

## Legislative Assembly of Alberta

**Title: Wednesday, March 1, 2006**

**1:30 p.m.**

Date: 06/03/01

[The Speaker in the chair]

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### Prayers

**The Speaker:** Good afternoon.

Let us pray. Grant us daily awareness of the precious gift of life which has been given to us. As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country. Amen.

Please be seated.

head:

### Introduction of Visitors

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

**Mr. Danyluk:** Thank you very much, Mr. Speaker. I'm honoured to introduce to you and through you to members of this Assembly a distinguished constituent of Lac La Biche-St. Paul, Mr. Brian Storseth, the newly elected Conservative Member of Parliament for the federal riding of Westlock-St. Paul.

Mr. Speaker, Brian Storseth was raised in Barrhead and is a graduate of the University of Alberta. He owns the Co-operators in St. Paul. Brian is a former youth vice-president of the Barrhead-Westlock PC Association, a former councillor for the town of Barrhead. It is interesting to note that Brian also worked for the Speaker as a summer student. His experience allows him to recognize the diverse needs of rural Albertans. I know that Brian is committed to working hard to represent our joint constituents, and I look forward to continuing our association.

Mr. Speaker, Mr. Brian Storseth is seated in your gallery this afternoon, and I would ask him to rise and receive the traditional warm welcome of this Assembly.

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### Introduction of Guests

**The Speaker:** The hon. the Premier.

**Mr. Klein:** Thank you, Mr. Speaker. It's my pleasure today to introduce the first-ever recipients of the Lois Hole humanities and social sciences scholarship. Now, as we all know, Alberta's former Lieutenant Governor, the late Hon. Dr. Lois Hole, was a rare and indeed a treasured individual. Never before has someone so deeply touched so many people with her openness, her warmth, and her empathy. She was someone who fostered hope in the future and faith in the goodness of humanity. She urged us to stand up for what is right, what is just, and what is meaningful, and she encouraged us all to be kinder to one another. To say that she was highly respected and much loved is an understatement.

Most of all, she reminded us of the value of education and its fundamental importance to the future strength and the vitality of our province. That's why it was so appropriate for our government to honour her memory by establishing the Lois Hole humanities and social sciences scholarship.

Earlier this afternoon it was my great pleasure to join Mrs. Hole's son Jim and the Minister of Advanced Education to present each of four students with a \$5,000 scholarship in memory of Mrs. Hole, and I'll have the hon. Minister of Advanced Education assist me later on. In the members' gallery are several guests from today's event, and I would ask the Assembly to hold its applause until they are all introduced.

Our guests include Mr. Jim Hole, of course, Sandra Kereliuk, who served as the former Lieutenant Governor's executive assistant, and with them are the most important people of all, the four inaugural recipients of the Lois Hole humanities and social sciences scholarship. I'd ask them to stand because they're very special people: Roman Sokolowski from Athabasca University, Barbara McLean from the University of Alberta, Karen Leung from the University of Calgary, and Jacqueline Quittenbaum from the University of Lethbridge. Congratulations.

Now, Mr. Speaker, they are joined by a number of their friends and family members. As well, Stuart Dunn and Helene Lagace, staff members with the Alberta scholarships program, are with us today. So please join me in extending the warm welcome of the Legislature to all of these honoured guests.

Thank you.

**The Speaker:** The hon. Minister of Advanced Education.

**Mr. Hancock:** Thank you, Mr. Speaker. As the hon. the Premier indicated, we had a scholarship ceremony awarding the scholarships, and we had obviously very proud members of families, friends, and professors join us. I'd like to introduce them and ask them to stand and receive the traditional warm welcome of the Assembly: Karen Grove, who is the mother of Roman Sokolowski, Stefan Sokolowski, grandparents Mike and Lena Sokolowski, Don McLean, Gail McLean, Willy Petryk, Issy McLean, Selena Robinson, Sara Grove, Lise Gotell, Linda Trimble, Dallas Cull, Sean McLean, Matthew McLean, and Brenda Dietrich. I'd ask them all to rise and receive the traditional warm welcome of the House.

**The Speaker:** The hon. Member for Airdrie-Chestermere.

**Ms Haley:** Thank you very much, Mr. Speaker. It's a real honour for me today to be able to introduce to you and through you to members of the Assembly people from the constituency of Airdrie-Chestermere, particularly one of my favourite schools in the world, the Airdrie Koinonia Christian school. They try very hard to come every year, and despite the bad roads last night and the snow they made it today anyway. I would like to introduce Mr. Dean Hughes, Mrs. Sylvia Irvine, Mrs. Terry Mammel, and Mrs. Judy Vellacott, the parents and teachers for this group of students. I would ask them all to rise and receive the traditional warm welcome of the Assembly.

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

**Dr. Taft:** Thank you, Mr. Speaker. It's my privilege today to introduce to all members of the Assembly students from St. Martin Catholic school in my constituency. There are 21 of them altogether. They are accompanied by their teacher. They're in grade 6, and they've completed a tour of the Legislative Assembly building, enjoyed it thoroughly, and answered all my skill-testing questions perfectly, so they're a very bright group. I believe they're seated in the members' gallery. I'd ask them to rise and receive the warm welcome of all MLAs.

Thank you.

**The Speaker:** The hon. Member for St. Albert.

**Mr. Flaherty:** Thank you, Mr. Speaker. I wish to introduce to you and through you to members of the Assembly Mr. Dennis John Nowoselsky. He is a former pastor and public servant from

Saskatchewan hoping to move to St. Albert. I wish him to rise and receive the warm welcome of the Assembly.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Decore.

**Mr. Bonko:** Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly 73 students from St. Matthew elementary school in my constituency. They are accompanied by their grade 6 teachers Mrs. Sylvia Synenko, Mr. Roman Tarnawsky, Mrs. Crystal McNabb, and Ms Carrie Forster as well as Mrs. Bonnie Smith. I'd ask them to please rise and receive the warm welcome of this Assembly.

1:40

**The Speaker:** The hon. leader of the third party.

**Mr. Mason:** Thank you very much, Mr. Speaker. I'm delighted today to introduce to you and through you to this Assembly Tony Clark. Tony has joined our caucus team as our new communications officer. Tony was the northern Alberta organizer for the NDP in the recent federal election and previously served as research assistant to our caucus, where he substantially increased the popular vote, I might add. Tony is also an avid rugby player and graduated from the University of Alberta with a degree in theology and a degree in economics. He's seated in the public gallery, and I would ask that he rise and receive the traditional warm welcome of this Assembly.

**The Speaker:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to all members of the Legislature two very special guests, Kathryn and Stewart McLean. Kathryn and Stewart are both my cousins who are here today to watch the proceedings. Kathryn has been teaching in Taiwan for the last two years, and Stewart has been travelling the world and has just returned from Australia and Thailand. I would now ask if they could rise, please, and receive the warm welcome of the Assembly.

**The Speaker:** The hon. Member for Vermilion-Lloydminster.

**Mr. Snelgrove:** Thank you, Mr. Speaker. It's a real honour today to introduce to you and through you to members of the Assembly two very dedicated young ladies that are currently enrolled in the third-year nursing program at the University of Alberta. We all know the commitment the nurses make to their patients in care and caring, and I can assure you that if the rest of their class are as dedicated and committed as these two, that portion of our health care is in very good hands in years to come. Kaley Saumer is from Onoway or, as I'm told by my colleague, Whitecourt-St. Anne, and Lynette Stalwick is from Vermilion. I would ask them both to rise and accept the traditional warm welcome of the Assembly.

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### Ministerial Statements

**The Speaker:** The hon. Minister of Advanced Education.

#### Lois Hole Humanities and Social Sciences Scholarship

**Mr. Hancock:** Thank you, Mr. Speaker. I think I speak for everyone in this Assembly when I say that since the late the Honourable Lois E. Hole left us, Alberta has not been the same. We miss her warmth and compassion, we miss her grace and elegance,

we miss her practical yet poetic vision, and of course we miss her great humour.

Mrs. Hole was a champion of education who spoke often of its power not only for the individual but for our communities, our province, and our nation. She deeply believed that education was crucial not only for practical purposes but for creating a moral and compassionate society. Time and again Mrs. Hole spoke eloquently in inspiring words of support for education, the arts, and humanities, but her actions spoke even louder than her inspirational words for she lived a life that truly embodied a passion for learning and education, a passion for art, music, books, and creativity, and a passion for people, particularly children. She left us with a legacy spanning so many areas from libraries and literacy to music and theatre, from gardening to health care.

Last year the Alberta government in the throne speech established the Lois Hole humanities and social sciences scholarship to honour Mrs. Hole's memory and her commitment to education, and today the first recipients of the scholarship were honoured during a ceremony here at the Legislature. We're very proud that many more will receive the scholarship in the years ahead.

There is one recipient from each of the four universities in the province. Each receives \$5,000 towards his or her education. These recipients, Mr. Speaker, truly embody the future strength of our province. Yes, they are academically gifted, but they were selected by their institution to receive this scholarship primarily for their leadership and their contributions to their communities. In this they are true role models for our province. They are role models who are living out Mrs. Hole's legacy in their daily lives not only by pursuing excellence in learning but by giving back in whatever way they can to help improve the lives of those around them.

The four scholarship recipients are pursuing studies in the humanities and social sciences, a pursuit which is vital to the future of our province. Academic excellence in the humanities and social sciences builds on our province's knowledge base in countless ways. Research and innovation in these areas allow us to know more about societal trends, demographics, social issues as well as community and individual development. This knowledge feeds valuable research into issues that Mrs. Hole cared passionately about, issues such as learning disabilities among children, fetal alcohol spectrum disorder, and illiteracy. As a government we support the arts and humanities in many different ways and are working towards even stronger support for the years and decades ahead.

Mr. Speaker, today is a day to celebrate the future of four talented Alberta students, four individuals who stand ready to take hold of a bright and promising future. They've been introduced, and I'll say it again. They are Roman Sokolowski, Athabasca University, taking a bachelor of arts in political economy; Barbara McLean, University of Alberta, taking a bachelor of arts in political science and women's studies; Karen Leung, University of Calgary, taking a bachelor of arts in psychology and hoping to go on to a master's in clinical psychology; and Jacqueline Quittenbaum, University of Lethbridge, also taking a bachelor's in psychology and hoping to go on to a master's in speech language pathology.

Mr. Speaker, today is also a day to remember, to honour, and to celebrate the life of a truly great Albertan and Canadian, Lois Hole. We see here in the faces of these students the power and the inspiration that Mrs. Hole left for each one of us, a legacy that will last for generations to come.

Thank you, Mr. Speaker.

**The Speaker:** On behalf of the Official Opposition the hon. Member for Calgary-Currie.

**Mr. Taylor:** Thank you, Mr. Speaker. I regret that I never had the personal pleasure of meeting the late the Hon. Lois Hole, but like tens of thousands of other Albertans and, indeed, other Canadians from coast to coast I've been inspired by her commitment to public education. Mrs. Hole respected all the educational disciplines, but there was a special place in her heart for the arts, the humanities, and the social sciences. She understood the tremendous value and power of a well-rounded education, strong in the liberal arts. Mrs. Hole knew that a liberal arts education is the best tool for developing critical thinking and creativity, for creating stronger communities, and for building bridges between different cultures. She believed, quite correctly, that the arts and letters are absolutely indispensable to our progress and our prosperity.

Not long before her passing the late Lieutenant Governor, remarking on Alberta's good fortune, said: "It is a time of great opportunity for Alberta. We must not miss it." She was right. With the resources currently at our disposal we could create the best educated population in the world and, by doing so, enjoy the kind of Alberta that Lois Hole always dreamed of, a place where creativity, tolerance, compassion, respect, and imagination combine to create a new and better society. She might have called such a place a kind of paradise. To Lois Hole compassion and kindness were the ultimate virtues, so it is fitting that the scholarship that bears her name rewards students who use their talents in the expression of those virtues, providing leadership and service to their communities.

I would like to congratulate the first four recipients of this new scholarship. They should be very proud both of their individual accomplishments and that they have helped to carry Lois Hole's legacy forward. If Mrs. Hole were still with us, I'm sure she would have given Roman, Barbara, Karen, and Jacqueline each a warm hug and a few whispered words of advice or support, and then, in all likelihood, she would have told anyone within earshot about the importance of maintaining and improving our public education system. In her absence it falls to us, the people of Alberta, to carry on her work. Let's keep building great public education in this province. Let's bring Lois Hole's dream to life.

Thank you.

**Mr. Martin:** Mr. Speaker, I'd request unanimous consent for the Member for Edmonton-Strathcona to reply.

[Unanimous consent granted]

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

**Dr. Pannu:** Thank you, Mr. Speaker. I had the distinct honour of knowing Her Honour the late Madam Lois Hole before I ever had the opportunity to sit in this Legislature. I learned a great deal from her life and drew lots of inspiration from her life's work. It is, therefore, a distinct pleasure for me to rise today and commend the government of Alberta for establishing the Lois Hole scholarships in humanities and social sciences to celebrate her work and to salute her. I'm particularly glad that Jim Hole could be present this afternoon, and on behalf of the NDP opposition I would like to extend warm greetings and best wishes to Mr. Hole and the entire Hole family.

1:50

Mr. Speaker, Mrs. Hole dedicated her life to hard work. She worked side by side with her husband, Ted, to build a successful farm business and then extended that success by becoming an author and a public speaker. Her true success, however, was in her generosity and sense of community. Mrs. Hole was a model of hard

work, leadership, and community service. It is fitting, therefore, that the scholarships bearing her name should be awarded based on those attributes.

Her Honour's dedication to education is beyond question. Before becoming the Lieutenant Governor, Mrs. Hole served as a trustee and chairperson for the Sturgeon and St. Albert school boards. She also served as a member of the Athabasca University governing council and honoured all Albertans in her position as the chancellor of the University of Alberta. Her Honour will be remembered as one of the best-loved Lieutenant Governors to ever serve in this province, and it is no wonder. Lois Hole was truly the queen of hugs, a tireless advocate for the arts and literacy, and a true champion of public education.

I extend my warmest congratulations to the first four recipients of the Lois Hole humanities and social sciences scholarships and their families. I'm confident that these scholars will follow the exceptional example set by Lois Hole, and I wish them all the best in their studies.

Thank you, Mr. Speaker.

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### Oral Question Period

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

### Health Care Privatization

**Dr. Taft:** Thank you, Mr. Speaker. This government is full of contradictions. Yesterday the Premier introduced a proposal that would see some Albertans receive far better access to health care than others if they just write a cheque for it, yet on the same day the Premier insisted that the ability of Albertans to pay will never determine their access to health care. Can't have it both ways. My questions are to the Premier. Can the Premier explain his claim that Albertans' ability to pay will not determine their access to health care when his own government has just proposed a plan that would allow certain Albertans to receive much quicker care if they're able to pay?

**Mr. Klein:** Wrong, wrong, wrong. You know, the Leader of the Official Opposition stands up and fibs not only to this Assembly but to the world.

**The Speaker:** Please. We've had discussions on the usage of certain words. I'm going to ask the Premier of the province of Alberta to withdraw the word "fib."

**Mr. Klein:** Sorry, Mr. Speaker. I won't use the word "fib." I'll say that he doesn't tell the whole truth all the time – most of the time.

**The Speaker:** We have a point of order on that point. I think it's really important that we use proper decorum.

Please proceed.

**Mr. Klein:** Mr. Speaker, my point is taken and made, but I do apologize for calling the hon. member a liar.

Mr. Speaker, if this member or any person in this Assembly or any Albertan is sick or injured, they will be treated. They will be treated under the public system, and they will be treated immediately according to the triage procedures that are available in our health regions.

**Mr. Martin:** The rich first.

**Mr. Klein:** No, no. Not the rich first. It doesn't matter who you are. You could be Ray Martin. You could be . . . [interjections] Oh, no, I'm sorry. You can't use a name. You could be the hon. member. You could be anyone. You could be Mrs. Jones. You will get treated whether you have no money whatsoever if you have a heart attack, if you're banged up in a car accident. But if you have a hernia, like Jack Layton, the leader of the NDs, and if the doctor says that you will have to wait a year, and it's bothering you, then you can buy insurance, or you might be able to. That's the proposal. If there's a better idea, then send it over.

[Several members displayed a publication]

**The Speaker:** We've got a point of order on the utilization of exhibits, I gather.

The hon. leader.

**Dr. Taft:** Thank you, Mr. Speaker. Again to the Premier. A straightforward math question: when two Albertans are waiting for a knee replacement, and the richer Albertan pays for treatment and waits two months and the poorer Albertan stays with the public system and waits 12 months, how much longer did the poorer Albertan wait? How is this equal?

**Mr. Klein:** Mr. Speaker, what the hon. leader is saying is that the poorer Albertan should wait 12 months. That is unacceptable. We want to improve access for both those who can afford to pay and those who can't afford to pay. Now, aside from that red book, which, by the way, contains absolutely nothing in terms of bringing the costs of health care in line with the rate of inflation or improving access – it says nothing about that whatsoever. You know, they can hold it up all they want because it does absolutely nothing. The whole idea of this proposal – and it is a proposal because there is a public consultation process – is to improve access for those nonemergency situations.

**The Speaker:** The hon. leader.

**Dr. Taft:** Thank you, Mr. Speaker. Well, assuming that we all want to improve the public health care system, can the Premier explain how allowing doctors to practise in both the private and public systems will reduce costs for all Albertans?

**Mr. Klein:** Mr. Speaker, that is a matter for the public consultation process. As I indicated yesterday – and the hon. Leader of the Official Opposition was at the media scrum – he can participate in the public consultation process and present those ideas. There will be plenty of time for debate in the Legislature if – and I underline the word “if” – legislation is introduced. If they have better ideas, if through the public consultation process they can present an alternative way to bring the costs of health care in line with the rate of inflation, if they can demonstrate very concrete ways to improve access, then fine, we'll consider those.

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

#### Private Health Care Insurance

**Dr. Taft:** Thank you, Mr. Speaker. Not only is this government unable to provide evidence that supports the Premier's reforms to health care, but they're unable to answer the questions that are on the minds of most Albertans. These are basic questions that a govern-

ment pursuing massive reforms should be able to outline clearly. I will speak slowly. To the Minister of Health and Wellness: what other health care services currently covered by public insurance plans does the minister intend to delist?

**Mr. R. Miller:** A point of order, Mr. Speaker.

**The Speaker:** Just a second.

A point of order on what? I'm sorry.

**Mr. R. Miller:** On the Premier's language and his behaviour in the House, Mr. Speaker.

**The Speaker:** We'll deal with it later.

The hon. Minister of Health and Wellness.

**Ms Evans:** Mr. Speaker, I heard him suggest that we were planning to delist services. That is not the case. It's neither in the consultation document nor is it contemplated as we go out and talk to Albertans about the policies here that, number one, talk about putting the patient first, talk about building a stronger public system, talk about doing things to improve the public system, talk about interregional co-operation, alternatives in paying and compensating health care professionals. Perhaps he could elucidate more clearly so that I could contemplate his question.

**The Speaker:** The hon. leader.

**Dr. Taft:** Thank you, Mr. Speaker. I take it that nothing will be delisted, and we'll keep her to her word.

To the Premier: given that half of Alberta households make less than \$50,000 per year, why does the Premier think that the average Albertan can afford private insurance? Is that what Aon said?

**Mr. Klein:** Mr. Speaker, again, all we're proposing at this point is a public consultation process. Now, if the hon. leader is opposed to us consulting the public, then stand up and say so. If he's not, then I would hope that he will participate in a meaningful way and provide positive input, not the red book because it contains nothing, positive input, input that will achieve two things: one, bring the costs in line with the rate of inflation, if we can do that, and improve access. If he has any ideas on how that can be done, any idea.

2:00

You know, as I said, there are a thousand pieces to this puzzle. What we're proposing is one piece contained in – I don't know how many recommendations in the framework. One piece. That represents about one or maybe two pieces to the puzzle. There are probably a thousand pieces to the puzzle. We'll consider any good advice from any of the people who submit thoughts and ideas to the public consultation process.

**The Speaker:** The hon. leader.

**Dr. Taft:** Thank you, Mr. Speaker. Again to the Premier: for the record is there a plan to eliminate health care premiums and have Albertans pay for private insurance instead?

**Mr. Klein:** No. There is a plan to consult with Albertans. I'm going to say it very slowly. There is a plan to consult with Albertans, including members of the opposition Liberals and the opposition NDs and the opposition Alliance. There is an opportunity to

consult with Albertans and an opportunity for all of these members to provide their input.

**The Speaker:** Third Official Opposition main question. The hon. Member for Edmonton-Centre.

**Ms Blakeman:** Thank you, Mr. Speaker. As experts predicted, the Chaoulli case is being misinterpreted and misused for political purposes to justify reforms that the court never envisioned. Yesterday in the Assembly the minister of health began that process in Alberta. The Chaoulli decision lifted the ban on private insurance on the understanding that the rule against doctors working in both systems would remain in place. My question is to the Minister of Health and Wellness. Why is the minister proposing to allow doctors to work in both systems? The Supreme Court decision provides no basis for that.

**Ms Evans:** Well, Mr. Speaker, as our Premier has said many times, this will be a part of public consultation. What I referenced yesterday were papers that were provided last November at a conference in Vancouver where Peter Hogg, a constitutional lawyer, and Marvin Storrow spoke about the very real question of Madam Justice Deschamps' ruling that cited the Constitution in Quebec and the Charter of Canada and suggested that if one is approved for one part of Canada with the Quebec Charter, it may very well apply for the rest of Canada. The great body of evidence that they were providing at that time suggested that all provinces should be looking at that.

Indeed, Mr. Speaker, when I was at the meeting with Mr. Clement and the other health care ministers from across the country, I was told that at least six other provinces are reviewing their own legislation and regulation in light of the Chaoulli decision.

**The Speaker:** The hon. member.

**Ms Blakeman:** Thank you. Again to the same minister: given that the majority decision was that allowing private insurance would not necessarily improve waiting lists, and some insisted that it would in fact weaken the public system, how can the minister say that private insurance will improve public wait times?

**Ms Evans:** Mr. Speaker, in the document, in fact, though suggestions were made that there may have been some deleterious reference, the vast majority of the opinion cited that the proponents of the Canada Health Act failed to show any illustrative point where private care had eroded the public system. They cited that very definitely.

**The Speaker:** The hon. member.

**Ms Blakeman:** Thank you. Again to the same minister: since the court ruled that Quebec's restriction on private insurance was valid only if wait times in the public system were reasonable, why not simply fix the public system?

**Ms Evans:** You know, Mr. Speaker, that is a very good question, and there is a great deal of work being done to fix the public system. The arthroplasty project, that sees hip and knee replacements done in this province in ways that reduce the wait times, is a primary example of something that leads the country in reducing the wait times. That's an outstanding event that takes place right here in Alberta. We intend to keep advancing in this direction, reducing the wait times in the public system.

Simply put, what concerns me a great deal is that we can do these things. We can make the public health care system more efficient, and we'll continue to work on that every day, putting the patient first, but we cannot guarantee that the system and the way that we're delivering it today with the rising costs of drugs and technology is sustainable for the long term. We are not looking at today and tomorrow; we're looking at the long-term horizon of delivering public health care responsibly.

### Health Care Privatization

*(continued)*

**Mr. Mason:** Mr. Speaker, earlier today I released a study that shows a direct link between the amount of private health care in a system and increased waiting lists. It found that even small increases in the percentage of private delivery cause wait times to jump dramatically. This is far from being an isolated study. It represents a consensus of health care experts around the world. My question is for the Premier. Why is the Premier misleading Albertans by telling them that two-tier, private health care will reduce wait times when the opposite is true?

**The Speaker:** A little while ago I interjected with the use of a certain word. Now the leader of the third party is saying to another member that it's a deliberate misleading, which violates our rules. Please find another word, okay? This is only the fifth day of this spring session. My hair is already starting to turn.

**Mr. Klein:** Well, Mr. Speaker, if the hon. member has this information – I'm sure he does – then I would strongly suggest that he make it available to the public consultation process. That's what it's all about.

**Mr. Mason:** Can the Premier, who is attempting to turn our health care system upside down, stand in this place and cite one single study that shows that more private health care improves wait times?

**Mr. Klein:** Mr. Speaker, that's not my place, either to show or not to show, but it is my place to consult the public. The hon. leader of the third party is a member of the public, and he is welcome to share his views with the public consultation process.

**Mr. Mason:** Mr. Speaker, why won't the Premier admit that he is leading Albertans down the garden path where longer wait times and higher expenses are the only result?

**Mr. Klein:** Mr. Speaker, again, he can repeat those comments to the public consultation process.

**Ms Evans:** Mr. Speaker, if I may. The study in question was provided by the hon. member opposite and the information provided cites data from a very different system. The system in Australia is quite different in the way they provide public/private partnerships.

We're pleased to take their comments, as the Premier said, but it does not constitute the full wealth of knowledge that we can have available to us in looking at the way that we can remarkably modify the system in Alberta to make sure that the public system stays strong and still explore an opportunity for selected services of a nonemergent nature.

**The Speaker:** The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for Calgary-Nose Hill.

### Health Care Reform

**Mr. Hinman:** Thank you, Mr. Speaker. The release of the health policy framework is appreciated by all Albertans. However, the fear of the unknown now shifts to the devil in the details. The government seems confused between forgive and forget the repentant offender and promise and forget. The Premier promised to improve our health system by regionalizing and then promising elections of our health boards. This government also promised to have public consultation on this framework. This government controls the funding, procedures, and opportunities of the health regions as well as the health boards. What they are presenting is not the third way; it is their way or the highway. To the Premier: will you put the people of Alberta first and keep your promise and allow the people to elect health boards that have the power of requisition?

2:10

**Mr. Klein:** Well, the power of requisition: you know, an interesting question. It's one that I would invite the hon. member to put to the public consultation process. If you want to go back to requisitions, that's an interesting proposal. It might be interesting to have one board or maybe no boards since the government provides all the funding for health care. You know, these are questions that can be put to the public consultation process. As I say, there are a thousand pieces to the puzzle.

They want to concentrate – and by “they” I refer to the opposition – on the kinds of things that create controversy and conflict and confusion and chaos, the five Cs of journalism. As my hon. friend the Member for Calgary-Fish Creek said, if it doesn't bleed, it won't read.

There are all kinds of things that are constructive that can be considered; i.e., the whole governance model and the cost of administration within our health systems, the common purchasing of not only pharmaceuticals, as the hon. leader of the third party pointed out, but uniforms and the numerous supplies that are used by the various hospitals and health authorities and doctors.

So, Mr. Speaker, there are all kinds of things that need to be considered, and I would ask the hon. member to submit his ideas to the process.

**The Speaker:** The hon. member.

**Mr. Hinman:** I would love the opportunity to meet with you and the minister of health.

Thank you. To the Minister of Health and Wellness: would you elaborate on what, according to the health policy framework, you consider to be small rural hospitals? The plan appears to be to downgrade these facilities. What are the details?

**Ms Evans:** Mr. Speaker, on page 13 of the plan it deals quite extensively with rural hospitals. Some are larger; some were built in the '50s. Reconfiguration of them would be necessary because there are many different ways that we treat patients, new technologies and so on. So what the policy framework suggests is that we look at what is practically possible, look at the health authorities' use of the Capital health critical care line, look at the use of telehealth, look at the services that are needed in particular areas, that we partner between larger urban hospitals supporting smaller rural hospitals. When I talk in that report about multidimensional care in facilities, primary care, we talk about teams providing care. There's absolutely no intent to downgrade the hospitals but to in fact move them more into the century of rapid technology and treatment of patients.

**The Speaker:** The hon. member.

**Mr. Hinman:** Thank you, Mr. Speaker. Will the Minister of Health and Wellness allow innovation and efficiencies to be developed by the health regions by allowing funding to follow the services which the regions feel they are able and wanting to provide to the people of their regions?

**Ms Evans:** Yes.

**The Speaker:** The hon. Member for Calgary-Nose Hill, followed by the hon. Member for Calgary-Mountain View.

### Opted-out Physicians

**Dr. Brown:** Thank you, Mr. Speaker. My questions are for the hon. Minister of Health and Wellness. Many Albertans are concerned with proposals for health care reform which would allow physicians and surgeons to opt out and to carry on practice in both the public system and the private system. Will the minister assure Albertans that allowing physicians and surgeons to opt out of the public health care system and work for private facilities will not result in a reduction of scarce human resources such as specialists which are now available in the public system?

**Ms Evans:** Mr. Speaker, what we're proposing in the health policy framework is to make sure, in fact, that we launch this with a limited number of procedures, procedures of a nonemergent nature, where people want to get services more rapidly than they actually medically need those procedures. We will very carefully control that with business cases that have to be provided that show that there's no interference with the public system in delivery of those particular private opportunities.

**Dr. Brown:** Can the minister advise the Assembly how her department will ensure that waiting times for ordinary Albertans do not increase as a result of specialists such as orthopedic surgeons, anaesthetists, cardiologists, and so on allocating some or all of their time to private clinic settings?

**Ms Evans:** Mr. Speaker, I'm just going to make this observation. One of the reasons why setting benchmarks and targets and wait times is so difficult on a national scale is because many things can interfere; for example, the health of the region, traumatic events, the kinds of resources that may be called away for something like a pandemic, and so on. So you have to be careful when you establish benchmarks for wait times that you do that in a way that steadily improves progress to access but doesn't necessarily mitigate against better clinical decisions.

Our intent is to make sure that any use of any professional in any part of the private system would in fact not compromise the public system. We're being very, very careful to define just a very small amount of opportunity here so that we can evaluate it, we can monitor it, and we can make sure, Mr. Speaker, what we are committing to; that is, that the public system be strong and ever stronger and improve wait times there, that we keep working on that, and that anything else that's done in any private clinic will not mitigate against the public system.

**Dr. Brown:** Can the minister advise whether any steps are contemplated to ensure that the best and most skilful physicians and surgeons do not flee the public system to work for higher financial rewards in the private system?

**Ms Evans:** Well, Mr. Speaker, one of the things that the question does is make an assumption that there will be higher rewards in the private system, and we cannot evaluate that. We cannot make that assumption at this time. What we have to say, simply, is that if there had been higher rewards in a private system in a nonpublic tract right now, you would have no doubt that there would be several of those opportunities available all over Canada. Quite frankly, what we are going to look at is how we control, how we evaluate and monitor the doctors that would make a case to go into that kind of private delivery opportunity and make sure at all times that the number one mandate of this government – namely, the strong public health care system – is maintained.

**The Speaker:** The hon. Member for Calgary-Mountain View, followed by the hon. Member for Little Bow. [Disturbance in the gallery]

**The Sergeant-at-Arms:** Order! Order in the gallery! You're not part of the proceedings.

**The Speaker:** The hon. Member for Calgary-Mountain View has the floor.

#### Coal-bed Methane Drilling

**Dr. Swann:** Thank you, Mr. Speaker. Yesterday in this House in relation to contaminated drinking water in rural Alberta the Minister of Energy indicated that coal-bed methane extraction, a new technology of the last few years, is just like drilling conventional gas. However, he apparently does not know that coal-bed methane recovery is very different, with many wells per section using shallow fracturing with toxic chemicals and explosives, some at levels up to 200 metres deep. EUB directive 027 of last month stated, "There may not always be a complete understanding of fracture propagation at shallow depths." My question to the Energy minister: will this minister finally admit that coal-bed methane drilling is proceeding without understanding the risks and placing Albertans and their water in danger?

**Mr. Melchin:** Mr. Speaker, when we look at the safety of water, that's what the Energy and Utilities Board works on, that's what we work on, that's what Alberta Environment works on, that's what we all work toward: ensuring the safety and security of people, their water, their air, and all those quality issues. That said, you're always looking to improve a regulatory environment. Through the years we've had decades of experience in drilling in deep and in shallow zones, not just coal. This isn't the first time that shallow drilling has occurred for natural gas. There are plenty of shallow wells being drilled for natural gas in southeastern Alberta all the time. So when you're looking at the coal-bed methane zone, it's true that we want to make sure that we're up to speed and have the best regulatory environment to continue to facilitate and have the best structures in the world.

**The Speaker:** The hon. member.

**Dr. Swann:** Thank you, Mr. Speaker. The minister is not listening. Last month the same EUB directive said, "Oilfield and water well drilling and completions practices may not be adequate and should be reviewed." Does this minister disagree with the EUB?

**Mr. Melchin:** Mr. Speaker, I support that we have been very active, the Energy and Utilities Board, our own department, consultations

with industry, with the public at large. That's why we initiated the multistakeholder advisory committee to look at coal-bed methane in particular, acknowledging that there is going to be an increase of activity. It's started to happen; therefore, we want to be in front of it. The final report is with me now. The draft report was submitted last fall. The draft report was actually public information. We are going to be acting quickly to ensure that we continue to improve upon an already very solid regulatory environment.

2:20

**Dr. Swann:** Mr. Minister, these wells are being drilled as we speak. The EUB itself has said that they do not understand the risks. Will the minister stand up for public health and safety and consider halting all new coal-bed methane fracturing until we know what we're doing?

**Mr. Melchin:** Mr. Speaker, it's convenient to take an extrapolation of one sentence from the Energy and Utilities Board. It's also true that the Energy and Utilities Board, who has a tremendous amount of engineering and geological expertise on their board to adjudicate, has approved already the drilling of wells because they have been able to assure the safety of Albertans in those very specific applications that have gone forward.

**The Speaker:** The hon. Member for Little Bow, followed by the hon. Member for Lethbridge-East.

#### Opted-out Physicians

(continued)

**Mr. McFarland:** Thank you, Mr. Speaker. In today's society I'm really pleased that we have the technology that allows our constituents to phone you three hours ago with a question that they'd like asked on a very timely topic, which is health care. My questions are to the minister of health. Minister, one of the constituents that phoned this morning wanted to know if you or your department have established any guidelines on how much a doctor could make working in the private health care system that is being proposed, talked about, or otherwise discussed?

**Ms Evans:** Mr. Speaker, I've looked across the country. There are a variety of approaches that are undertaken. Some are capped; some are not capped. For the largest extent most surgical services in private facilities that are provided are not capped. We will have to very carefully consider what the case should be in Alberta. Again, it's a part of the consultation document, but we will take a look at how those doctors are paid, how the staffs are compensated. We have alternative relationship plans that pay health care teams in different ways, so we can look at how those fees are accomplished.

Currently at HRC in Calgary those physicians are paid on the public scale, but there are facility fees as well. So we would take a look at the business case and determine what seemed to be fair and reasonable. A criteria of fairness is important in this system in Alberta. I think that's appropriate. We would take a look at the service itself, what level of service was being provided. It may be individual and may be different dependent on which service was provided in that system.

**The Speaker:** The hon. member.

**Mr. McFarland:** Thank you, Mr. Speaker. Another very specific question that this lady from the county of Lethbridge asked is: will doctors operating in the private system collect the same fee for the

same procedure that doctors are compensated for in the public system?

**Ms Evans:** Well, Mr. Speaker, that's very clearly an important element. It is tied with whatever business case is made. We're not likely to amend the fees in the public system except through the trilateral agreement, which, as you know, is how we compensate our physicians. Quite frankly, we have yet to make a final determination on what would be done. We're looking at policies from a number of places, but most of all we're going to hear from Albertans first.

Again, on the principle of fairness, we don't want to make a predetermination on something that may or may not happen.

**The Speaker:** The hon. member.

**Mr. McFarland:** Thank you, Mr. Speaker. The last question that I received this morning was: will doctors operating in the private health care system be able to use public health care facilities to perform some of their procedures?

**Ms Evans:** Mr. Speaker, public health care facilities will always take precedence for public health care. Where we have extra or surplus space or community facilities that may be made available, there would have to be a business case develop so that the public tax dollars that had paid for that space were fairly recognized in whatever business plan would be available.

Mr. Speaker, I looked at a hospital in Bonnyville that had some space that was surplus, that had never been completely developed. It's possible that in a space like that, if a private clinic were to provide a business case, pay for the renovations, locate there, and provide some supports alternatively back to the public system, it would make sense for the public system in Bonnyville to look at that. We would have to deal with these on a case-by-case basis, what makes sense and is it fair to all concerned.

**The Speaker:** The hon. Member for Lethbridge-East, followed by the hon. Member for Calgary-Shaw.

#### Continuing Care Standards

**Ms Pastoor:** Thank you, Mr. Speaker. The continuing care system in this province is in crisis. This has been pointed out by the Auditor General, the MLA task force, and every brave Albertan who has come forward with their heartbreaking stories about the experience of their loved ones in continuing care. Last week's announcement was too little. To the minister of health: given that the safety of vulnerable Albertans should be this government's number one priority, will the minister act on the recommendation to regulate personal care attendants, who have the most direct and frequent contact with residents?

**Ms Evans:** Mr. Speaker, the question is a good one. Initially when we looked at this response, I feared that the member opposite might in fact suggest that it is too little, but it is what has been assumed could be spent to help us to complete this calendar year to the end of this fiscal year to provide ceiling lifts, support for reviewing medication administration, to provide another amount of money for administration of the long-term care facilities generally, and to provide another \$15 million towards the long-term care hours that are designated at 3.4.

Mr. Speaker, the member knows full well that there is training of staff and other things that have to be done, and the Minister of Seniors and Community Supports and I working together have yet

this spring to make sure that we are able to release a plan for addressing the standards issue, which was a part of the Auditor General's report and which has been cited by the hon. members that completed the study.

**Ms Pastoor:** Thank you to the minister for that, and I look forward to discussing this more in depth in the next thing that's coming up.

What is the minister doing to ensure that therapists are available and accessible to work closely with the residents to prevent disability and maintain health?

**Ms Evans:** Mr. Speaker, various health regions have plans to do this type of activity. Some are more developed than others. Some are in fact contingent on the willingness and the partnerships already created by the various facilities that are administering continuing care. We have things that are different. In Calgary, for example, the chronic disease management strategy has a whole different methodology of navigating through the system. With compliments also to Chinook. I know that in the Chinook health region there have been a number of different approaches taken.

Mr. Speaker, one of the difficulties that we're trying to manage with the workforce requirements is the training of special therapists to make sure that we have an adequate supply, and where we can, we are trying to use therapists from other parts of the system, from the regional authorities, to provide supplementary supports to those facilities that require them on a needs and case-by-case basis.

**The Speaker:** The hon. member.

**Ms Pastoor:** Thank you. When will the minister legislate clear, measurable, province-wide, and resident-focused standards to protect the vulnerable Albertans that remain in our continuing care?

**Ms Evans:** Mr. Speaker, I think that in the very first instance we have to release the standards and get the feedback from the people that are resident in continuing care circumstances, their families, the providers of service, and make sure that the standards are appropriate. Whether those are carried further in terms of legislation I cannot commit to at this time, simply to say that the target that we have is to elevate the standards and make sure that patient safety is improved and that the work that we're doing to provide supports in the long-term care and continuing care facilities has measurable outcomes, that the things that we're undertaking there are evidence based, and that we're accountable for a higher and better quality of care. I know that that's the intent of every member of this Assembly.

**The Speaker:** The hon. Member for Calgary-Shaw, followed by the hon. Member for Edmonton-Beverly-Clareview.

#### Medical School Spaces

**Mrs. Ady:** Thank you, Mr. Speaker. We continue to experience a shortage of doctors in this province as well as in this entire country. We recently heard a report in the city of Calgary that we're short 500 doctors today, with the average age of a doctor being 50. As we look at these shortages, we have hundreds of qualified students looking for seats in medical school, and when they're not successful, they'll often go to foreign medical schools for their training. My questions are to the Minister of Health and Wellness. Are there plans to increase the number of residency spaces in our medical schools so that we can bring these new Alberta doctors back home?

2:30

**Ms Evans:** Mr. Speaker, an excellent question. We have been looking at that very closely with the minister of advanced learning. Clearly, we have had the greatest amount of success of any of the other provinces and territories in attracting physicians, in attracting applications. In terms of increasing the number of residency seats in medical schools, we are looking at that. We've had a 16 per cent increase between 2003 and 2005, and looking not only at international graduates but our own graduates returning home is a strategy that we hope to be able to improve on.

Mr. Speaker, I would just give the member some hope that we are going to make improvements on that. Hopefully in the new budgetary year there will be some evidence that we have made at least some additional steps.

**The Speaker:** The hon. member.

**Mrs. Ady:** Thank you. My first supplemental actually goes to the Minister of Advanced Education. Can the minister tell me if there are plans for future expansion of our undergraduate medical schools?

**The Speaker:** The hon. minister.

**Mr. Hancock:** Well, thank you, Mr. Speaker. Just about this time every year we do what we call enrolment growth or access growth fund allocations. In the late fall we asked every institution to come forward with their plans with respect to how they want to expand enrolment growth. I can tell you that over the past number of years there has been considerable growth in the health professions and health occupations areas and, as well, that we have a number of applications in to expand enrolment growth in health professions and health occupations now. Those allocations, those determinations will be made, actually, by the end of this week and subject to budget approval, but I anticipate that we will have, again, growth in health professions, health occupations, and particularly in the medical doctor field.

**Mrs. Ady:** Then my final supplemental to the same minister: can you tell me where Alberta ranks compared to other provinces in the number of seats that we have available?

**Mr. Hancock:** Well, in terms of the number of seats, we are third in the country. Of course, Ontario and Quebec, having larger populations, would be ahead of us in terms of the absolute numbers. In terms of percentage per population, we were actually second in the country, but we've dropped now to fourth. That's between the year 2000 and the year 2004. The reason for that drop to fourth is not because we've cut back, I want to assure people, but because our population has grown. A number of provinces have added medical graduate positions over those four years. Quebec, in particular, has added a significant number of positions. Alberta has added a number of positions, but we do need to add more.

**The Speaker:** The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Calgary-Varsity.

#### Health Care Reform Consultation

**Mr. Martin:** Thank you, Mr. Speaker. Yesterday the Premier and the Minister of Health and Wellness announced the government's intention to move towards two-tiered health care. Today and yesterday they said: don't worry; be happy because we're going to consult with Albertans. Now the consulting is going on there for a

month. You can e-mail the Premier or the minister of health, or you can even telephone them. That's their idea of consultation. My question to the Premier is simply this: why doesn't the Premier admit the truth and tell Albertans that this so-called consultation is nothing but window dressing and that they've already decided to move towards a two-tiered system?

**Mr. Klein:** Mr. Speaker, it's not window dressing. It's something we committed to do, and we are doing it. We committed to do it as part of our overall program relative to achieving sustainability.

Relative to the consultation process I'll have the hon. minister respond.

**Ms Evans:** Mr. Speaker, he cited a couple of things, but we also have stakeholder consultations. We have made slots available. We are already booking those slots. I'm pleased to say that there has been considerable interest in that. We will be working on weekends as well to make sure that wherever possible we hear from Albertans. The groups that want to come forward, the individuals that want to write and provide their feedback: we're doing our level best to reach as many as possible.

**Mr. Martin:** Mr. Speaker, given that it's probably just a coincidence that this month's consultation takes us beyond the Tory leadership convention, my question simply is this to the Premier: why is the government ignoring the evidence of its own health symposium – that was consultation – as well as views of Albertans in this headlong rush to privatize?

**Mr. Klein:** Mr. Speaker, there is no headlong rush to privatize or do anything else for that matter. There is a headlong rush to consult. Indeed, the international symposium was part of the consultation process, but it didn't involve the people of this province; it involved experts from around the world providing their views. It was part of the exercise that we spelled out loud and clear: we would convene a symposium to hear what works and what doesn't work around the world, and then we would have a public consultation process. Now we are in that phase of the program.

**The Speaker:** The hon. member.

**Mr. Martin:** Yeah. Mr. Speaker, the results of the symposium were pretty clear. They said: don't go in the direction that the government's going. Why are we continuing with this after that evidence that came from Calgary?

**Mr. Klein:** Mr. Speaker, maybe the hon. member of the third party can recall for me, but I don't recall the symposium saying: don't have a public consultation process.

**An Hon. Member:** Don't have private health care.

**Mr. Martin:** That's what they said.

**Mr. Klein:** No. Well, I don't recall them ever saying, Mr. Speaker: don't have a public consultation process. That was all part of our plan.

**The Speaker:** The hon. Member for Calgary-Varsity, followed by the hon. Member for Calgary-Bow.

#### Provincial Infrastructure Deficit

**Mr. Chase:** Thank you, Mr. Speaker. My questions have to do with

this government's 3M approach to budgeting, ministers' magic math, which Albertans view as a song-and-dance routine. My first question is to the Minister of Infrastructure and Transportation. Given that the 2005 internal infrastructure documents indicate that Alberta's infrastructure deficit is \$7.2 billion and last fall the minister publicly mused that the deficit could be as high as \$10 billion to \$12 billion, would the minister please share with this Assembly the current infrastructure deficit in Alberta?

**The Speaker:** The hon. minister.

**Dr. Oberg:** Thank you very much, Mr. Speaker. The last work that we did, which was in the 2004-2005 budget year, showed that there was an infrastructure deficit of about \$7 billion. We are looking at how we can bring that down. When it comes to cost escalation, what we're seeing, quite simply, is that costs have escalated very much in the last year, so there could well be that component that is built in. What we saw this past year was an escalation of very close to 25 per cent. We have not gone out and updated those numbers, but it's my job as the Minister of Infrastructure and Transportation to ensure that that deficit goes down as opposed to going up.

**The Speaker:** The hon. member.

**Mr. Chase:** Thank you, Mr. Speaker. My second question is to the Minister of Finance. Given the multibillion dollar infrastructure deficit as well as the multibillion unfunded teachers' pension liability, can this minister continue to claim that Alberta is truly debt free?

**Mrs. McClellan:** Well, Mr. Speaker, that's an argument you might want to take up with the people who do financial statements and the Auditor General because there is an agreement on the pension fund that was reached, and it is not shown as a debt to the province. However, having said that, the Minister of Education is working very closely with the teachers in this province and their representatives to look at what can be done because we have a concern there.

Mr. Speaker, I don't know what's wrong with these people over here that find it difficult to celebrate the fact that Alberta enjoys the best fiscal regime in Canada. Each day that I come in here, I feel very sorry for them because it must be sad to try to find something wrong when everything is so good in this province today.

**The Speaker:** The hon. member.

2:40

**Mr. Chase:** Thank you again, Mr. Speaker. My final question is to the Minister of Infrastructure and Transportation. Given the volatility of natural resource revenue, will the minister consider taking a page out of the opposition playbook and endow capital dollars so that Alberta roads, schools, and hospitals can receive sustainable funding in the future?

**Dr. Oberg:** Mr. Speaker, the short and dirty answer is no. We certainly do have to look at sustainable funding for capital, and that's exactly what we're doing at this point in time. We have something like a \$13 billion capital plan over the next three years. That's a huge amount of dollars. That's a huge amount of money. It's money that we're putting back into infrastructure. The infrastructure and transportation part: there still is some work that needs to be done, but it will always be work that needs to be done, and \$13 billion is a lot of money.

**The Speaker:** The hon. Member for Calgary-Bow.

### Hospital Bed Capacity

**Ms DeLong:** Thank you very much, Mr. Speaker. My constituents are frustrated with the shortage of beds in the Calgary health region, yet we hear even today of excess hospital space in rural areas. Is the minister satisfied the region is doing all it can to address the bed shortage in Calgary?

**Ms Evans:** Mr. Speaker, just yesterday the Calgary health region had a meeting on capacity issues, and they recognized the improvements that they would like to make in various management strategies. Some of the measures they looked at would be: a southern Alberta referral centre, increasing the number of program-based patient flow co-ordinators so that they actually help move the patients, expansion of home care with after-hours admissions. They looked further at opening extra continuing care beds, which they have, at least 14 in number, and increasing the use of urgent assessment clinics. At that meeting the Calgary health region made a commitment that directly related to the member's question. They will move patients, when appropriate, to rural acute care sites, and there is a plan to do just that.

**The Speaker:** The hon. member.

**Ms DeLong:** Thank you. What will the new framework do to address this disparity?

**Ms Evans:** Mr. Speaker, the new framework, talking about inter-regional collaboration and expanding the examination of the role of hospitals vis-à-vis community care facilities, will start to address that in various ways. Like I described earlier to one of the other hon. members, we will be looking at the use of rural hospitals, and we'll also look at ways that partnerships can improve the health care in both centres by partnering rural and urban hospitals.

Mr. Speaker, today as I speak, a great deal of work is done with the Capital health region in support of the Northern Lights region. It is one of the ways that we can expand on in other centres of the province to make sure that there is a very cost-effective and patient-centred safety-first method of admitting people and providing them space in hospitals.

**The Speaker:** The hon. member.

**Ms DeLong:** Thank you, Mr. Speaker. How will the third way approach capacity issues?

**Ms Evans:** Well, Mr. Speaker, that goes right to the heart of reshaping the role of hospitals. We think that hospitals can be used in smarter ways. We have to improve access in regions. We recognize that. We also have to find ways that we use the technology of today – telehealth, Health Link, and ways of connecting people – so that hospitals can serve the role that they are most well-equipped for, and that is taking care of the very sick, and so that we can use the community facilities and the policies in the third way in ways that make sure that outpatients, where it makes sense to do so, can be cared for.

Today in Sturgeon within the existing hospital there was a reconfiguration and a renovation of the cardiac care centre. It will enable us to do more of those early intervention strategies in that hospital. This is the type of energized renewal I see for hospitals that may have been built in decades past, where the kinds of

activities that we can engage in now have not taken place. In St. Albert, for example, they've moved from taking care of four patients with pacemakers to 300 patients with pacemakers. This clinic will enable to do that, and that's right in the hospital. I see this kind of innovation taking place all across Alberta.

**The Speaker:** Hon. members, the time for question period has now evaporated, but we're not going to leave this question period until we deal with a decorum issue.

The hon. the Premier.

**Mr. Klein:** Thank you, Mr. Speaker. I appreciate your giving me this opportunity to apologize most sincerely for my actions. I ought not to have thrown the Liberal health policy at our page Jennifer. To Jennifer I apologize most sincerely. I also apologize for referring to the document as crap.

#### Vignettes from the Assembly's History

**The Speaker:** Hon. members, we'll begin today with an historical vignette, and I want to provide you with a quotation. This quotation comes from the Canadian House of Commons. The statement was made on May 13, 1946. "The most important responsibility we have [is to] the individual citizen of this country. He it is who should be considered; he is the man whose rights should be the fount and source of all the things we do." That statement was made by a Member of this Legislative Assembly outside, after he left this Assembly.

The person I'm referring to is a gentleman by the name of Solon Earl Low, who was born in Cardston in 1900. A farmer, teacher, and school principal, Mr. Low was elected the Social Credit member for the constituency of Warner in 1935. In the March 21, 1940, election he was defeated in Warner. Member-elect George Woytkiw then resigned his seat in Vegreville, and in a by-election held on June 20, 1940, Mr. Low was elected by acclamation. He returned to the constituency of Warner in 1944 and was re-elected. In 1945 he resigned and was elected to the Canadian House of Commons representing Peace River, which he did from 1945 to 1958. He served as Alberta's Provincial Treasurer, as a minister without portfolio, and as an Education minister. He sponsored the bill establishing Alberta Treasury Branches. He was the leader of the federal Social Credit Party from 1944 to 1961. In 1961 he was appointed a family and juvenile court judge in Lethbridge. Mr. Low died on December 22, 1962.

head:

#### Members' Statements

##### Be Smart, Be Safe Program

**Mr. McFarland:** Mr. Speaker, every day in Canada 6,000 people are injured, and another 40 die from injuries. Unintentional injuries are a serious health concern and cost Canadians \$14.7 billion a year. These injuries have one thing in common: they are predictable and preventable.

On February 25 Canada's home, car, and business insurers brought the Be Smart, Be Safe national injury prevention program to Lethbridge. Teaming up with the city of Lethbridge, Lethbridge fire and emergency services, Lethbridge regional police, and local injury prevention programs and groups, the Be Smart, Be Safe program increases community awareness of injury prevention through a week jam-packed with events, facts, and fun for the whole family, all designed to help prevent injuries in the home, on the road, and at play.

As well, financial and equipment donations were made to the

Alberta Farm Safety Centre, Safety City Society, and the Lethbridge fire department. Local insurance brokers also donated \$2,000 to the Gift of Safety, a group that provides car and child booster seats to families who cannot afford them.

Please join me in recognizing Canada's home, car, and business insurers for their commitment to injury prevention and for bringing the Be Smart, Be Safe program to Lethbridge.

Thank you.

**The Speaker:** The hon. Member for Calgary-Hays.

#### Fraud Awareness Month

**Mr. Johnston:** Thank you, Mr. Speaker. Today was the launch of Alberta Fraud Awareness Month, the first province-wide fraud awareness campaign in Canada. The campaign is a joint initiative between Alberta Solicitor General and Public Security, the Alberta Association of Chiefs of Police, and the office of the Information and Privacy Commissioner of Alberta.

2:50

Fraud is a crime that is growing across the country, but Alberta is a special target because of its growing economy and the high disposable income of its residents. Identity theft alone is the fastest growing commercial crime in North America. Statistics show that 1,079 Albertans reported being a victim of identity theft in 2003, and that's just identity theft. Thousands of Albertans fall victim to all types of fraud every year.

Educating the public is a key for both the enforcement and prevention of fraud in Alberta. Throughout the month fraud prevention forums and seminars will be held across the province, helping Albertans learn how to identify various types of fraud. Public service announcements will promote the slogan Fraud: Recognize It, Report It, Stop It. This slogan will be accompanied by information for Albertans on how they can protect themselves. In addition, Alberta Solicitor General and Public Security has distributed campaign brochures to all MLAs to share with their constituents.

This awareness campaign will go a long way to providing Albertans with valuable information so that they can protect themselves from becoming victims of fraud. I want to congratulate those involved for making this campaign a reality and making Alberta a leader in fraud awareness and prevention.

Thank you.

**The Speaker:** The hon. Member for Highwood.

#### Team Kleibrink

**Mr. Groeneveld:** Thank you, Mr. Speaker. It gives me great pleasure today to rise in recognition of a team of athletes who brought one of the many Olympic medals back to our province. The Canadian women's curling team, headed by Skip Shannon Kleibrink, defeated the Norwegian team in a gripping match to seize the bronze medal almost one week ago.

Winning a medal in the Olympics is an incredible achievement under any circumstances. The path to the bronze medal for this rink is made even more remarkable because two of the members of the team battled fairly severe bouts of flu or perhaps even food poisoning while competing in Turin. The Olympic spirit displayed by Shannon Kleibrink, Glenys Bakker, Christine Keshen, Amy Nixon, and Sandra Jenkins to stand on the podium while overcoming obstacles off the sheet is inspiring.

The victory these ladies achieved is perhaps even a little more

special to me and the members of the Highwood constituency because the skip hails from Okotoks. I know the big city to the north likes to claim credit, but Shannon does indeed reside in the Highwood constituency, and we are very proud to claim her.

I would ask all members to join me in congratulating the bronze medalists in curling for the 20th Olympic Winter Games as well as all the Canadian athletes. Mr. Speaker, our athletes performed admirably in all sports, and they deserve our gratitude and our continued support.

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

#### Child Care Agreement

**Mrs. Mather:** Thank you, Mr. Speaker. What do democracy and child care have in common? First, they are values that unite most of us. Whatever type of democracy, whatever kind of child care we prefer – and there are many possibilities – we have more in common here than the points of difference that divide us.

Second, democracy is about choice. We don't have it if there is no alternative. Child care, too, involves choices. In the negotiations that led to the national child care agreement, this province through the insistence of the hon. Minister of Children's Services made sure that choice was enshrined in the Canadian program along with universality and the other three pillars of accessibility, quality, and a developmental approach. Democracy and child care were served in an agreement between levels of government, among regions and provinces, and across party lines. This was a significant achievement in co-operation.

Now, Mr. Speaker, this achievement and this agreement may be in jeopardy. A new government in Ottawa may be unable to sustain this mix of choice and quality child care. Now we need to join together again to confirm the status quo of the national child care agreement signed by our government. Albertans may value well-thought-out tax cuts, but we're not prepared to let child care be the block on which the axe falls. Our willingness to stand together will send a message across Canada as the new government meets. The national agreement we negotiated and improved on needs to be honoured. It is a cause worth standing for. The way we make this point, in an affirmation across party lines, is as important as the point itself.

Thank you.

**The Speaker:** The hon. Member for Wetaskiwin-Camrose.

#### Viking Cup

**Mr. Johnson:** Thank you, Mr. Speaker. I rise today to recognize a unique event which happens every two years in my constituency. The Viking Cup is an international hockey tournament which celebrated its 25th anniversary this year. The Viking Cup has been setting the stage for world-class hockey and global cultural exchange for youth from countries like Russia, the Czech Republic, Slovakia, Finland, the U.S.A., Norway, Germany, Switzerland, and Sweden to come to Camrose since 1980. In addition, all-star junior teams from Alberta, B.C., Saskatchewan, and Manitoba and university and college teams have competed in this internationally known tournament.

Since its inception over 300 players who competed in the Viking Cup have been drafted into the NHL. Of these, over 100 have either played or are currently playing with an NHL club, and many play on various national teams, as we saw in the recent Olympics. What this points to is that there is an exceptional level of hockey played in the Viking Cup. This event encourages not only a high level of

competition in sport but also increases cultural understanding between the young people who participate.

In the past this tournament was owned exclusively by Augustana University College, and Camrose was the exclusive community involved in this tournament. Now the tournament is hosted in Camrose and Wetaskiwin and is jointly owned by the University of Alberta Augustana campus and Hockey Alberta. The Viking Cup will now be an annual event, with the host city alternating between Alberta Junior Hockey League cities in odd-numbered years and Camrose during even-numbered years. I look forward to seeing many of my colleagues at Fort McMurray when the Viking Cup takes to the ice next year.

Another change which was seen in the most recent tournament was competition in two divisions, junior hockey being one and a university division the other.

In closing, I would like to congratulate this year's Viking Cup winners: the University of Guelph, who won the gold medal in the university pool, and the Alberta Junior Hockey League North All-Stars, who won the gold medal in the junior pool.

Thank you.

**The Speaker:** The hon. Member for Edmonton-Gold Bar.

#### Frank Atkinson

**Mr. MacDonald:** Thank you, Mr. Speaker. I rise today to recognize Frank Atkinson, a constituent of Edmonton-Gold Bar who will be celebrating his 60th birthday on March 2. Mr. Atkinson was raised on a farm in the Fort Saskatchewan area and graduated from Fort Saskatchewan high school, after which he attended NAIT studying industrial instrumentation, graduating from there in 1968.

His lifelong passion for community service does not go unnoticed. He became the first mayor of the new summer village of Larkspur in 1985, a position he held for 16 years. From 1986 to 1991 he served as president of the summer villages of Alberta. From 1988 to 1991 he served on the board of the Alberta Urban Municipalities Association as villages and summer villages member. His long list of community service includes membership on the Ottewell Community League council, where he has a lifetime membership, southeast Edmonton community planning coalition member, civic planning member from Ottewell, and chairman of the Capital Region Assessment Services Commission. He was also involved with the South East Truck Route Planning Group, the Edmonton southeast communities association, and the Municipal safety codes inspection commission.

Mr. Atkinson is married to Fay, and they have two children, Cynthia and Bryan.

As a young man he enjoyed swimming, motorcycling, waterskiing, and snow skiing. He is a very avid hunter, and he uses both a bow and arrow and a rifle to satisfy his hobby.

On behalf of all the residents of Edmonton-Gold Bar, particularly those in the Ottewell area, I would like to thank Mr. Atkinson for all his service to the community and wish him a very happy birthday. May he and his family have good health and prosperity for many, many years to come.

Thank you.

**The Speaker:** As a further point in our recognitions, yesterday was the happy, happy birthday occasion for the hon. Minister of Environment, and today is the happy, happy birthday occasion for the hon. Member for Calgary-McCall. Wish them both well.

#### head: 3:00      Tabling Returns and Reports

**The Speaker:** The hon. Member for Edmonton-Centre.

**Ms Blakeman:** Thank you very much, Mr. Speaker. I have two tablings today. The first is correspondence from a constituent, Brock Skywalker, who writes to urge me to help stop the plans to reform health care. He strongly supports the Canada Health Act and feels the government should be upholding it and expresses a number of other concerns.

My second tabling, Mr. Speaker, is five copies of the book *Prescription for Excellence: How Innovation is Saving Canada's Health Care System* by Michael Rachlis, MD. This is in response to the Premier's call for innovative ideas in health care.

Thank you.

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

**Mr. Backs:** Thank you, Mr. Speaker. I'm pleased to rise today to table the requisite five copies of a bid conference document between the Horizon oil sands project north of Fort McMurray and Shanghai Construction of the People's Republic of China. In this document Horizon calls on Shanghai Construction to provide temporary foreign workers and that they become members of the government-sponsored union of convenience, CLAC, in order to avoid the use of Alberta building trades.

Thank you, Mr. Speaker.

**The Speaker:** Are there others?

#### Point of Order Parliamentary Language

**The Speaker:** Hon. members, we have a little bit of business to deal with. Three points of order; maybe a little lecture. First of all, I'll deal with the hon. Member for Edmonton-Centre.

**Ms Blakeman:** Thank you very much, Mr. Speaker. I'm citing Standing Orders 23(h), (i), and (j) and *Beauchesne* 485 to 492 and the Speaker's memo of February 15, 2006. This is all around unparliamentary language and, I would say, the tone of what we are seeing in the Assembly.

I'm specifically referring to the first exchange between the Premier and the Leader of the Official Opposition. I will note, although I've been unable to get the Blues, that I believe I heard the Premier withdraw the word "fib" and then go on to make another statement about telling an untruth or lying. That is the particular issue that I am dealing with now.

He then I would say dishonourably withdrew the comment about fibbing. I'm sorry. He said, "I do apologize for calling the hon. member a liar," and managed to get it in the record one more time. I'm increasingly concerned with the tone that the Premier is setting for this House. It is very difficult for us as members to counter the public opinion, a very low public opinion, held of politicians when we have the Premier of the Legislature in Alberta setting such a tone. I'm concerned about the increasing abusiveness that I'm hearing, Mr. Speaker.

Now, citation 23(h) is referring to allegations that are being made against another member, in this case the lying; 23(i) on motive; and 23(j) on insulting language. I noted "uses abusive or insulting language of a nature likely to create disorder," and I think that's exactly what's happening in this House, Mr. Speaker. Every action is escalating to the point where we ended up with a second episode today for which the Premier has already apologized. I also note the unparliamentary language that was found in *Beauchesne* between 485 and 492 – there are obviously pages of it – and, again, the Speaker's memo that was issued to all members of the Assembly on February 15, 2006.

I'm asking for the Speaker to find a point of order against the Premier and to help us in curbing the increasing abusive tone of what is coming from that side of the Assembly towards members of the Official Opposition.

Thank you, Mr. Speaker.

**The Speaker:** Hon. Government House Leader, participation.

**Mr. Hancock:** Thank you, Mr. Speaker. I think it's clear both from your intervention and from the actions of the Premier in both withdrawing his remark and apologizing twice in the House this afternoon that your point was made with respect to both the language and decorum of the House. I note that you interjected as well when the leader of the third party opposition member used language. I think you made the point in the House for all members of the House to appreciate that we do have to be careful in our decorum and our language in the House and that we must do our utmost to make sure that this House is seen as a place of parliamentary discourse.

It would be useful in that process if members engaged in less hyperbole and more straightforward preambles to questions and those sorts of things. I think that as we go forward in this session, in terms particularly of question period, where these incidents most often arise, if all members of the House in framing questions could frame them in the context of true questions and less in the context of political rhetoric and hyperbole, we would have fewer opportunities to engage in this type of point of order.

**The Speaker:** Hon. members, at the outset the position that I take as chair of this Assembly is that I would like to see as few interjections and interventions of the chair as possible. That's been my tradition from day one, and it's been repeated periodically. I really believe that it's extremely important that when the chair recognizes one hon. member and gives that hon. member the right to ask a question and the chair then recognizes another hon. member and gives that hon. member the right to respond to a question, the least interventions by anyone allows for the greatest flow of the activity and provides for the best form of democracy, period. It's not my style to want to get up and interject. Today I did it three times, and that's really very much abnormal. I feel saddened about that because I don't think this was an exemplary day.

Can we just repeat again several little things? Usually there's a response that's given to something that provokes it, not necessarily all the time, but sometimes. So I would refer to oral questions in *Beauchesne* again, and 409 is the operative one. It has to do with, number one – let's start right at the source, the drafting of questions. Citation 409 says, "It must be a question, not an expression of an opinion, representation, argumentation, nor debate." Virtually every question that we've had in this question period since the start of this session could have provoked a response and interjection from the chair. If I'd have done that, this wouldn't be called a question period; it would be called a Speaker's comment and interjection period.

Let's just go on to the next one in 409.

The question must be brief. A preamble need not exceed one carefully drawn sentence. A long preamble on a long question takes an unfair share of time and provokes the same sort of reply. A supplementary question should need no preamble.

Well, I've got a list of all the supplementaries on the preambles. I will give two examples. One, the hon. Member for Calgary-Mountain View in his second question to the hon. Minister of Energy interjected in his preamble: "The minister is not listening." Well, if that doesn't provoke the first thing that we said, then the hon. Member for Lethbridge-East in her second question provided

a preamble saying how wonderful the Minister of Health and Wellness was. Well, that was unnecessary too. So you've got two extremes. Nevertheless, it basically pretty much summed up what it was. And I can go on on 409.

Listen, the responses that came from the leader of the government today were not exemplary. I say that again. There was an immediate interjection from the chair on the first one. There was a response with respect to "fib," and there was a withdrawal of that. Then there was a statement – and I'm not so sure it was, you know, a really enthusiastic apology – with respect to: "But I do apologize for calling the hon. member a liar." The chair has to take someone's word. The chair doesn't think that that was the best way that could have been phrased, hon. member.

The point of all of this: there was interjection, there were responses, there were apologies, some enthusiastic, some complete, and others not so much so. I don't think that was the best example of anything. We did get an apology. We got two apologies, I guess. One was sincere. One, well, we'll put some question on it, but, okay, it's done.

3:10

I appreciate the hon. Member for Edmonton-Centre raising the point of order because the chair does not want to interject. If hon. members want the chair to interject, he will interject on virtually every question and virtually every answer, and this will not be what you think it is. So there's a bit of give-and-take in this business, but we can do it in a positive way. Why don't we start doing it with wit, bring in some more irony, maybe even, you know, some nice, likeable sarcasm. Who is the guy who wrote the book *Gulliver's Travels*? Is it Thomas Swift?

**An Hon. Member:** Jonathan.

**The Speaker:** Jonathan Swift. Read *Gulliver's Travels* if you want to see the greatest form of wit to be found, and that would really help us all.

Okay. So that's number one, point number one. Not a good display. Thanks for being raised. We've had a little lecture, discourse. We've had some apologies.

Point number two, the hon. Government House Leader. I presume it has to do with exhibits.

#### Point of Order Exhibits

**Mr. Hancock:** Yes, Mr. Speaker. Need I say more? *Beauchesne's* 501, 502, 503. It's always been the order to the House that one does not use exhibits. Members of the opposition in response – in a clearly flagrant violation of the rules because of a clearly orchestrated response – simultaneously waved some red paper. That was clearly a violation of the rules that I've just cited.

Again it goes to the order and decorum of the House. The rules are here for a reason, and order and decorum is appropriate in a parliamentary place. I find it strange when in arguing one point of order one member of the opposition raises the issue about how people perceive us as parliamentarians while clearly there was an orchestrated violation of the rules in displaying exhibits for exactly that purpose.

You've made your ruling. I'm not sure we need more, but that was the point of my point of order.

**The Speaker:** The hon. Member for Edmonton-Centre.

**Ms Blakeman:** Thank you very much, Mr. Speaker. I'm pleased to

be able to rise and maintain that there is no point of order on this. If we actually look at *Beauchesne's* 501 under Exhibits, 501 is referring to props including "boxes of cereal, detergent and milk powder," 502 is referring to "samples of grain" and the possibility of "dead fish, herrings, or red herrings, damp grain or wild oats," 503 is with apologies talking about "potatoes."

I will note that what was held up by various members of the Official Opposition is a document that, in fact, is a sessional paper of this House. It was tabled in this House on February 23. It holds the sessional paper number of 8/2006. I'm sitting in the front row, Mr. Speaker. Nobody poked me in the back and said, "Raise this and wave it now," so from my point of view this was not orchestrated. If others felt the need to raise this, they may well have done that, but I didn't participate in that, and I'm certainly not aware of it happening.

Members of the Official Opposition have been working with the health policies a great deal. I, in fact, brought those documents today and handed them to every one of my colleagues to make sure that they had a copy of that document with them at all times. So, yes, everybody had them in this Assembly at this time.

This is not a dead herring. It is not a potato. It is not a box of cereal. We work with paper in this Assembly, Mr. Speaker. Every MLA does. Every Assembly has paper. To be told that we can't hold up a piece of paper or move a piece of paper on our desk during question period – well, I'd be delighted to try and work in this Assembly with no paper at all, but in this case this was a duly tabled document, a sessional paper, part of a publication from the Official Opposition. It's not an exhibit. It's not a prop or a potato or any kind of food source.

The only other citation I can find is, in fact, a Speaker's ruling from May 6, 1999, page 1533, in which the Speaker ruled that the then member for Edmonton-Riverview's minibanners did not offend the rules of the Assembly under the definitions of exhibit, and that's the principle I'm guided on here, Mr. Speaker.

We're dealing with paper. We're dealing with paper that one would expect to find on the desks of these members. There was no orchestration that I am aware of. In fact, I would rule that it was not an exhibit but a document that we have on our desks.

Thank you very much, Mr. Speaker.

**The Speaker:** Well, it's very clear that the document in question was not a red herring, it was not a dead fish, it was not wild oats or anything else. So that's *Beauchesne*. And the chair's interpretation of what the hon. member said about the chair's ruling in 1999 is not exactly the same as the hon. member's.

Let's get this book. It's called *House of Commons Procedure and Practice*. Now, let's just listen very attentively to these words. I quote from page 520.

Speakers have consistently ruled out of order displays or demonstrations of any kind used by Members to illustrate their remarks or emphasize their positions. Similarly, props of any kind, used as a way of making a silent comment on issues, have always been found unacceptable in the Chamber. Members may hold notes in their hands, but they will be interrupted and reprimanded by the Speaker if they use papers, documents or other objects to illustrate their remarks.

So the point has been made: we do not use exhibits of any kind in this Assembly.

We had a great debate at one time when somebody mimicked something that happened in the Quebec National Assembly, when members of the Parti Québécois put up little fleurs-de-lys on their desks, and this got all kinds of coverage across the country of Canada. Then we had a former Provincial Treasurer stand up and put a Canadian flag in front of his desk when he was giving a

speech, and for consistency the Speaker interjected and made a comment not having anything to do with loyalty to the flag but having to do with what was considered to be an exhibit.

When you stand up in this House and throw up documents – well, I would never suggest for a moment that it was co-ordinated but in a way that a whole bunch of them came up: I think not. Look, this is not a hill to die on, and nobody's going to be quartered. We're just going to have a little lecture by the chair with respect to this.

The third point of order had to do with an interjection by the hon. Member for Edmonton-Rutherford. Now, there was an exchange of notes, and the chair wanted to clear that one particular matter up. It arose when the chair had recognized the Leader of the Official Opposition. The chair's eyes were on the Leader of the Official Opposition. It's the courtesy provided to the speaker. On that side something happened. The hon. Member for Edmonton-Rutherford got up on a point of order. I said, "A point of order?" and he responded something about decorum in the House and language. As the question period evolved, it was brought to the attention of the perpetrator, which was the Premier of the province of Alberta, and at the conclusion of the question period the Premier of the province of Alberta got up and apologized to the page whom he had startled and apologized also for the use of a word in the Assembly. I presume that's what it was, so we're not going to deal with that. It's March 1, day 5.

Oh, yeah. We had a shot for the third party as well. Remember, the chair also had to interject when the leader of the third party used the word "misleading" in his question. There was an interjection. My Lord, I had more notes today than I normally have.

head: 3:20

### Orders of the Day

head:

### Government Motions

6. Mr. Hancock moved on behalf of Mrs. McClellan:  
Be it resolved that the Legislative Assembly resolve itself into Committee of Supply, when called, to consider supply to be granted to Her Majesty.

[Government Motion 6 carried]

7. Mr. Hancock moved:  
Be it resolved that the Legislative Assembly resolve itself into Committee of the Whole, when called, to consider certain bills on the Order Paper.

[Government Motion 7 carried]

head:

### Committee of Supply

[Mr. Marz in the chair]

**The Chair:** I'll call the Committee of Supply to order.

head: **Supplementary Estimates 2005-06  
General Revenue Fund, No. 2**

### Finance

**The Chair:** The hon. Minister of Finance.

**Mrs. McClellan:** Thank you very much, Mr. Chairman. The supplementary estimate for Finance is found on page 18 of the supplementary estimates. I was just remarking that it's probably the shortest explanation for the most money, but that's because it's so straightforward. The request is to increase the investment in the Alberta heritage savings trust fund by \$1 billion. Of course, this is

possible because of higher than expected resource revenue. In this Assembly through this process now, members of the Assembly will have the opportunity to vote on whether, in fact, this money is placed in the heritage fund.

All members know that prior to this year our priority was paying off the debt. I don't think anybody disagreed with that priority, and our surplus revenues went for that purpose. With the accumulated debt eliminated and this year's higher energy revenue, we believe it's time now to look to increasing our savings. The \$1 billion will be in addition to the \$750 million that have been added for the Advanced Education endowment and the \$345 million that are forecast for inflation-proofing the fund. Of course, you understand that it's a forecast number because it is set on a formula. The allocation follows our plan, which has been clearly enunciated since this fiscal year's budget, which was presented in April of last year, and it is a combination of smart investment, savings, and giving back to Albertans.

We are building the value of the heritage fund. This is not a shell game, as was remarked by one member. Certainly, without this year's unanticipated high revenue we would not be able to increase the fund value to this extent. We may hear about our inability to forecast prices. Well, I suggest that maybe in the future everybody write it down on a piece of paper, like we do in some of the games we play, and then at a certain point in the year we'll pick it out and see who was the closest, or maybe we'll do it as gas prices were this year – every week – and see if any of us fall in the right spot. It has been volatile. It has been unpredictable this year, far more than any energy analyst ever predicted, but it is a good opportunity for us to add to our savings.

Now, I want to save some members a little bit of time on this in their speeches. I made the comment previously – and I want to make it one more time – when I was asked why we don't just leave the \$1 billion in the fund. Today we are asking the Assembly to approve adding \$1 billion to the heritage fund value, that would be deposited to the fund, but it is currently legislated that the government transfer the investment income from the fund to the general revenue fund for budgeting purposes. It is currently legislated. Section 8(2) of the Alberta Heritage Savings Trust Fund Act says:

The net income of the Heritage Fund less the amount allocated to the Heritage Fund under section 11 . . .

Section 11, knowing that not everyone might have that act in front of them, refers to inflation-proofing.

. . . shall be transferred by the Provincial Treasurer from the Heritage Fund to the General Revenue Fund annually in a manner determined by the Provincial Treasurer.

End of section.

We have been using that investment instrument over the years to pay for program costs to our general revenue, and over the life of the fund about \$28 billion has been utilized and allocated for a variety of programs and projects. If we were to change that, we would amend the heritage fund act in order to do it. For the purposes today, for the ability to add \$1 billion from our unbudgeted surplus, we must move it as per the act, not leave the money in the fund. As I say, for the purposes today.

I want to make sure that everyone's clear on that. When we look at this over time, people may have some great ideas of how to change that. We've heard all manner of them. Should we take a percentage of resource revenue? Should we not take the revenue from the fund? Some of these things are quite easy, but in a year of average oil and gas prices I want to know where the billion dollars is going to come from if it's not available through surplus. When people give us good ideas, would you please tell me whether you want to take it from Health, whether you want to take it from

Advanced Education, from Education, from Children's Services, or from Seniors, because those actually are the only program budgets in this government that could supply those kinds of dollars. I don't think any of us want to do that. So while we want to invest money and we want to save, we want to make sure that we can sustain our program spending.

We'll all have more to say about this, I know, in Budget 2006, but for the purposes of the debate this afternoon I thought it might be helpful if I clarified for the Assembly the rules, the legislation around the heritage fund act and why we are adding these savings in this manner and why we're voting on those today.

With that, Mr. Chairman, I'll look forward to questions, and I'll look forward to answers that people provide on better ways to do this mousetrap, but I will challenge those easy answers that say "just do it" without any explanation of how you fill in the ditch, if you wish, if you do certain things.

Thank you, Mr. Chairman.

3:30

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

**Mr. R. Miller:** Thank you very much, Mr. Chairman. As you can imagine, I'm looking forward with relish to having the opportunity to address this particular issue of the billion dollars that's being added to the heritage savings trust fund. I apologize for having had to step outside for a few minutes. I missed the minister's comments, and I had really hoped to have been here to hear them.

I do think it's relevant to share very briefly a little bit of the history of the fund. This fund was established in 1976 by a Premier who had a vision and a government that had a vision, something that I've argued for some 15 months now that this Premier and this government do not have. In 1976 the government of the day listed three objectives for the establishment of the fund: to save for the future, to strengthen and diversify the economy, and to improve the quality of life of Albertans. For a period of time we did in fact save for the future and met that particular goal.

To strengthen and diversify the economy, Mr. Chairman: I would submit to you that it is certainly my belief and that of many economists that we've fallen down in that regard. I believe – and there are many who concur – that today's Alberta economy is not necessarily any less dependent on nonrenewable resource revenue than we were in the late '70s and the early 1980s. That's not entirely for lack of effort, but it does cause a great deal of concern.

It once again brings to mind the bumper sticker that many of us had on our vehicles in 1983: "Please, Lord, let there be another oil boom. I promise not to piss it all away next time."

**Mrs. McClellan:** I don't think that's in *Beauchesne*.

**Mr. R. Miller:** Mr. Chairman, I think I'm quoting from a bumper sticker. In fact, I know I've quoted from that bumper sticker in this House previously, and I was not called to order that time, if precedence means anything.

**The Chair:** The hon. minister is rising on a point of order?

#### Point of Order Parliamentary Language

**Mrs. McClellan:** Well, Mr. Chairman, I just raised this issue. I don't think it matters where it's quoted. There is language that's acceptable in this House, and there is language that is not. I don't think that I can take any book that may have quotations with what is unacceptable language according to parliamentary procedure and use

it. There are other ways of expressing this. I find it offensive, and I just wish the hon. member would refrain from that in the House.

**The Chair:** Hon. member, you wish to respond?

**Mr. R. Miller:** Yes, Mr. Chairman. If I have offended the minister, I do apologize, and I will retract and insert another word: I promise not to waste it all away next time, squander it all away. There are many words that could be used.

Mr. Chairman, quoting from that bumper sticker I think is relevant because it expressed a sentiment that many, many Albertans held to be true at that time and that many are expressing to me today as I travel this province. I think it's relevant to remind the minister and the government that not only was it a concern of ours in 1983; it remains a concern of ours in the year 2006.

**The Chair:** Hon. member, if I could maybe comment on the point of order that the minister had called, my comment would be that the Speaker has just lectured the whole House on decorum and the use of language in this House. We haven't got 10 minutes past his comments, and we're dealing with them again. I would hope that in the future we would take to heart a little bit more the Speaker's comments on these things and that we would be less provocative.

If you'd like to carry on, I accept your apology.

**Mr. R. Miller:** I appreciate the chairman's comments. However, I will express my consternation at the fact that the rules do seem to change from sitting to sitting and, in this case, from day to day because I know for a fact that another member quoted the exact same bumper sticker the other day and was not called on it. So I'm a little confused, quite frankly, as to the ruling. Nevertheless, I have retracted and apologized for the comment, and I'd like to proceed with my debate if I could.

#### Debate Continued

**Mr. R. Miller:** Mr. Chairman, from 1976 to 1983 this government had a policy of investing 30 per cent of nonrenewable resource revenue into the heritage savings trust fund. I think it served us quite well. In 1983 there was a decision made to reduce the amount of investment of nonrenewable resource revenue to 15 per cent. Under the economic circumstances of the day that was probably a wise decision and continued to serve us well.

In 1987 the decision was made to not only cap the fund and stop making contributions to it but to withdraw all income from the fund. That carried on from 1987 through to last year, Mr. Chairman. That had a dramatic effect on the fund and on the goal to strengthen and diversify the economy. In 1987, when the fund was capped, it was at \$12.681 billion or thereabouts. Had it been inflation-proofed at the very least, which I really believe is a failing of this government which will have ramifications on generations in this province for years and years to come, it would be nearly \$20 billion today.

The Premier has spoken many times, although not recently – so I suspect that maybe the Premier is starting to understand. Many times over the last year or so the Premier has referred to the current surplus situation as a one-time event and not to expect this every year, that this is an anomaly, that this current boom that we're experiencing is not par for the course, an exception, my colleague from Edmonton-McClung cites the Premier as having said.

The simple fact of the matter is that for year after year after year we've been experiencing surpluses: in 1999-2000 a \$2.9 billion surplus, in 2000-2001 a \$6.6 billion surplus, in 2001-2002 \$1.1 billion. I'll remind everybody that that is the year of 9/11, a pretty

drastic year for businesses not only in Alberta but across the world. Certainly, my own personal business had a tough year that year reacting to the events of 9/11 and how that changed the business world. Nevertheless, we managed to show a \$1.1 billion surplus that year, \$2.2 billion in '02-03, \$4 billion in '03-04, \$5 billion in '04-05, for a total over that period of years of \$15.2 billion, Mr. Chairman.

This year the third-quarter update showed a \$7 billion surplus. In fact, I expect that by the time we get to the end of March 31, it will most likely be a \$10 billion surplus. Clearly, the situation of surpluses is not a one-time event. The situation of surpluses is what I call a chronic surplus problem. It's something that has happened year after year after year and I believe is an indication of either intentional lowballing by the government in terms of resource revenue or just plain bad fiscal management. I'm not sure which. I'm not sure that one is better than the other.

I do believe that when you look at those numbers, it's quite clear that we have every reason to expect a surplus again next year and the year after that and the year after that and perhaps for many years into the future. If that is the case, if we're fortunate enough to have surpluses next year and for many years into the future, then it begs the question: what are we waiting for in terms of having a plan, a solid, concrete road map as to how to best utilize those surpluses, how to make sure that not only today's Albertans but the Albertans of the future benefit from it?

3:40

When you look at these numbers that I just cited, the surpluses year after year after year, I cannot comprehend why somebody on the government side sitting around the cabinet table didn't sit down five years ago and say: look at these numbers. Look at the year '03-04, a \$4 billion surplus. Look at the year '04-05, a \$5 billion surplus. Are you telling me that the cabinet minister sitting across from me right now didn't look at those numbers and think: "Holy cow. If this keeps up, we're going to have that debt paid in a couple of years. What are we going to do with it?"

I sit around my kitchen table with my wife, and we look at our budget, and we say: "You know what? Things are going pretty well right now. Alberta is doing well. Rick has a stable job for a couple more years, I hope, and there's a very real possibility that we might have our mortgage paid off in a couple of years. What are we going to do when that mortgage is paid off? What is our plan, our vision for the future of this household? How are we going to set ourselves up so that when we retire, we can live comfortably, so that when we're no longer here, our children and their grandchildren will have some legacy left over from their parents?"

It's exactly, exactly the same thing that I and many, many other Albertans are asking this government to do, and that is some solid long-range planning so that next year when the Finance minister goes downstairs to give a third-quarter budget update and it's \$7 billion, everybody in this province will know exactly how that money is going to be allocated, not on the whim of the Premier, not on the whim of a couple of cabinet ministers sitting around a table in a bar scribbling on a napkin, but we will know. We will know exactly how that money is going to be allocated, how it will benefit today's Albertans, how it will benefit future Albertans. I think every Albertan in this province deserves to know that in advance, not after the fact but in advance.

Now, Mr. Chairman, I'm not the only person saying this. I've been saying it now for 15 months. It's becoming a chorus, and it's becoming louder and louder. We're hearing from people like the respected former Premier Lougheed, the man who had this vision initially, the man who had a vision for the future of the province, who wanted to save money for the future, wanted to strengthen and

diversify the economy, wanted to improve the quality of life for all Albertans. We're hearing it from groups like the Canadian Taxpayers Federation and the Canadian Federation of Independent Business.

**An Hon. Member:** Who elected them?

**Mr. R. Miller:** Their members. I'm not sure which member across asked, but their members represent them. In particular, I'm referring to the Canadian Federation of Independent Business. Their members represent thousands of small and medium-sized businesses, many of those located here in Alberta. A very, very respectable and reputable group they are.

I was referring to those that are lending their voices to this issue: the Canada West Foundation and, more recently, even the Member for Battle River-Wainwright, a relatively young fellow who clearly has his feet on the ground when it comes to matters of finance and who understands that there is a desperate need for a better way to deal with the surpluses in this province.

Mr. Chairman, under an Alberta Liberal plan there would be no question as to how this year's surplus would be dealt with. A \$10 billion surplus would have seen \$3.5 billion put into the heritage savings trust fund. I'm certainly not suggesting that a billion dollars isn't a good step forward. It's a wonderful step forward. I applaud the government for finally reacting to the pressure that I've brought on them, the pressure that some of these other groups have brought on them, the pressure that the former Premier has brought on them. I think it's a step in the right direction.

The only question is: why has it taken so long? Why weren't those decisions made five years ago? Why weren't those decisions communicated to Albertans five years ago so that everybody would have known and understood what would be happening to those surplus dollars? In fact, in a press conference the other day the Finance minister referred to the problems that she's having with all of the pressures that are being put on her to spend this money. I have the perfect solution for her, and that is a plan. If you had a concrete plan that said exactly how those dollars were going to be spent, there would be no pressures on you because everybody would know. The members of your caucus would know, the members of the opposition caucus would know, and all Albertans would know exactly how that money is going to be dealt with. In fact, as far as that goes, all Canadians would know how that money was going to be dealt with. The fear that the government seems to like to bring up all the time about somebody coming in and raiding Alberta's resource wealth wouldn't be a fear at all because the money would be allocated. It would be spoken for. It would be decided long in advance how it's going to be dealt with, and there would be no issue to fight over.

Mr. Chairman, as you can tell, I'm passionate about this. When I first entered the business world, my father told me to save for myself first. Put 10 per cent aside, he said. Boy, there are days when I wish I had listened to him right from the beginning, I tell you, days like today, when there is such concern about the future of our health care system in this province, and nobody knows exactly how much money they're going to need to afford that hip replacement or hernia operation when they need it, how much their insurance might cost every month.

I have and most of us have friends in the States that are paying anywhere from \$500 to \$600 to \$800 to a thousand dollars a month for health insurance. I hope that's not where we're going. I really do, but nobody on the other side has convinced me yet. I'm telling you that even on the wage of an MLA, which is a pretty good wage, I can't afford \$500 or \$600 or \$800 or a thousand dollars a month for

insurance, and if I can't, then I know that the majority of Albertans can't.

So I'm wishing that I had listened to my dad when he said: start saving for yourself now. I didn't initially. I learned from him though, and there's a powerful lesson there for all Albertans. It's time that we started saving not just for ourselves but for the future, and there's no better time than right now. In fact, it's never been more important than it is right now.

Thank you, Mr. Chairman.

**Mrs. McClellan:** Well, I wasn't going to take too much time, but I've just got to refer to a couple of things. I think the hon. member was referring to the amount of surpluses over the last decade primarily. I find it interesting when the subject is there that we have wasted it – was that one of the words? – squandered it.

You know, this is something that really, entirely bothers me. It's not the truth or the lack of truth. It's the part of the story that you tell. It's the omission. It's the same thing happening in this health debate. You can say that all we have saved is \$2.1 billion in endowments and \$726 million in inflation-proofing and some \$6.9 billion that are in other funds if you neglect to say that you paid off a \$22.7 billion debt in that time and saved about 1 and a half billion dollars in interest payments.

Now, the argument could be made that you should never have got in debt in the first place. Well, most of us know how that happened, and we're not going to go back and rehash the disastrous national energy program that was put in that really brought this province to its heels. You don't have to do that. History is well documented in that area. It was a bad thing to do. It's over, done with, behind us, and we can't revisit that every time, but you do have to recognize that it did cause some very, very serious difficulties in this province.

So the surpluses that have been gained over the years have been well spent, I think. I think that most people would agree that saving 1 and a half billion dollars in interest payments that are now available for good programs in education and health and services to seniors is a good thing.

It's interesting. I talk to the very same people, the Canadian Federation of Independent Business, and I talk to the Canadian Taxpayers Federation, believe me, quite often. What they really tell me is to cut taxes. Cut taxes, cut taxes, cut taxes, cut taxes. They've got a whole bunch of documents that give you every which way to do it, and I don't disagree with them one bit. I believe that one of the best ways to improve your economy, to make it work is to keep a competitive tax regime. People should have the money in their pockets. They will put it into the economy and make it work. You know, I can say another time that we have a plan – it's a concrete plan; it's spend smart; it's savings; it's give back – but it's better for many purposes to say that we don't have a plan. But you know what? Most people aren't buying that.

3:50

I was interested in something that I read in a *Sun* poll, and it surprised me a little bit, frankly. You know, polls are polls, and readership is readership. You don't know who responds, but we all tend to read these things and take some information from them. The highest percentage of what to do with surpluses was rebate cheques. That surprised me a lot because at the outset of this it didn't seem that that was the most popular thing. The second was cut taxes, the third was savings, and the fourth was spend more on programs. But the interesting thing is how big those first two were: like, 38 per cent and 32 per cent. That's the majority, and that quite surprised me.

My colleague's motion was referred to. I look forward to that debate. It's actually a Treasurer's dream. It really is. We would

have no further first-quarter, second-quarter, third-quarter reporting other than a revenue report. The only spending would be one time, in budget, so no matter how badly a school was needed or a hospital was needed or something came up in year, you wouldn't be able to do it because legislatively you would be prohibited from it because it clearly says that it would have to be at one point. So, like I say, it's a Treasurer's dream. I'm going to have to listen to the debate very carefully, and I'm going to probably have to try hard not to stand up and support it, even though I know that no government in Canada does this, because it simply doesn't work in its purest form. There may be ways you can do it.

But that's why we're here today. We're here to approve or not putting this billion dollars into the heritage fund. To say that it doesn't come to the Legislature, that the Legislature doesn't have a voice in it is wrong. We're here today. If this Legislature doesn't support putting a billion dollars in the heritage fund – you know what? – it's not going there. It will not be disbursed. So every dollar that has been allocated, recommended that's in this book has to be approved by this Legislature before it is disbursed. I want everyone to get that back in their minds, and please don't tell people that the Legislature doesn't have a voice in this. You do yourself a disservice because I just simply have to go and say, "Whoever said that doesn't know what they're talking about because the Legislature has the last word on this," and they will have it today.

Thank you.

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

**Mr. Martin:** Thank you, Mr. Chairman. I listened with interest to the explanation about the billion in and the billion out, and I accept what the minister is saying. But I want to go back in terms of history and put it in perspective and then talk about the way we budget and the way we budget in the future.

It is interesting to me – I'm sure it was just a coincidence – that these articles came out from former Premier Lougheed and I think the Canada West Foundation. I've seen their study. I'm sure it's just a coincidence, now, that that billion went in after the publicity.

**Mrs. McClellan:** I can assure you that this was done long before Premier Lougheed.

**Mr. Martin:** Yeah. Right.

Anyhow, the point that the minister was making – and I understand what you're saying, that it's part of the legislation as the legislation now stands that you have to take so much out of the trust fund and put it into general revenues. That's probably true in terms of what we do right here. But remember that at one time – I think it was up to 1987; if I'm wrong, the minister will correct me – we did have to take part of it and put it in. Circumstances change, and I think that was the minister's point, that circumstances can change and she doesn't want to be sort of shackled in terms of what we can do if the circumstances change and we don't have as much money flowing into the treasury as we do now.

The point I would make is that we change the legislation before we could do it again. I think the point that people are making – with the amount of money that we do have coming through right now, perhaps for the time being we should rather than just the one time, again come back and change the legislation. We have time to do this and change the legislation. I don't know if it's 30 per cent – I think that's what it was before – or something.

The point about that is that if we do that, then we build up the trust fund for the rainy day down the way if we run into the problems that the minister is talking about. In fact, that's what Premier

Lougheed's point of view was, that we would save it. As I understand it, back in those days the whole purpose of the heritage trust fund was to save it for a rainy day, the types of things that the minister is talking about. Just as the legislation was changed in '87, if something happened – and we don't see that in the foreseeable future.

I admit, Mr. Chairman, that we can't always predict something that might happen, but surely we could change that legislation, just as we did before, and in the meantime build up that trust fund towards the sort of situation that the minister is talking about. I think that in terms of budgeting that would make a lot more sense, and I would hope that the minister would come back and take a look at changing the legislation so that we can do that in the future. I expect that it's probably not possible this session unless it's already on the books, but I think that should be a high priority fairly quickly, especially as the money is running in.

I just want to, Mr. Chairman, talk about how we are budgeting. It's not that we're not spending a lot of money. They may be one-time expenses and all the rest of it, but things have changed since I was first here. We have the supplementary estimates that we're dealing with here for a reason, and the minister alluded to it. There could be an emergency, you know, a huge forest fire or whatever. So there's always the potential to have that money there for those sorts of emergencies. It was never meant to be dealing with billions and billions of dollars, as we did just in November, and now we're back here. I don't know how much it'll be to now, but I would say with all due respect to the minister that we're defeating the purpose of supplementary estimates. Nobody is saying that the government shouldn't have the ability to move fairly quickly when there's an emergency, but our provincial budget right now is becoming sort of: what does it mean? We'll come here and have a budget, and it won't mean much because we'll spend \$7 billion or \$8 billion more if we give another prosperity bonus or whatever.

So our budgeting has become, I think, out of control, ad hocery, Mr. Chairman, and I think that's a problem that we're facing. The budget should mean something in the spring. Yes, there's a place, as I say, for supplemental estimates but not for the billions of dollars that we're doing now after the fact. The minister says: well, it's coming to the Legislature because the Legislature turns it down. Well, we all know the numbers there. Nobody on the opposite side is going to vote against it, and I'm certainly going to support, you know, the billion dollars going now into the estimates, but I think we really have to get a handle on how we're handling the budget. I think that over the years the budgeting process here is lacking much more than it was, as I said, 15 or 20 years ago.

Mr. Chairman, I don't want to take a lot of time, so I'll conclude by saying that I think we should look at, as the minister says, changing the legislation to make it possible to put money away on a year-by-year basis to build up the trust fund, to follow Premier Lougheed's original idea about it. That would be there for the rainy day fund that she's talking about if circumstances warrant it. I really think we're abusing supplementary estimates now with the amount of money coming through. It was never meant to be that. The minister goes back some ways. It was never meant to be passing billions and billions of dollars, as we are, and I would take that not as criticism, but we've got to tighten this up, I believe, because I think we're losing credibility on it here in the Legislature and elsewhere.

Thank you, Mr. Chairman.

4:00

**Mrs. McClellan:** I'll be very brief. I appreciate your comments. Yes, we could change the legislation. I think we should have a lot

of discussion on how. Thirty per cent of overall oil and gas revenues are nonrenewable resource revenues. Actually, that's what it was then. Should it still be that? Can we do our programming? Maybe it's a different percentage today with the demands. I think the health budget at that time was well under \$3 billion. Today it's \$9 billion and growing in a huge way. I think our education budget is probably more like double what it was.

We have to look at this, but for this purpose today I appreciate your support for the savings and the understanding that for the third quarter, for in year, this is the only way we could do it, in a supplementary estimate. Then when you look at the rest of them, I was expecting some recognition that this was considerably lower. The supplementary estimates in the third quarter, if you take the billion dollars that's going to the heritage fund out, are \$354 million, which is considerably lower than what we have seen. I know that on Seniors and Community Supports – I mean, what I heard is that this isn't enough. What a strange statement to make when you've got one month of the year left.

All I ask is that people think it through. Think it through. Don't make it sound like this is what we're doing for the next year. Most people out there understand that there's a budget coming soon and that this is in year, the last month of the year, and it's a way to get this thing going. I don't expect to hear from hon. members that any of these expenditures are bad. What I have heard over and over again in all my experience, not just as Finance minister: it's the process that we debate.

I thank you for your comments. I think they were positive and meant to improve the system.

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

**Mr. Elsalhy:** Thank you, Mr. Chairman, for this opportunity. I'm not going to repeat some of the arguments that were made before. I, too, think that had the province inflation-proofed the heritage fund in '86 or '87, we would have a fund that's almost twice as much now, but in real dollars it did really shrink.

However, I have two simple questions. Notwithstanding the ups and downs in economic circumstance from year to year, yesterday when some of us were delivering the responses to the Speech from the Throne, I made the argument about one's investment into his or her own RRSP account. Like my banker tells me and my financial advisers tell me, making an RRSP payment into your account every year, however small, with the compound interest is beneficial to you rather than waiting five or six years and making one and then waiting five or six and then making another and so on.

The way I understand it, this is the first payment into the heritage fund in 20 years, since 1986, and this is 2006. One billion over 20 years doesn't look like a lot. Anyway, I need an assurance that there is going to be a provision or a plan that we are going to commit annually, every fiscal year, some allocation of surplus money into the heritage fund. I am hoping for an assurance from the hon. minister that this is going to occur annually from now on.

The second question – and I appreciate her explanation that only the investment income is drawn out from the heritage fund to be deposited into the general revenue – will we ever have an assurance or a guarantee from her ministry that the principal of the fund is not going to be raided for whatever reason? It could be pet projects. It could be what's deemed to be an emergency or so on without coming back to the Legislature and debating it. I'm not sure if this mechanism is in place already or if it needs to be put in place. I urge the hon. minister to consider it. What I'm talking about is the principal, not the investment income.

I spent some time reading a report that was produced by a

government commission back in 2002, and it's called the Financial Management Commission. It had a whole bunch of MLAs and members on it. The report was called *Moving from Good to Great: Enhancing Alberta's Fiscal Framework*. The committee actually did some useful and very respectable work. They consulted with Albertans, and they received submissions. They asked questions and then made recommendations to the government at the end.

One of the recommendations was basically that the heritage fund should not be looked at as a static savings account and that it should be not only retained but strengthened and allowed to grow, so this is back to my point that the heritage fund did not really grow since 1986.

They also made note of the volatility of revenues because this government seems to be happy with or dependent on the nonrenewable resources that come, and we all know how volatile that market is. They instead urged the government to look at stable and predictable funding. They also urged the government to have a conservative plan to basically take out from the heritage fund. What these guys recommended is basically to take all the surplus money every year, even the general revenue that the government accrues or collects, put it into the heritage fund, then draw out from the fund based on a very conservative estimate. They said that this should in itself allow the fund to grow.

Now, whether we all agree that maybe every penny that comes in has to go into the fund first before it's drawn out, that's a different argument for a different day. But of the submissions that these guys received – and they received actually quite a few – most of the submissions as I'm reading here say: "a consistent call for some form of stabilization fund, better long term planning, and a more open budgeting process." They go on to say: "Views were mixed on the Heritage Fund. Of those who commented, most said the Heritage Fund should be kept for the longer term, inflation proofed and allowed to grow."

We did inflation-proof it, I understand, last year, in 2005, which is tremendous. It's a little late but good that we did this. Now we should really allow it to grow annually by contributing to it. Will we receive an assurance from the minister that this is a plan that she's willing to adopt from now on?

Also, the minister indicated that the survey on the *Edmonton Sun* website, I believe, indicated that most people wanted rebate cheques. I heard that same argument. The minister indicated that it's not how you tell the story or what's in the story; it's how you deliver it. I think we can interpret from this that people are not happy about certain things. For example, we received a \$400 rebate cheque, but we pay more than \$550 in health care premiums. We pay it every year. So, you know, maybe we should ask for a rebate cheque every year.

Another calculation that I did on my computer – you know, you can download all these financial tools from the Internet, and one of them is actually a calculator that gives you amortization and gives you mortgage simulations and so on. I ran a simple simulation, \$12.7 billion, what we started with in 1986, and I used a very conservative interest rate. I put 2 and a half or 3 per cent, and I said: what happens if every Albertan since 1986 was given a dividend from the heritage fund while allowing it to grow?

We received \$400, which was amazing – thank you very much – but with that simulation that I ran, we could have paid every Albertan a hundred dollars year in and year out from 1986 till today. A hundred dollars in 1986 was a lot more than a hundred dollars in 2006 if you're talking the strength of the dollar and the buying power. Nevertheless, at 20 years times a hundred dollars each, every Albertan would have made \$2,000, and the heritage trust fund would

not have shrunk. It would have actually maintained its value, and this is without infusing any money into it.

**4:10**

Interpreting that poll, you know, people wanted tax cuts, or they wanted rebate cheques. It's basically telling us as legislators that people think that they're paying too much, and maybe we should look at ways to reflect fairness in the taxation regime. Health care premiums are a tax because they're not used for disease prevention or health promotion. They're just put into general revenue. So that's another thing.

The Fraser Institute in February, I believe, of 2005 indicated that government spending in Alberta has deteriorated on something called the government spending subindex. They rank all the different provinces on an index based on sustainable spending. I argued yesterday in my response to the Speech from the Throne that this government spends more money in a fiscal year than it makes from non energy-based income. Energy is volatile. We should look at the other forms of income, like taxation, like forestry, like agriculture, all that stuff, not only resource based.

Nevertheless, the Fraser Institute indicated that Alberta dropped from second place to eighth place. I am quoting from their report. They say that spending increases in Alberta are cause for concern and could potentially jeopardize the fiscal advantage the province currently enjoys. So, yes, we have paid down the debt. It was a paper debt that the Conservative government incurred and then paid off, and we know whom to thank for this. We thank heavens or we thank the God in heaven because it's something that just came out of the ground.

**Mr. R. Miller:** They didn't put the oil in the ground.

**Mr. Elsalhy:** No. It was given to us by a higher power.

They paid off the debt on paper, but now we have an infrastructure deficit that is downloaded onto the municipalities most of the time. We have nonfunded liabilities for the teachers. We have shortages in the workforce. We have many things that could have been averted if there was a plan from the beginning.

To make my argument short, I am not really against the \$1 billion going in. I actually applaud that decision. I think it's late, but we take it the way it comes. What I need to know from the minister is that they will not raid the principal and that whatever the reason is, they have to come back to the Legislature to approve it, and second, that there is a commitment from the government to actually put money into the heritage fund annually from now on.

I thank you, Mr. Chair.

**The Chair:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Chairman, and I appreciate the opportunity to speak very briefly on this particular issue. The Alberta heritage savings trust fund is something, I suppose, that grew up with me in many ways, being a lifetime Albertan myself pretty much. You know, the sentiments that created the Alberta trust fund in the first place I think were very highly regarded by most Albertans. Indeed, when I am speaking to my constituents in Edmonton-Calder, they still have a very high regard for it. Older people especially will ask me, "Well, what happened to the Alberta heritage trust fund?" Perhaps as much as anything we need to raise the profile of this particular fund and to in fact demonstrate to the citizens of Alberta, who otherwise are the owners of this fund, just what the long-term plan for it is.

Again, people who were around and cognizant of the intention of

the Alberta savings trust fund from the beginning are pretty much stuck on the original intention of the heritage trust fund for saving for the future, diversifying the economy, improving the quality of life for Albertans. You know, it's great to see that perhaps we're casting a more specific and critical eye on this now again in 2006 from the inception of this fund in 1976. In fact, to see this billion dollars being placed in there I think means a lot to Albertans, so I would like to compliment the government on choosing to do so at this juncture. It's certainly something where I can say to my constituents that it's a positive development in terms of putting money into the heritage trust fund.

However, I would like to see perhaps some focused legislation to determine how – I know that by law some money must come out as well. This is perhaps the nub of the confusion in these last couple of days. My suggestion and the suggestion of our caucus, then, is to perhaps change that legislation so that, you know, we are realizing a net increase in the principal of the Alberta heritage savings trust fund while we are enjoying these budget surpluses as we have been in these past few years.

This whole issue of saving for a rainy day and investing in diversification is perhaps a subject of a much larger debate that we desperately require here in this province. The funds that are constituting our surplus that we see today are finite, and the nonrenewable resources that are generating these surpluses will not be around in the infinite future. The urgency of making investments today, especially in regard to diversification, is perhaps the most wise financial choice that we can possibly make.

Banking money and investing in the market is one thing, but actually building tangible means by which we can diversify will realize this fund much larger returns than we could ever see from most financial markets. For example, the diversification of our industrial base into alternative energy would not only give us, in fact, less of a reliance on hydrocarbons and nonrenewable energy but, in fact, give us an industry and a technology to sell and to export to other parts of our country and other parts of North America and such. I believe that we deserve to focus on the heritage trust fund not just now with this one-term, \$1 billion investment but to integrate it into some much larger and more comprehensive legislation in the future.

Thank you.

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

**Mr. Hinman:** Thank you, Mr. Chair. I, too, would just like to speak briefly to this. On behalf of the Albertans that I've spoken to, they're grateful that we're now going to put some money into the heritage trust fund.

The thing that most people have pointed out to me is that we all need to have a savings plan. We all need to have a budget. If we don't have one, it's much like the cartoon that we saw in the paper yesterday. As we're on our way to the bank to deposit that, we're busy reading all of the sales that are coming up and whatever, maybe holidays that we can take. It seems like the mode that we've been in is where can we spend it before we get it to the bank.

Albertans very much would like to see a plan where we're going to have a percentage go in, especially when we have the windfalls that we've taken in recently. Wise financial planners tell people who have won the lottery to put it in the bank and to think about it and come up with a plan on what they're going to do. I'd urge this government to continue putting the surplus into the bank and to have its goals being guided by Albertans.

Albertans are speaking very much that. Yes, we have low taxes here compared to other jurisdictions, but compared to the world they

want lower taxes. We can and are able to do this. Albertans are wanting the three levels of government to work together to become more efficient in providing the services of our area and by doing that again being able to lower taxes.

Another interesting point that was brought up to a group that I met with the other evening is that they would very much like to see the heritage trust fund being directed more to help Albertans. Then one asked the question: well, how can the heritage trust fund help Albertans in a more meaningful way? The idea that was being talked about that evening in one of my constituents' home is that first we could put it into the Alberta Treasury Branches or credit unions that are actually based here in the province. These facilities loan money out to Albertans, and it's a benefit to Albertans to have that there and low interest rates. We've seen the boom that these low interest rates have caused. If, in fact, the money was here in Alberta being deposited in the Alberta Treasury Branches, it would give great access to funding. The bank and the credit union, though, would be very much protecting that money and loaning it out on the same basis they do any money. So I'd urge the government to consider thinking about that.

4:20

The other idea that people were talking about is that perhaps the government should follow what China and India and some of these other European governments are doing and actually buying hard assets and keeping such things as gold and silver.

But in general what Albertans are asking is that when we have this surplus, please continue putting it in the bank. Don't just go on a spending spree. Have disciplined plans and a budget that's going to benefit Albertans in the long term. Albertans are asking for that. We would urge the government to continue putting as much into the heritage trust fund and using that trust fund for Albertans at the most appropriate time and places and not continuing to charge the economy right now with this enormous amount of money that's come in.

In my jurisdiction, the area there, they're saying that things are up 30 to 50 per cent. They can't even get bids. They need to put the money in the bank and wait two or three years, possibly, for some of this infrastructure when there's more equipment and firms are willing to bid again at a more competitive price.

Thank you.

**The Chair:** Are there others?

Are you ready for the question after considering the 2005-06 supplementary estimates, No. 2, for the general revenue fund for the Department of Finance for the fiscal year ending March 31, 2006?

**Hon. Members:** Question.

Agreed to:

Expense and Equipment/Inventory Purchases	\$1,000,000,000
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**The Chair:** Shall the vote be reported?

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

### Seniors and Community Supports

**The Chair:** The hon. Minister of Seniors and Community Supports.

**Mrs. Fritz:** Thank you, Mr. Chairman. I am pleased to have the opportunity to speak to the third-quarter supplementary estimates for

Alberta Seniors and Community Supports for the 2005-06 fiscal year. I believe that these supplementary estimates are important because this funding will provide housing services and will assist our seniors and our persons with disabilities. As you can see in the section beginning on page 45, the third-quarter supplementary estimates for Alberta Seniors and Community Supports total \$31,850,000. My ministry requests funding for three areas.

Mr. Chairman, the first estimate refers to an additional \$11.85 million required for the settlement of a class action lawsuit involving assured income for the severely handicapped, known as the AISH program. Our government decided that the best course of action was to settle the lawsuit and to simplify the process for people to be compensated. Specifically, this funding will be used to compensate those AISH clients who were overpaid or underpaid and are eligible for a payment now. These funds are based on a court-approved settlement which is fair and reasonable for claimants and for the government.

My second supplementary funding request has been identified to increase salaries paid to community-based staff contracted with the persons with developmental disabilities, or the PDD program. It is important to ensure that those with developmental disabilities are supported by a stable and well-trained workforce. Traditionally, agencies offering support to people with developmental disabilities have had difficulty recruiting and retaining employees because they cannot offer a competitive salary. With your approval an additional \$10 million will provide an increase to the salaries of up to 12,000 PDD contracted staff members through agencies retroactive to April 1, 2005. I have targeted this funding to ensure that it gets to those front-line workers. This will assist with creating fair and equitable wages for all staff providing important support services to Albertans with developmental disabilities throughout the province.

Mr. Chairman, the final estimate that I'd like to address today is regarding continuing care. An additional \$10 million is required in order to continue to provide the meaningful improvements that Albertans are expecting and to respond to the recommendations of the MLA task force on continuing care. Approximately \$5.3 million of this funding will bridge the current gaps in the benefits that we provide to our seniors and those with disabilities who require continuing care services. The changes to the Alberta seniors' benefit and the AISH program will allow us to better support low-income Albertans who cannot afford the full costs of accommodation. It will also ensure that those individuals have access to benefits that assist them with the cost of living in a facility that best meets their needs. Albertans moving into our seniors' lodges are older and more frail than they were in the past, and with \$4.7 million in additional funding we will address the increased demand for quality services in our seniors' lodges and ensure that the additional costs are not passed on to low- to moderate-income seniors.

In closing, I'd like to thank you, Mr. Chairman, and would be pleased to answer any questions.

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

**Ms Pastoor:** Thank you, Mr. Chairman. In reply to the hon. Minister of Finance, not for a second am I not grateful for this little bit of money that is coming to us, and I do realize that it is for the last quarter. I am looking forward to the budget discussion when I'm trusting that Treasury will look fondly and fairly on the Minister of Seniors and Community Supports and get us the money that we really need.

I just have a couple of questions if I might. It overlaps a different department, but perhaps you can help me with it. On page 46, the \$11,850,000 that is to be paid out for the settlement of the income

supports. If I look on page 26, it looks like part of that money is coming from Human Resources and Employment based on lapses in the skills investment program, which is a totally different discussion. So is that part of these dollars? I'm not sure. Could I get a clarification on that?

Have any of these lawsuit dollars been paid out yet? Sorry. I'm assuming that answer isn't coming right now, which is fine.

My other question would be again back to page 46 in the Seniors and Community Supports section. What exactly are service needs? On the very first line, "\$4,700,000 . . . to cover residents' increased service needs." Would that be considered staffing, or is that considered housing? Is that care staffing or, you know, to top-up for housing?

I'm just going to make this comment because really I believe that this is for the further budget discussion, but there is a deficit in the south region for PDD of 8 per cent and in Edmonton of 3 per cent. Some of the money is going forward for staffing, which I'm sure is much appreciated, and is going, I'm hoping, to front-line staff. My questions are: how can we be sure that it really is going to front-line staff, and is that only for contracted staff, or is that actually for unionized staff as well?

Thank you.

**The Chair:** The hon. minister.

**Mrs. Fritz:** Thank you, Mr. Chairman. I'm pleased to answer those questions. The answer to your first question, hon. member, is yes. That funding that you identified, that's on page 26 under Human Resources and Employment under the supplementary estimates that will be coming forward later, is the \$6.1 million toward the estimated \$11.85 million, and the \$5.750 million that you identified is a part of that for the class action lawsuit. It is shared between the ministries in that way.

**Ms Pastoor:** It is shared?

**Mrs. Fritz:** Yes.

**Ms Pastoor:** Thank you.

**Mrs. Fritz:** Then the next question that you had regarding services. The \$4.7 million is to increase grants for not all seniors' lodges but for the lodges that provide a higher level of support for our residents. As I said in my opening remarks, because residents are older and frailer in our lodges, many require additional support services such as a special diet or more than weekly housekeeping services and other personal kinds of assistance. The grant funding will rise from \$7.50 to \$9 per lodge resident per day for those lodges providing that additional service. It's not for the care; it's for the service provided through this ministry related to accommodation. So that's the answer to that.

4:30

Then the funding for ensuring that the funding that's here in the third quarter for wages for PDD staff gets to the front-line workers. I can see why you are asking that question because we do have government employees as well that work in the area of PDD. This funding is for the 12,000 workers that are employed through the contract agencies, and I've written to and mandated the provincial board to ensure that this money goes to the front-line workers and not into administration only. So I hope that helps.

**Ms Pastoor:** If I just might perhaps make a bit of a point. When

you were explaining the housing portion of it and the extras, perhaps the special diets, et cetera, I think that again it brings out one of the recommendations from the MLA task force. I think you were talking about enhanced lodge beds, and I'd like to just point out the absolute necessity that we have provincial definitions for what we're all talking about.

Thank you.

**The Chair:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Chairman. Thanks again also to the hon. minister for bringing forward these supplementary estimates. I find that it's reasonably within order. Considering the overall size of this budget, these supplementary additions are not inordinate. However, I do have a couple of questions, perhaps, or clarifications that you can help me with, and I think that the members of the public are interested in these things too.

I have quite a number of continuing care facilities in Edmonton-Calder. One of the ongoing concerns that the administration and the families and the residents themselves, if they can express it properly, are continually telling me about is that there is a shortage of qualified staff to operate the continuing care facilities, especially for the residents who require intensive assistance. So for this \$10 million to be earmarked to increase the salaries of what I believe you said were 12,000 contract front-line workers, if you know – or perhaps you can forward the information to me later. First of all, what percentage increase in their salary are you expecting to be directed to each of the front-line workers? Second of all, what percentage of that total funding is obliged to go directly to those people?

One of the problems that I have is that there is an unevenness between different facilities in how they manage their funds. So I might expect that I would see some of these funds being spent in different ways at different continuing care facilities in my constituency. I know that there is some problem associated with that, the administration perhaps taking an inordinate amount of the funding in any given situation. So that's one concern that I do have, and if you could answer those questions for me, I would be most appreciative.

Second of all, in regard to the underpaid claimants' case by AISH workers – and I guess I could just look at this myself – I'm curious to know which ministries are in fact sharing this cost estimate together. I'm wondering as well, perhaps more importantly, if there has been any projection as to how much more this lawsuit is going to cost the Alberta government in view of how long it took to actually come to a settlement. It's my understanding that if we had dealt with this problem before, not only would the people who most need funds to survive in our society – that is, the people on assured disability – have received this money. In fact, I'm sure that many of the people who were underfunded don't exist anymore. The mortality rate for people that are living in such poor circumstances is very high, so not giving the money to those people in a timely manner I find to be morally reprehensible. Also, I find that there has to be a dollar figure on how much more we have to pay because of the truancy of the government in actually settling this issue.

Thank you.

**The Chair:** The hon. minister.

**Mrs. Fritz:** Thank you, Mr. Chairman. I'd like to just refer to the first question. I think, hon. member, that we discuss continuing care in a different way. When I review the continuing care system, I refer to people that are in lodges or in self-contained apartments and on

through the system. You were inquiring about the qualified staff being paid through the funding that I've requested, but that's for the staff for PDD, and it's actually completely different. So I'll answer the second part of the question and just refer to the \$10 million for the staff for PDD.

That staff is the 12,000 people that are contracted through the agencies, and it will be dedicated funding. We are hoping that for most agency staff it will provide funding at about a 3 per cent increase. I hope that helps as well. It isn't continuing care; it's PDD.

The area that you addressed on the class action lawsuit, as the Member for Lethbridge-East referred to, that is on page 26. It is being cost-shared with the Ministry of Human Resources and Employment. That explains that too.

Thank you.

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

**Mr. Hinman:** Thank you, Mr. Chairman. I thank the minister for this opportunity to discuss the supplemental request. I, too, just want to go a little bit further, and I've spoken with the minister in private on these issues. One of the questions that I have is the concern on the facilities that I've gone and visited for PDD. One of those facilities has had a shortage of workers of 800 hours in a given month, and they had to have their own staff make up that shortage. I'm wondering. This money that you say is going to increase the wages: is it possible that they're going to actually be using it to increase the number of staff as there is that shortage? I'm concerned about: are we getting the right balance and addressing that problem?

At another enhanced facility that I went and visited, they're finding that in order to present their case and get the wages that they need, they're actually making the workers document every little thing they do because the health regions are saying: well, you know, you've got the 3.1 or the 3.4 hours. But they have high-needs people in there, and because they're not recording everything they're doing for those people, they're not assessed with the proper amount of hours. Perhaps one needs five hours. It's an ongoing problem to do the assessment in these long-term care facilities and then, therefore, get the workers that are needed.

The biggest dilemma, I guess, that the facilities are facing both in seniors' care and with the people with developmental disabilities is the turnover of staff and the shortage of staff and not being able to get them in there. I definitely commend you on the \$10 million to increase the wages because that's a major problem. People are drawn out and can take a much easier daytime job that isn't as labour intensive.

It also concerns me with the Michener that they've got guaranteed raises, I believe, of 3 per cent, 3 per cent, and 3.9 per cent. I think you referred to this yesterday, but I'm not clear. They know that this wage increase is going to be ongoing and that they'll be able to reach their budget. The letter that I've received from PDD south is that the facilities have shown that they need to have a reduction in their costs of \$1.7 million, \$3 million, and \$5 million in the next three years. They're very concerned about how they're going to do that with just a 2 per cent increase. So that reduction is causing a lot of grief to those facilities. Two of them in the area have been told by PDD south that they need to reduce their expenditures by 8 per cent.

One of the problems, they're saying, for the people they're moving from child services to PDD is that there isn't funding for them to go forward. Also, is there any money to help them in assessing the individuals for their needs? We have many that are high-needs, and they don't necessarily get the funding, so therefore the workload is increased on those other individuals.

4:40

The other area that I'd like to bring up again with you is that the per capita funding formula doesn't work for southern Alberta as there is a higher percentage of people with PDD in the south than in the central and northern regions, and I don't see anything in here to reallocate that funding to help them meet their shortages.

I appreciate the efforts that are being taken and, I trust, will continue to meet the needs in these two areas, and I thank the minister for her work.

**The Chair:** The hon. minister.

**Mrs. Fritz:** Thank you. I appreciate your comments, hon. member. We did have that discussion yesterday, and you certainly brought forward some great ideas, like you did today as well, about the funding following the client, changing the formula, and looking at low-to-moderate needs for clients with PDD.

I'd like to go back to being clear as well that this funding is not for staff in continuing care, which you mentioned earlier in your remarks. This funding is for staff that are employed through the contract agencies that look after people that are persons with developmental disabilities.

The PDD south region for 2005-06 received a budget allocation of \$52.1 million, and that represents about 10 per cent of the total PDD budget. The funding for the PDD south region community board has increased 68.9 per cent since 1999. Now, PDD south has brought this issue forward to a number of MLAs. I am addressing that, and I will give you further information in that regard.

You say that there's a deficit with PDD south. Their funding has not been decreased. There will be spending reductions to the boards throughout the province that the provincial board has mandated to the boards as they allocate the funding, but there hasn't been a funding decrease overall, and there won't be one. I'll give you that information as I put it together in a comprehensive package.

Thank you.

**Mr. Martin:** To the minister: we understand that there has not been an overall cut. I think that in actual fact there's probably been a 2 per cent increase. But the point that the groups and PDD are making is that the reality is that with institutional inflation and inflation, it does mean a cutback in the services that they're providing. What they've been asking for is just to keep at the inflation level. As I said before in the House, yes, there has been more money put in – there are more clients – but that doesn't enable them to maintain their services right now.

The latest figures that I have from the Association for Community Living – it hasn't been announced in Edmonton, but there are regions that have already started some of the cutbacks, certainly the south and I forget which other region. They've told me that these figures are rough, but there'll probably be the equivalent of about \$18 million in cuts over the whole province. I'm told that even the Edmonton region will be \$4 million.

Now, it's good that the extra funding is coming, and I'm sure it'll be greatly appreciated for the people that work under very difficult circumstances there, but the reality is that when you cut across, no matter whether the minister says that there's a 2 per cent increase, out in the field some people are suffering a fair amount of stress. We're all getting the e-mails, the phone calls. That's the reality of what's happening, and that's why the very intense lobbying is going on. It doesn't necessarily matter, Mr. Chairman, who's right or wrong in this. The bottom line is that if there are the cuts that are occurring and that family is out there and it's a cut to one of their people, this is a very severe matter. They don't care who's right or

wrong about inflation and all the rest of it. The bottom line is that this is occurring with people right now, and there's a great deal of concern about it.

I would just say to the minister that certainly it's appreciated. We certainly support it. I think – and she can correct me if I'm wrong – it will probably mean about a 3 per cent increase in terms of their salaries. I think that's appreciated, but there's the other part of it that's creating the concern across the province. If the association and the groups representing the people with developmental disabilities are wrong, that there aren't these cuts going on, then I think that the minister should show us that this is not the case. But it's coming from them pretty clear that – and it's just an estimate at this point – there'll be the equivalent of \$18 million in cuts right across the province. That's pretty severe.

As I say, the minister is right in the sense that there's not an overall cut in terms of the amount of dollars. As we say, it's probably a 2 per cent increase. But we all know that we've looked at, through Members' Services, what it means in terms of MLAs' salaries. With inflation, the way we do it, it probably means about a 4 per cent increase just for that, for salaries here. We all know that institutional inflation runs higher. As I say, I don't think that they're asking for the sun and the moon. They're just asking to cover inflation so that they can continue doing what they were doing in the last number of years.

Thank you, Mr. Chairman.

**The Chair:** The hon. minister.

**Mrs. Fritz:** Well, thank you, Mr. Chairman, and thank you for those comments. I will take them under advisement, and, as I said, I will be putting together a comprehensive package to give back to you regarding PDD.

But you're right. It depends on, you know, what words people use and how they interpret the words. In this case, I'd like to just say once again, Mr. Chairman, just to have it on the record, that I really believe that the spending reductions that have been requested by the provincial board and in the allocation of the approximately \$500 million budget have been interpreted as funding reductions and that what people would like to see in addition to funding that has been put in place – they're coming forward with it as being deficits. So you're right. A lot of it is in the exchange of words.

Thank you.

**The Chair:** Are there others?

Are you ready for the question?

**Hon. Members:** Question.

**The Chair:** After considering the 2005-06 supplementary estimates, No. 2, for the general revenue fund for the Department of Seniors and Community Supports for the fiscal year ending March 31, 2006, are you agreed?

**Hon. Members:** Agreed.

Agreed to:

Expense and Equipment/Inventory Purchases	\$31,850,000
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**The Chair:** Shall the vote be reported?

**Hon. Members:** Agreed.

**The Chair:** Opposed? That's carried.

## Innovation and Science

**The Chair:** The Minister of Innovation and Science.

**Mr. Doerksen:** Thank you, Mr. Chairman. Introducing the topic, I just want to refer the members of the House to page 328 of the published business plan where it talks about unleashing innovation. It says:

This business plan reflects strategies to strengthen Alberta's capacity for innovation, with an emphasis on: building the capability and capacity of Alberta's research system; building excellence in three priority areas (energy, ICT and life sciences); developing, attracting and retaining highly qualified professionals; encouraging technology commercialization; and fostering the growth of knowledge-based industries.

I focus on those last two comments, because this is what this supplementary estimate actually addresses, which talk about encouraging technology commercialization and fostering the growth of knowledge-based industries.

4:50

The supplementary estimate of \$30 million is requested to support the expansion of AVAC Ltd. to provide managerial and financial assistance to new businesses in information and communications technology, life sciences, and other industrial technology ventures. The goal is to increase the economic success of Alberta's high-technology industries and the rate of technology adoption within these sectors, similar to what AVAC Ltd. has accomplished within the agrivalues product sector. I would note that AVAC was established in 1997 with \$35 million, and the government invested an additional \$35 million in 2005. To date \$31.3 million has been invested in 154 agrivalue projects and companies, and these investments I believe raised an additional \$120 million from private sources.

Start-up and early-stage companies need mentoring and funding to grow and become successful. Alberta investors are very knowledgeable about energy and natural resource businesses but less familiar with high-tech operations and reluctant to invest in new and unproven science and technology ventures.

Desired outcomes of this expansion of AVAC include more successful start-up companies, more investment-ready companies that offer investors better quality deals, development and attraction of more capable technology and entrepreneurs and managers, and more sustainable growth in technology and value-added sectors. This initiative will help to provide managerial and financial assistance to new businesses in Alberta's targeted growth sectors: information and communications technologies, life sciences, and industrial technology. Support services offered will include business mentoring, financing assistance, marketing and operational guidance, professional assistance in company formation, and support for proof of concept and prototyping of new products and services.

[Mr. Lougheed in the chair]

AVAC's membership and scope will be broadened to include representation from the advanced technology sectors. An investment advisory committee will be created to address the needs of the advanced technology sectors.

So, Mr. Chairman, I would ask for the support of the House in this request for a supplementary estimate of \$30 million.

**The Acting Chair:** Thank you, hon. minister.

We have a response from the Member for Edmonton-McClung.

**Mr. Elsalhy:** Thank you, Mr. Chair. It's good to see you in the chair. First, let me start by thanking the hon. minister for having agreed to meet with me yesterday, briefly, after responses to the Speech from the Throne. It offered us an opportunity to actually go over this supplementary supply, what it really means and why it was necessary.

Notwithstanding the discussion that we had yesterday, I still had a few points that I wanted to leave on the record. Let me start by saying that I fully support allocating money to research and development initiatives mainly for start-ups and early-stage, growing companies. I definitely want to see our economy diversified, and I hope for a day when we will see a Silicon Valley right here in Edmonton and another research cluster in Calgary and one in Red Deer and perhaps one in Lethbridge and one in any one of a number of cities throughout this great province.

Diversification, of course, and research and development will sustain us into the future, and I urge the hon. minister and his staff to really expand and focus on other things besides oil and gas – I know that they're doing this, and this is a trend that I would encourage and I hope to see expanded – things like clean energy, renewable energy, health research, IT, communications, et cetera.

Now, this is an expense of \$30 million, and as it shows, technology commercialization initiatives in the budget was \$3.175 million, and now we're infusing \$30 million, which will raise it to \$33.175 million. This is a tenfold increase, or really, if you think percentage, it's 1,044 per cent, so tenfold. My question is: why wasn't it in the regular or initial budget?

Now, I know that sometimes research or development or encouraging young start-ups, you know, people who need venture capital and so on, might not be a priority because we can make a lot more money a lot quicker from other sources. Perhaps it might be that this wasn't identified as a priority that was high enough on the priorities list for the government, so it wasn't in the initial budget.

Okay. If we accept this argument, it's not an emergency today, so why couldn't this wait till the next budget? Then perhaps the hon. minister would have made a stronger argument for his department competing with all those other departments by saying: I definitely need \$33 million for R and D and commercialization initiatives because this is the way of the future. He could have pitched hard for his ministry. So it's not an emergency today, and it could have waited for two to three more months, when the new budget comes down.

Now, I'm not arguing that this is money that is not needed, but I seek assurances with regard to, one, what guarantees or accountability mechanisms are in place now or are going to be put in place to ensure that this sum of money, \$30 million today, or future allocations are going to be divided and awarded appropriately to deserving, sound, and potentially successful ventures? We don't want the money to be allocated to ventures that are hopeless or are not going to succeed. So we need to have some guarantees here.

I also have some suggestions. I think that it should really go to Alberta companies first and foremost, and then maybe whatever is left should be allocated to other companies from other Canadian jurisdictions. So start with Alberta, invest it locally, and then expand if there is room for expansion.

I also think that we have to put in place some ceilings or maximums, so per recipient you're only allowed a certain amount from this pot, and if you exceed a certain amount or if you want to exceed a certain amount, there are other ways to approach the government for help.

Third, I would urge the hon. minister through IVAC or through AVAC to instruct them that there has to be maybe a small part that is treated as a grant, something that is a gift to that company to help

them get off and start their journey. The rest, however, the bulk of that money, should be recoverable in some way, recoverable in the sense that maybe it could be a low-interest or no-interest loan. So you give it to them with the promise or the contractual agreement that they would give it back in a certain number of years or once their costs have been recovered.

You could do it another way by maybe sharing in the copyright or the patent once they market their product or service, some way to ensure a return on investment, as really it is taxpayers' money that we're allocating here. We're dispensing taxpayers' money, so maybe we should look at a return on investment so that it's not all a grant. Some of it, maybe a small portion, should be, but the majority of it, the bulk, would be an interest-free loan or a low-interest loan or maybe sharing in the patent and in the copyright and definitely sharing in the revenues, then, once that product or service is marketed.

I'd also like to see a list of companies or projects which were successful in securing funding under this structure but also those who applied and were turned down or rejected. It would offer us a comparison of what went through and what was allowed or accepted but also what was blocked or rejected, to study it and scrutinize and say: okay; maybe one of those was deserving, and it was not allowed in error, or maybe one of the ones that was allowed shouldn't have been.

A question would be: what systems are in place to ensure that the money is allocated fairly? We don't want it to be left to the whims or the wishes of a board or a closed circuit of a few people who make decisions and play God with which contract gets \$1 million, which contract gets a hundred thousand, and which contract gets \$5,000. We want to have some criteria to make sure that the money is allocated fairly and equitably.

With the reporting, what kind of reporting will be in place at the end or regularly or periodically? We would definitely like to see a report on the measurable goals, targets, deliverables, evaluation methods, periodic evaluations, peer evaluations, and so on. Hopefully, that report would be tabled with the Legislature so all of us would see it and would determine what kind of return we're getting from that IVAC initiative.

5:00

The hon. minister also mentioned something about business mentoring, which I really commend him on because this is useful. I can take it a step further and maybe advise him to start an inventory of resources. There is help from the government. There is help from nonprofit organizations, help from nongovernmental organizations, and so on. Have a database of all these available resources. Put it in a kit or a tool kit. Give it to that aspiring business or young emerging company and say: "This is what we can do for you. Here is some money to get you started, and here are the resources that you can refer to." They could be federal. They could be municipal sometimes with the Edmonton Economic Development Corporation, for example. Whatever the source is, package it together and not say, you know: "We're the province. We'll give you anything that is provincially administered. You look for the other stuff." No. Maybe we should facilitate and offer him or her a tool kit, and we'll say: "Here. These are all the means and tools that are available for you. Good luck to you, and we'll see you in a year, and we'll report on your progress."

So not a lot of concern. I support having money put into research and development. Commercialization is one thing; pure science is another, but that's an argument I'm going to make in the regular budget debate. Overall, I'm in support with some assurances. I thank you for this opportunity, Mr. Chair.

**Mr. Doerksen:** If I could just provide a couple of brief comments in response. I would agree with the hon. member that this not an emergency, but it is an opportunity. Frankly, we had the opportunity. There were some resources available. We presented our case, and we were successful in terms of the \$30 million, much the same as we were successful in getting another \$100 million for the ingenuity fund. So there was an opportunity presented because of our fiscal situation, and I think that it was incumbent upon us to actually try and move this agenda forward, which we have done.

I would point out to the member, though, that by moving the funds into AVAC, it doesn't mean it all has to be spent this year. The organization there will actually take this money over a period of time, so you can't really say that it's \$30 million just in this one year. It will be allocated over a period of time.

Some of your suggestions are very good suggestions. I think the intention, certainly, would be to invest in Alberta companies first. No argument from me on that one. Return on investment: the entire object of this exercise is in fact to have a return on investment. You're going to have some companies that are very successful that will provide a greater return based on, of course, how you structure the agreement and will pay back more than others who perhaps will not be so successful. In some cases I'm sure that some will in fact fail.

That leads me to your point on accountability. Here's the problem. If I as a minister keep too tight a hold and make the decisions about which companies are to get the money, then I'll be accused of picking winners and losers, and I'll be accused of supporting friends. Frankly, we have to get this money out into an arm's-length body that makes proper investment decisions and treats the money in that fashion without influence from the minister. That's a very clear reason why we put the money into AVAC.

The other reason we put the money into AVAC is that it's an established organization. I did not want to create another new organization and have to go through the whole learning situation again, so we're using the expertise that AVAC currently has because we think we can get on the ground and running a lot quicker by using that particular expertise.

As for accountability AVAC will continue to report just like they have now. You'll be able to see all of the companies that have been successful with respect to their application. I'm not convinced that we'll be able to show you the companies that are not successful. That's a different question. But certainly in terms of the companies that have received money, that is reported on an annual basis and will continue.

The rest of your comments we will review as we set up the details of how the money is allocated. So thank you for your comments.

Thank you for this opportunity.

**The Acting Chair:** The hon. Member for Edmonton-Calder.

**Mr. Eggen:** Thank you, Mr. Chairman. Thank you, hon. minister, for your very informative and frank replies to questions thus far. I only have a couple of specific things to ask of you in regard to this supplementary estimate request. As I often am questioning each department for which I'm responsible, I'm seeing increases being, you know, about 20 per cent more than the original budget that we agreed to last year. I appreciate your explanations to the Member for Edmonton-McClung in regard to the process and how these things come to fruition and whatnot.

But, you know, I would like to see the accelerate innovation line increased substantially from the main budget this next time around because we are in a situation where we require diversification and specific technology investment, especially in the energy resource

sector in this province. I think that by us making an allocation beforehand, earlier and with some greater vigour, we would be sending a message to technology companies that we are, in fact, the place to do these things. So if we can telegraph our more firm commitment to accelerating innovation to the technology firms and to individuals who might have projects to bring forward, then I think that we would be serving our purposes much better.

My question is: are we increasing that line so substantially because of a new-found interest in that, or is it just an indication of things to come, I suppose? I would be curious for you to comment on that.

In terms of priorities for investment in science and technology I'm hoping that I could be given sort of a clearer picture in regard to the priorities that we have for science and technology investment in this province. I would like to see that as well. I think that would help me to understand the choices that are being made in regard to research investment.

I would like to know which specific projects or companies were the recipients of this rather large increase in innovation investment. You don't have to give that to me now, but if I could have that information at some point, I would be appreciating it. Why at this juncture was it so important for them to receive that money?

That's about it. I look forward to debating the budget for Innovation and Science in the upcoming session. I think that this is perhaps one of the most important places for which we will receive a dollar value for public dollars in this Legislature. I am a firm supporter of increasing your budget. Thank you.

**The Acting Chair:** The hon. minister.

**Mr. Doerksen:** I would have absolutely no argument with the Member for Edmonton-Calder about increasing the support for my budget, so on that line he and I are both in agreement.

So just to cover a couple of points. Is this a new-found interest? No, it's not. One of the issues that we have been dealing with over a number of years is the whole – well, there are a couple of aspects. One, of course, is access to capital for particular emerging companies or start-up companies or whatever to be able to grow their business, also mentorship or the support you need at the management level for good ideas to make it into the marketplace. This has been one tool that has been proven to be effective in the agricultural sector and one that we thought we could use in a different sector. So quite clearly it's not new-found.

5:10

We've always been looking for opportunities on how you increase investment capital. We've tried through the Banff Venture Forum to introduce companies to venture capitalists. We take them through an entrepreneurial school, if you like, to teach them how to present their business plans, how to best target investors that have money. We've been working on a number of different fronts in the whole area of commercialization. Is it perfect yet? Absolutely not. We've got a lot of work to do. I think this is a good step.

I wanted to just clarify one thing. The \$30 million is not going tomorrow or the next day to specific companies. That decision is going to be made now that the money is put into AVAC, then I have to set up the process whereby companies will apply and present their business plan for that money. I actually anticipate that the investment in these companies will take place over the next one to five years. These companies will be identified over that period of time, then the money advanced. So it's not likely that the \$30 million program expands every year. A lot of this is going to depend on the take-up, how good the quality deals are, or if there are any quality deals in this space. That will take time.

The companies that are successful are reported on. I'm sure that AVAC has a website. I've seen their annual report. It actually lists the companies that have been successful. That reporting will absolutely continue and should continue. It has to be transparent.

[Mr. Marz in the chair]

There was one other thing I was going to tell you, and it has slipped my mind. If it comes back to me, I'll pull you aside and tell you later about it.

Thank you very much.

**The Chair:** Are there others?

Are you ready for the question after considering the 2005-2006 supplementary estimates, No. 2, for the general revenue fund for the Department of Innovation and Science for the fiscal year ending March 31, 2006?

Agreed to:

Expense and Equipment/Inventory Purchases	\$30,000,000
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**The Chair:** Shall the vote be reported?

**Hon. Members:** Agreed.

**The Chair:** Opposed? That's carried.

#### Health and Wellness

**The Chair:** The Minister of Health and Wellness.

**Ms Evans:** Thank you, Mr. Chairman. The notes on Health and Wellness supplementary estimates to be voted start on page 21 and go right through to page 24. We are requesting \$141.2 million in supplementary estimates for 2005-06. The majority of the money is being used for the expansion of the electronic health record.

An additional \$28.1 million from higher than budgeted health care insurance premiums will be used to primarily address wait-time pressures. So that's over \$28 million coming from higher than expected health care premiums from the extra influx of people. Traditionally or frequently in the past these monies have been profiled for health for additional expenditure if the need arises.

A hundred and fourteen point nine million from supplementary funding and \$1.1 million from the additional health care premiums will go towards helping the regions update their point of care systems. Mr. Chairman, this includes tools to health care professionals so they can better collect and manage information at the point of care. It also in turn enables better clinical decision-making in inpatient and ambulatory care settings. For example, these systems will have decision support tools that flag potential adverse events and assist providers in tracking care needs. To date more than 17,000 health care providers are registered and users of Alberta Netcare. There are 570,000 Albertans who have health records in the system, and we're on track to achieve our goal of having a record for all Albertans by 2008.

Continuing care will receive \$26.3 million from supplementary funding. The government has accepted in principle the final report of the MLA task force. The money will address the most urgent recommendations. The money will go toward a number of things: increasing the number of nursing care hours in facilities from 3.1 hours per resident to 3.4 hours. It will go to buying and installing patient lift devices in all long-term care facilities, a very important thing, Mr. Speaker, that we anticipate will help residents as well as

assisting the providers of care so that residents are looked after in the proper fashion. It will go towards implementing an immediate review and upgrade of medication management practices and speeding up the implementation of residents' assessments and care planning tools.

New health and accommodation service standards will be implemented this year for all continuing care facilities and services. The standards will ensure that continuing care residents are cared for with the dignity and respect that they deserve. In 2005-06 \$25 million will also have been allocated solely to increasing staffing levels and care hours in continuing care. This funding concentrates improving the hands-on care for residents, and I believe it represents a good first step.

Each recommendation of the MLA task force on continuing care will be considered in detail by this Ministry of Health and Wellness and by Seniors and Community Supports for implementation through our 2006-2009 business plans and approved annual ministry budgets. So in the next three years we will be working at implementation. Twenty-seven million dollars from health care premium revenue will be spent on innovative projects to reduce wait times; \$12 million will be spent to sustain the hip and knee replacement project in three pilot regions: the Calgary, David Thompson, and Capital health regions. Pending the outcome of the final evaluation of the pilot later this spring, we expect that this project will be expanded over the next two to three years. So far it has had great success in reducing wait times. The remaining \$15 million from health care will go towards the development of projects to reduce wait times for other health services such as cancer care, mental health, and cardiac care.

This investment will help Alberta meet national wait time benchmarks that were announced in December and is evidence of our strong commitment to a public health care system.

Thank you, Mr. Chair.

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

**Ms Blakeman:** Thank you very much, Mr. Chairman. I have a number of questions for the minister. I understand that I may run out of time this afternoon; if so, I'll continue this evening. Maybe I'll start from the top of the reasons that the supplementary estimate has been requested.

The \$15,200,000 that's increasing the number of nursing hours in long-term care facilities from 3.1 hours per resident day to 3.4 hours: this is one of these figures that keeps getting announced over and over again. Could I get the minister to please supply exactly what the increments were? When we were here in the fall, we were at 1.9 hours, I believe, and I'd like to know exactly what the increments were and when they came into effect. If we're now at the point where we're funding 3.1 hours of care per day, when did we hit that time? Are there any plans to go beyond the increment of 3.4 hours, and when do we expect to reach that? The date is what I'm looking for here.

The reasoning is that the Long Term Care Association, supported by many others, was in fact advising that the number of hours of care that were required would be 3.6 hours. I've questioned the minister in the House previously on why she chose not to go to 3.6 hours but, in fact, to stop at 3.4. So I'm wondering about that.

There is money in here to support the purchase and installation of patient lift devices. That will help, but what that actually does result in is fewer staff in long-term care facilities. Where you have patients that require a two-person lift – in other words, they're often paralyzed or immobilized, or they cannot assist themselves at all – you have what is called a two-person lift, and with these devices you

can have one staff member operating the mechanism, the device, to move someone, for example, from a bed into a wheelchair, from a wheelchair back into the bed.

5:20

Interesting things start to arise from that. I've just gone through a sit clinic with someone who was really struggling, being terribly uncomfortable, in fact in pain, in their wheelchair. So with a great deal of assistance from the Glenrose and various physiotherapists, all very dedicated professionals, they worked along with this individual to fit them into a better wheelchair with more comfortable padding and more secure. But then they were saying: well, we have to make sure that when this individual is put in the wheelchair every morning, they are positioned at the back of the wheelchair. I said: "Hang on. Hang on. You're standing there with two people, one at their shoulders and one at their feet, and you're actually positioning that person in the wheelchair. Well, you don't get two people in a nursing home anymore, especially if you've now got somebody using the device." You've got one person with their finger on the button, and they're standing five feet away operating the device, which is basically like a big crane. It picks up the person, and you move it over, and then it drops them back into the chair. So there's no possible positioning in the chair at all.

I appreciate these devices, but they don't result in more actual staff on the ground. There's less staff on the ground because they now have the assistance of the device, and that's how it's allocated in these nursing homes. There is a downside to that: you've got less care, and you're also unable to work with things like positioning in wheelchairs. Seeing as most of the people we're dealing with in long-term care centres are in wheelchairs, this becomes a real consideration for people because it means that they're going to be uncomfortable and badly positioned in their wheelchair for four or five hours.

I can see that the chairman is moving to have us rise and report, and I look forward to continuing this debate this evening. Thank you.

**The Chair:** I hesitate to interrupt the hon. Member for Edmonton-Centre, but pursuant to Standing Order 58(1), which provides for not less than two hours of consideration of estimates, I would invite the hon. Government House Leader to move that the committee rise and report.

**Mr. Hancock:** Thank you, Mr. Chairman. I would move that the committee rise and report the estimates of Finance, Seniors and Community Supports, and Innovation and Science and report progress on the estimates of the Department of Health and Wellness and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

**The Deputy Speaker:** The hon. Member for Peace River.

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

The following resolutions relating to the 2005-06 supplementary estimates, No. 2, for the general revenue fund have been approved.

Finance: expense and equipment/inventory purchases, \$1,000,000,000.

Seniors and Community Supports: expense and equipment/inventory purchases, \$31,850,000.

Innovation and Science: expense and equipment/inventory purchases, \$30,000,000.

Mr. Speaker, the Committee of Supply also reports progress on the Department of Health and Wellness.

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

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

**Hon. Members:** Concur.

**The Deputy Speaker:** Opposed? So ordered.

The hon. Government House Leader.

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

[Motion carried; the Assembly adjourned at 5:25 p.m.]

