

## Legislative Assembly of Alberta

Title: **Wednesday, April 5, 2006**

**1:30 p.m.**

Date: 06/04/05

[The Speaker in the chair]

head: **Prayers**

**The Speaker:** Good afternoon.

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

Please be seated.

head: **Introduction of Guests**

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

**Mr. Horner:** Well, thank you, Mr. Speaker. On your behalf I would like to introduce to you and through you to all members of the Legislature 63 grade 6 students from Westlock elementary school. They are accompanied this afternoon by their teachers, Mr. Dan McDonald, Mrs. Maggie Cournoyer, Mr. Marcel Turcotte; student teacher Miss Heather McMillan; program assistants Mrs. Heather MacKenzie and Mrs. Randi Lethbe. Their bus drivers are with us as well, Mrs. Kerry Perryman, Mrs. Susan Jaeger, along with parent helpers Mrs. Ezan Lategan, Mrs. Heather Christenson, Mrs. Rachelle Koch, Mr. Todd Ducharme, Mr. Ryan Stonehouse. They are seated in the public gallery this afternoon, and I would ask them to rise and receive the traditional warm welcome of this Assembly.

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

**Mr. Zwozdesky:** Thank you, Mr. Speaker. It's a great pleasure on behalf of the Minister of Advanced Education and MLA for Edmonton-Whitemud to introduce to you and through you to all members of the Assembly today Dr. Don Cook, his wife, Dianne Cook, and their nephew Chris Rodgers, who are all seated in the members' gallery. Both Dianne and Don are constituents of Edmonton-Whitemud, while Chris Rodgers is visiting us from Ottawa, where he's employed with Natural Resources Canada. I would just like to point out that this is his first trip to Edmonton, where he's having meetings with certain officials. Just prior to this he was in Cambridge Bay, where he was having other meetings. I'd ask Chris and Don and Dianne to please rise now and accept the warm applause of our Assembly.

Mr. Speaker, once again on behalf of the Minister of Advanced Education I have a second introduction that I'll make with great pleasure, and that is to introduce to you and through you to the members of the Assembly six outstanding members of the Council of Alberta University Students, more commonly referred to as CAUS. These outstanding individuals represent the interests of students at the University of Alberta, the University of Calgary, and the University of Lethbridge. In fact, many of them took part last year in the consultation A Learning Alberta, where, the Advanced Education minister tells me, they brought great insight and value to those discussions, to the process, and offered important contributions.

I would ask each CAUS member to please stand and remain standing as I call his or her name: Jen Smith, CAUS chair and student union vice-president external at the University of Calgary; Samantha Power, CAUS vice-chair, student union vice-president

external, and student union president-elect at the University of Alberta; Graham Lettner, student union president at the University of Alberta; Bryan West, student union president at the University of Calgary; Jason Blades, student union vice-president, administration at the University of Lethbridge; Duncan Wojtaszek, CAUS executive director.

Mr. Speaker, we thank these young individuals for working with us and for their constituent students to ensure that we have an affordable, accessible postsecondary education system in Alberta for Alberta students. God bless you and thank you all.

**The Speaker:** The hon. Deputy Speaker.

**Mr. Marz:** Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of the Assembly the community sponsors of the School at the Legislature program seated in your gallery: from Priority Printing Ltd. Mr. Tim Downey, president; from Access and Canadian Learning CHUM Television Edmonton Mr. Craig Roskin, station manager; Mr. Eric Rice, manager, creative/production services; Ms Pam Hnytko, publicity manager; and from the downtown Rotary club Mr. Jack Clements and Mr. Sol Sigurdson.

This program gives grade 6 teachers from all over the province an opportunity to relocate their classroom to the Alberta Legislature for a week. Supported by 35 teachers and over 400 parent volunteers in fiscal 2005, over 800 students from 32 classes attended the School at the Legislature program. We're very grateful for the support we receive from our community partners, and I would ask our guests now to rise and receive the very warm welcome of this House.

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

**Mr. Prins:** Thank you very much, Mr. Speaker. It's my honour and privilege today to introduce to you and through you to all members of this Assembly a large group of mostly seniors from Lacombe that have travelled up here today with a tour group. With these seniors I'd like to introduce a few individuals. Mr. John Parsons of Parsons tours is the tour group leader. He is a virtual walking, talking encyclopedia of Alberta. This man knows, I think, probably more about this province than anybody but yourself. Along with him in this group are a number of special guests that I want to introduce. First of all is my father, Mr. Ralph Prins; my sister Judy Van Heron; my father-in-law, Mr. John Oudman; my wife, Pauline Prins; and a couple of aunts and uncles, Gerrit and Dorothy Meindersma and Jake and Agnes Prins. This is not really a family reunion because there's a total of 36 of them up there, and my family is a lot larger than that. They're seated in the members' gallery, and I'd like to ask them to rise and receive the warm welcome of this Assembly.

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

**Dr. Taft:** Thank you, Mr. Speaker. It's a great pleasure for me to introduce three guests who are seated in the public gallery today: Mr. Ken Eshpeter, who's a grain farmer and former reeve of Flagstaff county; Mr. Paul Schorak, a retired Alberta government employee and former reeve of Flagstaff county; and Jerry Iwanus, a real estate appraiser and former mayor of Bawlf. I'd ask them to rise. They are from the Battle River-Wainwright constituency area. They're members of the executive of the Alberta Liberal constituency association. We're proud to welcome them to our growing team. They're rural Albertans concerned with the state of agriculture in Alberta, and they are here to witness democracy in action. I know they look forward to participating in the democratic process. Please give them a warm welcome.

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

**Mr. Klein:** Thank you, Mr. Speaker. It's my honour and pleasure to introduce a very good friend of mine and ours who served with me as my former administrative assistant, then went on to International and Intergovernmental Relations, and now is in the private sector. I'd like to introduce to this Legislature Jamie Davis, who's in the members' gallery, and ask that he receive the warm welcome of the Legislature.

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

**Mr. R. Miller:** Thank you very much, Mr. Speaker. My pleasure to rise today and introduce to you and through you to all members of the Assembly a constituent of Edmonton-Rutherford and a very dedicated public servant, the manager of my constituency office, Mr. Daniel Langdon. Please rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

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

#### **Agricultural Assistance**

**Dr. Taft:** Thank you, Mr. Speaker. Farmers are facing an unprecedented income crisis and are being forced to leave a cherished way of life on the family farm. The federal government wants to change the CAIS program, but they need support of all provinces. Farmers want to make a living. They deserve to make a living. They work hard to make a living, but low commodity prices and skyrocketing input costs are tough realities. My question is to the Minister of Agriculture, Food and Rural Development. Given that the minister says that there is, quote, no question that the CAIS program needs to be fixed, how is he going to fix it?

1:40

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

**Mr. Horner:** Well, thank you, Mr. Speaker, and thanks to the hon. member for the question. There are a number of ways that we can fix CAIS. The federal minister and all provincial ministers met two and a half weeks ago in British Columbia to talk about just that. In fact, unanimously all provincial ministers of agriculture – Liberal, NDP, and Conservative – agreed that CAIS in its principles is exactly what we're looking for. What we need to do is fix the administrative side of it, and I'm happy to report that our group, our management of the CAIS program through AFSC, is leading the country in software development. It's leading the country in turnaround time on CAIS applications. We have made substantial strides in fixing or moving towards fixing. It's by no means fixed yet.

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

**Dr. Taft:** Thank you, Mr. Speaker. Again to the same minister: will this minister commit to making rural development a priority by ensuring that any agriculture assistance programs are designed to sustain the family farm?

**Mr. Horner:** Well, Mr. Speaker, I think the hon. member needs to do a little bit more research because 97 per cent of the farms in Alberta, the 53,000 of them, are family-owned farms. The other 3

per cent are probably owned by shareholders who are also from the same family. The idea is that the programs we're putting out there are to sustain agriculture and the industry of agriculture in this province. We have done a great deal of work in making sure that what we bring forward as business risk management programs for agriculture in this province are not designed to create an atmosphere where farmers are trying to farm the program. What we want to create is the environment where farmers get their income out of the marketplace, and we are there to help them in a disaster.

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

**Dr. Taft:** Well, thank you. I note that the minister refers to sustaining the industry of agriculture, so I ask: will the minister make a distinction in policy among agribusiness, farm co-ops, and the family farm?

**Mr. Horner:** Well, Mr. Speaker, it's very difficult to make a distinction when some of those farm co-ops are owned by families. Some of those agribusinesses are exactly what we need to do in agriculture to sustain it. We talk about a value chain. We talk about having our producers have ownership in everything, from field to plate. That's what sustainable agriculture and making the family farm sustainable into the future in a global environment is all about. If the hon. member would like to spend a couple of hours with me and a number of producers from this province, I could perhaps educate him a little more on that.

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

#### **Private Health Care Services**

**Dr. Taft:** Thanks, Mr. Speaker. Alberta is already experiencing a shortage of doctors and nurses in the public system. Allowing doctors to work both privately and publicly will only put more stress on a system that already has a limited supply of physicians. This government has not presented any evidence, none, to suggest that the third way reforms won't lure doctors away from the public system to work in the more profitable private system. To the minister of health: does the minister deny that allowing doctors to work in both systems will place doctors in a conflict of interest?

**Ms Evans:** Mr. Speaker, I think that essentially it depends on how you do it. We've talked about a regulated private delivery system, a system whereby we make the first principle a strong public health care system and evaluate any access proposal on the basis of whether or not it would have any impediment or infringe. Now, it's true that during the public consultation process people that expressed interest or concern about that asked for more detail, asked for very specific items that we would use to evaluate an access proposal. I have assured those people along with members of the college, with people that represented the College of Physicians and Surgeons, and the nurses and pharmacists that we would do an evaluation or a description of what protocol would be used to value the merits of each proposal to ensure that we protected a strong public health system.

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

**Dr. Taft:** Thank you, Mr. Speaker. Again to the same minister: why is this government considering placing doctors in a position where there is a motivation to provide services that aren't necessary just to make a profit?

**Ms Evans:** Well, Mr. Speaker, I'm a little confused by the question because I wouldn't believe that any surgeon would deliberately do anything that wasn't, in the long term at least, something that was necessary to be done. If this is an attempt to talk about medically necessary or the definition of what is nonemergency services or nonessential, then I don't think that we can do that in the time that I would have to answer here. I would say this. I'm quite of the belief that any doctor that would advance a clinical procedure would advance it on the basis that both he and the patient's condition were evaluated to need that procedure at some point; if not today, in the future.

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

**Dr. Taft:** Thank you, Mr. Speaker. Has the minister or her department done any research into the impact of the profit motive on the prescribing habits or surgical procedures of medical doctors?

**Ms Evans:** Mr. Speaker, there may well be a plethora of data and research on this. However, having said that, it would be better for me to do an evaluation of what we have so that I can bring it forward.

Let's be clear. The policy framework generated a lot of discussion around how the doctors would be utilized in terms of the policy on choice and patients paying for access. It also generated a lot of discussion around sustainability. We intend to provide more detail in the weeks and months ahead. I'll be very pleased to look into the data that could be presented relative to doctors' prescribing and procedures.

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

#### Sale of Edmonton Ring Road Land

**Mr. MacDonald:** Thank you, Mr. Speaker. The Galfour Development Corporation acquired from this government in 1988 two parcels of land amounting to 223 acres in size for \$2. They sold this land in 1999, only seven years ago, for over \$21,000 per acre, or roughly \$4.8 million. Buy for pennies, sell for millions. A good deal for the developer, a very bad deal for taxpayers. To the minister of infrastructure: given that the current owners of this land now have a mortgage registered with Alberta Treasury Branches for \$20 million, how does this minister justify the sale of this land for less than a penny per acre?

**Mr. Lund:** Mr. Speaker, this is dating back to that 20-year issue again, and the fact is that our research currently, as far as we've gone, but we're getting more, shows that when that land was originally purchased – and you have to understand that it was a large parcel of land – in order for the government to get a portion of it, of course, they had to strike a deal. The other would have been to subdivide, and rather than going through that whole process, the province had a purchase agreement for the entire block. Part of the agreement was that once the government had determined exactly what they needed, they would return to the owner for \$1 the remaining parcels of land from the overall agreement that was entered into. That's what the hon. member is talking about. That is what has happened. This nonsense about selling the land back for a dollar – that was part of the original agreement when they purchased the whole parcel.

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

**Mr. MacDonald:** Thank you, Mr. Speaker. Why was the sale of this land never made public?

**Mr. Lund:** Well, Mr. Speaker, these are agreements that the public could get, and I'm hoping that before too long I will have them physically and I will be able to table them. I don't have them yet today, but I can assure the hon. member that that will happen.

1:50

**Mr. MacDonald:** Again, Mr. Speaker, to the same minister: why was this deal not registered with land titles on the documents that are associated and come with those land titles?

**Mr. Lund:** Well, Mr. Speaker, the member filed documents from land titles that clearly showed the transaction of the land, so I'm not sure what he's talking about.

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

#### Health Care Cost Projections

**Mr. Mason:** Thank you, Mr. Speaker. The government keeps repeating the very scary but very unsubstantiated claim that health care costs will eat up the entire provincial budget in 24 years. Similar claims made five years ago in the government's Mazankowski report have been proven false, yet the Premier and the health minister keep repeating their message of fear, hoping, no doubt, that with enough repetition Albertans will finally believe it. My question is for the Minister of Health and Wellness. What research has she or her department done to project the costs of health care in Alberta over the next 24 years, and will she please provide it to the people of Alberta and table it in this Assembly?

**Ms Evans:** Well, Mr. Speaker, I just want to point to the evidence of the last six years where we have been consistently exceeding 9 per cent. For this year we've added \$735 million. Perhaps the most frightening thing is that there doesn't seem to be any way to reduce health care expenditure without directly impacting the health of Albertans.

I'd ask the Minister of Finance to supplement, based on the financial projections.

**The Speaker:** No. We're going to move on.

The hon. leader.

**Mr. Mason:** Thank you very much, Mr. Speaker. I would expect the minister to know that.

Can the minister tell the House what the increase has been in health care costs in this province, factoring in both inflation and population growth?

**Ms Evans:** Well, Mr. Speaker, it's more than inflation and population growth. It's also the aging of our citizens. It's the rapidly escalating costs of drugs and new technology where we're going up by 13 to 17 per cent. [interjections]

**The Speaker:** The hon. minister has the floor. That's who is recognized.

**Ms Evans:** Thank you, Mr. Speaker. That's most helpful.

I think it's fairly responsible to give documented evidence about this. We'll be doing our budget estimates later this month, and we

can go into great detail about what our projections are. Frankly, when you're dealing with over \$10 billion for 3.3 million Albertans and when you are looking at the fact that on any measurement scale we are over \$400 per capita higher than any other place in the country on our expenditure and when we are the highest in Canada and we have consistently maintained that position, I think it would be better to provide detailed explanations about every factor that is causing this inflationary impact.

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

**Mr. Mason:** Thanks very much, Mr. Speaker. Well, given that the minister has clearly either not done her homework again or at least cannot show her math or won't show her math, will she do the right thing and admit that the third way is based on false premises and withdraw it now?

**Ms Evans:** No.

**The Speaker:** The hon. Member for Cardston-Taber-Warner, followed by the hon. Member for West Yellowhead. [interjections] The hon. Member for Cardston-Taber-Warner has the floor.

#### Rural Health Care

**Mr. Hinman:** Thank you, Mr. Speaker. Health care certainly is recognized as the number one issue throughout the province and consumes approximately one-third of our budget. We have experienced a great deal of reform, everything from regionalization and appointment of health boards to the shutting down of many rural hospitals. Efficiency is not always found in centralization and larger facilities. Often there are many services that could also be available throughout the province. One would assume that the minister has appointed capable, competent administrators for the health region. However, the minister appears to have handcuffed them by not allowing them the freedom and autonomy to bring services and procedures that they feel are important to the region. The Chinook health region has a desire . . .

**The Speaker:** Hon. member, let's get to the gist of it all. Okay?

**Mr. Hinman:** I have 45 seconds, don't I?

**The Speaker:** You're way beyond that.

**Mr. Hinman:** The health region has the opportunity to bring a doctor from the U.S. to perform angioplasty. My question is for the Minister of Health and Wellness. Will the minister reverse her decision and allow the CHR to recruit a doctor to perform angioplasty and receive the necessary funding for that service?

**Ms Evans:** Mr. Speaker, in the extensive preamble the issue of angioplasty was not clear as it related finally to the question, so I would like an opportunity to look at the Blues and respond to that question. It seems to relate to the Calgary health region, and I'd like more information about it before responding to that question.

**Mr. Hinman:** It would be better if they listened to the preamble, but thank you. [interjections] It was within my parameters.

My second question is also for the Minister of Health and Wellness. Does the minister realize that she is putting rural people at risk of losing their doctors by shutting down rural hospitals and opening up urgent care facilities before a billing formula for those services provided by the doctors has been provided?

**Ms Evans:** Mr. Speaker, I'm somewhat confused about what rural hospitals we would be shutting down. We have not made any move to shut down rural hospitals. None of the policy framework identified shutting down rural hospitals. It talked about wiser use of facilities where we could in fact bring in more primary care networks. It talked about use of community-based facilities. It talked about a number of things in terms of co-operation between the regional hospital authorities, between the various providers in the province. There has been no suggestion of shutting down rural hospitals.

**Mr. Hinman:** Why has there been two years of negotiations since the closing of the Picture Butte hospital and the opening of the urgent care centre, and the doctor still has not been paid for his services provided there?

**Ms Evans:** Well, Mr. Speaker, I'd be pleased to look into the circumstances at Picture Butte. I have visited the long-term care facilities there and the wonderful use being made of a facility where assisted living capacity has been built and where a number of different measures have been undertaken to acknowledge the demographics in the community. There has been extensive work done to provide more immediate services there to make sure that the community is working together. The MLA in the area has been very involved in consulting on the various ways that we can make better use of facilities, and there are new dollars that have been spent there in private/public partnerships to make it better – and “private” meaning nonprofit work done by community members – to make sure that we're building on the capacity in that particular community.

**The Speaker:** The hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Centre.

#### Forest Sector Competitiveness

**Mr. Strang:** Thank you, Mr. Speaker. Today the government of Alberta announced a partnership with the Alberta Forest Products Association to help address the industry's competitiveness challenges. This release follows the one from the industry's product figures for 2005 that show a decline in revenue for Alberta's forest sector compared to 2004 and predictions of worse news in 2006. My question is to the hon. Minister of Sustainable Resource Development. How do we respond to the concern that the Alberta government is bailing out industry through this partnership?

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

**Mr. Coutts:** Thank you very much, Mr. Speaker. The Alberta industry to their credit, as I have said, is not asking for a bailout for their industry. What the Alberta Forest Products Association is asking government for is a common dialogue and good approaches to staying competitive globally. That's what they see in this partnership that we announced today.

What we will do through this partnership is conduct a current survey on assessment of the industry and their competitiveness. We will consult, and we will propose solutions that address both industry and forest community needs. Finally, we want to make sure that that's the way that we operate an effective and relevant matter as it pertains to the industry and its changing dynamics.

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

2:00

**Mr. Strang:** Thank you, Mr. Speaker. My first and only supplementary question is to the same minister. Will this project emphasize secondary and value-added products?

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

**Mr. Coutts:** Thank you, Mr. Speaker. This is a follow-up to our questions in question period over the last couple of weeks. Sustainable Resource Development already has a number of initiatives under way with industry and research organizations to add value to our forest products. We recognize that getting more out of a tree is the future for our industry in Alberta. The partnership that we announced will address the whole of the competitiveness issues and the challenges and potential solutions specific to the Alberta industry from the primary right through to secondary manufacturing.

**The Speaker:** The hon. Member for Edmonton-Centre, followed by the hon. Member for Highwood.

#### Private Health Insurance

**Ms Blakeman:** Thank you, Mr. Speaker. Many international trade law experts have raised serious questions about the impact of private health insurance and private health delivery on the future of the public system due to international agreements such as NAFTA and the WTO's general agreement on trade and services, yet this government continues to ignore the risk. My questions are to the minister of health. How can the minister maintain that proposed reforms allowing more private insurance and more private delivery will protect the public system when the real decision-maker on this will be a NAFTA dispute panel, not the ministry?

**Ms Evans:** Mr. Speaker, during the public consultation process and on behalf of the opposition party the hon. member raised this question, and I will give the same answer that I gave then. It is my understanding that with very carefully articulated government controls built around what we would do – bear in mind that we're still defining the government as being protective of the public health system so that somebody that was working in the public health system as a doctor or a team providing the service can be very careful in articulating under what circumstances we would engage private providers – the public health system would still be in control of the provision of private service through the definition of the access proposals, and we should not see the impact of NAFTA, as is being suggested by the member opposite, as having any effect in that kind of capacity.

**Ms Blakeman:** Again to the same minister: when the minister contracted with Aon to design a system for parallel private health insurance in Alberta, were they asked to assess the risk this could pose because of our obligations under international trade agreements?

**Ms Evans:** Mr. Speaker, Aon was not contracted to define any part of a private parallel system for Alberta. Aon was asked to define some actuarial models that would enable us to understand what the costs would be if there was any different mix of paying for public/private care. That report is something that has yet to be tabled with me, is not something that has been a driver on the health policy framework, and is not something that we should be talking about in terms of how we would look to the future for payment of public or private care in the province.

**Ms Blakeman:** Again to the same minister: given these binding international trade agreements, why would the minister choose to lock us into an untested and unwanted relationship with American insurance companies that we may not be able to reverse? Why would you make that choice?

**Ms Evans:** Well, Mr. Speaker, that choice has not been made. That choice and the questions that are being raised by the hon. member are hypothetical at best. They do not deal with the reality of how we intend to proceed . . . [interjections]

**The Speaker:** The hon. minister has the floor.

**Ms Evans:** Thank you, Mr. Speaker. We have made no selection that would mitigate one way or the other to opening the doors for other private deliverers, either medical professionals or private insurance companies.

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

#### Canadian Agricultural Income Assistance Program

**Mr. Groeneveld:** Thank you, Mr. Speaker. There has been much discussion on the federal government's future plans regarding the Canadian agricultural income stabilization, in other words CAIS, program. In Ottawa it was reported that the federal agriculture minister, Chuck Strahl, is encouraging producers to approach the provinces if they wish to replace CAIS. I know that this question has been brought up already, but I like to keep my questions positive. We get enough negativity from the other side of the House as it is. [interjections]

**The Speaker:** The hon. member has the floor. Please proceed.

**Mr. Groeneveld:** My first question is to the Minister of Agriculture, Food and Rural Development. Given what we heard a few weeks ago at the ag ministers' conference about the need to transform CAIS, what is the minister planning to do now?

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

**Mr. Horner:** Thank you, Mr. Speaker. Again a good question. It was, as I mentioned earlier, about two and a half weeks ago in British Columbia when the federal/provincial/territorial ministers' meetings were held. The provincial ministers unanimously said to the federal minister that "replace" is not the word that we would use, that "transform" is the word that we would use. We believe that the principles of CAIS are sound, but it needs to be fixed. It needs to be transformed into what we want it to be. So it is very frustrating to hear the federal minister still describing it in terms of replacement.

In fact, this morning I met with the Canadian Bankers' Association on ag issues and ag lending. I would say that that meeting was very positive about the direction that we're taking in fixing CAIS, and I believe that we're on the right track. The federal position, the Liberal position of ad hoc payments: they didn't get it when they were in power, Mr. Speaker; they don't get it now.

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

**Mr. Groeneveld:** Thank you, Mr. Speaker. My first supplemental question is also to the same minister. What kind of CAIS program is the Alberta government pressing for, and how does he see it helping the farmers in the short term?

**Mr. Horner:** Well, the first part of that, Mr. Speaker, I did answer somewhat in the first question today in the House. On the second part of that question, about short-term response and getting dollars into producers' hands, in fact Alberta presented a proposal to the federal government some time ago that we believe would flow dollars to producers very, very quickly utilizing the CAIS program, with a retroactive adjustment to the reference margins across the board for all producers. It's targeted. That's what we like about the program. It reaches producers in need. It reaches those producers who have gone through a period of rough years in the last few years, and we can handle those types of payments very, very quickly.

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

**Mr. Groeneveld:** Thank you, Mr. Speaker. My second supplemental is again to the same minister. The minister mentioned that he went and met with the bankers this morning. Could he tell us why he did that?

**Mr. Horner:** Well, Mr. Speaker, the bankers in the ag industry are extremely important. [interjections] If the hon. members would care to listen, they might learn something.

The banking industry is extremely important to the agricultural sector, as we know. The bankers need to be our partners in putting forward these programs. The problem with the changes that we've made to our various business risk management programs is that most of the banks and the accountants are sitting back saying: when you guys are done tinkering with all of this, we'll come to the table. What I wanted to express to them was, "We're done tinkering; we're starting to fix the problem," and we want them to be our partners in fixing that problem.

**The Speaker:** The hon. Member for Calgary-Varsity, followed by the hon. Member for Foothills-Rocky View.

#### School Infrastructure in Calgary

**Mr. Chase:** Thank you, Mr. Speaker. The closure of a school has a lasting effect on its community spirit and economic viability. Last night the Calgary board of education, handcuffed by this government's flawed space utilization formula and failure to accommodate the reduced class size initiative, announced the closure of a relatively new school in Calgary terms, Jerry Potts school, built in 1971. As the dominoes continue to fall, the English program at Varsity Acres shifted across a six-lane, 70-kilometre stretch of Shaganappi Trail to Marion Carson school while the Brentwood elementary regular program closed and Juno Beach Academy got its marching orders. My questions are to the Minister of Education. Given that these dramatic changes, which all occurred in the Calgary-Varsity constituency, that I represent, are echoed on an ongoing basis throughout the province, how can you justify the unnecessary grief, frustration, and anger felt by thousands of students, their parents, teachers, and trustees caused by your ministry's faulty funding formula?

**Mr. Zwozdesky:** Mr. Speaker, quite a bit of nonsense in the last part of that question. Let me just say that we have something like 13 brand new schools that are opening in Calgary over the next several months. That's what the Calgary board of education through its consultation process arrived at. They made decisions. They are locally elected people who deserve the respect of the member who just asked the question.

2:10

Now, we have to understand, Mr. Speaker, that when new schools are built in one area, they will have an impact on students that are being bused out of that area to attend a school over here. So that's the net result of it. The Calgary board has taken this consultation program very seriously. They've done a thorough job on it, and we have to understand that they are certainly empowered to make those decisions about closures in one area and openings in the other. I might add that we funded those new schools to the tune of about \$111 million.

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

**Mr. Chase:** Thank you, Mr. Speaker. My second question to the minister: given your ministry's death knell either by closure or collapse of hundreds of Alberta schools, when will you change the utilization formula to accurately reflect the reduced class size initiative?

**Mr. Zwozdesky:** Mr. Speaker, it's so unfortunate to listen here to such a bunch of nonsense being asked. You know, it's just absolutely nonsensical. When you consider that we've just added through this budget that's before the House right now 330 million more dollars to education and that we're providing \$5.3 billion, which amounts to about \$26.5 million per school day, don't give me that nonsense, hon. member opposite, because it's just not true. There are a lot of good things happening. We have the best education system in Canada and one of the best in the world, and it's time we started recognizing that.

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

**Mr. Chase:** Thank you, Mr. Speaker. Again to the Education minister: will you commit to resolving the educational program and infrastructure funding shortfall through the established budgeting process rather than through off-budget spending? Where's the plan?

**Mr. Zwozdesky:** Mr. Speaker, I think it's been made fairly clear over the last few days, but if it hasn't been for this member who's asking the question, let me make it clear again. We do have responsibility now in Education for the entire school infrastructure envelopes. Those envelopes are comprised of three things: new school constructions, plant operations and maintenance, and the infrastructure maintenance renewal. We do have a plan that we are completing from previous years, and we're marching forward with bringing in a new plan approximately in June. That's the target date. At that point he'll see how that dovetails out of the existing budget and perhaps some help from elsewhere. Who knows? The fact is that right now we have a capital plan. There are billions of dollars in there, and there are some school construction projects already budgeted in there, 21 of which will be completed this year, 51 of which will be completed over the next several months. So there's \$734 million from the infrastructure budget augmenting current school infrastructure needs.

#### Royalty Tax Credit Program

**Dr. Morton:** Mr. Speaker, since its inception in 1974 the Alberta royalty tax credit has assisted the oil and gas sector in our province. This program returns a percentage of Alberta's Crown royalties back to the companies through the income tax system, and this in turn, of course, spurs oil and gas exploration and development. Over the past few years Alberta has seen several oil and gas companies

dramatically increase their exploration activities while realizing record profits. My question is to the Minister of Energy. In light of Alberta's active and robust energy sector, is the Alberta royalty tax credit still a necessary program?

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

**Mr. Melchin:** Thank you, Mr. Speaker. It's true that this program originated in 1974 in response to circumstances of the time when royalties were not allowed for deduction for income tax purposes on federal taxes. It's gone through a number of changes over the years to respond to differing circumstances, not just nondeductibility of royalties but price, when low prices were there. In response to today we've decided and even last night in estimates announced that we are reviewing the Alberta royalty tax credit program.

**Dr. Morton:** Mr. Speaker, last fall the ARTC and the Alberta royalty system were the subject of recommendations made by the Auditor General, including the Department of Energy's controls and accuracy of well production data. Again to the Minister of Energy: how is the review of the ARTC helping the Ministry of Energy ensure that Albertans are receiving their fair share of royalties?

**Mr. Melchin:** Mr. Speaker, receiving the fair share is really one of the paramount reasons, fundamental principles, behind the royalty structure as created. We have been working very closely with the Auditor General's department. He specifically commented in his last report about the Alberta royalty tax credit program in response to that and in response to our review of royalties in ensuring that Alberta is receiving their fair share. In light of changing circumstances of the markets today, higher prices and the like, it is for those reasons that we're specifically reviewing that program.

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

**Dr. Morton:** Thank you. My final supplemental is again to the Minister of Energy. When can we expect the review of the Alberta royalty tax credit to be completed?

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

**Mr. Melchin:** Thank you, Mr. Speaker. We expect the review of this program to be conducted over the next few months. It's our anticipation that any changes would be effective as of January of 2007, so it would be a very short time period.

**The Speaker:** The hon. Member for Edmonton-Strathcona, followed by the hon. Member for St. Albert.

#### **Aon Consulting Inc.**

**Dr. Pannu:** Thank you, Mr. Speaker. Last fall the Conservative government gave a \$1.5 million contract to Aon, one of the world's largest insurance corporations, to cook up a private, parallel health insurance scheme as part of its broader agenda to bring in privatized, two-tier health care. Other than the original request for proposals everything else about the Aon contract and the work they are doing is being kept secret and hidden from Albertans. My questions are to the Minister of Health and Wellness. Given the minister's professions to engage Albertans in the scrutiny of her third-way proposals, why is she not lifting the veil of secrecy and making public for the benefit of Albertans the studies and reports that the Aon corporation has been doing using 1.5 million tax dollars?

**Ms Evans:** Well, Mr. Speaker, although the tone of the question is quite alarmist, there is a simple and clear message. What Aon was contracted to do with about a million and half dollars was to define actuarial models to give us some opportunity to study exactly what the state of the art was in terms of current funding and what it would mean if we changed any mix of funding on things like but not exclusively held to continuing care or drugs. What we've also had to look at and ask them to evaluate was to make sure that they factored in a model that would take care of those with pre-existing conditions, noting that today seniors don't pay for health care premiums. So it was something that was going to take an extensive amount of work, and my department asked for more time to work with Aon because the original models built did not answer all the questions they felt they should answer before delivering it to me.

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

**Dr. Pannu:** Thank you, Mr. Speaker. Again I ask the minister: how can the minister justify the continued secrecy when the Aon study was supposed to be completed by January 20, 2006, yet absolutely no information has been released to Albertans paying Aon's tab?

**Ms Evans:** Mr. Speaker, if I don't have the report or the policy and recommendations that would be a natural outgrowth of the report, there seems to be no prerogative in releasing something that is yet unfinished business. I want to be sure that we do a prudent evaluation of what they are evaluating themselves and what kind of natural policy outgrowth there would be. I think it's responsible to wait and make sure that we've got all the i's dotted and t's crossed before coming forward.

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

**Dr. Pannu:** Thank you, Mr. Speaker. The minister has no research, no information to proceed with the third way, yet she wants to go ahead with it. Given the minister's refusal to come clean on the Aon study, will she at least commit to providing the results of last month's so-called third-way consultations with Albertans at the same time as they are provided to the government caucus, and if not, why not?

**Ms Evans:** You know, Mr. Speaker, maybe it sounds petulant of me, but I have never cast aspersions on any of the members that sit in this House nor the opposition, and by suggesting that I don't come clean with things, by saying that I wouldn't come clean with things, you are directly taking an attack at my character, and I refute that.

**The Speaker:** The hon. Member for St. Albert, followed by the hon. Member for Calgary-East.

2:20

#### **School Infrastructure Funding**

**Mr. Flaherty:** Thank you, Mr. Speaker. Fiscal dollars for schools are missing for the best education system in the world. The entire modernization and renewal needs of the Edmonton and Calgary public schools surpass the estimate for the whole province. While the government has a long list of spending priorities, it appears to me that parents and children aren't a priority of this government. My questions are to the Minister of Education. Why did the minister call a meeting to discuss the capital priorities of each school district when he already had their three-year capital plans, and we're already waiting for a decision from the minister? Why did he have the meeting? [interjections]

**Mr. Zwozdesky:** Well, Mr. Speaker, it's a strange question, I agree. However, let me try and answer it.

The meeting that I held on March 24 was with school board chairs so that we could discuss several important issues. One of them was infrastructure primarily because the infrastructure envelopes, which I alluded to even earlier today in this House, have now been transferred from Alberta Infrastructure and Transportation over to the Ministry of Education. I had to answer questions from the school board chairs so that they would know how this affects their local planning and so on. I have seen what their capital plans are that were submitted last year, but there are some changes, hon. member, that they themselves wish made. So we're going through that process of listening to them, as we always do. We listen, we review, we discuss, we decide, and we keep them very much in the loop in that regard.

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

**Mr. Flaherty:** Well, thank you, Mr. Speaker. In light of the minister's comments, in light of this, the multiple supplementary requisitions for '05-06 budget for plant operation and maintenance, does the minister believe that a 5.1 per cent increase for spending is sufficient for this year? Will it fit the needs of schools across the province of Alberta and those in the Edmonton area? Thank you, Mr. Minister.

**Mr. Zwozdesky:** Mr. Speaker, the increase in plant operations and maintenance takes us up to about \$395 million. That's a sizable amount of money for heating and lighting our schools and looking after custodial costs. Now, that having been said, I don't want to confuse that or have the member confuse it at all with the IMR, or infrastructure maintenance renewal, envelope because that envelope in fact increased by 68 per cent, up to \$81 million. So we're flowing more and more money into the system. I hope the hon. member isn't criticizing that. Those two envelopes have received sizable increases. Is more money needed? In some areas perhaps that is the case; in other areas perhaps not. That's what we're reviewing right now, and that's what will be in the plan that will come forward, I hope, later this spring.

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

**Mr. Flaherty:** Thank you, Mr. Speaker. Will the minister open the capital projects envelope? Will there be schools in the 75 new neighbourhoods in Edmonton and 40 new neighbourhoods in Calgary? When will that envelope be opened? Thank you.

**Mr. Zwozdesky:** Well, Mr. Speaker, I believe there will be 13 new schools opening in Calgary between now and the next several months, totalling about \$111 million. There will be 20-some new schools opening elsewhere over the next several months, and there will be 51 other new schools, projects, or modernizations or right-sizing or upgrades and so on opening over the next several months, as I indicated earlier. So once we've finished all of those openings and we track them through, we will then see what the impact is, such as what his colleague from Calgary-Varsity asked about on the neighbourhoods where students are being vacated or where the population is shifting or where we have declining enrolments. There is a lot of complexity to this issue, and we're going to be addressing that complexity in this new plan that will be coming forward very soon.

**The Speaker:** The hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Ellerslie.

### School Infrastructure Maintenance

**Mr. Amery:** Thank you, Mr. Speaker. A growing number of residents in the constituency of Calgary-East are so concerned about our schools' structural integrity. They are telling me that unless the government is getting out of the business of educating young Albertans, immediate investment in deferred maintenance projects in many schools across the province must be made now. My question today is to the hon. Minister of Education. What plans does the minister have to address this issue now that the responsibility for the deferred maintenance in schools has been transferred to his department?

**Mr. Zwozdesky:** Mr. Speaker, we are certainly very much in the business of educating our young people, and I think that all members here know that. I've alluded earlier today to the \$5.3 billion that's going into this area. Now, that includes a significant amount of money for school infrastructure, for plant operations and maintenance and so on, to the tune of about \$734 million in total. That having been said, we are working on this new plan, which I've just talked about here, and part of that plan is to look at the so-called deferred maintenance. But let me make it very clear that local boards, which are constituted from locally elected trustees, have the right to make local decisions from within their envelopes. A lot of those envelopes exist today, and some of them that I've looked at, I noted, haven't been touched for a couple of years in some cases. So I'm hoping that, perhaps, in the region that he represents, both of those boards will take a look and see if they have any available monies and that they will continue making the priority decisions necessary.

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

**Mr. Amery:** Thank you, Mr. Speaker. To the same minister: what consultations has the minister had with the school boards to identify the priority schools of each board?

**Mr. Zwozdesky:** Well, Mr. Speaker, I've consulted three times now with the boards in the past year and couple of months. Throughout those meetings, particularly the one we just had on March 24, we went around the table and every single school board chair or vice-chair who was there had a specific comment about certain items. A lot of those items had to do with school infrastructure maintenance needs. We are now looking at what their priorities are. We don't see all of them, but for the ones that they have highlighted for us, we are now seeing where they fit in terms of critical or emergent or need to have or whatever. As we come forward with our plans, there will be more opportunities for those consultations to occur because they're a very good two-way street for communication and for resolving and solving problems.

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

**Mr. Amery:** Thank you, Mr. Speaker. To the same minister: when will this plan be made public so affected students, parents, and staff at these schools are informed of your department's plans of action to address these pressing needs?

**Mr. Zwozdesky:** Well, Mr. Speaker, it's my sincere hope that we'll have that accomplished somewhere in the month of June. That will include some additional contact with our experts in Infrastructure and Transportation, who have a lot of expertise in this area, working with staff in my area, working with locally elected trustees and with

their counterparts: secretary-treasurers, deputy superintendents, and so on. As soon as we feel we have that plan fleshed out and ironed out to the best of our abilities and as soon as we can put the appropriate amount of dollars required that would otherwise be approved, we'll be making further comment.

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

#### International Medical Students

**Mr. Agnihotri:** Thank you, Mr. Speaker. My constituency has a significant number of medical professionals who came to Canada based on their qualifications and experience but are doing ordinary jobs to provide for their families. I have received many complaints from foreign student doctors about one particular group getting 80 per cent of the total licences provided by the Alberta College of Physicians and Surgeons while others are denied for not meeting Canadian standards. My questions are to the Minister of Health and Wellness. What is the minister doing to address this issue?

**Ms Evans:** Mr. Speaker, that is a very good question and one that several people have asked me about. In the first instance and most recently we provided \$3 million for international medical graduates to come to Canada, to come to Alberta and specifically to have an opportunity to interface with residency programs at the University of Calgary and the University of Alberta. It's our expectation that dependent on the specialty this will assist us in providing spaces for at least 14 of these international medical graduates.

The other thing we're looking at and contemplating is a second intake. We have had essentially one intake in universities on an annual basis. We are looking with Advanced Education at the possibility of a second intake process, allowing us to maintain spaces for educating those graduates that have come from either Australia or Ireland, for example, who are Canadian students who have by necessity taken their training in other universities and other places, so we can provide them some opportunity as well. But it's an issue that we're looking at not only with the federal counterparts in terms of immigration policies but to try and expedite this with the College of Physicians and Surgeons.

2:30

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

**Mr. Agnihotri:** Thank you. Will the minister increase the quota for medical students in Alberta because 14 extra residency seats are not enough?

**Ms Evans:** Mr. Speaker, that is our target. We have added, as you will note, some student capacity for physicians in Calgary at the University of Calgary, and we are looking at a workforce plan in conjunction with the Minister of Advanced Education to not only look at those placements for foreign students but expansion of other programs. Here at Capital health one thing that isn't well understood is a clinical assistant program that's been very successful, enabling us to add some of the foreign trained physicians. But the hon. member makes a good point. It's something that we continue to work on with the universities, to see what we can do to increase that capacity.

**Mr. Agnihotri:** Same minister: will the minister urge her federal cousin in Ottawa to update the information they provide to health professionals considering immigrating?

**Ms Evans:** You know, Mr. Speaker, we really hope to do that. There are many issues that I'm looking forward to talking to the Minister of Health about, and this is one that I will also advance. I'd be pleased for any of the documentation any member of the House wants to provide me in support of raising this issue.

#### Vignettes from the Assembly's History

**The Speaker:** Hon. members, before too long I'll call on the first of six hon. members to participate, but first of all some history. While E. Peter Lougheed was the only Official Opposition leader in Alberta's first 100 years to become a Premier, four former Official Opposition leaders were to become Lieutenant Governors. John C. Bowen served as Lieutenant Governor from 1937 to 1950. He served as a Liberal MLA for Edmonton from 1921 to 1926 and was not re-elected in 1926. Mr. Bowen's tenure was the longest of any Lieutenant Governor in Canada in the 20th century. He died in Edmonton on January 2, 1957, at age 84.

John J. Bowlen served as Lieutenant Governor from 1950 to 1959. He was first elected in the 1930 election as a Liberal representing Calgary, was re-elected in 1935, then ran as an independent in 1940 and was re-elected. He was defeated in 1944. During his term he was referred to as the Vice-regal Cowboy. He died in Edmonton on December 16, 1959, at age 83.

J. Percy Page served as Lieutenant Governor from 1959 to 1966. He was elected as an independent in Edmonton in 1940, re-elected in 1944, defeated in 1948, and in 1952 was elected as a member of the Progressive Conservative Party, as he was again in the 1955 election. He was defeated in the 1959 election. Perhaps Mr. Page is best known as the coach of the very famous Edmonton Grads basketball team, which was famous internationally. He died in Edmonton on March 2, 1973, at the age of 84.

J. Grant MacEwan served as Lieutenant Governor from 1966 to 1974. He was elected as a Liberal in 1955 in Calgary and was defeated in the 1959 election. Dr. MacEwan was well known as an agriculturalist, popular historian, educator, public speaker, conservationist, and publisher of a multitude of books. He died in Calgary on June 15, 2000, at the age of 97.

Of Alberta's 16 Lieutenant Governors four were former leaders of the Official Opposition. A fifth, Helen Hunley, was a Member of the Legislative Assembly of Alberta.

Happy birthday today to the hon. Member for Edmonton-Castle Downs.

#### Members' Statements

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

#### Enoch Cree First Nations Casino

**Mr. Lindsay:** Thank you, Mr. Speaker. I'm pleased to stand today in recognition of the Enoch Cree First Nation and their initiative to construct and operate Alberta's first ever First Nations casino.

In 2001 the Alberta government approved the First Nations gaming policy, the government's commitment to provide First Nations with an opportunity to enter the casino business as a means of improving economic benefits to their communities. This coming fall the Enoch Cree Nation will open the \$140 million River Cree Resort and Casino that will include a 255-room, four-star Marriott hotel, a state-of-the-art sports complex, several restaurants and bars, meeting and conference facilities, a health club and spa, and a 62,000 square foot casino with 600 slot machines, 40 gaming tables, and a high-limit gaming lounge.

The River Cree Resort and Casino will bring new employment

opportunities, at least 300 new jobs for members of the Enoch band and residents in surrounding areas, and will generate significant economic spinoffs for the region. It is anticipated that the casino will provide \$9.3 million in funding to the host First Nations charity as well as \$32 million for the Alberta lottery fund. Forty per cent of these funds from the Alberta lottery fund will go directly into the First Nations development fund grant program for social and community development projects for First Nations. These funds will also help create much-needed economic growth and stability for the First Nations communities. A portion of the Alberta lottery fund revenues generated at the Enoch Cree Nation casino will also be used for traditional lottery fund initiatives, which benefit all Albertans in a variety of ways from new playgrounds to programs for seniors.

Mr. Speaker, First Nations casinos are good for Alberta's First Nations and for all Albertans, and I would like to extend my congratulations to the Enoch Cree Nation on the upcoming opening of their new casino.

Thank you, Mr. Speaker.

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

#### **Wetaskiwin and County Sports Hall of Fame**

**Mr. Johnson:** Thank you, Mr. Speaker. I rise today to recognize the efforts of a group in my constituency to promote and recognize excellence in athletics. On Saturday, March 18, the Wetaskiwin and County Sports Hall of Fame held their inaugural induction dinner. The hard work and dedication of all who are involved with this project is to be admired and applauded. This project will better our sports community and have a positive effect on aspiring athletes, coaches, and other sports-minded individuals by showcasing what has been achieved by Wetaskiwin area residents.

While I don't have the time to mention everyone involved, I would like to single out the president, James Pelehos, who, along with the board of directors, was responsible for this initiative.

On that evening we honoured those who have made a great contribution to sport in our community. This ceremony recognized not only the contributions of athletes who get us on the edge of our seats but also those without whom our teams would have no coaches nor a league in which to compete nor a venue in which to play.

The hall of fame recognizes outstanding contributions in six categories: athlete, builder, team, special, honorary members, and pioneer award. The inaugural inductees include the Falun Live Wires ladies softball team, Doris and Cec Colwell, 1904 Wetaskiwin Cubs men's baseball champs, Al Arner, Norm Brown, Clayton Monaghan, Norma MacEachern, Glen Jevne, Randy Wyness, Val Fonteyne, Sandra Wright, and Rodney Schneck. These inductees' contributions to sport in the Wetaskiwin area have been immense.

Not the least is inspiring and helping area children of all ages to become involved in sport. Participation in athletics gives youth a sense of pride and accomplishment. Additionally, the health benefits of an active lifestyle are immense. Highlighting the success of those who came before will hopefully inspire more people to become involved in the sporting community.

Thank you.

#### **University of Calgary 40th Anniversary**

**Dr. Brown:** Mr. Speaker, it gives me great pleasure to rise in recognition of the 40th anniversary celebrations of the University of Calgary as an autonomous university. The institution's history is, however, much older than 40 years and can be traced to the Alberta normal school for training teachers, which was established in

Calgary in 1905, making it the oldest postsecondary institution in the province. In 1945 the normal school became a southern extension of the University of Alberta Faculty of Education.

2:40

In 1951 the Calgary University Committee urged an expansion of the Calgary branch of the University of Alberta. As a result, first years of the bachelor of arts and bachelor of science were offered. In 1957 the name was changed to the University of Alberta in Calgary, or UAC. In 1958 sod was turned for the present campus of the university. However, functioning as a branch campus of the University of Alberta, UAC was deprived of its rightful place in the academic sun, and in 1963 students, with the tacit encouragement of their professors, began a drive for autonomy from the University of Alberta.

On May 1, 1965, the University of Alberta at Calgary was granted academic and financial autonomy. The Faculty of Engineering and the division of continuing education were founded. At last, with the proclamation of the Universities Act on April 1, 1966, the university became a truly autonomous institution under the name the University of Calgary. Dr. Herbert Stoker Armstrong became the first president of the U of C.

With the arrival of autonomy the university began to truly blossom as the faculties of Fine Arts, Graduate Studies, Social Work, and Medicine were created. The following year, 1967, at the first convocation, held on March 29, the Rt. Hon. Lester B. Pearson became the first recipient of a degree from the University of Calgary, an honorary doctorate. The next year, 1968, the Business school was established and offered a four-year bachelor of commerce, and the board of governors approved the establishment of the School of Nursing.

I'm sure all hon. members join with me in congratulating the faculty, staff, and students of the University of Calgary on their 40th anniversary of autonomy.

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

#### **Governance and Democratic Renewal**

**Mr. Elsalhy:** Thank you, Mr. Speaker. I'm pleased to rise today to talk about the need for democratic renewal in Alberta. I am proud to have been chosen to chair the Alberta Liberal caucus committee on governance and democratic renewal and to report that in the last few months my caucus colleagues and I started looking at ways to restore democracy and encourage citizen participation and engagement in this province. Our work is challenging, exciting, and thoroughly rewarding. It can be divided under three main headings: legislative renewal, electoral reform, and transparency and accountability.

Reforming the electoral system was the theme of an important and interesting forum which we held on February 13 at the Stanley A. Milner Library here in Edmonton. Changing the Face of Democracy was the name chosen to begin the journey of examining and improving our first past the post system of voting. British Columbia studied this system, and we hope to learn from their experiment.

The Official Opposition invited two members of the B.C. citizens' assembly to tell us about their experience and the results of their work. The British Columbia Citizens' Assembly on Electoral Reform was the fulfillment of a campaign promise made by Gordon Campbell, while in opposition, to correct the system which saw his party win a majority of votes yet fail to form the government. When he became Premier, he also wanted to right the inequity, which saw a complete lack of opposition when people cast ballots for candi-

dates whose parties did not win. Citizens were invited to participate; 180 people were chosen from all 79 constituencies, including two members from the First Nations community. Those chosen went on to study election practices in 23 jurisdictions within the Westminster system, so for someone in this House to imply that to look at electoral reform would somehow be contrary to British parliamentary tradition would be an inaccurate assertion.

The volunteers had many meetings, and they even went out into their constituencies to inform the public and to poll opinion. When they reached their decision, the clear winner was the single transferable vote, or STV, a version of which was in use in Alberta until 1955 and similar to the civic voting system we had in Edmonton until the 1960s.

Stay tuned, everyone, for part 2 of our series Changing the Face of Democracy. Thank you, Mr. Speaker.

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

#### **Joseph Anthony (Tony) Mercredi**

**Mr. Johnston:** Thank you, Mr. Speaker. I'd like to bring to your attention the passing of a great Albertan and a proud aboriginal leader. Tony Mercredi was a former grand chief and an accomplished aboriginal rights activist who died last Sunday of colon cancer at age 58.

Mr. Mercredi, who was a Dene from just outside Fort Chipewyan in northern Alberta, was a celebrated former chief in his own band, the Athabasca Chipewyan First Nation, and a grand chief of Treaty 8, which represents 23 Alberta First Nations. In the 1980s Mr. Mercredi helped negotiate the Meech Lake accord, fighting for constitutionally entrenched aboriginal rights. He travelled extensively, explaining treaty rights to the United Nations in New York, and he made a presentation on inherent rights to the Vienna convention on human rights. At the 1992 Earth Summit in Rio de Janeiro he shared the podium with the late Jacques Cousteau.

He was a father, a grandfather, and at the time of his death still studying to become a pastor.

Mr. Mercredi was born on June 26, 1947, near Old Fort Point, the place he always called home and returned to many times throughout his life. After finishing high school, Mr. Mercredi studied political science at the University of Western Ontario. Eventually he was drawn into politics. Mr. Mercredi's decisions were always well considered, his leadership style kind but firm and rooted in the traditions of his nation. Mr. Mercredi believed deeply in securing rights for aboriginal people, but he also wanted to help his band get on its feet financially and politically.

Mr. Mercredi leaves his two children, Nicole and Edmund; his mother, Victorine; nine siblings; and four grandchildren. His funeral is scheduled to take place tomorrow, which is Thursday, at the Roman Catholic church in Fort Chipewyan.

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

#### **Health Care Reform**

**Dr. Swann:** Thank you, Mr. Speaker. I'm pleased to rise and speak today on the government's third way. After 15 years of rule this administration has failed the tests of governance and leadership, most recently in its dishonest attempt to sell Albertans on the third way, a two-tiered health care process. This erosion to a cherished public service, touted as a way to improve access and sustain the funding for illness and injury care, violates the evidence, Canadian values, and basic business principles.

Despite repeated calls for a careful analysis and real health reform

in the past decades, what we have in the third way is an ideological blindness and the support of vested private interests. There has been no systematic attempt to examine critically current spending on the health care system; to establish specialized public centres with tight referral systems; to establish needed primary health care centres, that have shown efficiencies for 40 years, along with alternate funding for physicians; to optimize scope of practice of all health professionals as teams; to investigate meaningfully prevention and health promotion; and to expose the adverse impacts on business and competitiveness.

In terms of business principles the most fundamental premise of private enterprise is that of social supports, equal opportunities. These must be there to enable people to compete economically. Health care is one of those basic needed rights in our society to meet human potential. In addition, the Canada Health Act and basic ethical principles clearly cannot support physicians working in both the public and private systems at the same time, a clear conflict of interest that this government persists in promoting.

The third way violates both evidence and public values and follows a pattern of many years of public policy failure, including the handling of BSE, chronic wasting disease, coal-bed methane and water protection, electrical deregulation, neglect of seniors, the poor, and the handicapped. The third way does not represent progress. It does not represent governance or leadership. It represents incompetence or corruption. Albertans will decide.

**The Speaker:** Hon. Member for Calgary-Bow, you caught my eye when the previous member was speaking.

**Ms DeLong:** I'm a little unsure. Are we allowed a point of order at this point?

#### **Speaker's Ruling Members' Statements**

**The Speaker:** Hon. member, the chair will not recognize any points of order with respect to members' statements. The reason for that is that when the House dealt with members' statements a number of years ago, this was an innovation brought into this Chamber, and originally they were statements of a certain length of time. Hon. members would be given the freedom to participate on any subject they wanted to and to have an opportunity uninterrupted. We've had occasion in the last number of years where hon. members have attempted to interrupt another hon. member when they're giving a members' statement, but the chair has in all cases said, no, that would not be viewed as a point of order.

head: **Presenting Petitions**

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

**Mr. Taylor:** Thank you, Mr. Speaker. I have two petitions to present to this House today, the first with 304 signatures of people mostly in the Calgary and Edmonton areas. They say:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to recognize the financial burden borne by postsecondary students in this province, and to take action by implementing a significant rollback of tuition fees.

The second petition, signed by 96 people primarily from the Calgary area:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to consider increasing funding in order that all Alberta Works income support benefit levels may be increased.

Thank you, Mr. Speaker.

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

2:50

**Ms Blakeman:** Yes, indeed. Thank you very much, Mr. Speaker. I am pleased to be able to rise today and present the first 116 signatures of what I know are going to be thousands on a petition which is petitioning the Legislative Assembly to urge the government to abandon plans to implement the third way; not to allow expansion of private, for-profit hospitals; to oppose contravening the Canada Health Act; and asking the government to vote against any scheme to pay for private health care insurances for services that should be covered by medicare. One hundred and sixteen signatures from across the province.

Thank you.

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

**Mr. Martin:** Yes. Thank you, Mr. Speaker. I'd first of all like to table a petition with 119 signatures on it. The petition urges the government of Alberta to "eliminate private clinics and private delivery in the health care system, and develop a comprehensive plan to strengthen and extend Medicare."

The second petition is from my colleague from Edmonton-Strathcona, also with 119 signatures on it, also urging the government of Alberta to "eliminate private clinics and private delivery in the health care system, and develop a comprehensive plan to strengthen and extend Medicare." So far, that brings the total on this particular petition to 953.

Thank you, Mr. Speaker.

**The Speaker:** We're not all tabling the same petition, are we?

**Mr. Martin:** No, we're not, Mr. Speaker.

**Dr. Brown:** Mr. Speaker, it's my honour to present in this Assembly a petition on behalf of a group of my constituents. The petition is signed by 116 students at Sir John A. Macdonald high school which is located in my constituency of Calgary-Nose Hill. The petition calls on this Assembly to urge the government to take action to reduce teenage smoking in Alberta.

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

**Mr. Elsalhy:** Thank you, Mr. Speaker. I'm honoured to rise and introduce a petition signed by 106 concerned Albertans primarily from Calgary, Airdrie, and surrounding communities. It reads:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to consider increasing funding in order that all Alberta Works income supports benefit levels may be increased.

Thank you.

**The Speaker:** The hon. Member for Little Bow.

**Mr. McFarland:** Thank you, Mr. Speaker. It's a pleasure for me to table 15,297 names primarily raised by two people of the Chinook regional health authority, Alan and Mary Heggie, who are petitioning to have radiation therapy services made available in Lethbridge. It's my privilege to present on their behalf.\*

head: **Tabling Returns and Reports**

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

**Ms Blakeman:** Thank you very much, Mr. Speaker. A number of tablings on health care again today. From Isabel M., a letter noting that she feels that the poor would not have health care in the future.

From Blayne Newton, with a copy of an article called Alberta's

Chicken Little: After All These Years, Why Run into Foxy Loxy's Jaws?

From Don Ronaghan, asking for dates and times of public meetings where members of the voting public can attend and give input.

From Marty Richardson, asking why the government doesn't reopen second-year and third-year nursing school programs so that nurses could be educated and ready to work more quickly.

From Cec Race, who submits a satirical poem which is an expression of his opposition.

From W. Procter, who hopes that the third way will get dropped like a hot potato.

From David Pearce, who notes that many of the so-called cost savings come at the expense of the lower ranking front-line staff and from union bustings.

From Ray Palmer, who feels that physicians, if they're going to practise in both systems, should have to be in one or the other.

And from Mike O'Reilly, noting that he cannot afford to pay for special care and that it is totally wrong and should not be allowed.

Thank you, Mr. Speaker.

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

**Mr. MacDonald:** Thank you very much, Mr. Speaker. I have a number of tablings this afternoon to support the questions I asked in the Legislative Assembly earlier today. The first tabling is an Alberta Government Services land titles office document. It is a document that indicates there was a transfer of land for \$5.2 million from the Galfour Development Corporation to two numbered companies, one in Edmonton and one in Vancouver. This document is dated 1999, I believe. Yes, July 1999.

**An Hon. Member:** It's getting better.

**The Speaker:** Well, we'll deal with the chair in these matters, okay? Let's continue to move.

**Mr. MacDonald:** Okay. The next document that I have is also an Alberta Government Services land titles office document. It is a caveat forbidding registration, and it is a document that associated Galfour Development Corporation and the notice that Peterco Holdings Ltd. has an interest in the land held by Galfour Development Corporation.

The third document that I have, Mr. Speaker, is the short legal title for west of the fourth meridian, range 25, township 52, the fractional southeast quarter of section 9. This is a historical title.

The fourth document that I have is from the Alberta corporate registry system, and it is the details on Galfour Development Corporation. This document is dated January 31, 2006.

The last document that I have to table – and I appreciate your time and patience, Mr. Speaker – is a historical land title certificate for a property west of the fourth meridian, range 25, township 52, the southwest quarter of section 9.

Thank you.

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

**Mr. Martin:** Thank you, Mr. Speaker. I'm tabling a letter from Pierre Gosselin. Mr. Gosselin is appalled at lengthy wait times but is adamant that the third way is not the solution. He says that the solution is simple: reinvest in health care the same way that the government's cuts destroyed it.

Also, on behalf of my colleague from Edmonton-Strathcona a

\*See p. 735, left column, para. 8.

couple more tablings. One is from Elisabeth Ballermann, who is the president of the Health Sciences Association of Alberta. Ms Ballermann agrees that there are ways to improve the existing system but disagrees with the proposal to allow doctors to straddle the public and private systems and feels access should be based on need instead of ability to pay.

The third letter is from Lucia Teixeira, also opposed to the so-called third-way proposals, who says that a private, parallel health system would take providers away from the public system.

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

**Mr. Elsalhy:** Thank you, Mr. Speaker. My first tabling today is a letter from Vinay Jhass, who describes the government health policy framework as vague and compares it to a campaign pamphlet. Vinay wants us to listen to the will of the people and assures us that the third way will be as disastrous here as it was in England, Australia, Spain, and Italy.

The second tabling is from Edmonton-McClung constituent Ms Lorna Berlinguette with respect to violence against indigenous women in which she urges the government to improve police response protocols to missing person cases, protect the rights of sex trade workers, and provide funding for more shelters and counselling services.

Thank you.

**The Speaker:** Hon. Member for Little Bow, do you want to try it again?

**Mr. McFarland:** Thank you, Mr. Speaker. It appears that 15,297 signatures weighed on my mind. I might have presented it as a petition, and in fact I should have presented it as tabling a return. I apologize, and here it is one more time on behalf of Alan and Mary Heggie, from southern Alberta.

Thank you.\*

**The Speaker:** Hon. members, it is my pleasure to table the appropriate copies of the annual report card for 2004-2005 of the School at the Legislature. This program is cosponsored with community members Priority Printing and Access Media Group along with VIA Rail Canada and the Edmonton downtown Rotary Club.

head:

### **Tablings to the Clerk**

**The Clerk:** I wish to advise the House that the following document was deposited with the office of the Clerk on behalf of the hon. Ms Evans, Minister of Health and Wellness: a document, undated, entitled World Health Organization Report on Health Spending in Western Europe.

head: 3:00

### **Orders of the Day**

head:

### **Committee of Supply**

[Mr. Shariff in the chair]

**The Deputy Chair:** Hon. members, we shall call the committee to order.

head:

### **Main Estimates 2006-07**

#### **Infrastructure and Transportation**

**The Deputy Chair:** The hon. Acting Minister of Infrastructure and Transportation.

**Mr. Lund:** Thank you, Mr. Chairman. Before I start, I would like to introduce staff from the department that are here with us today: Jay Ramotar, the deputy minister; Rob Penny, assistant deputy minister of transportation and civil engineering; Jeanette Espie, executive director, office of traffic safety; Barry Day, assistant deputy minister, capital projects; Winnie Yiu-Young, acting assistant deputy minister, policy and corporate services; Gary Boddez, chair, transportation safety board; Angela Paterson, director of policy and corporate services; Bart Johnson, director of communications; and John Enns, executive director of property management. If you folks would please stand and receive the traditional warm welcome of the Assembly.

Roads and infrastructure play a critical role in the success of our province and the quality of life for Albertans, and the number of these Albertans is steadily rising. Alberta is experiencing unprecedented growth. As our economy continues to flourish, our province is attracting more and more people; our population is continuing to grow. According to Statistics Canada, during the last three months of 2005 the population of Alberta has grown more than five times the national average, gaining more than 25,000 people between October and December. As the province grows, so do the number of challenges faced by the Department of Infrastructure and Transportation. The state of Alberta's core infrastructure and our roads and highways has become a high priority issue for this department and for this government.

Deputy Minister Jay Ramotar, his executive team, and everyone who works in Infrastructure and Transportation continued to do a very outstanding job for the shaping of Alberta's infrastructure. This department is ensuring that Alberta's infrastructure continues to serve today's Albertans and will meet the growing demand in the future. Roads and facilities are the backbone of our communities. The Alberta government recognizes the important role that infrastructure and transportation play in the success of our province. It demonstrated its support with unprecedented funding for infrastructure in last year's three-year capital plan and again in this year's plan.

Over the next three years Infrastructure and Transportation makes up over \$7.7 billion of the 2006-09 government of Alberta capital plan. The estimate I am presenting is closely tied to the capital plan. In fact, about two-thirds of the voted budget for '06-07 is related to the capital plan.

Thanks to the ongoing support from the government, the ministry has undertaken a number of programs and projects over the last year. I would like to share some of these with you today as I present the ministry's estimates for the '06-07 fiscal year. This year the department's estimates to be voted include approximately \$2.6 billion for expense and equipment/inventory purchases. Approximately \$1.1 billion is for capital investment. This makes an overall budget of \$3.7 billion. This figure does not include \$148 million in statutory capital investment funding related to the P3 project for Anthony Henday Drive southeast. This is the southeast section of the Edmonton ring road.

Of that \$3.7 billion, \$345 million is for noncash items like amortization, nominal sum disposals, and consumption of inventories. This leaves the ministry with \$3.4 billion as an actual spending target for programs. As in past years there will be two votes, the expense and equipment/inventory purchases vote and the capital investment vote.

First I will address the expense and equipment/inventory purchases vote, which has a spending estimate of \$2.6 billion. Programs that fall under this category are generally related to operations and maintenance. In past years this category included funding for supported infrastructure, including schools, postsecondary institu-

\*See p. 734, left col., para. 16.

tions, health care facilities, and rural affordable supported living. However, this funding, over \$700 million, has now been transferred to the respective program ministries, so I won't be speaking about these areas any further.

What the category does include is \$317 million for government operations. This funding enables the ministry to maintain the day-to-day operations of government-owned properties as well as leases and the Swan Hills Treatment Centre and capital and accommodation projects. Funding is also for the maintenance of government-owned facilities, site environmental services, land services, and the management of government air and vehicle services.

Alberta is known for its safe and efficient highway network, and we're intent on maintaining this reputation. The expense and equipment/inventory purchases vote includes \$360 million for provincial highway systems and safety. This funding goes towards the maintenance of highways, vehicle inspection stations, rest areas, and transportation infrastructure in provincial parks and on native lands. Under this program the ministry is providing \$37 million for transportation safety services. These dollars support vehicle and driver safety programs, monitoring of the commercial carrier industry, a number of traffic safety initiatives, including the implementation of the new traffic safety plan, and the operation of the Transportation Safety Board.

Our province is only as successful as its cities, towns, and villages. To support municipalities, the expense and equipment inventory purchases vote includes over \$1 billion each year for the next three years for Alberta municipalities through various municipal support programs. This includes the Alberta municipal infrastructure program, which government introduced last year. The program provides municipalities \$600 million a year as part of the five-year \$3 billion program. The program allows municipalities to target funding at infrastructure pressures they deem to be priorities. Using these funds, local governments can direct funding at projects, including roads, bridges, public transit, water and waste water, and emergency services.

In addition to the municipal infrastructure program Infrastructure and Transportation is providing grant funding to municipalities through other initiatives. These initiatives include \$32 million for the Water for Life strategy to address regional water systems; \$30 million for the Canada/Alberta municipal rural infrastructure fund, a cost-shared program between the federal, provincial, and municipal governments; \$14 million for the infrastructure Canada/Alberta program, another cost-shared program between the federal, provincial, municipal governments and one that puts a focus on green infrastructure projects; \$57 million for the new deal for cities and communities, a federal program initiated last year which sees federal fuel tax dollars flow back to the Alberta government, where it gets distributed to municipalities; and some \$309 million for other transportation grant programs. These fundings provide formula-based grants to assist counties, municipal districts, special areas, and Métis settlements in developing and upgrading their network of local roads and bridges.

The expense and equipment/inventory purchases vote also includes approximately \$480 million for other programs and services related to operations and maintenance. Most of this funding, \$362 million, goes toward the energy rebate program, which has been extended to include the month of October. An additional three years has also been added, and the program will now run until March 31, 2009.

### 3:10

The funding also includes \$50 million for the new capital for emergent projects program introduced last year. The CEP is meant

to address small, emerging capital needs that fall outside the current capital plan. This \$50 million represents the expense portion only, and additional funding is also included in the capital investment vote. Finally, funding is also allocated for programs and strategic services, which is primarily for the program support staff.

The second category of spending is for the bricks and mortar and asphalt that make up the roads and facilities of this province: \$1.1 billion in funding under the capital investment vote will go towards government-owned infrastructure, including facilities and provincial roads and highways. The capital investment vote allocates \$139 million for major construction projects and land purchases. This includes funding for projects such as the Royal Alberta Museum and the Calgary Courts Centre. The land purchases budget is \$13 million and is largely to purchase land that will enable us to proceed with construction on the ring roads in both Edmonton and Calgary.

The capital investment vote allocates some \$801 million for the provincial highway network. The provincial highway network includes building and enhancing provincial highways and bridges, so we can continue to meet the transportation needs of Albertans and others who drive through our province.

Some of the major projects include twinning highway 63 south of Fort McMurray, and the government will start twinning the 240-kilometre highway between Fort McMurray and the junction of highway 55 near Grassland this year; continuing work on the north-south corridor, Alberta's part of the Canamex trade corridor, that stretches some 600 kilometres from Anchorage, Alaska, to Mexico City – Alberta's leg of it stretches about 1,175 kilometres, and we're about 80 per cent complete already – continued work on upgrades to highway 63 and highway 881 in and around Fort McMurray and Wood Buffalo region; and continued improvements to hundreds of kilometres of highways throughout rural Alberta.

Provincial highway network funding will also allow construction to continue on new key segments of both the Calgary and Edmonton ring roads. This funding will assist government in meeting its target to complete the ring roads by the year 2015. We are in the request for qualification stage of a potential public/private partnership arranged for the northeast leg of the ring road in Calgary.

As I said earlier, the capital investment vote does not include the \$148 million in statutory capital investment funding related to the P3 project for the Anthony Henday Drive southeast. That's the southeast section of the Edmonton ring road. This is not voted because no cash outlay is required by government up front, one of the benefits of P3.

Finally, the capital investment vote includes \$148 million for other programs and services carried out by Infrastructure and Transportation. The majority of this funding, \$122 million, is for the capital for emergent projects, CEP, program, which I mentioned earlier. The CEP is meant to address smaller emerging capital needs that fall outside the current capital plan. This program has both an expense and capital investment portion. Some of the funding in this program is a result of reprofiling cash flows from the '05-'06 fiscal year.

The ministry will also invest some \$26 million for water management infrastructure, supporting construction and rehabilitation of dams, canals, spillways, and other components that make up our water management infrastructure. Funding will go towards rehabilitating the Carseland-Bow River headworks system and the St. Mary to Milk River Ridge reservoir.

Mr. Chairman, this concludes my presentation of Infrastructure and Transportation's estimates for the '06-'07 fiscal year. I would like to reiterate that the department did a wonderful job over the last year and made many strides in ensuring that Alberta's roads and infrastructure will meet the needs of Albertans for many years to

come. I expect that we will see the same outcome from the work this year.

I would be only too happy to take comments and questions now, Mr. Chairman, as we move forward to vote on these estimates.

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

**Mr. Chase:** Thank you. I don't know whether to extend congratulations or sympathy as your workload has doubled with your double ministries.

I am pleased that the government, specifically Infrastructure and Transportation, took our Liberal opposition advice of returning the infrastructure responsibility back to the major ministries of Education and Health and Wellness. With decision-making power comes funding and responsibility for accountable, transparent, well-planned taxpayer dollar expenditure, and as the ministers of Health and Wellness and Education know, they are being grilled on that responsibility on a daily basis in this House.

The Department of Infrastructure and Transportation is requesting a total supply of \$3.7 billion for operating expense, equipment/inventory purchases, and capital investment. Last year it was \$3.1 billion. The 2006-2009 capital plan commits \$13.3 billion to provincial and local infrastructure over the next three years, compared to the \$9.2 billion budgeted in the 2005-08 capital plan. I want to commend the Minister of Finance and the acting minister of infrastructure for putting this in the budget rather than off-budget spending. Thank you.

With regard to the air fleet, it's unfortunate that the government members aren't more satisfied with their taxpayer-funded, on-autopilot air limousine service. I know that on a scale of 1 to 6 it only received a 5.1, and the target is 5.6. Will regular members be able to find a seat on the plane while leadership hopefuls flit about the province at taxpayers' expense during the leadership campaign? Has the department done a cost-benefit analysis of the government's aircraft fleet "to ensure that program operations are aligned with program objectives, user needs, and use policies" as was pointed out on page 23 of the Auditor General's report? Will the acting minister release the flight logs as the former minister had promised to do this week? Will Albertans know on a daily basis during the leadership race which ministers are flying and for what justifiable purpose? I suggest that the minister post this information daily on the government website during the leadership race.

The government is allocating \$362 billion – sorry, \$362 million; I wish it were billion – for energy rebates in 2006-07. However, in the last fiscal year it was expected to have spent \$726 million, according to government estimates on page 291. Why is the government lowballing the estimate? Why is the government relying on the sustainability fund to cover its overspending initiatives?

With regard to highways, the government lottery estimates indicate that provincial highway rehabilitation is being cut from \$99.7 million in 2005-06 to \$63.3 million in 2006-07, according to page 290. I would appreciate having an explanation for this reduction, considering the larger scale projects, including ring roads and the twinning of highway 63, as was noted yesterday by the minister, not at the expense of highway 881 upgrading. The capital plan indicates a "\$1.7 billion increase, with \$1.4 billion in additional funding for highways in key regions." This comes from page 70 of the report. We're pleased to see that the government listened to the opposition and Albertans' concerns that highway 63 needed to be twinned. That's a key project, and I give the minister and the ministry full credit. I am so glad that this is finally happening. We've been calling for it since the late '80s. We've seen this

government make other promises, such as the McDermid report, but unfortunately they haven't followed through. I'll be talking about the McDermid report in another section.

3:20

How does the government expect to fill the potholes when the price of oil and gas drops? If the government would adopt our surplus policy, as it seems to be adopting so many other policies that we have put out, 25 per cent of surpluses would be put into an endowment fund, providing ongoing funding. Unfortunately, we do not see a capital fund in this budget like we're proposing. What we do see is a capital account, something that the government can drain while resource revenues are at all-time highs, putting Alberta's future in jeopardy.

With regard to the business plan, goal 2, "plan, develop and manage government-owned . . . infrastructure." This is found on page 257. With regard to the physical condition of provincial highways and the allowable percentage in poor condition, the last actual allowable amount was 11.2 per cent. When you add that to the number that were allowed in fair condition, basically we have over 60 per cent of Alberta highways being tolerated at between fair to poor condition. Last year this department was increasing the target for highways in poor condition from 11 per cent to 18.5 per cent. Hopefully, we're heading in the right direction.

Highway 2 provides such an advantage to the Calgary/Edmonton corridor. I would like to know why highway 3 heading east and west wasn't twinned to provide the same economic opportunities, to create a southern corridor as opposed to simply passing lanes so that you can pass by the opportunities.

With regard to infrastructure debt, on page 77 of the capital plan it states: "alternative financing can be used to fund capital spending." Why is the government claiming that it is not running a deficit when it enters into P3 contracts that extend payments over multiple years? The ring road payments are extended over a 30-year period. We have no crystal ball capabilities of analyzing what our infrastructure interest debt repayments will be in each of those 30 years. We're gambling. There's far too much gambling going on within this province. What is the current dollar figure for the infrastructure debt? The last figure we heard was in the \$7.3 billion area. We keep hearing larger and larger amounts coming from health regions and coming from school districts. I'm just wondering if that has been added to the current deficit/debt. How can the government claim that it's debt free when the deferred maintenance shortfalls continue to grow?

As indicated on page 290 of the 2006-07 government and lottery fund estimates, why is the government operations budget increasing for property operations and leases? Would the minister please elaborate on the \$3.8 million being invested in the strategic economic corridor investment initiative, which is found in government estimates on page 289? Also, page 289 of the government lottery estimates shows that noncash items are increasing from \$271 million in 2004-05 to \$345 million in 2006-07. We'd like to know why, and if you could, please provide us with a breakdown in writing so that we could appreciate that significant increase.

As indicated on page 290 of the 2006-07 government and lottery fund estimates, why is the minister's office budget increasing from \$450,000 in 2005-06 to \$495,000 in 2006-2007? I'm sure that needy communities would have appreciated a share of that lost \$45,000. As indicated on page 290 of the 2006-2007 government and lottery fund estimates, why is the deputy minister's office budget increasing from \$470,000 in 2005-06 to \$535,000 in 2006-07? It seems that there is an awful lot of money being increased within the department itself, that isn't getting out to average Albertans. As indicated on

page 290 of the 2006-2007 government and lottery fund estimates, why is the department's communications budget increasing from \$788,000 in 2005-06 to \$810,000?

We're seeing all these internal increases. I would like to see that these actually represent investments for Alberta in increased efficiency. Possibly the RAGE ministry should look into the efficiency as well as the Auditor General. Would the minister please provide a detailed list for the increases in the strategic services budget indicated on page 290?

Municipal infrastructure. We have a very active mayor in Calgary, and he does appreciate, as noted, the Finance minister's visit with him, which provided him with some temporary relief. Explanations were provided, and hopefully dollars will soon be sent. Likewise, Mayor Mandel of Edmonton, who takes a quieter approach but has equally worthy concerns. Hopefully, the budgets for the municipalities will increase. That \$3 billion figure basically will come to an end next year. What will it be supplanted by?

The capital plan has also failed to provide municipalities with sustainable funding. This is noted on page 73. The government continues to prefer grants, which do not meet the long-term needs of municipalities. Far too much is ad hoc. The municipalities need sustainable, committed infrastructure financing. Sort of doing the napkin approach just does not work.

The government's estimates indicate that land and site environmental services are receiving \$13 million. This is indicated on page 293. Why, in this particular case, is funding for this initiative so low? It seems that environment loses out. The Environment ministry received only 1 per cent of last year's provincial budget, and \$13 million for land and site environmental services I don't believe will come anywhere near to providing the necessary protection and the rebuilding of the areas in question.

Under the client satisfaction survey the percentage of municipal clients satisfied with the overall quality of service is still very high. It's dropped slightly, very slightly. Could the minister please provide the question or questions that provide this overall score? In other words, are these questions designed to require a positive response? Could we please see the survey? Also, could the minister please provide the name of the market research contractor that conducted this survey, and who are the municipal clients that are asked this question?

With regard to overall infrastructure, can the minister provide us with the total cost for the Calgary courthouse that is expected for completion by 2007? This courthouse has gone through a series kind of like phoenixes rising from the ashes, but each time the phoenix rises, it's a smaller bird than it started as. The initial plan called for approximately \$350 million. When that ran up to the \$500 million cost with some very funny, creative excuses that it had been asked to become planeproof after 9/11, it went from a P3 project to a regularly funded public works project. However, two of the courthouses that were originally included in that \$350 million estimate were left out. So what we're getting is more for less.

3:30

The government lottery estimates indicate that the infrastructure Canada/Alberta program is being cut from \$27 million in 2005-06 to \$14 million in 2006-07. This is on page 290. I would appreciate an explanation on this line item. Why has it been halved? Is the program coming to a conclusion?

How can this minister assure rural Albertans that the \$24 million allocated to complete the rural affordable supportive living program is enough? This is noted on page 76 of the capital plan.

This budget has also provided inadequate funding for long-term care facilities. The government lottery estimates indicate that the

seniors' lodges line item is being cut from \$5.5 million in 2005-06 to nothing in 2006-07, and this can be found on page 291. What is the matter with the initiative that it is now being dropped? What is it being replaced by? That, perhaps, might be the question.

Business plan goal 6: "Collaborate with other ministries in the development and preservation of schools, post-secondary institutions and health facilities through the provision of technical expertise and project management services." That's found on page 261. I would be very appreciative of the acting minister explaining just how much freedom both the ministries of Education and Health and Wellness have in determining their infrastructure allotments. Possibly the Minister of Finance could provide some of that information. Do the ministers of Education and Health and Wellness come to the Ministry of Finance separately now? Is there any commitment to go through Infrastructure? Can they appeal directly to the Finance minister in their proposed budgets?

Health facilities. Physical condition, percentage in poor condition. The last actual was 4 per cent. The target is 4 per cent. Could the minister please provide the names of the hospitals that it expects to remain in poor condition? Why is the target for hospitals in poor condition not zero? At least it's in better shape than the highways.

Schools. Physical condition, percentage in good condition. The last actual, 61 per cent. I'm sure that estimate was done before Marlborough Park's roof came close to a cave-in. I'm surprised, actually, that it's as high as 61 per cent given that the average age of schools in Calgary is 48 years. But how can we accept a target of 75 per cent? When we have royalties and surpluses in this province totalling billions, why do schools and health regions have to come on bended knee before their departments to receive the funding that is essential? It's a matter of: are people an investment, or are they simply a line item, part of a deficit?

Why is the government allowing 4 in 10 Alberta schools to be in fair or poor condition? The 3 per cent of schools in poor condition is the most concerning statistic seeing that recently we've had to see a school evacuated. Schools were neglected in this budget. On Monday the Education minister is quoted as saying: I think there is some great urgency with respect to certain health and safety concerns at some schools; help is on the way; there are unbudgeted surplus dollars in that budget – if we're successful and if the plan is embraced by cabinet and caucus – that the source money could come from. That's a lot of maybes. I'm not sure to what extent, having handed off those infrastructure responsibilities, the minister can comment on those questions, but if he can, if that is still part of his concern, I would appreciate his comments.

The capital plan does not indicate the construction for any specific new schools. Again, we're in a transition period. I'm not sure to what extent the minister has responsibilities in terms of his collaboration with the ministers of Education and health care, but if he could clarify his role in terms of approving projects and assisting with financing. Does he go together with the ministers and approach the Minister of Finance for the funding?

The government is committing to new modular classrooms . . . [Mr. Chase's speaking time expired] Thank you.

**The Deputy Chair:** Hon. minister, would you like to respond?

**Mr. Lund:** Well, thank you, Mr. Chair. I'll respond the best I can. It's rather confusing when members jump all over in the books. I'm only keeping track myself, so on the questions that I miss, we'll get the answers to you in writing.

The member spent a fair bit of time talking about the aircraft. It's really quite interesting when you look at what the Auditor General had to say about aircraft and use of aircraft. He was suggesting that,

in fact, we use them more. He was suggesting that we replace aircraft because of their age. When you talk about using aircraft for campaigning, the fact is that the only – the only – people that can schedule an aircraft are ministers, and as the Premier has said, any minister that is going to enter the race must resign by June 1. So as far as I'm concerned, there is a real safeguard in place relative to the supposed use of the aircraft for that function.

Now, you mentioned the logs. I want to make it clear. There's a difference between the manifest and a log. We will not be posting the log; we will be posting the manifest. The reason that you don't post the log is simply because there's private information on those logs – for example, phone numbers of individuals and those types of things – because that's what the pilots take onto the aircraft with them. If there are messages that they have to convey as they're in the air, those numbers are on the log. You will get the manifest which shows the destination, all of the passengers on board, the purpose for the trip, and that sort of information. I think that really, quite frankly, that's what you would be interested in, and I'm sure it doesn't make a lot of difference to you how much fuel is on board and exactly what time the aircraft took off and exactly what time it touched down. The information on where the plane originated, where it's going to, who's on board, and the purpose for the trip: that's all on the manifest.

The energy rebates: you asked why we didn't budget for the full cost. Well, that's quite simple. If gas prices are high and therefore we have to pay out more money under the rebate program, the sustainability fund, in fact, will have the additional money, so we can take it out of the additional money in the sustainability fund. You cannot nor can anybody else forecast exactly what the price is going to be. Nor can you forecast the weather. Of course, we don't know how much gas is going to be consumed, so we put in a reasonable number. If we get lower gas prices, if we get a reasonable winter, there will be no problem. It will be below that number. Yes, if gas prices are high, it will be higher. However, the sustainability fund will have those extra dollars, and we can take it that way.

3:40

Now, you talked about provincial highway rehabilitation. The reason that those numbers, from '05-06, are currently this much lower in '06-'07 is because of some 30.5 million dollars that was given during the last fiscal year. It was given to that line item, so we're not budgeting it this year because the dollars may not be there. That's why that difference. I'd be really happy if we were able to get those extra dollars, but currently we can't.

You referred to the McDermid report. There were a lot of very good proposals and information in the McDermid report. The fact is that we've implemented quite a few of them. There are a number of them that cost extra dollars, and we're working our way through them. You'll see a safety plan coming out, and it will implement some more of those recommendations, but it is one of those things that takes a little bit more time.

You mentioned highway 3 east and west and asked why we're not twinning it and why we're spending the amount of money on the north/south. Alberta is an export province. We export so many goods, and much of that travels by truck. The U.S. is the number one buyer of our products. So a commitment was made back – I don't know – in the late '90s that we would put a real effort into the Canamex highway. There's been a great deal of effort to get that highway twinned because of the trade issue.

We recognize that highway 3 is very important, that east/west corridor, and there have been dollars spent on it. There's more work being done. There's some engineering being done, particularly

looking at the Crowsnest Pass area and what we can do there. That's just one of the east/west corridors. There are others that are being looked at because, truly, getting out to the coast is also important for our trade and for people.

Now, you talked about P3s and the gamble. I'm sorry; I don't know the number on the courthouse, but it's a P3. You indicated that it's not P3. It is a P3. Your definition is not the same as mine. The government can still pay. That's not the issue. The fact is that when it's a P3 like we've got in the courthouse, it was done by the private sector. We've got a firm price on the building. We've got a 30-year contract. They're responsible for all of the maintenance and the operation. Those are all predetermined. They're in the contract today. It's a P3. Quite frankly, when you see the escalation in the price since they started, since the ink was dry, we're very fortunate that we got a P3 because all the way to the furniture, which is included in the original, you'd pay a lot more for it today if you had to go out and buy it, but that was all included to start with. So it's turning out to be an even better deal.

As far as two courthouses that were not included, that's not true. That's not true at all. The fact is that there were different configurations. The one that was chosen had as many square feet as the one that had the other configuration. It was basically about a million square feet. That's about what it was in all the different configurations.

It is true that originally we were hoping that all three courts would come into it. The Court of Appeal decided that they didn't want to, so they're not in there, but certainly the other two courts have got what they need to have.

**Mr. Chase:** Wasn't the aboriginal court supposed to be part of the project?

**Mr. Lund:** No. There was no aboriginal court as part of it. There were three courts. The Provincial Court, the Court of Queen's Bench, and the Court of Appeal were the three originally that we were hoping to house in the one area, the one structure.

You talk about the debt in infrastructure. It's true that there is a backlog. You questioned what that number is. Well, that's a very difficult number to really quantify. The reason that it's difficult is that if you have a structure that, say, is 90 per cent of new, would you say that there's a deficit in that building? If it's 50 per cent, what would be the deficit? Would it be 50 per cent of the replacement cost, or what would it be? Now, what we did in, particularly, schools – and it started in about '98 – is we did an audit of the schools. What they did is they took an assessment of the schools and then came up with a number that would put them up to about that 80 per cent of new. They came up with a number, but that doesn't mean that there's that deficit because you can easily live with and work with – and it's very functional – that small level. Yet there's a number there. So they added them all up, and they came up with some different numbers.

I don't know – I haven't come across it exactly – what we're using as a number today as far as the infrastructure debt, if you wish, but one thing is very, very positive. If you look in the third-quarter report of the province – and I forgot the page number – you will see that if you take the assets of the province, whether it be physical or monetary, and all of our liabilities, in fact we're the only jurisdiction that is truly debt free. We have a number that is above all of our liabilities, and the Treasurer, I'm sure, could supplement that answer quite easily.

You asked about the strategic economic corridor investment initiative. This is to accommodate minor construction costs, such as interim engineering and planning, for the strategic economic corridor

investment initiative program. That's what those dollars are for. As you can see, it's a new line item, and that is the purpose of it.

You talked about the minister's office and the deputy minister's office. As you know, in '05-06 the two, infrastructure and transportation, were melded together, and what has been found in the minister's office is that it wasn't a realistic number. In fact, if you take the percentage there, it's a 10 per cent increase in the cost, but this is a more realistic number of what it costs in those offices. The fact is that as far as the deputy minister's office, once again that's the same situation. When they melded the two departments together, they didn't take the number out of infrastructure and the number out of transportation and put them together. That's not what they did for the '05-06, and they then found out that, really, it was a lowball number.

You talked about communications, and you wondered about the \$22,000 increase. Well, in fact, that's allowing for salary increases. It's only a 3 per cent increase, and that's to accommodate the salary increases.

3:50

You asked about our budget relationship with schools, postsecondary, and health. As I mentioned in my opening remarks, those are not found in here at all. There's about \$700 million in that area, that used to be housed under supportive infrastructure. There are two kinds that we used to have, the government owned and the supportive, which were those things like schools, hospitals. But those are now found in those others, so I can't comment on them and on what dollars are going to rehabilitation, those kinds of things.

Also, you mentioned the problem with that school in Calgary where there was a roof problem, Marlborough. It's unfortunate, of course, that that happened, but I also know there was some money that the Calgary board of education had that originated back in '01 that was given to the Calgary board for the infrastructure renewal program, and they are just now spending it.

Mr. Chairman, I think that that is what I caught, but we will answer more of your questions in writing.

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

**Mr. Martin:** Well, thank you very much, Mr. Chairman. The minister is new but not so new in this department. When I was a trustee, of course, he was in this particular department, so I'm sure he has some knowledge of what is there that would take others to get up to speed. [interjections] I saw that. I'm going to lobby for you, hon. member. My fans over here want me to.

Mr. Chairman, I want to just make some general comments about the infrastructure deficit and why we're here because the numbers look huge when we look at it in terms of the budget. Remember that when we got preoccupied with the economic deficit back in the mid-90s and concentrated only on that, we did let a lot of other things suffer, including the infrastructure and, I would argue, health care, education, all the other valuable services that we needed.

At this point, with an overheated economy, I would suggest that we are playing catch-up. Whether this is enough money to catch up in a very short period of time, I doubt it, but sometimes it's what we can do at that particular time. When I look at the budget highlights, Mr. Chairman, it sounds like a lot of money: \$13.3 billion over three years. It is, I guess, a lot of money, but we are playing catch-up. I don't know. When we look at the problems – and we can talk about hospitals, schools – and we look at roads and we look at water and all the rest of the things, it may not even be enough at this stage.

I guess my argument – and we can't roll the clock back – is that we should not have been so preoccupied with just the economic deficit that we allowed this to flow. I'm not sure we're saving

money over the long run in doing what we're doing in terms of playing catch-up. If we had been doing some of those needed infrastructure things like roads and hospitals and the rest of it, we probably would have paid a lot more money. Now we're competing with the overheated private sector, as the minister is well aware, and probably paying a lot more than we have to for our infrastructure needs right now. It's hard to get, as we know, labour. It's hard to get supplies. So it's much more expensive than it would have been a few years ago.

Whether the \$13.3 billion over three years is the right figure or not – probably we need more, but, as I say, on paper it looks like a lot. I notice, though, that the total capital and operating budget, including energy rebate funding, is down this year from last year about 10 per cent. I think it's \$2.5 billion to \$2.2 billion. In view of all the needs we have, I wonder if the minister would comment on why that is the particular case that we're talking about. I think it's \$3.6 billion in provincial highways and municipal infrastructure that was announced and the rest of it, but we're facing some real problems just maintaining what we have, as the minister is well aware.

In this particular budget, as I say, the catch-up – we're having CBM-related problems in Rosebud. We know what's happening with our schools, and I can talk more about that, but I know that's not under the minister. I'll save that mainly for Education. I do have some questions there, certainly, about the well-publicized Marlborough elementary school. These are things that have occurred because we have allowed our infrastructure, as I said, to slowly die while we concentrated on one area, and now we're paying the price somewhat for that, Mr. Chairman.

So I would hope – and I'd say this to the minister, for any influence he has with the Minister of Finance over there – that we will not allow this to happen again, that in our budgeting, whatever budgeting we do on a regular basis, there is that recognition that we have to balance off the various deficits: the infrastructure deficit, the social deficit, and the economic deficit, the economic problems. When we're out of debt, that should not be a problem. But I suggest to you that we're probably paying too much now, and this is going to go on with an overheated economy, Mr. Chairman, I would say for a number of years. Again I would come back to: what number we need is a very difficult one to grapple with at this particular time.

Mr. Chairman, I'd like to just move to – and we had some discussion about this. There are a number of departments involved in the Alberta Water for Life initiative. This seems to me to be crucial right now, and certainly this ministry is part of it. I notice that in this year's budget there's a 63 per cent cut in the investment in Alberta's Water for Life initiative. Now, I bring this up in view of the fact that we've had some startling revelations, certainly from Mr. Schindler, about what's happened to our rivers because of the economic development in Alberta. Obviously the tar sands have some role to play in that. We've had some discussion about coal-bed methane in this particular Legislature, and it seems to me ironic that when we're moving ahead with these sorts of megaprojects and economic development, we're cutting back on what was, I think, a worthwhile initiative. I would ask the minister to comment on why it is that when all these things are happening and the news is out there, we're actually cutting back on what is a good initiative. In doing that, can the minister explain why last year's forecasted spending on this initiative and this year's estimates are so very, very different?

[Mr. Marz in the chair]

You know, I would just come back to the environment here, that this minister is playing a role in. We're doing the right thing with

Bill 1, the cancer endowment, and we're pushing into some of these other areas, but with our rivers it looks like it's impacting our neighbours; rivers in Saskatchewan, for example. They're complaining and others are complaining, and Mr. Schindler is saying that this may be the case. It seems to me that we have to take a real look at this and at the very minimum reinvest back into our Water for Life initiative so that we know what we're doing.

Mr. Chairman, we don't have a lot of time. I just want to move into the discussion more on the P3s. There's always been a private perspective. We let out tenders, we ask the private sector to come in with the best bid, and in the past we owned those particular buildings. With all due respect, the Calgary courthouse was going out of control, so we had to move away from that particular P3. It was financed the regular way, through the private sector admittedly, because the costs were skyrocketing. I think that if the minister checks, he'll find that that's the case. But let's have a discussion about the P3s generally. Everywhere they've been tried they've been a disaster. They brought in P3s under a Liberal government in Nova Scotia, and the new Conservative government had to get rid of them. In Britain they've been a disaster. I look at the Henday, the biggest one that we have going right now. I know it wasn't on this minister's watch, but we were told one thing, and then the documents kept coming different. According to PricewaterhouseCoopers' value for money report, building this road using public dollars would have saved taxpayers most likely about \$71 million. In the worst-case scenario Albertans would have saved \$6 million. The best-case scenario would have saved \$73 million. Either way, this was a gift, Mr. Chairman. The point is that when this occurred, we were told one thing, and the numbers came out very different. We'll have to wait down the way to see how this ends.

4:00

Mr. Chairman, the point I want to make to the minister is that when we talked about the Calgary ring road, the questions that were sent out with the particular release said: "How can you ensure the P3 won't be more expensive?" Well, it says: "The three proposals will be evaluated" – and I'm not talking about the Calgary ring road – "against a public sector comparator to ensure they represent good value for government and taxpayers. If clear benefits cannot be demonstrated, the project will not proceed." But then they won't release the public-sector comparator, that they at least did with the Henday, because, we're told, that might distort the bids. That was the answer from the previous minister. Well, surely the public of Alberta, that is putting this up, should have the right to know what we're dealing with instead of hiding it.

The real question they have in this press release: "Isn't a P3 just another term for debt?" Answer: "No. The government is simply paying for the project over a 30-year period rather than all at once. The Alberta government would not start making annual payments until after construction is completed." I've said in the past, Mr. Chairman, that if it walks like a duck and quacks like a duck, it is a duck. It's still money that's going to be coming out of the taxpayers' money over a 30-year period. The Anthony Henday will be over a billion dollars – I don't have the exact figures – when we pay that over 30 years. It's still a debt. It's still going to come out of the taxpayers' money.

So no matter how many ways you want to put it, that's what it's going to cost the taxpayers of Alberta. Before, we owned the building in the traditional way, and that was part of our assets. So to be fair to people, don't send out documents, if the bureaucrats are up there, and tell us this. This insults people's intelligence. They know that on Henday we're spending another \$32 million a year,

and it will come from the taxpayers of Alberta. That has to be looked at over the long range of time, too, when we're doing this.

I don't know what this preoccupation is with P3s. Admittedly, as the minister said, the private sector plays a very important role. It always has. They bid on these particular documents, we see if they have the wherewithal to do it, and then we take the best bid. It worked well in the past. I don't understand this preoccupation, especially when they have the record that they have all over the world. Is it ideology? Is it the concept of ideology over common sense? I don't know. Maybe the minister can tell us.

I know they'll all get up and say that P3s are wonderful, but even he will admit that the Auditor General – and I know the government has accepted the recommendations, although I still haven't seen how the Henday and the Calgary ring road will follow with his recommendations.

Mr. Chairman, I just really say to the minister: let's have some caution. I don't know how far along the Calgary ring road is in this P3 proposal. Perhaps he's been briefed in the brief time it's been there about where that stands. It's my understanding that it's not a done deal, at least from the releases, but I'd like to know exactly where that stands at this particular time.

Mr. Chairman, I want to move on fairly quickly to Fort McMurray and the roads in that area. Recently, as of yesterday, I put in a petition on moving the pace along for highway 63, and I think that highway 28 tags into that. It seems to me that the whole engine of economic growth that we've been talking about centres around that Fort McMurray area. It's a very dangerous road, I'm sure the minister is well aware, and I know that we're moving in some direction. People there want it speeded up. That's almost 9,000 names that I've put in from this one petition from people in Fort McMurray and Edmonton about speeding up that process. If the minister can, would he give us an update of what the most recent time frame is for that to be twinned, if there's some possibility.

As I say, we're using that whole area as sort of a cash cow. At least we should have safe roads going up there. If he could also talk about highway 28, where that stands, because that connects to highway 63. [interjections] Mr. Chairman, my fans want me to also bring up 813. Right? Highway 813. Please give us an update on where that is in the government's plans, how soon we can move ahead on 813. I know certain members would be . . .

**An Hon. Member:** Highway 813.

**Mr. Martin:** Highway 813. Yes. I've said it. All right? [interjections] Well, you can talk about that too, but make sure that you talk about 813.

Mr. Chairman, I just want to conclude by asking in a general way about the so-called \$13.3 billion that comes back there over the three-year period. Is this the reality, or is there going to be perhaps more money as we go through? I guess I want to know how solid that particular number is. We seem in budgeting to move fairly quickly through. We have a budget, and then pretty soon we're into other estimates and money going. Perhaps when he's doing this – and maybe it's premature to ask, when the minister has just been brought back, what sort of figures are we looking at with the economy? Have they been doing any projections over the next five to 10 years? If we're moving ahead as quickly as we are with a number of these projects, I'd like to have some estimate about where we're perhaps going if he's able to do that. I would understand if he hasn't had time to do that.

I would just conclude, Mr. Chairman, talking about the schools. The question I have – and that's another whole issue that I think we'll save for the Department of Education, having formerly been

a trustee. The minister is aware that we had public schools falling apart in Edmonton because the majority of them now are over 50 years of age, and the maintenance is becoming insurmountable. We moved from Infrastructure to Health and Education, and there would be a joint sort of sign-off, if I can put it that way, on any major projects. Now I'm told that there has been some announcement – I haven't been able to see where – that these would be solely under Education and Health and Advanced Ed now, those three departments. I'm wondering: if that's the case, is that permanent, or is that just a temporary situation while we sort through the people that are coming and going in terms of government? Is this sort of a permanent solution, that the capital projects and maintenance will fall under those three departments rather than Infrastructure in the future?

Thank you, Mr. Chairman.

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

4:10

**Mr. Lund:** Thank you, Mr. Chair, and thanks for those comments. You talked a lot about the debt and the accumulated debt and whether, in fact, this is a correct amount of money to be spending at this time to catch up. One of the things I must point out is that it is true that there was a period of time when there wasn't a lot of money spent on some of this infrastructure as we were wrestling with our deficit and debt. However, if we were just happy to catch up with what we lost, that wouldn't be too bad, but the fact is that at the rate the province is growing, the demand for new – and always in these situations you don't start collecting the taxes until after people are here and after there's activity going on. So we're sort of behind the curve, as it were, in that the services are required now, but the payments start coming later. It is an issue of trying to balance what is the right number.

You mentioned the overheated economy. Absolutely, that is a problem. To get work done today is considerably more expensive than it was two years ago: materials, labour, the whole thing. So the more we dump in, the more we help heat the economy. I think that it's important that we recognize that fact and be careful just how fast we're doing it.

You commented in more than one area about a reduction. One must look at the budget for '05-06 as opposed to the forecast. The forecast includes the money that was put in during the course of the year. So that's why you'll see that reduction if you just look at the forecast, but you won't see that it's a reduction if you look at the budget for '05-06. I just wanted to point that out.

Water for Life is a prime example. There was some \$54.1 million added to that program during the fiscal year. As I was just explaining, in '05-06 the budget was \$32.2 million. The budget this year is \$32.1 million. But the forecast was \$86.21 million. That was because there were dollars added in. Now, as you know, this is a very, very important area, and the Minister of Environment has said many times that he would like to see a minimum of a hundred million. So we recognize the issue, but this is a budget, so we have to work within the dollars that are available. The Minister of Environment, I know, has some money that he uses for this Water for Life strategy, things like basin planning. That's one of the things that's happening. Certainly, I agree with the member that, in fact, this is an important one that we need to continue to take a serious look at.

P3s. Now, you and I will never agree. I know that. I know that because we believe in saving money when we can, and I'm not sure that that's part of your ideology. The fact is that the Calgary courthouse – and it really bothers me when I hear people saying that

it was exploding. No, that wasn't the case at all. Because of the way that the accounting principles work, yes, it did look like it went from 300 and some million dollars to \$500 million. But that was because it was going to be booked in two years at present day value. That's where the difference comes in. The fact is that we are very, very fortunate that we got a P3 with the courthouse because if you look at costs since the ink dried to today, the costs have gone way up. I was heavily involved in that one, so I know a little bit about it. The fact is that I went to the Auditor General and asked him: "Could you give me a number? What is the off-loading risk? What is that worth as a percentage of the total cost?" Because that's what we're doing. That's one of the big things that you've got to consider when you look at a P3: what are the costs that you're off-loading when you move over the risk?

The contractor reported to us that when they went to purchase just the rebar for the Calgary courthouse, the price had gone up \$8 million from when they first had estimated the cost – \$8 million just for the rebar, never mind the cement and all of the other building materials and the way those costs have gone up. The other thing is that that courthouse will be completed and will be opening in the fall of '07. Had we done it in the conventional manner, you wouldn't have that, of that kind.

Now, as far as the highways are concerned, I believe they are probably an even better deal. But you've got to remember that none of these P3s go ahead until the business case is done. When you talked about "why aren't we releasing the comparator?" whatever that comparator is then becomes what the proponents would use as the base. Why would we do that? Why would we give that? What will happen is that the day the tenders are opened, the comparator will be released, and that will happen. But you never give that kind of information to the folks up front. As I mentioned in my opening remarks, we're at the point of the request for qualifications relative to the northeast portion of the ring road in Calgary.

We'll get back to you on all those different highways. I could look up a lot of it, but that would take a considerable amount of time, so rather than that, we'll get back to you with the time and the numbers and what is ahead of us there.

As far as the schools are concerned, there is still discussion going on about just exactly how this is going to work with the line ministries having the money in their budgets and the capital. That's all I can tell you at this point. We're still trying to figure out what the most efficient and best way of doing that is.

While I'm on the schools issue, even though it's not in our department any longer, in both Calgary and Edmonton it's a major problem because of the location of the schools. The old schools are built in the areas where there aren't nearly so many children. We heard today the problem as soon as the boards want to close schools, and the member, having been on the school board, knows how difficult that is. We know how difficult it is for boards to close schools, but the fact is that in some cases your utilization goes way down because the children aren't there. You have to bus; that's an added cost. Yet probably the right thing to do would be to close it and to build a new school closer to where the children are.

This is not a new phenomenon. I remember the Minister of Education back in the early '90s pointing out to us in Calgary a problem that was developing because that's when the city was really expanding, so you had a lot of families living out of the centre core and the school, of course, in the wrong location.

So with those, Mr. Chair, I'll get back in writing on those other questions.

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

**Mr. Hinman:** Thank you, Mr. Chairman. I appreciate this opportunity to speak on infrastructure. I guess I'd like to start off by reading halfway down the page on page 253, under Aging Infrastructure: "A significant backlog in deferred maintenance has been created." It's sad that we're in that situation, that we were so busy paying off the debt that we didn't realize the accumulation of the backlog. As it goes on to say, "Major repair can be expected to cost more than routine maintenance would have cost, and all-out replacement can cost up to five times what repair would have cost." It's hopeful that we can catch up because of our windfall revenues, but the question is: are the priorities going to be in the right place, and what are we going to do about that? [interjection]

You'll have to talk louder, Shirley. I can't hear you.

4:20

**The Chair:** Order.

**Mr. Hinman:** I apologize. [interjections] That's right. Surely, whoever is speaking should speak up.

First of all, I'd like to start with a few highways because that is the backbone of our trade industry and how we move things around. You've mentioned many times about the twinning of the Can-American highway.

There's still a problem down in my area in Milk River. It's long overdue. It should be taken care of, and it isn't. One still has to wonder: why is it continuing? Milk River is in a dilemma there. Their hospital has been reduced and shut down to barely what you'd call a swing-bed operation. They have the desire there to downsize the school because the ratio isn't good enough for the facility they have. They're talking about taking away their big gym down there because they don't have enough students. So all three of those are a triple whammy for Milk River. On top of that, with where they want the twinning to go, they want to take out the elevators and move the railroad tracks. It'll be a major loss in their tax revenue when in fact they lose the elevators that are there in the community.

This government promised a long time ago to take over the secondary highways throughout the province, and they were going to pave them. Highway 501 west of Cardston has still not been paved. It's a treacherous road at best, and when the weather is poor, which is often the case down there close to the foothills and getting into the mountains, they actually can't run the buses more often than on most roads because it's in such poor shape. I know that the previous minister has been trying to strike some deals to cover that, but to date I'm not sure if, in fact, an agreement has been agreed on. It's a real struggle.

Another intersection: highway 36 and highway 3 there at the Taber sugar beet factory. I'm sure that the hon. minister has been down there and seen that. It's a problem there. In your first goal in your report it talks about helping municipal governments achieve infrastructure where industry and highways meet. The town has asked for an overpass. They're putting in lights. It's going to cause major problems there, they feel, in the area.

The question that I would like answered if you have the answer is: how does the government make a decision on putting in an overpass? Is it the traffic flow? Is it safety? Do you have numbers? Is there something that we have to reach? Everyone has a question on that as well as highway 3 going to Medicine Hat. You've mentioned it several times today already, but I would really like to see a report that shows the traffic flow on the major highways in Alberta and those intersections and what type of formula this government has or the priority list on when these areas might receive the upgrade that they desperately need.

Like I say, it would really be nice to have those volume reports and see if you're there. When you take those volume reports, for

example, do you monitor during the sugar beet harvest when it's going to Rogers Sugar, or do you go in the spring when there isn't the harvest going on and all of the traffic that's there in the fall between the corn and the sugar and everything else, the potatoes that are growing out there? We have two major potato plants in the area also. The amount of trucks on the road has really increased in the last 10 years there.

Then we'll go on a little bit further. Just when we're talking about Taber and in that area, it seems that we've created a monopoly on the road maintenance system. It's very frustrating for some of those MDs that there are certain areas where they have to look after and maintain the road between different highways when they would very much like to go back to the old days where they could bid and take the maintenance in an area. But it just seems like what we've created is a multilevel marketing scheme where the two big companies, Carmacks and Volker Stevin, can monopolize an area, and then they subcontract out the work to be done. It seems like we're paying a very high fee for the management of the road maintenance. Many of the MDs down there would like to be able to bid on it; others are happy with the service. So I realize that this is definitely a balancing act, but it's something that they would appreciate looking into.

I guess that I'll expand a little bit further just on highway 501. A group of individuals tried to put in a bid to get that paved and raised some money, and the government said that there was a liability problem and that that wouldn't be doable. Yet with the bid that came back, what the government paid for six or eight miles was a significant amount more than what the private bid was. This government talks about P3s and lots of those types of things. I believe in opportunities to bid and to take what best serves the province, yet here's a case where it seems like the province has turned a blind eye and says: well, no, we're going with our system status quo. You haven't fulfilled the promise of paving those secondary roads, and this one is a fairly important one.

I guess that I'll touch on the same thing that's been brought up many times, a little bit different twist. We definitely have a superheated construction industry. With the \$13.3 billion that's been promised over the forthcoming years, there's a shortage of equipment and manpower to do that. There's no question that the bidding has gone up. Whether it's 30 to 50 per cent, it's significant. Everybody knows that.

It seems like we're put in a situation where it's the last day on the island. We're going to go home from our holiday, and we've got to spend everything now. It just seems common sense to me to look at those infrastructure debts, what needs to be accomplished, and to allow the different municipalities to take that money that's going to go there, put it in the bank, and then let them use their good judgment on when an opportunity comes to get the upgrade they need or to do the repair work. That way they can look at it and say: "You know what? We don't have to spend the money this year and, therefore, lose 30 per cent. We would rather wait one or two more years and get the full job done rather than just half the job with the same amount of money." I think it would really take a lot of the pressure off in this superheated economy and the inflation that we, ourselves, are creating by putting more money in there and saying that it needs to be spent now.

I guess that the other area I would like to touch on is the schools and the formula that they have, needing to reach 80 per cent occupancy. I understand that it works well for the cities, but there again rural Alberta needs a different look at it. I'll refer specifically again to Milk River. They raised a lot of money many years ago and put up a beautiful gym, and now Infrastructure says, "Well, you really don't need that big of a gym for such a small school," and they're considering tearing it down. It just seems sad that they'd

want to do that when we could keep that gym and just tweak the formula rather than say: well, this is the formula; we've got to tear down this many square feet because if we don't reach 80 per cent occupancy, we can't rebuild. It just seems a little bit backwards in our thinking and not as forward thinking as we should be, wanting to destroy those good rural schools that are still usable for the students there.

Another question that I have: dams and off-stream storage. I wasn't able to get through all of the report like I would have liked to, but I haven't been able to find anything on that. I believe that's in this portfolio. We're trying to hammer out an agreement down on the Milk River. When we come up with that agreement, which I understand could be as early as next week, are we in a position to move forward and to develop the dams and off-stream storage in southern Alberta? There are several on the books that could be and, I believe, should be looked at. Are we in a position to be ready to take the opportunity to put those structures in place? Water is very critical in the south, and something that we're really desperate for is increased storage there.

I think, Mr. Chairman, that that covers most of the subjects that I wanted to cover, so I would appreciate hearing some of the answers on that. Thank you.

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

**Mr. Lund:** Well, thank you, Mr. Chair, and thanks for the comments. I find it interesting, of course, when people talk about the backlog and that we should have done more a few years ago; 20/20 behind is always very, very easy. Nobody had any idea that we were going to hit a boom like we've hit in these last years. While it's easy enough to look back and say, "Yes, we should have done more when the cost was lower" – I'm sure all of us would agree – the fact is that at the time nobody had any idea that this kind of a situation was coming.

4:30

You talked about Milk River and the town. The bypass around Milk River is, as you know, a very, very expensive situation, with the railway tracks and the elevators and the whole situation there. One of the things that we ran into as far as the bypass is concerned is the fact that because of the rail and the federal involvement there had to be a very extensive EIA done, and that's in the process. So that's being completed, and hopefully we'll be able to address that issue because, certainly, it is important that that one be finished.

I'm sorry; I can't tell you on the overpasses exactly, but we'll get information to you. It'll be a combination of factors, of course, the amount of traffic, the danger. I've been down on those highways when the sugar beets or the potatoes are being harvested and even just the traffic with the silage operations and the amount of trucks that are on the road and those kinds of things. I know, for example, that with the beef plant, the Cargill plant at Brooks, they were looking at a flyover. I don't know whether that was ever done. I'll have to check that out.

The bidding for maintenance. As a matter of fact, those contracts are five-year contracts. So every five years there's a new tender. I know that in the area that I live, the company that had the contract for the last five years lost it based purely on bidding. Now, you talk about the municipality getting into that business. Quite frankly, I don't agree. I don't agree that municipalities should be into that kind of business. That's not their core business. I really have difficulty if they start getting into that kind of business when to serve their ratepayers is what they should be concentrating on, not other kinds of business.

I didn't catch exactly what you were mentioning on 501 as far as a private bid and what that might be. Yes, when Premier Getty was in an election, he committed to paving all the secondary highways. Those of us that were on municipal councils knew at the time that that's not achievable. Sure, you could go out and put some pavement on those roads, but what good would it do? The base isn't there, the width, so you have to do all that construction. What we are doing to try to accommodate more of the secondaries is do some secondary and perhaps turn it back over to the municipality once we've done the capital so that they can maintain it. There are cases where it's very inefficient for us to be doing the maintenance on some of those, especially when you look at snowplowing and sanding in the wintertime. We need to work on more of those.

You mentioned about the money to the municipalities. Well, in fact, the \$600 million that goes annually to the municipalities, they've got 10 years to spend. That was for the very reason that you touched on, so that they can make the best use of those dollars. They get the money. They bank it. It's there. They can take 10 years to spend it. I think that was a real wise move when the decision was made to allow them the 10 years.

**An Hon. Member:** Where does the money go?

**Mr. Lund:** Well, I know that the market is going up, but what goes up, comes down, so we'll see. I know that some are spending a portion of it and saving some. I know that it gets frustrating sometimes when you see money sitting in the bank and not working. Nevertheless, I also really appreciate the fact that the more we put in, the less value we get for the dollar. So we have to be cognizant of that.

You commented on schools. Now, because of the way the utilization formula works, we established – and I've forgotten the number now – schools by necessity, and it was to accommodate the very thing you were talking about. Even though it's not in my portfolio any longer, I would be very disappointed if there was talk of tearing down a perfectly good gym because it didn't fit in the formula, and I'm sure that the minister of learning would agree with me. So if in fact that's what is happening, then you need to talk to him. One of the things we were really encouraging is that the community use those facilities more as well. That way, hopefully, it could be handled.

The water issue and the storage: if you noticed, in my opening comments I talked about the \$26 million that is set aside to do the very things that you're talking about. Absolutely, that's got to be part of the Water for Life strategy, more off-stream storage. That's critical. We've got to get moving on a lot more of it. Currently, about 70 per cent of our water eventually flows into Saskatchewan. We need to capture a lot more of it when the rivers are high, so we get that.

That's it, Mr. Chairman.

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

**Mr. Bonko:** Thank you, Mr. Chairman. I just want to talk about a few of the trips that I've had around the province and talk about municipal infrastructure to start off with.

**Mr. Tougas:** Do you have slides?

**Mr. Bonko:** No, I don't have slides. Thank you, though, for asking.

The latest trip that I had gone on with a number of my colleagues was up to McMurray, where a lot of the boom seems to be happening and a lot of controversy with regard to lack of funding. We were

driving up there, and I probably know why the Minister of Environment doesn't drive his Smart Car up there: some of those potholes would probably swallow it. They are huge. The road conditions with the amount of trucks travelling back and forth on there and just the sheer traffic and volume – I mean, when you're trucking 4,000 or 5,000 workers back and forth, your roads are going to take a beating. Absolutely. There's no doubt about it. The road conditions there are deplorable, just like a lot of places, but we're just concentrating on McMurray for right now.

We talked with a number of the civil council members and business owners there, and they all came up with the same conclusion: we certainly feel that we are neglected up here in McMurray; we would like to see more infrastructure. Some of the concerns were about taking a percentage of the royalties. I know that this ministry can't control that part of it. This controls infrastructure. But the point was that they feel that if that much money is coming out of the whole industry and the area up here and we're taking in that much more people than we would normally accommodate, then we would need to have a little bit of consideration with regard to funding.

I did talk about the roads. Even going up from McMurray across the bridge – and I'll note that it's just a single bridge – up to a number of the plants, it is quite concerning there. Whether you have to ride on a bus or you drive in a car or a rig, you're almost sometimes taking your life in your hands. You pass some of the markers there. You can see, certainly, that there were tragedies on the road, because the hard hat is there on the cross with the flowers and wreaths to pay respect. A number of deaths have occurred, and that's just from McMurray north. I'm not even talking about the 63 between Edmonton and McMurray.

That's a nice piece that was given within the Speech from the Throne. My only concern was: what and why has it taken so long? There are still a number of injuries and deaths that occur. Perhaps we can speed that up. We realize that that is a very, very busy road to the north, and we're continuing to ask for more investment. Without the needed investment in roads, how are you supposed to get up some of these big coke machines that do come up there, 580 tons that are driving on a road that I don't believe would have ever been built to withstand some of that tonnage?

#### 4:40

The single bridge, that dual lane that does run over the river there separating McMurray and the rest of the oil sands, is a big concern. If that ever has an accident or is shut down, that's going to essentially bring everything to a grinding halt on there. It would certainly be nice to see an additional upgrade or another means to be able to get across the river, perhaps another expansion there.

The other thing in McMurray again is water. You have a town that's base was about 40,000, and I believe that's what the infrastructure and water needs and facility handling was able to accommodate. But now that the population there balloons anywhere from, you know, 50,000 to 75,000 depending on the time of the year, you're going to have that much more stress on the water conditions and on the facility itself. So, I mean, the concerns about the upgrades.

Door to door a lot of people talked about being neglected, about the total infrastructure. They'd like to see more facilities put in there for the kids to be able to get off the street. Drugs are a concern and if you're able to have them do something constructive. Some of these community facilities, a pool or just a gym or hockey arena, would be great, to be able to give them something like that, to have something for the kids to get off the street and do something constructive. That's something that all of the other municipalities –

I know that the big cities like Edmonton and Calgary have various, you know, community facilities where they have a pool and a hockey arena all adjoined into one centre. That would be something great for McMurray to have and to be able to enjoy.

Another trip I had taken – and I'll probably get applause from the Member for Lesser Slave Lake – was up to the town of Lesser Slave Lake. I talked to a number of MDs, surrounding areas, as well as the town council in there as well. They were concerned about the quality of water, potentially, from some of the runoff of the confined feedlot operations out on the outskirts and how that is going to actually impact them. They're worried about the increase and the need to upgrade their water facility. They're also worried about when we handed out the big rebate cheques, \$1.4 billion. Now, that could have really offset a lot of these infrastructure needs, at least in some of the smaller towns and municipalities. Whether or not it resonated as well with as many people, that's debatable, but again that could have certainly gone a long way to offsetting a lot of the needs in some of the smaller rural communities, which are being pinched for infrastructure. Their main concern is affordable housing, let alone some of the specifics that I mentioned.

If we're going to go down, then, further, we'll talk about highway 2 between Edmonton, Red Deer, and Calgary. Some people talk about the facts about a high-speed rail link. The jury's still out on that. What we're concerned about is even the roads and upgrading with some of the bridges that are going along there. I mean, I have actually seen only a couple of patches on some of the highway between Red Deer and Calgary that have been upgraded and do look a lot better, but there is still a need to ensure that some of that road is maintained and is kept well driveable, especially in the winter conditions too.

Moving into the hometown that I reside in, Edmonton, some of the council's concern was with the ring road. It's on the track. It's on the radar scope, but we're hoping that it can be pushed a little bit further and a little bit faster. We had at one point the bridge concerns. Now, I'm not sure if those were actually ever addressed, that concern where they had the design or some specifications on the bridge. At one point there were engineers out there to look at some of the concerns that had previously been missed. But some of the councillors said that the ring road is certainly one of the priorities that they do want.

If not that the ring road can be completed, we can also look at some of the upgrades on the Yellowhead. That's getting awfully busy between the west and east of Edmonton, and the big trucks and the cars that are going along there are just spelling disaster in some cases. We could certainly use more overpasses to be able to alleviate some of the ongoing traffic concerns and the backlogs.

Another one would be, well, look at the Whitemud that they have. You have one accident on there, either direction, and it puts a stalemate on the entire traffic process depending on where it happens. It blocks it back for hours. Maybe we'll upgrade that or give them a little bit of relief to be able to put on upgrades. That would certainly be well received in that section of town as well.

The hospitals. Well, everywhere where the towns and municipalities are growing, they're looking for hospitals. Certainly, Edmonton is no different than McMurray or Calgary. Again, you know, we have got a growing population, and I think we'd be able to need to fit, for the concern is to have those hospitals in there. McMurray's main concern for the hospitals was that they can't even get some of these machines, such as MRI machines. They actually have to have some sponsors from the big oil and gas industry purchase these and put them in the hospitals, which is awfully sad if that's the case that is happening. It's more like: sponsor your spot. That should never happen. I think that's always the responsibility first and foremost of the government.

Hospital upgrades. Again, that's a huge concern, especially in Calgary, where some of the beds aren't going to be completed for another two years. The need is there. The need is now. In Edmonton we've had a couple of expansions, such as the east hospital and that addition to the Sturgeon hospital, but that still doesn't relieve some of the congestion and some of the backups that we do have within our own hospitals that are currently there, the Misericordia and the Royal Alexandra.

Going over to school buildings. Having sat as a trustee prior to this, the concern always was with the infrastructure and the ongoing backlog of the school buildings envelope there. I know that that's not necessarily part of this ministry, but at one point it was. This government is so sure that they've paid off the deficit. There is an underlying deficit here, and that's infrastructure. I don't know exactly what the number is. I'd estimate it between – what? – \$7 billion and \$10 billion of deferred work that's gone on for a number of years, that really wasn't addressed. It was kind of put on the back burner. Now we do have a huge concern. The other concern is the lack of labour and affordable costs. From what we once projected, the cost of building has skyrocketed from the delays and the increase in labour costs. Now, I'm not sure how you're going to address that one. It's just that, you know, when we've not addressed it to begin with, we're continuing to put it past, and it's going to continue to cost more and more.

Those are just a couple of the concerns, Mr. Minister and Mr. Chair, that I would raise as some of the specifics under this ministry. Thank you.

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

**Mr. Lund:** Thanks, Mr. Chairman. We all acknowledge that, in fact, Fort McMurray has a great need, with the rapid growth, the traffic that's up there, the activity that's going on, and certainly we are attempting to address it. I want to point out to the member, though, that, for example, the Fort McMurray municipality gets some \$17.5 million from this department for infrastructure. Of course, there are other grants that come from other departments that they're getting. That's the municipality. That's not money that we're spending directly in those areas.

You commented on highway 63 and then: what else? Well, I'll just run through some of the what else. There's a lot more. We'll probably see more. The twinning of the highway south: of course, if you were up there more recently, you would have seen that that work has already started, and that will all happen. We will be twinning 63 north up to Fort MacKay. We'll be paving the rest of 881. We're building a new bridge across the Athabasca. You're right; that is a problem right now. If something should happen with that bridge, things would really get shut down, so there's a big need for that. Then along highways 63 and 881 seven truck staging areas will be completed. Those are pretty critical, particularly when you're moving that heavy, big equipment. They've got to have an area to get off the road so that traffic can continue to move. Then, of course, right within the city itself there will be intersection treatments, which will greatly improve the situation within the city.

You commented on the water situation. Truly, that is a big concern across the province. There are many places. There is no question that we need to really be focusing on clean drinking water for sure and, of course, proper treatment of the sewage and waste water.

4:50

You talked quite a bit about a lot of extra spending. Now, I always find it really interesting here. Just a moment ago we heard

one member talking that when we dump all this money out, we're getting less value for our dollar, we're inflating things and all that, yet we hear that we should be doing more.

There's an interesting stat that I want to give you. In the budget this year, the capital plan, we will be spending about \$1,300 per person. The average in all of the provinces across Canada is \$400. We're spending \$1,300; average in Canada is \$400 per person. I'm pretty proud of what we're able to do. To accelerate it? Well, I know that it would be nice to have some more of those things right away, but the fact is, I think, that we have to get a balance here. We've got to be careful that we don't overheat the economy even more and get less value for our dollars. So we'll be looking at that.

The situation with the MRI. Tell me what's wrong with industry buying an MRI. I don't get it. I don't know what's wrong with that. The fact is that the government has got so many dollars to spend. If, in fact, industry is prepared to step up and pay for an MRI, that's great. That's wonderful. Then we can do more in another area or do more in Fort McMurray because of their huge demand.

I'm not going to get into a discussion about all the hospitals because that's more appropriate if you talk about that when the Minister of Health and Wellness has her budget before the committee.

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

**Mr. Chase:** Thank you very much. The acting minister of infrastructure indicated that only ministers are permitted to use the government planes, which would prevent leadership candidates from flying. At the same time, you said – and I know this was the case last year as well – that in order to justify the use of the planes and not have a single individual travelling from A to B, you would like to have the planes utilized to justify the fuel, so you'd have many people on the plane. Now, we know that last year there were a number of nongovernmental ministers, particularly an individual by the name of Rod Love, who racked up a number of frequent flyer miles at taxpayer expense when he was not contracted or directly employed by the government. Is this a change in policy, that only ministers are permitted on the planes? If so, when was this change indicated? I'm not aware of it, and I think the ministers who are currently elected would like to know that. How will you prevent leadership contenders who are currently elected from riding on government planes at taxpayers' expense for their own self-promotion?

**Mr. Lund:** Mr. Chairman, I said that it's only a minister that can book the aircraft. Only a minister can book the aircraft, and there has to be a purpose for the aircraft.

You mentioned an individual. I don't know what the circumstances were. The fact is that there are times when nonelected people are on the aircraft. If they're doing some work for a department, they may ride on the aircraft if, in fact, they're doing some work for government somewhere.

The idea of one individual on the aircraft. If at all possible we avoid that situation, but that can't be avoided at all times. There are times when a minister has to be at a certain place at a certain time, and the only way that they can get there is with an aircraft. What we meant when we would prefer that they don't travel with just one passenger is if, for example, there is a minister going to Calgary, say, and he has to be there at 9 o'clock in the morning, and another one is going at 10, well, get together and go with just one aircraft. Those kinds of things.

I know from my own experience – it hasn't happened very often, but I can think of two or three occasions where I had to go and I

didn't take my EA. That would have put two people on, but there was no need for the EA to come along. There were no staff coming, but I had to go. I had to meet with people. So it does occasionally happen, but we try to make sure that it's to a minimum.

You will see that there are times, particularly when there's a committee that has some people that are not MLAs on it, and, for example, they're going to hold a hearing somewhere, there may not even be a minister on, but a minister has got to be responsible for booking that aircraft. The minister that would be responsible to book the aircraft would be the minister that's in charge of that committee. So if there's an individual on a committee, a public member, yeah, they would ride on the aircraft. That's true. As far as I am concerned, there's been no change in the policy. I'm not aware of a change.

Will a candidate for the leadership be on one of our aircraft? Yes, but it won't be for campaign purposes. Yes, if they're still an MLA. If they're an MLA, they can't book an aircraft, but if the aircraft is going and they're going as an MLA, then they will be on the aircraft.

**The Chair:** The hon. Member for West Yellowhead.

**Mr. Strang:** Thank you very much, Mr. Chairman. I've just got a few items that I want to express. I guess what I want to talk about is highway 40 north. First of all, I want to compliment the department for their diligence to move forward and do the S-curves just south of Grande Cache and also for the help that they afforded us last year to do some upgrading on highway 40, especially the overlays.

I guess what I want to state and state strongly is that we have to look at moving more to put some passing lanes on highway 40 north for the simple reason of the amount of traffic that is going up there. Just to give you some idea, the town of Grande Cache has close to 4,000 people living there. This year we have in the neighbourhood of 3,500 people living in bush camps north and south of Grande Cache. Then the other thing is the resurgence of the oil and gas industry in that area. Prior to 1997 they used to just drill and cap. Now that we've got delivery through the pipeline system, it is really busy. Of course, last year they put in a pipeline for Syncrude. This year they're putting another 104 kilometres of pipeline in there. So it's really busy.

I guess the other thing: just north of Hinton, where we're utilizing the LOC of West Fraser, we have 4,000 vehicles a day on the LOC road. They're utilizing a lot of that because of the aspect of moving on highway 40 north. For hauling different aspects of dangerous goods, they can't use it as much. I guess what I'm looking at is if we can sort of move up and at least start doing some passing lanes there because when they're bringing in a compressor station or something, they have to block the traffic. They have to wait until they get to an area where there's a turnout. You know, we're getting a lot more people in that area. Of course, that area now is serving a lot of the Peace River country, and we have to move and look at some passing lanes.

5:00

I guess that I'd be remiss if I didn't talk about highway 47 south, that also goes into the old trunk road, and that goes into the hon. minister's riding. A number of years ago, when the hon. Member for Fort Saskatchewan-Vegreville was the Minister of Infrastructure and Transportation, we were able to develop a partnership, basically a P3, and build a bridge across the Brazeau River, which has served very well. But because of the large usage by oil companies, what's happening right now is it's affecting other industries, and they're utilizing the roads that are built in the forest management agree-

ments. Their cycle times now are anywhere from 20 minutes to a half hour longer, so it's costing them a lot more. I know that we work on road-use agreements, but I still believe that we have to look at that.

As some of the members from the other side were talking about Fort McMurray, well, I don't want to disillusion them, but West Yellowhead is having the same problem, maybe not to the same magnitude, but in respect to what's transpiring there, it is the same magnitude. I'm just wondering if the minister can comment on the possibility of looking at a program where we're moving towards doing some upgrading and a plan so that when I go back to my riding, I can let my constituents know that we are going to be moving ahead on at least highway 40 north and also on highway 47 to the trunk road to his constituency in Rocky Mountain House.

Thank you.

**Mr. Lund:** Thanks to the hon. member for those comments. I'm sorry, but I'm not up to speed on exactly what we have in store for highway 40 either north or south. I must inform the House that the plaque with the name of the Member for West Yellowhead on it on the bridge that was built across the Brazeau was planted on the side of the bridge that was in my constituency, so he got all the credit for it.

What is happening, Mr. Chair, is that there are deals being struck. One that I'm familiar with is in the Rocky constituency, and this agreement was struck about a year ago. The department is paying 50 per cent, and the municipality is taking the lead to gather up the other 50 per cent, and it looks like it's going to involve the First Nations, the municipality, and some forest companies.

Now, the member mentioned about the turnaround time, and this is really interesting. The one forest company that is really interested in participating did a study on what the benefit would be to them if that road was upgraded and paved, and I was quite surprised at the kind of numbers they came up with because of that turnaround time issue, and then, of course, you throw in with the turnaround time the safety of having those kinds of roads done. So I think there's a real possibility there to get into some of those bigger partnerships.

The bridge that the member referred to: the fact was that for any rig move across the Brazeau River it cost the companies at least \$180,000 to get around that crossing because they had to go a long ways east, get across the river, and then come back west. I'm sure they've probably recovered their investment already because of all the activity that's in there. So I think that there are opportunities like that that we need to explore.

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

**Mr. Chase:** Thank you very much. More flight questions; it intrigues me about the possibilities. If a sitting minister supports a leadership candidate, can he or she simply say, "come fly with me," which is, basically, an end run? To what extent is the potential overuse or abuse of these planes going to be controlled?

One last comment. I know my hon. compatriot from Calgary-Currie would like to speak about Advanced Education concerns. I'd like to put in a plea as the hon. Member for Yellowhead put in. I'd like to put in a plug for the twinning of the bridge leading to Drayton Valley in the constituency of Drayton Valley-Calmar, which, like Fort McMurray, sees the wealth go by rather than staying in the town. Please add that bridge to the list.

**Mr. Lund:** Mr. Chairman, I can assure the member that there is an approval process with the aircraft, and we will be watching that very closely because I think it reflects on all MLAs if, in fact, there is

abuse. We will be watching for abuse, and we will be watching very closely what exactly is happening.

On the issue of Drayton Valley, in fact, they are currently doing a traffic count on that issue. There is the possibility of lighting the bridge to assist in the wintertime. I don't know if the member has been across that particular bridge, but that can be a bit of a problem, just the configuration of it and the way it sits there. I do have to say that to twin it or even to just widen it will be a big undertaking because of the location and how it's situated. But it is on the radar screen, and they're doing some studying on it.

**The Chair:** The hon. Member for West Yellowhead.

**Mr. Strang:** Thank you very much, Mr. Chairman. I guess one point that I forgot to mention to the hon. minister goes back to the aspect of the resource roads. As you realize, we never seem to get enough dollars put into that funding.

I'm just wondering how we can work that because it works as a great partnership with the municipalities. With the Yellowhead county and, I know, more than likely with the MD of Greenview in my riding they have a lot of resource-based people that are working, and they're taking the goods out of the area; therefore, the direct cost is on the municipalities. I know one good example just east of Edson is Wolf Lake Road. That service is all down in the area into Drayton Valley-Calmar, even up into Rocky Mountain House. So I'm just wondering if we can work a little bit better partnership so that we can get more money in that funding. I know that a lot of times we work with the industries to try to get them to partner up, but they always say they're paying enough taxes. So I'm just wondering if we can really look at that issue because it's a safety issue. A lot of the forest industry is hauling out of those areas, taking fibre into Whitecourt-St. Anne too. So if you could give me a comment on that, I'd greatly appreciate it.

**Mr. Lund:** Well, I thank the Member for West Yellowhead for those comments. Certainly, that resource road program is a very important program as he commented, particularly in the timber. It happens in the oil industry as well, but in the timber the companies are harvesting the fibre in one municipality, using that municipality's roads to move it to their mill, but there are no taxes coming out of the area where they're doing the harvesting. So I think that his suggestion of increasing the resource road program and trying to leverage that money is probably a very good idea. I think we need to take another look at it, and I thank him very much for that suggestion.

5:10

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

**Mr. Taylor:** Thank you, Mr. Chairman. I believe that I only have a few minutes, right? We end this at 5:15, so I'll be very, very quick here.

Just curious on the advanced education, postsecondary, front. If the minister could give me a sense of the sort of dollar value behind working with postsecondary institutions to provide the expertise that Alberta Infrastructure has on building a physical plant and various other things for our colleges and universities, which have in and of themselves a pretty substantial infrastructure deficit, as the minister knows. The infrastructure responsibility on one level seems to have been handed back to the Ministry of Advanced Education; on the other hand Infrastructure is still involved here. So if the minister could just very quickly give me sort of a dollar value that I can attach to that division, or sharing, of responsibilities, whatever it is, and perhaps a little bit of insight into Infrastructure's role and

whether this will actually help speed construction of new capital projects in our advanced education system or whether it just kind of bureaucratizes the system.

Thank you.

**Mr. Lund:** Thanks for those comments. The fact is that the dollars are all now housed in Advanced Education for postsecondary. Health has all of the health capital dollars; Advanced Education, all the postsecondary; K to 12 . . .

**The Chair:** I hesitate to interrupt the hon. minister, but pursuant to Standing Order 58(5), which provides for the Committee of Supply to rise and report no later than 5:15 on Tuesday, Wednesday, or Thursday afternoons, I must now put the question after considering the business plan and proposed estimates for the Department of Infrastructure and Transportation for the fiscal year ending March 31, 2007.

Agreed to:

Expense and Equipment/Inventory Purchases	\$2,593,312,000
Capital Investment	\$1,089,590,000

**The Chair:** Shall the vote be reported? Are you agreed?

**Hon. Members:** Agreed.

**The Chair:** Opposed? Carried.

The newly appointed Government House Leader.

**Mr. Zwozdesky:** Thank you, Mr. Chairman. It has indeed been a very illuminating afternoon of debate, and on that note I would move that the committee rise and report the estimates of the Ministry of Infrastructure and Transportation and request leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

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

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2007, for the following department.

Infrastructure and Transportation: expense and equipment/inventory purchases,	\$2,593,312,000;
capital investment,	\$1,089,590,000.

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

**Hon. Members:** Agreed.

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

The hon. Government House Leader.

**Mr. Zwozdesky:** Thank you. Mr. Speaker, I would move that we now call it 5:30 and that we reconvene tonight at 8 in Committee of Supply.

[Motion carried; the Assembly adjourned at 5:15 p.m.]