporate decisions, and a so-called blind trust is something that is created by virtue of contract. In such a situation the property or share owner, who is known as a cestui que trust, agrees that only the trustee can control the asset. Therefore, in a blind trust situation the trustee would continue to exercise the powers given under the trust agreement and would vote on behalf of the beneficial owner. So if there was any clarification required as to who gets to vote on those corporate decisions, that should be addressed in the trust agreement.

Another question that was asked by the opposition members was the issue of the area which changes the number of Canadian directors required by the corporation and reduces it to a quarter. The question was asked: why is there the drop in the Canadian require-

ment, and shouldn't we have Canadians fully represented on the boards? Of course, the answer there is that this is a balancing act. While we want as many directors as possible to be Albertans and Canadians, the business practically dictates a more liberal approach to the residency requirements. [interjections] Okay. Okay. So lowering the residency requirement mirrors the change in the Canada Business Corporations Act.

The original 50 per cent residency requirement was instituted to ensure that the Alberta corporations remained here, but even with the Alberta advantage it's now having the opposite effect, as Alberta corporations, even though they carry on business here, are incorporating in other jurisdictions and moving their offices to other jurisdictions where they have that flexibility and they don't have to have such a high proportion of Canadian and Albertan jurisdictions.

I think I've addressed most of the questions that the hon. member has, but if he has anything further.

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

Mr. Elsalhy: Thank you, Mr. Chairman. I know that the members opposite are eager to either adjourn debate or go home, but I'm only going to take one more minute of their time.

For the hon. Member for Calgary-Nose Hill, when he mentioned that he wasn't sure what I meant when I talked about neutral, unaffiliated, and impartial auditors, I'm hoping to clarify that and shed some light on it. I was referring to a part of Bill 16 which was proposing to disqualify a shareholder accountant from being an auditor of a corporation in which he or she owns shares. Back in second reading I was encouraging the government to adopt the same approach and implement some provision to its own auditors, making sure that these auditors, like the Auditor General or like the chief internal auditor and people like that, be neutral, unaffiliated, and impartial auditors when they're looking at government books. So I was hoping that the government would expand this idea and adopt it in all its transactions, not just when it comes to the Business Corporations Amendment Act. This is just a point of clarification.

With that, I would invite further debate. Thank you.

10:50

[The clauses of Bill 16 as amended agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? That's carried.

Bill 15

Workers' Compensation Amendment Act, 2005

The Chair: Are there any questions, amendments, or comments with respect to this bill?

Mr. Mason: Mr. Chairman, certainly I was prepared to wait until the next time we consider this bill, but I think the hon. Government House Leader would have soon kept me out of his system.

I'm pleased to talk about Bill 15, which is a bill that we have a lot of difficulty with. The NDP opposition has heard Albertans' concerns about this bill. We've talked to labour groups, their lawyers, and regular rank-and-file workers. It's our belief that Bill 15 is a step backwards and negatively impacts workers' rights.

Instead of empowering workers, the government is trying to take their rights away through this bill.

One of the things that concerns us the most, Mr. Chairman, is tying the co-operation of the worker to the benefits under 22(9). We think that's draconian at least. It allows the Workers' Compensation Board to eliminate benefits, not based on the medical condition and how it was caused and how it affects the worker's ability to do his or her job but on whether or not the staff of the Workers' Compensation Board believe that the worker has been compliant and co-operative with them in going through the steps. It introduces a massive subjective element to the assessment of workers, and we don't think that it should be supported at all.

The government and government members themselves have heard loud and clear about the long-standing claims. In fact, many people on the backbenches of this government have been vocal advocates for some of the workers and the problems that they have had under the previous workers' compensation regimes. Can you imagine the problems that we're going to see, the complaints where workers have been essentially denied benefits because they were deemed to be difficult or unco-operative? This is completely unacceptable as far as I'm concerned, Mr. Chairman. It should be taken out.

We talked to the Alberta Federation of Labour, and they certainly agree that section 22 could be used to force a worker into a proceeding that he or she doesn't wish to be involved in. If a worker doesn't wish to fully co-operate with the board, including submitting to medical examinations, then the WCB would be entitled to withhold payment from the worker and to recover previous payments made to the worker. So workers in that position may be subjected to loss of previous benefits. A Workers' Compensation Board e-mail has confirmed that a case where a worker does not want to be involved in a lawsuit is very rare. The e-mail goes on to state that such a case is rare and that a scenario like this has happened only a handful of times over the past 10 years. So why would we use legislation to force a worker to comply when these situations rarely happen?

We don't think the government has listened to the concerns of Albertans on this, Mr. Chairman. Not at all. In fact, the lack of consultation has been a serious problem. Instead, the government has chosen to listen to the Workers' Compensation Board's senior management, and that management in our view is not always acting in the best interests of the working people in this province, the people that they are pledged to protect. We've voiced Albertans' concerns about this bill in the House, and we introduced a reasoned amendment to Bill 15 on second reading on the basis that the government has not listened to or consulted with Albertans on their concerns on this bill or its effects.

The bill appears to be more of a reaction than anything else to the loss in the Alberta Court of Appeal, Workers' Compensation Board versus Gutierrez, March 16, 2005, than about improving the governance at the WCB. The Alberta Court of Appeal's decision on March 16 of Mrs. Ana Gutierrez versus the WCB went in favour of Mrs. Gutierrez. The court ruled at that time that the Workers' Compensation Board never had the ability to usurp the rights of a worker to take legal action against a third party. That's section 22(3).

Furthermore, the court ruling states: "No legitimate reason has been advanced for the condition the Board has imposed . . . There are no public policy considerations behind the Board's position nor is there any legal basis for it." Yet the government is here asking us to pass it into law. This bill, if it becomes law, will apply retroactively and will nullify the Gutierrez decision.

In other words, Mr. Chairman, here's the situation. The WCB was imposing conditions and making rules that it had no authority to do. The court found in favour of a worker who was wrongfully treated,

improperly treated by the WCB. Now the WCB in a knee-jerk reaction has gone to the government and said: we've got to override this court decision; we didn't have the right, according to the court, so give us the right to do this.

The government, without in my view doing any real consultation among workers or labour organizations or even employers, has just accepted the request, rubber stamped the request of the WCB to put this legislation forward without ever asking the WCB to be accountable for what it's done or, in fact, making sure that anyone besides the WCB is interested in this particular power. It hasn't asked whether or not it's necessary for the WCB to have this power. Clearly, it's not, Mr. Chairman.

So I would suggest to my colleagues on both sides that we not in fact pass this legislation. Let's pull it off the table, have the government do some consultation because the WCB sure won't do it, and decide whether or not this is good public policy, good legislation, and a prudent power for the WCB to exercise. Don't forget some of the abuses that the WCB has been involved in in the past. Mr. Chairman, that's what I think we should do. The government should pull the bill, do some consultation, and re-evaluate whether or not they're taking the right course of action or whether or not they're just assuming that the WCB is acting in the best interests of the people of Alberta, the employers of Alberta, and the workers of Alberta.

That concludes my comments at this stage, Mr. Chairman. Thank you.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. In light of the hour I'd move that we adjourn debate.

[Motion to adjourn debate carried]

11:00

The Chair: Shall progress on Bill 15, Workers' Compensation

Amendment Act, 2005, be reported when the committee rises? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that the committee rise and report Bill 16 and report progress on Bill 15.

[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 the Whole has had under consideration certain bills. The committee reports the following bill with some amendments: Bill 16. The committee reports progress on the following bill: Bill 15. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

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

[Motion carried; at 11:01 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]