

Legislative Assembly of Alberta

Title: **Tuesday, May 8, 2007**

7:00 p.m.

Date: 07/05/08

head: **Committee of Supply**

[Mr. Shariff in the chair]

The Deputy Chair: Hon. members, we will call the committee to order. The committee has before it today estimates for the departments of Health and Wellness, Treasury Board, and Municipal Affairs and Housing. We're going to deal with one department at a time. We'll start with Treasury Board.

The hon. President of the Treasury Board.

head: **Main Estimates 2007-08**

Treasury Board

Mr. Snelgrove: Well, good evening, Mr. Chairman. Welcome. I am certainly pleased and honoured to represent the department of Treasury Board with the 2007 to 2008 estimates. I would like to introduce some of the folks that are here tonight to pass me secret notes to answer the provocative if not some stimulating questions that I'm sure are to arise: my deputy minister, Brian Manning; Mike Wevers, the distinguished-looking fellow, just a little more distinguished; Aaron Neumeyer; Lori Cresey; and our communications guy probably thought better of attending and is not present.

The Treasury Board was created to provide a co-ordinated and disciplined approach to managing government spending. It's also responsible for leading government's capital planning process, providing advice and analysis on planning, construction costs, capital spending. During this time of phenomenal growth in Alberta, this is a challenge to say the least. As a new ministry and a new government part of our job is to explore new ways of doing things, particularly in the face of rising construction costs and limited resources. This includes identifying, analyzing alternative approaches to delivering capital projects. The work of the Treasury Board is carried out under the umbrella of the Premier's five priorities, with particular focus on governing with integrity and transparency and managing growth pressures.

The ministry also has a supportive role from a financial and accountability perspective in all of the government priorities. The Premier also gave me three areas of focus in my mandate letter that stemmed from his five priorities. These are to establish a Treasury Board secretariat to provide a co-ordinated and disciplined approach to managing government spending and capital planning, to develop a long-term strategic capital plan, and to explore alternative financing for capital projects.

To achieve my mandate and the goals set out in our business plan, we need adequate government investment in our ministry. Before I share some of the highlights of our estimates for 2007-08, I will talk briefly about our business plan and specifically about the five goals we've set out.

Our first goal is to ensure a co-ordinated and disciplined approach to government spending. This means ensuring that the Treasury Board committee, cabinet, and policy committees are provided information/advice to effectively manage government expenditures and capital planning. This also means ensuring that government's plan for managing growth is sustainable. To achieve this, we will lead a review of the government programs to identify opportunities for more effective spending.

Our second goal is to develop a strategic capital plan to address capital requirements associated with Alberta's economic growth.

Besides allocating funding to help meet Alberta's capital needs, our responsibilities also entail evaluating and prioritizing of these needs as part of a long-term plan. We're talking about a more strategic approach to capital planning than there has been in the past. This includes assessing the impact of approved capital projects on future ministry operating programs.

As part of our strategy to strengthen capital planning we have set up the alternative capital financing office, a new body committed to pursuing new ways to undertake capital projects. Governments will only consider alternative approaches to buildings like P3s where it makes sense from a taxpayer's perspective. Saving from an alternative approach could include fixed prices for construction, fixed completion dates, shorter times to build, long-term warranties on work, and guaranteed maintenance over the length of the contract. The northeast Calgary ring road is an example of how to use the alternative approach and how we can save taxpayers' dollars. In this case we'll save around \$350 million.

Our third goal is to ensure a co-ordinated and disciplined approach to managing government accountability. We do this through the office of the Controller, which is responsible for government accounting standards and financial management policies. We also inform Albertans about how government is addressing its responsibilities through open and accountable financial management and performance reporting such as the government's annual report.

Goal 4 is to provide objective, risk-based audit services that improve government programs and services. This involves providing auditing services, advice, and assistance to other ministries as they develop risk management processes in accounting and financial management policies.

Our fifth and final goal is managing growth and development in the oil sands area. We are establishing the Oil Sands Sustainable Development Secretariat in response to recommendations of the Radke report on addressing critical growth pressures brought on by the rapid pace of oil sands development. The secretariat will co-ordinate and approve planning, communications, and service delivery to the oil sands region. It will collaborate with ministries, industry, communities, and stakeholders to find a common approach to address the impacts of the oil sands development.

All five of these goals will help us manage growth in the province while setting the stage for Alberta's continued prosperity. The Treasury Board ministry has been structured to help us accomplish these goals.

In regard to estimates the ministry is made up of eight business areas. I'll go through these areas now and will present the ministry's estimates for the 2007-2008 fiscal year. The overall amount to be voted is for expense and equipment/inventory purchases. The ministry's estimate totals \$19,240,000. Of the overall estimate \$1,633,000 is for the ministry support services. This includes the office of the deputy minister, strategic financial services, and communications. Ministry support services has nine FTEs.

Secretariat of Treasury Board. The secretariat of Treasury Board is responsible for co-ordinating agendas, documents, decisions, requests for support, and advice to the Treasury Board committee. In conjunction with Executive Council the secretariat also reports to and provides information and advice to cabinet and cabinet policy committee. The secretariat has five FTEs, and the estimate required to support it is \$868,000.

Oil Sands Sustainable Development Secretariat. As I mentioned earlier, the Oil Sands Sustainable Development Secretariat emerged in response to recommendations in the Radke report. The secretariat will support the expanded role and mandate of the Oils Sands Ministerial Strategy Committee, which is addressing the many pressures arising out of the massive growth in the oil sands area.

The Oil Sands Sustainable Development Secretariat has seven FTEs. Its share of the ministry's overall estimate is \$1,100,000.

Corporate internal audit services. Corporate internal audit services supports government priorities to be governed with integrity and transparency. This body conducts internal audits on a risk-prioritized basis to ministries across government. It improves other ministries' operations and fiscal management by identifying and recommending improvements to ministries' risk management control and governance process. Our ministry's estimate for corporate internal audit services, with 25 FTEs, is \$4,932,000.

Office of the Controller. As I mentioned previously, the office of the Controller is responsible for government accounting standards and financial management policies. It supports the third goal of our business plan, ensuring a co-ordinated and disciplined approach to the management of government accountability. The office of the Controller has 24 FTEs, and the ministry's estimate for this business area is \$3,057,000.

Spending management and planning plays a lead role in providing a co-ordinated and disciplined approach to the management of government spending, the first goal in our business plan. With 28 FTEs this is the primary contact with ministries for all program budgeting and spending issues, and it reviews programs across government to find ways ministries can more effectively spend money and still achieve their objectives. The ministry's estimate for this area is \$3,600,000.

Strategic capital planning has three distinct responsibilities that support our ministry's mandate to develop a long-term strategic capital plan. This area co-ordinates development of both the five-year and long-term capital plan. It ensures that government takes a disciplined approach to managing and controlling capital spending, and it develops common parameters for demographic and economic change. This is essential if we're going to develop strategies for long-term program delivery to meet the ministry's capital needs. Strategic capital planning has 11 FTEs. The ministry's estimate for this area is \$2,239,000.

We have established the alternative capital financing office, which I mentioned earlier is a body to support our second business plan goal, to develop a strategic capital plan. The alternative capital financing office is a new body. Its role is to assess opportunities within the overall capital plan for managing capital projects by using alternative financing models. As part of its work the office will work with partners from other jurisdictions that have already developed alternative financing methods, tapping into their expertise and implementing P3s here in Alberta. The alternative capital financing office has six FTEs, and its share of the ministry's overall estimates is \$1,711,000. [Mr. Snelgrove's speaking time expired]

Well, I look forward to any questions you might have.

7:10

The Deputy Chair: Hon. members, just so that you have clarity on what will happen today, we have a total of three hours allocated, and we are going to deal with ministries sequentially. There is no time limit. We have up to three hours in total. We are going to start with the Treasury Board, and once we're done with them, we'll proceed with Municipal Affairs and Housing and then Health and Wellness.

The hon. Member for Whitecourt-Ste. Anne.

Mr. VanderBurg: Thank you. I do appreciate the comments that the minister has made. I want to talk on two issues, the first one on the alternate capital financing office identifying and analyzing options for financing capital projects and negotiating P3s where feasible. In Whitecourt the Northern Gateway school division has recommended a modernization of our high school. I know that in

our capital discussions to date, we've discussed opportunities for P3s in new capital projects. Has the minister considered or has there been a discussion around P3s with modernization programs, and if not, why not? I think that modernization programs, too, could form good opportunities for P3s, and there may be some opportunities for savings and long-term maintenance of our buildings. I know that some of the modernization programs are \$5 million, \$10 million programs for their schools.

The second one is goal 5, managing growth and development in the oil sands area. I know that in the spring we had some discussion with regard to developing an Oil Sands Sustainable Development Secretariat, and I just wanted to know what the progress was on that appointment and if the minister has some ideas how that's going to develop and when it's going to develop?

Thank you.

The Deputy Chair: The hon. President of the Treasury Board.

Mr. Snelgrove: You bet. Thank you. The situation with regard to the P3s around modernization. Treasury Board would be very, very happy to sit down with the Minister of Education, were he to come forward through the department, and say: we've identified these projects, and we would like your department's help in assessing whether there is an opportunity for a P3 or not. We're still maintaining, the government maintains that the different departments, Education for example, have their allocations of capital dollars, so it's up to them to prioritize which projects would need to be done.

I think there would be a tremendous opportunity because, in fact, many of the schools we're dealing with now in Alberta are of the same vintage, same age, all just about have the same roof or electrical that may need replacing. There probably is an opportunity under the cost certainty part of our thing to say: look, you can do this school in Edson, the same kind of a thing in Whitecourt, and maybe one in Hinton. There may be a tremendous savings in mobilizing these people, and also their becoming familiar with what's required on the project. So I think there is an opportunity, and we would do that if it were identified from the Minister of Education as their priority for their capital.

The oil sands secretariat. We had an extremely good meeting with Mayor Blake a few weeks ago – two weeks ago, I think, now – and it was very reassuring to see Mayor Blake and some of her council and administration say: our biggest problem, quite frankly, is planning. We are in such a tough area here that someone who gets good at that is hired away by either the large oil companies or the other commercial planners, and they lose them, so they're very, very short-staffed. I think the number she used was, in fact, that the city was short over 140 municipal employees.

I know that my colleagues in Municipal Affairs and Infrastructure and Transportation would be happy to sit down with the group from Fort McMurray, look at what their needs are in relation to bringing together a full and comprehensive plan around the issues in Fort McMurray and then be able to communicate back to the people of Fort McMurray: we've finally got a plan that we can understand. It certainly will be Fort McMurray's plan, just with our assistance in developing it. We are interviewing for the ADM position in the oil sands secretariat. But even without filling the spot, we have been working with all of the ministries that were identified in the Radke report and what they will be doing to help alleviate the issues specific to that area.

Thank you.

The Deputy Chair: Hon. members, before you begin speaking, if you can just advise me whether you want to take your time going

back and forth with questions and answers. Then we can allocate 20 minutes' time between yourself and a minister.

The hon. Member for Airdrie-Chestermere.

Ms Haley: Thank you very much. I'm delighted to have the opportunity to be able to ask the minister a few questions, particularly about his core businesses and his goals and strategies. I'm going to begin with your core business 1. Under 1.3 you say that you're going to "lead a review of ministry programs to identify opportunities for more effective spending to achieve program objectives." I'm wondering if you can expand on that, Minister, and give me some indication of when that's going to start and what you see yourself being able to achieve in that review. I know that caucus will be working on it with you, but I know that you must have some goals that you are hoping to come out the other end with.

Your core business 2: the ministry of Treasury Board is responsible for developing the government's long-term strategic capital plan to address their needs related to growth and assist in managing inflation. I know that inside the capital plan inflation is running, you know, out of control, so I'm wondering if you see anything that you can do that would help to alleviate some of that inflationary pressure, whether by extending the length of the capital plan, or do you have some other ideas that might be able to work in there?

Minister, I know that we're trying to address some of the deferred maintenance through the surplus account, but I would also like to know: if that doesn't work out, how do you plan on dealing with that issue? Is it going to become part of the capital plan on a longer term basis?

The other issue that I have with the capital plan. I would like to know, through the review that you're doing of the capital plan, if you're looking at tying it into the operating budget a little more carefully than perhaps it has been in the past so that we understand more accurately the impact that it will have on our operating budget in the next three, five, seven, or 10 years as that capital plan comes on stream.

In your third core business you talk about the annual performance report, audited financial statements, and other supplementary financial information. My question on this is on outcome measurement. Minister, could we have your views on whether or not it's possible to look at more outcome-based performance measures so that we know inside our programs, when we're spending \$10 billion or \$11 billion on health care, for example, if there any outcomes where we can actually say that we have achieved something or accomplished something or that we know we're making headway on pretty much anything?

Number 4 is on the control and governance systems while maintaining the independence required by standards of the Institute of Internal Auditors. This is an interesting one to me because I'm convinced that inside this enormous budget of ours there is some overlap and some duplication between some of the departments. I know that one of the things that Service Alberta has tried to do over the years is to try and eliminate some of that by combining under one umbrella the ability to do some of the purchasing. I'm wondering if during the time that you've been minister, you've had any opportunity at all to try and determine if there is an issue there, and if so, what do you see us being able to do about it under your ministry?

Under your fifth goal, managing growth and development in the oil sands, I wanted to make a comment that's a sidebar to this. I truly appreciate the Radke report and what it has pointed out for the Fort McMurray, Grande Prairie, Peace River areas, that are tied, in some ways to lesser degrees, to the oil sands. I also come from an area that has had unbelievable growth. So when you're looking at

that, I'm wondering if you're looking at the other parts of the province where we've also sustained very rapid growth or are having trouble keeping up with things like getting schools built, you know, as fast. In my riding, for example, we're having right now between 5,000 and 6,000 people a year move into our riding. They're spread out between Langdon, Chestermere, and Airdrie mostly, although Rocky View municipal district is also growing just on a population basis.

7:20

So when you're looking at the rapid growth for the north, I'm wondering if you've also tied it into the capital plan and looked at reprioritizing some of the projects that we have to perhaps mirror a little closer where some of the growth areas are. I understand that there are 28 communities in the province that are experiencing high growth. I know that it's not just in my area. They're all stressing out pretty good too. While I recognize that the money that will be going to municipal affairs will help alleviate some of those problems, is there a tie-back into our capital plan and our operating plan so that we can ensure that money is being spent wisely and in the right places?

My last comment, Minister, is this. When we talk about, you know, reviewing programs to ensure that everything is sort of matched up and co-ordinated to make sure that we reduce duplication and issues like that, I want to point out something. When I was going through the budget, I couldn't help but wonder, after listening to question period again today, about how we're not doing anything for anybody ever and that the world as we know it is ending. So I decided that I would do a little review of my own, and I came up with some interesting numbers. For example, in child care, which incorporates family support for children with disabilities, family and community support services, prevention of family violence, et cetera, et cetera, we're spending \$971,605,000. Under Employment, Immigration and Industry, where we're dealing with income supports, for example, about \$644 million of that department is going to help people who need assistance. Municipal affairs under housing services is spending \$309,104,000, and then including capital grants to local municipalities and things is another \$415 million.

Seniors and Community Supports is \$1,764,000, and that includes everything from seniors' services, disability supports, PDD, community service programs, which includes things like seniors' lodge assistance, senior citizen unique homes, supports to providers of seniors' housing, and affordable housing as well. Infrastructure and Transportation are supplying \$1.2 billion in support to municipalities, which has got to help people keep taxes a little bit lower in some of the cities, and we have the natural gas rebates of \$477,300,000.

When you do sort of a rough estimate of that portion of our budget, which is directly going to help people who are a little bit less fortunate or need a little additional help, we're very close to \$6 billion in those numbers alone out of our budget, or roughly \$1,500 for every man, woman, and child in the province. So I'm wondering if you're satisfied. Are we spending these monies in the correct way, or should we, in fact, get rid of most of these programs and just come in with an income support program where we don't have to, you know, deal with all of everybody's personal issues on a day-to-day basis? Maybe we could do more with a lot less. I would just love your opinion on any or all of those things, Minister.

Thank you.

Mr. Snelgrove: I've got notes now, I'll tell you. I feel like the hon. Member for Edmonton-Mill Creek here. I'll try and keep this kind

of along the order of the questions, although some of them fit back and forth together.

About cost review and the timelines around it and how I'd like to see it happen. One of the things that I think we need to do – and we're going to be holding a caucus retreat in June. That will give us an opportunity to reflect a little bit on the budget debate here, but I think it will give us an opportunity to kind of set the goal posts out there. I'd like to call it Alberta 20/20, perfect vision. So we'll know where we expect government to be, and it will be very helpful in determining priorities that we face right now if we know what we want this to look like down the road.

Then, with that in mind, as you review the different departments – we have right now a deputy minister's council that is working internally to identify areas that they can work on and to try and come up with some kind of a template that we can hold all government departments to so that you're not dealing with them from different pressures. I think the hon. member would know that you can go through a committee review where you may have people that are not supportive of one department or another, so we need to make sure that we have a consistent approach to looking at: are the departments achieving the goals that are set out for them?

I would expect that in most of this review there is a lot of information that could come internally, and towards the end of summer, September, October, early into the budgeting process, we will be able to have a thorough look at these departments and their relationships with each other, which is critical to: does this fit in this department? Should it go here? We had some major changes in the makeup of our cabinet, and I don't know if that's done yet. We want to have that flexibility to ask all the questions about how it will shake out.

Then controlling costs. One of the things that is so critical for us to do is develop a relationship with our municipal partners around how we're going to deliver goods and stuff in their communities, even as little as saying about competing for contractors in specific areas. I've used this example before: if we're only producing enough paving oil to pave 2,000 kilometres of road, then we ought not tender 2,200. We need to get that information to caucus so that they can make that decision, realizing that if you tender even one kilometre more road than you have the ability to pave, it drives all the costs up. Granted, the Alberta government spends a large amount of money on infrastructure, but we are a very small part of the total Alberta picture that's spent on infrastructure when you include business and the municipalities. So we need to be in sync with our municipal partners, whether it's building resource roads in the rural areas or overpass embankments. That's critical to us, knowing what capacity they have to have.

The capacity is not just limited to road building or paving. We need to try and build capacity into the building industry. Some of the things that we think will help are by packaging up schools, for example, and being able to build schools that are very similar in design. You may be able to go into an area and say: "We've got, you know, five or six schools that are very similar. Does that make it easier for you to bid as a contractor?" I can't tell you if you're better off to do 30 schools and get the big guys, or whether you're able to go with five and develop small contractors into relationships where they may turn into big contractors and increase capacity, or whether we have to look out of the province and out of the country, in fact, to bring contractors into some of the bigger projects by packaging, whether it be a university expansion or a hospital expansion. We need to be able to look at it without committing to things that we don't want to do. That's just about like touching a fan. You might be really close. So we have to be careful because it's taxpayers' dollars, and we'll look after them.

There's a huge opportunity, I think, if we're fortunate enough this year to have unallocated surpluses. We've determined, as was said in the throne speech, that one-third would go to savings and investment and that two-thirds would go into deferred maintenance or replacement capital or things that we have been able to identify that we need to address and possibly create a fund.

The Auditor General has suggested to us quite clearly that we should be addressing the fact that we know that if we build a hospital now, in so many years – maybe it's 10 years – you need to start upgrading. Maybe it's next year. At 20 years, 30 years, and 50 years what are your known costs going to be? If you pave a highway this year, if you build a highway – and the Department of Infrastructure and Transportation is expert at saying: given typical wear patterns, in 15 years you need to do this – that money needs to start to be identified earlier in the process so that we don't box ourselves into a deferred maintenance shortage or a backlog. The Auditor General's other request of us, too, is to ensure that when you're making the decisions as caucus how many schools you're going to build, you have all of this information available to you to know that you've made that decision on good grounds.

I've asked the chair of the capital planning committee to also produce for us maps that will show very clearly. It's easy to have a binder full of all the highway projects in Alberta – and there is an enormous number – but I think that if you can see the plan that says that this backbone of Alberta needs to be completed and these feeder ribs to the skeleton need to be done and here's why – if we just listed off the numbers of secondaries or highways, most Albertans wouldn't know where they are or what their relationship to the infrastructure plan is. So in being able to bring these all together, we can actually look and see the progress we're making on building the plan and having a real plan and not just a list of projects that'll come together. The maps are coming. I think I want them bigger than they were.

7:30

One more co-ordinated thing that the government I think will see not only huge dollar savings in but operational efficiencies is the IT co-ordination. Our deputy in government services has been working with IT on very, very good initiatives that the hon. minister of restructuring and efficiencies was before, and we are bringing all government departments onto a common server. We have a very good plan in the works that will show how this system is going to benefit and how it's going to work and what departments may need extra capacity at what level and the relationship to all the rest of government. This will also be the same for the radio communications system that we need, which will work for the RCMP, for Environment, Sustainable Resources, and the municipalities.

But it's really important that before we start down this line, we know what the plan is and what it means to every single department, and then we can bring the book of projects that build the plan. I'm being very careful in that everyone will be able to see: here's the plan, okay? Here are the existing costs, and here are the savings from this plan, and here's how we support going down the road if this thing becomes a priority for it.

When we talk with the Auditor General, my emphasis to him is that this needs to be run far more like a corporate identity than a whole bunch of different corporate structures competing for the same goal. We have to focus on branding Alberta by doing it. I know that it's difficult, but we also need to remove the artificial barriers that some of our departments have put with each other. By making them develop that plan together, I think they'll start to see that this is the approach we want to take, and if we're going to get the projects we need, we have to have that plan clearly laid out.

From that, talk about purchasing. Very, very interesting. I think we can look quite differently at how we purchase a lot of smaller items. We have been given presentations where people can show that we can go out of our system, online, buy what we need. These systems are so fast and so can give us the competitive price of the day, what we've paid before, what it is. Try to start to buy far more strategically and make the paperwork around the purchasing far easier. If you have ever attended a conference on behalf of two ministries and used the wrong credit card, you'd know what I'm talking about with us making it difficult.

From going to common purchasing, without getting into health care but just going into the Service Alberta purchasing and our Treasury Board – we spend around \$900 million in government on items less than \$10,000 – we estimate between 10 and 17 per cent savings.

The Deputy Chair: Any others for the Treasury Board? The hon. Member for Battle River-Wainwright.

Before I recognize you, I just want to reclarify because somebody sent me a note. When we finish with the Treasury Board, we will proceed with the minister of municipal affairs and then the Minister of Health and Wellness.

Mr. Griffiths: Thank you, Chair. It's a pleasure to stand here today. As with my colleagues, whether or not I ask more questions will be whether or not I get the answers to the ones I ask the first time. Most of them are fairly small, and a couple are points of clarification.

The Deputy Chair: Hon. member, just a second. There seems to be a buzzing sound, and it appears like somebody may have a BlackBerry that's ringing silently, which is being picked up by the sound system. Please look on your table.

Mr. Griffiths: It's coming from outside.

The Deputy Chair: It's coming from outside? Okay.

Well, hon. Member for Battle River-Wainwright, you may proceed.

Mr. Griffiths: I'll do the best I can. Thank you, Chair.

I'm sort of going to start at the back and work my way forward. Some of the questions I had were under core business 5, managing growth and development in the oil sands areas. I was mostly curious if the intent of the entire plan is to develop a work plan and work with other ministries and industry and communities. I'm wondering what the complete nature of that plan is, whether it's just a land-use development and infrastructure development for housing and for water and waste water or if it will include some components of workforce development. I've argued many times that one of the greatest challenges we're going to have and that the one item I actually believe will hold back development in Alberta and may impact our economy is whether or not we attract the qualified skilled workforce that's necessary. So I'm wondering exactly how large that component is.

On core business 4 I was very pleased to see that one of the challenges the department is undertaking is in evaluating and improving the effectiveness, efficiency, and economy of their programs and services. It tied into another business plan component of the departments. I'm wondering if it's going to deal with regulations. I know that it's probably not the purview of the Treasury Board; it might be more of Service Alberta. But when you're evaluating and improving the effectiveness and efficiency

and economy of programs and services, regulations are going to be a critical component. So I'm wondering if it is more related to the purview of another department, if you're going to ensure that the regulations are part of that review.

There are two sections that both relate to performance measures: under goal 1, 1.5, reviewing business plan standards to establish submission requirements for ministries, and then 3.4, participating in the development and introduction of measures to benchmark improvements in the quality of life for all Albertans. Those benchmarks for 3.4 are very critical, and performance measures are in general.

Indeed, in Public Accounts I've argued endlessly and repeatedly that there are three types of performance measures that can be used. The first is satisfaction type surveys that just show whether clients are happy. The second is output measures that just show volume. Quite frankly, I mean, it would be like evaluating how many students graduate from high school. That's an output. But the real performance measures, if you're assisting other departments in improving their measurements and establishing measurements for quality of life, are the outcomes. That's not whether we have, you know, 95 per cent of our students graduating from high school but whether or not they're getting jobs after, that it's a meaningful education that makes them employable in the workforce. So I'm curious about the development of the benchmarks for measuring the quality of life for Albertans and how you're going to assist other ministries by reviewing their business plans and establishing submission requirements for ministries.

Two more questions. One of the government's priorities is to ensure that the spending associated with the government's plan for managing growth is sustainable. I think that's a key goal and performance measure of this department. In this budget we have quite a remarkable increase in spending, and I'm wondering what sorts of protocols you followed to establish whether or not this is a sustainable level of growth and how long it's going to carry on. Assuming it is one thing, or saying it is another thing, but how exactly did you define whether or not it is a sustainable rate of growth?

The final question I had: since this department is about managing the spending and managing performance measures and helping other ministries become more effective, I'm wondering if there is some component that's missing from this business plan that deals with managing expectations. It's not necessarily even the public's but the ministries' expectations of what they're going to be able to do year in and year out, not necessarily assuming that they're always going to get a 7 or 8 or 10 per cent increase but being realistic and accounting and factoring for the population growth plus inflation.

That should do it for now. Thank you.

Mr. Snelgrove: Yeah. There are some extremely interesting questions there. I want to go right to the quality of life stuff because I think that's absolutely essential. He makes very good points about surveys and understanding things that we can measure. I do agree that unless you can measure it, it's probably not that important. But we can measure quality of life, and I would clearly like to see the government keeping an eye on sound financial management but changing our measurement to outcomes. I know that I think we live in trepidation of the Auditor General coming in and finding out that we didn't spend what we thought we did, but to me and to the people that I represent, what we spent is very important, how we got our results back from it. What did it mean? Did we educate a whole bunch of buggy makers that are the best buggy makers in the world a hundred years after we quit using horses?

7:40

I think caucus would say that we do need that balance in there that says that these quality of life issues are going to be held up to ministerial departments on an ongoing basis. I think it's been quite easy in government to design a project, approve it through the former SPCs, now through CPCs, through caucus, through our department, and then we kind of let it go without continually monitoring and making the department respond back to us that they are in fact achieving the goals. Unfortunately, one of the only tools we have is money. But I think we'll be ready to say, "If you're not achieving those goals or if what you're doing isn't relevant, then money becomes the tool we measure your support from government at."

The regulatory review does work under Service Alberta, but it works for every department and, therefore, does have a large effect on our program delivery because in many ways when you have a government that deals with all aspects of life, you are bound to run into contradictory policy. The minister of municipal affairs was to point out that we have to change some of the regulations around secondary suites. We have a huge issue around housing. That's one of the fastest solutions to increasing capacity for shelters. So we need to make sure that the policy from whichever department, probably his too – you know, that we're not getting in each other's way. We need to make sure that not only policy is co-ordinated, that unnecessary regulation that business tells us needs to be reviewed – and we have an excellent regulatory review member now doing a great job of ensuring that they're well vetted. The regulatory review, the policy co-ordination: all of these things need to come together for us to do what we're doing.

As the hon. member pointed out clearly, growing government at 10 per cent is not sustainable unless the economy and all of our incomes far exceed 10 per cent, and that's probably not practical. We are setting targets out early in the year in our budget that we expect that 4 per cent growth is more realistic in government, and we're going to work very diligently through the summer to try and achieve the goals we've set out in our three-year financial plan. Also, it may mean that we need to reallocate within budgets to address the priorities that the Premier and this government have set out.

As we do all of the things that the hon. member said, benchmarking what we want to achieve but understanding where we want to be, making sure we co-ordinate our departments – this is a huge job, and the Treasury Board will try and co-ordinate with all of our CPC chairs, our other ministers, and in fact all of caucus, who the Premier has clearly said will have the say in how we govern.

How do we measure up around the world? Recently our performance measuring document that we use was recognized by New Zealand as leading in the world. So, I mean, in all honesty our internal auditors, our auditing system, the way that we manage government in an accountability thing is really continually and continuously recognized by the Auditor General as being certainly the best he knows, the best in Canada. I would suggest that just because we know of the situation down the road, we probably are one of the top in the world for being able to identify and clearly account for the money that we spend.

The oil sands approach very clearly will be one of co-ordination in virtually all aspects. It's actually a very good template for us to look at every high growth area and to identify how important it is that the guy building the bridge is also the one building the road to the bridge and to identify where the growth areas are and that the communities and the neighborhoods and the subdivisions have schools in the plan that will be there when the kids are there.

It's really difficult to keep up all over Alberta. The oil sands did recognize Cold Lake, Bonnyville, and some of Peace Country, but the co-ordination will probably be one of the critical steps of the oil sands secretariat. I think we can safely say that the proposed development around the Fort Saskatchewan and Redwater areas should be something we've learned from the Radke report about what not to do. So let's get out ahead of this and set out our infrastructure and identify the stress it will have on the surrounding communities so that we don't get into the same mistake again.

The Deputy Chair: Any others for the Treasury Board? Seeing none, we shall proceed with the Minister of Municipal Affairs and Housing.

Hon. President of the Treasury Board, your staff can leave now if they so choose.

Hon. minister, would you please introduce your staff present in the Assembly?

Municipal Affairs and Housing

Mr. Danyluk: Well, thank you very much, Mr. Chairman. It is indeed an honour for me to introduce my staff. They have done so much work not only in order to make this presentation and have the budget in place but also all the great work that they have done in the last three months.

First of all, Mr. Chairman, I'd like to introduce my deputy minister, Shelley Ewart-Johnson, who is sitting with me on my right. I'd also like to introduce Robin Wigston, who is the assistant deputy minister of housing, immediately on my left, and Brian Quickfall, the assistant deputy minister of local government services. At this time I would also like to introduce Peter Crerar, the assistant deputy minister, strategic corporate services, who is in the gallery. I see that Ivan Moore, who is the assistant deputy minister of the public safety division, has just stepped out for a moment. Also, I would like to thank the staff that are back at the offices of the ministry that have also done so much work.

Thank you very much.

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

Mr. VanderBurg: Well, thank you. I'm going to take a little bit different approach this year with the minister's budget. I recall not long ago when I served 15 years as councillor and mayor for the town of Whitecourt. My comments last week to my mayors in Whitecourt-Ste. Anne were that I wish I was the mayor of Whitecourt at this time with the support that they get from this ministry and the Ministry of Infrastructure and Transportation.

I want to highlight to the minister, because the minister probably doesn't hear this, from my mayors from Alberta Beach to Yellowstone a thank you for the \$14,675,000 in this budget that he and his staff have assigned just in this last couple of weeks to our municipalities. This is for the municipal sustainability initiative, the Alberta municipal infrastructure program, the new deals for cities, the street improvement program, and the rural transportation grant.

I'm going to list them off because my mayors and councils, you know, I meet with on a very regular basis, and a lot of our time we talk about funding from the province. Alberta Beach, \$281,201; Birch Cove, \$27,656; Castle Island, \$25,281; Lac Ste. Anne county, \$2.6 million; Mayerthorpe, \$597,000; Nakamun Park, \$37,000; Onoway, \$359,000; Ross Haven, \$63,000; Sandy Beach, \$91,000; Sangudo, \$175,000; Silver Sands, \$66,000; South View, \$47,000; Sunrise Beach, \$53,000; Sunset Point, \$85,000; Val Quentin, \$69,000; West Cove, \$58,000; Whitecourt, \$2.9 million; Woodlands

county, \$1.7 million; Yellowhead county, \$5.2 million; Yellowstone, \$53,000. Minister, thank you.

7:50

When I do have problems – and once in a while, you know, there are problems where a community doesn't feel that they've gotten their fair share – I call Robin, and he resolves the problem for me, and he makes it much easier for me to go back home on the weekends and face the mayor and the community and the radio stations and the Whitecourt paper and my other nine papers that I write articles for each and every week.

I want to thank the minister and the staff once again. I appreciate taking up the time of the Legislature tonight on behalf of my constituents to thank him for a job well done.

Thank you.

Mr. Danyluk: Well, I'd very much like to respond to the Member for Whitecourt-St. Anne. It is indeed a pleasure to hear those kind words. I want to say that it has also been very gratifying to hear many communities that have talked about the support for this funding going to their municipalities. There's no doubt that there have been some questions about how that distribution was to take place.

I want to quote individuals that came from Canmore and Banff. I had meetings with the mayors of those communities and that area, and they were so supportive also of how this funding will help. I can talk about communities in different parts of the province that have looked and said: you know, we needed a little push, and this push is going to be very instrumental in making our co-operation and regional planning work much better.

Mr. Chairman, that little part, if that's what that does to help communities discuss, maybe eliminate some duplication, then I want to say that, you know, we have succeeded. Are the solutions perfect? No. We are going to work with municipalities, with associations, making sure that we try to get to a stage that municipalities that are in hardship are supported; that for municipalities that have unique situations, whether they be municipalities that are in the tourist industry or in the tourist areas, their challenges are recognized; making sure that some of the challenges that municipalities that are beside large centres have are also recognized; and, yes, also the large municipalities such as Edmonton and Calgary, making sure that some of the focuses that they have can be recognized.

I again stress to you, Mr. Chairman, that we will continue to work having two major focuses, one focus still being that we need to communicate, collaborate, and co-operate regionally, and the second one being that we need to support municipalities so that they can have autonomy yet have sustainability and predictability of funding.

It is very nice to know that I've had many MLAs from both sides of the House give me compliments on the hard work that my staff have done. I appreciate the acknowledgement because they very much have worked very hard and are very dedicated. I know that they had no idea when this ministry started that we would be on the roller coaster, maybe, that we have been, but I compliment them. I also compliment the MLAs for being patient because it is a learning curve for all of us.

Thank you very much, Mr. Chairman.

The Deputy Chair: The hon. Member for Airdrie-Chestermere.

Ms Haley: Thank you, Mr. Chairman. I just have a few perhaps more comments than questions but in the end, I guess, a question about the direction that we're going. Under your core businesses and goals, Minister, one of the things that you talk about in goal 2 is

to contribute to the financial sustainability of local governments, which are responsible and accountable to their citizens. I guess my question is this: when the provincial government is funding so many things inside municipalities, do the lines not become a bit blurred as to who's funding what and who's accountable or responsible for what?

I come back to, I guess, an issue that I know I've raised before, but it's something that I feel quite strongly about, and that is making sure that the taxpayers know who to hold accountable for what they're paying. When I look at the funding for municipalities, we're connecting with them in various places. In ambulance funding we didn't take it all over, but we're funding a portion of it. In library funding we top up some of the things that they pay for. FCSS is in another department, I know, but that type of thing where there's an interconnection between us and the municipality. I've often wondered why it is that if we're going to disconnect ourselves from this \$1.4 billion, you know, even if it is just for the 10 years, why we do not disentangle some of the issues that people would find on their tax forms as a municipal tax base; for example, where they would know who to call on which issue.

The recognition, for example, on the ring roads around Edmonton and Calgary. These are not traditionally a provincial responsibility. Urban transportation was the responsibility of the urban municipality, yet we've stepped into that and are spending billions of dollars. Now, I know that they do not have the financial resources to pay for that, and I'm glad that we're doing it. I think it's absolutely essential, but it's once again where we've crossed over lines between what municipalities fund and what we should be funding.

That brings me to affordable housing. Even inside the various departments of the government of Alberta affordable housing, social housing, rent supplements, and things are crossed over between various ministries, and it's very hard to just actually have an accurate handle on what we fund, whether it's the minister responsible for EII or seniors coming back into yours, there's a difficulty, I think.

I guess I have to relate it back to the questions that are asked in question period when the accusation is that we're not doing enough for people or that we should get rid of natural gas rebates or various things so that we can put more money into affordable housing. Is that indeed the direction that we should be going? Should we be looking at every dollar that's spent by this government to help people stay in their homes or to bring their rent down to a sustainable level, various things like that? Minister, is there a way that we could be doing it more efficiently, more effectively so that we can track exactly what we're doing or whether or not it's making any difference?

Years ago there were rent controls in Alberta. They were proven not to work, but there was also, Minister, a tax credit for renters. I'm wondering if that's something that you've looked at in the affordable housing area. Is there a way that we can help people even with a bit of a tax reduction, that would be more effective than some of the things that we're doing?

When you're looking at the affordable housing issue, how do you prioritize which programs you will you fund? Do you think that the federal government will be doing another assistance like the Canada/Alberta infrastructure program, where money could be allocated into affordable housing so that we could perhaps leverage some of these dollars out a little bit more than we have been?

8:00

I think that probably the key one for me is that I don't believe that the government should in fact be building houses. We went down this road with the Alberta Mortgage and Housing Corporation for

years. We helped people get into houses with almost zero down or maybe 2 or 3 per cent down, but at the end of the day when the economy crashed in the '80s, cities like Airdrie, which was just maybe 16,000 people at that time, ended up with 500 empty houses on our streets all owned by Alberta Mortgage and Housing Corporation. It took years for that surplus of houses to be used up, for the people who had stayed there, if they could even sell the house, to try and get back up to what they owed on their mortgage for it.

When government does something, there is an equal and opposite reaction. I'm hopeful that whatever steps we take trying to assist people today, we take the time to look at what the potential reactions are. To unwind ourselves from the Alberta Mortgage and Housing Corporation, I believe the price tag was about \$3.5 billion. That was an additional loss to the taxpayers of the province. So I urge in anything that we do to be careful, that we look at the programs that we're delivering, such as seniors' housing, the lodges, and those types of things, to ensure that if we're putting in resources, we're putting resources into the right places for that.

So with that, Mr. Minister, thank you very much for the opportunity to just raise a few of my concerns, and I'd appreciate your input. Thank you.

The Deputy Chair: The hon. minister.

Mr. Danyluk: Well, thank you very much. I would like to say that, you know, the role of government is very much a balancing act. It is: where and how do we support individuals? Where do we get involved, you know, in supporting individuals and to what extent?

When we talked about the support in funding so many things and where the lines are, I want to say that I feel that some of the questions you have are pertinent in the way that we are having communication with municipalities, with the associations, and we have also talked to those individuals. We are having consultation between now and September because I really believe that with autonomy from municipality comes responsibility. There's no doubt that we cannot continue on a patch system. I think you are absolutely right. Not only do the citizens need to have the right to know who is responsible, but municipalities need to know who is responsible.

An interesting comment, and I sort of relay it to the minister of health. Individual municipalities are asking us: where are you going with ambulances? They're at the point of saying: you know, we really don't care if you go to Health or you go to Municipal Affairs or their responsibility; just tell us because sitting in limbo is not working.

The other point that I'd like to make is on the comments that you made about libraries. We have met with the library association. We have gone to the library conference. I have asked them to look at where they feel they need to be and that we have a direction because we cannot go on, for predictability purposes especially and the sustainability of libraries – every year they look at a patch system and say, "Well, we need to go in this direction, and we need to try to address these issues," and then the next year it's something else. So I've asked them a little bit differently.

I've asked them: if you had a utopian world, at the end in that utopian world, in 25 or 50 years, where do you want to be? So when we figure out where libraries should be, then let's work our way in that direction. Maybe libraries should completely be under the auspices of municipalities, or maybe FCSS should be under municipalities. But I think that we need to know where we're going, and municipalities need to know where they're going. We need to find some focus and direction. So municipalities have, no question, especially when they're doing budgets, to wait for us to figure out

what kind of money and support we're giving in order to support them. So you can't ask municipalities to have predictability and regional planning if we don't do it ourselves. So I think that we need to do it ourselves. And very good points in that direction.

When you talk about ring roads and sometimes crossing the lines, there's no doubt that municipalities are having a challenge, and the Alberta municipal infrastructure program was to assist those municipalities, but you know, because they continue to have challenges, we continue to support. I think the focus that we're having, especially the focus that we should have at the end of three years – and I say that at the end of three years there should be some definite funding, whether it be infrastructure or whether it be the services that they provide, trying to break that dependency and giving autonomy.

You mentioned affordable housing, that it's very hard to get an accurate handle and difficult to make choices. You know, it is difficult to make choices. It is difficult to make the choices because we really need to look at the challenge in a global sense or a long-term sense. What could we achieve? We need to continue to have housing being built. You're absolutely right. We try to stay completely out of owning houses. I don't think we should get into housing.

I think that in conjunction with private enterprise we should be supporting communities, supporting municipalities and working with them to try to achieve some of the major needs that they have in their area. When I talk about the major needs in their area, I truly believe that a municipality probably knows better than anybody else. Is it our responsibility alone? No. It is a provincial responsibility to provide support. The federal government provides support. But it's very much the responsibility of municipalities to identify how those needs can be best addressed.

So some of the funding that we have given to municipalities very much addresses those areas. It addresses the area from the aspect that the municipalities that are in a very high growth area and have the criteria of having their growth rates over 2.59 per cent and their vacancy rate at, just to be clear, 1.7 per cent and the average cost of a two-bedroom suite at \$620 – if municipalities meet those criteria, then they are what we consider a high growth area, and they will receive funding to support housing in their community. What does that need to look like? Well, I mean, we encourage them for immediate support to use rent supplements. It's a policy of this government that if you need affordable housing, you should not pay more than 30 per cent of your wage. I think that's fairly reasonable.

So when we look at that, the President of the Treasury Board stated earlier that secondary suites are one of the quickest ways that we can provide units. I think that is a low or a small investment to provide somebody with accessibility to some stability of residency. So that, I think, works. But at the same time, we still need to look at the long term. We need to support private enterprise or municipalities in their long-term planning to make sure that we do have units that are available.

8:10

We are in a circumstance where last year – and maybe it was an extraordinary year because it was one of the highest – 100,000 people came to Alberta. Now, that was an extreme. They didn't come with doctors, and they didn't come with teachers, and they didn't come with accommodations. They came looking for a job, and they needed accommodation. So somehow we need to support that accommodation. We also have our children that are in the workforce that are needing accommodation.

Now, the province is growing, and this year it may not be to that extent. Maybe it will only be 50,000 people. Still, 50,000 people

that need residences is a very difficult problem, so we need to look in the long term, and at the same time we very much need to look at support. You know, your comments that we have different ministries that are supporting different areas and we don't have enough communication or . . . [Mr. Danyluk's speaking time expired] Thank you very much.

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

Dr. Brown: Thank you, Mr. Chairman. I have a number of questions for the minister. First of all, I'll just start by asking a couple of questions about the municipal sustainability initiative, which, as I understand it, is a commitment over four years of \$1.4 billion to the municipalities and \$400 million starting in this coming year. I wonder if the minister could advise me how the allocation was made between the municipalities which are receiving those funds. As I understand it, the amount of \$1.4 billion was predicated upon being an approximation of what the provincial portion of the municipal property taxes were, the education component of property taxes. I wonder whether he could advise how that was allocated between the municipalities. Was it done on the basis of population, or was it done on the basis of how those taxes were collected in the various municipalities?

Also with respect to that same fund, I wonder whether he could advise about the constraints that were put on the spending of those funds. I can certainly understand that some of the municipalities are somewhat concerned about the fact that they are having what they call strings attached to the funds which are provided to them. I think the minister has referred to them as boxes rather than strings. But why are those constraints being placed upon what the municipalities can and can't do with the money?

I can certainly understand allocating responsibilities and perhaps changing those responsibilities and having the municipalities assume certain responsibilities which the provincial government is handling right now, but rather than dividing those responsibilities, we seem to have exerted some measure of control over an elected body of government, which admittedly is subsidiary to the provincial government.

Secondly, I'd like some feedback on the issue of the rent stability. I can understand from the minister's responses in the question period that as a general matter of policy he is not in favour of rent controls. I would certainly freely admit that it's certainly not a cure-all, and it's probably not good policy in the long run, but we are dealing with a situation where there's an imbalance in the free market, and the free market has in a sense not responded in the present situation. Because of the fact that there's less than a 1 per cent vacancy rate, there's not a balance between the buyers and the sellers. It's a seller's market, and this is not something that is being cured by building new houses because those people that are caught in this imbalance are individuals that are at the low end of the housing spectrum. They're people that are living in basement suites, in walk-up suites, in older apartment blocks, and although in the vast majority of cases landlords are giving moderate increases, some of them are being faced with very inordinate rent increases.

I wonder whether the minister could assist me in understanding, given the fact that rent stability guidelines are not in the offing, how this relief that he has proposed in the budget would work. As I understand it, there's some \$11 million or some figure in that neighbourhood allocated for helping people who are in need of immediate assistance to keep them in their homes. I wonder if he could advise how much of that money is planned to be spent, how it would be administered, how you would determine who would qualify for such assistance, and how much an individual would be

able to access through that program. In other words, how would that program work to assist people who are really being forced to leave their homes because of inordinate rent increases?

[Ms Haley in the chair]

The third area: I wondered whether or not the minister had had an opportunity to talk to municipalities about the issue of development permits. I'm thinking of development permits particularly in the area of things like trailer courts and whatnot. I've noticed that in proximity to the city of Calgary the trailer courts in Balzac and Strathmore and west of the city of Calgary are filled year-round with people. They're seeking accommodations wherever they can get them in the case of camper trucks or motorhomes or trailers, portable housing, and it would seem to me that there is some room there for some immediate response by facilitating or at least encouraging the municipalities to facilitate some perhaps temporary development permits to allow some portable housing to be put up in these areas and increasing that capacity.

I'll leave the minister with those inquiries.

The Acting Chair: The hon. minister.

Mr. Danyluk: Well, thank you very much, Madam Chair. I'm not going to exactly go in the order, if you don't mind, of answering the questions you asked because I think I need to just change a little bit of the direction. The first answer that I want to give you is how the decision was made as far as the municipal sustainability initiative. Well, we looked at population. There's no doubt that we have challenges with population. We have individual communities who have higher populations but no equalized assessment. If we distributed the funding on a population basis as we did the Alberta municipal infrastructure program and, you know, had a base, I don't think we would be solving anything because all we would be doing is adding money and adding dependency on the government.

8:20

We looked at exactly what the Premier had talked about. The Premier said that we have \$1.4 billion that is collected for education taxes. We will give that back to municipalities for them to gain some sustainability and predictability. It was decided by this government that the \$1.4 billion would be in place after year 3. Just as a matter of point, after year 3 the Alberta municipal infrastructure program would be ended. We are ramping up \$400 million the first year, the amount paid in education, pro-rated. So about \$400 million the first year, \$500 million the second, \$600 million the third, and \$1.4 billion. I'd like to explain to the hon. member that this program is committed for 10 years. That does provide, I believe, some sustainability and predictability.

Madam Chair, I'd also like to talk about the distribution. As I mentioned before, the distribution is very focused, very focused in two avenues: sustainability, predictability. The second one is the aspect of not only regional planning but investigating and looking at different ways that municipalities could work together. What's very important for those municipalities to work together is to have some communication.

I think that what I should read, first of all, is the criteria, which I think is very interesting for those individuals that are critics about the strings on the program. We talk about the core capital. It's divided up into different areas: the first one, core capital. When you look at the core capital, it says: consulted on or jointly planned.

Now, that means that municipalities can do what they want with 80 per cent of that core funding, but with 20 per cent they need to

talk to their neighbour. Why do they need to talk to their neighbour? So that we don't get duplication of waterlines, so that we don't get duplication of roads, so that when we have one municipality having one idea and one having another, that these roads meet, which I think is very important. So if you show us that you have consulted and communicated with your adjoining municipality, that's the only criteria. Is it a condition? Yes, it's a condition. But it's a condition to say that you better have talked for 20 per cent with your neighbour. You know, it doesn't need to be on the outside of a city. It is something that is necessary for that community.

[Mr. Shariff in the chair]

We have done the same with the community capital. The co-ordination incentives are a little bit different. That is really the only one that has strict criteria, which is only \$50 million out of the \$400 million, strict criteria for planned and funded. I say again: planned and funded. That is where municipalities need to plan and talk and co-operate together.

We have taken \$100 million, and we have given it to municipalities, as I stated earlier, the ones that have the challenges of the highest growth pressures. We have delivered that funding by population. You asked the question: why didn't we do everything by population, or how was it done? Well, the reason that we didn't do everything by population, I will say, is that there has been so much discrepancy between so many municipalities about the latest census. We used some of our figures, we used some of the census figures, trying to come up with the most accurate figures that we could. But \$100 million was taken from the \$400 million for affordable housing. I would like to inform the member that we also added funding to municipalities to support the housing, the \$100 million. We added another \$96 million for the municipalities to have the autonomy of choice in deciding what and how they should distribute that funding.

As I said before, should it be, first of all, by rent supplements, rent stability? The general policy that we talk about needs to work. The cure is not the building of new homes. Really, if we say, "Well, you know, we have a cure; we need to build new homes," you know, the building of homes does support the affordable housing because there are individuals that move from rentals and build homes. This has to be something that's balanced.

I'm sorry, my notes are probably too short. It says: how would relief work in the new legislation? Okay. Let me say how it would work. The relief would work in two real ways. If we talk about rentals, I would suggest to you that if you have a rent that cannot be increased more than once a year, even though there is some concern, it does provide some stability. But more so, there are a number of individuals that are very concerned about their rentals being transferred into condominiums. We have extended that to a year as well. There needs to be a year's notice so that individuals have an opportunity to look for other places.

Mr. Chair, when we talk about the rental support, remember that there are different areas and different ways that this rent support happens. With the funding that municipalities get, they can use it. Employment, Immigration and Industry deals with rent support as well. They look at supporting individuals in need. When we look at the \$7 million that was put into the eviction fund, this supports individuals in need.

I think I'm running out of time. You asked me the question about development.

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

Mr. Strang: Thank you very much, Mr. Chairman. I guess a couple points I'd like to bring up. If I could ask the hon. Minister of Municipal Affairs and Housing to turn to page 261 of the government estimates for 2007-08. I'm curious and I would like to know why, under line 7.3.1, the Canada/Alberta affordable housing agreement, in previous years we had \$44 million, and this year we have none. I know that in municipalities like the town of Hinton, the town of Grande Cache we had partners that were going to move forward to obtain some of this money. I was told that there was still some money left over, so I'm sort of curious why you're not showing any for our present year, 2007-08. I guess what I'm looking at is that in one of the municipalities, like the town of Hinton, they are obtaining the land to move forward so that they can integrate affordable housing as well as condos and everything else so they have a mix of homes, so we can make sure that we keep it going that way.

I guess another one that we sort of need help on is in the municipality of Jasper. What we have now is that we have some co-operative housing. If somebody wants to buy one of these homes, they can buy them, and they just pay a set price. When they go to move out, they pay that set price, plus they pay a small increment for interest over the time that they've had it.

8:30

But the big thing that's working to their disadvantage is our assessment value. When you look at the assessment value of homes in Jasper national park, as you realize, we can't keep building homes there every day; we just have a certain small footprint. Therefore, their school taxes are very, very high. So I'm just wondering what we can sort of do in that scenario because it really hampers the aspect. As you realize, a lot of the people that work in this area are in the hospitality industry, so we've got to try and make it a little more affordable for them.

I guess one of my other questions is with the off-the-reserve aboriginal housing. I can see that we have moved up to \$16,142,000 for this year, and I would like to really thank you very much for, number one, moving into the Grande Cache area, where we have co-ops and enterprises of the Aseniwuche Winewak Nation. It has certainly helped us in that area for the simple reason that we can upgrade some of the homes with mobile homes for these people. They are contributing into society. They're working in the mines and the mills in the area. So I hope we can keep that program going for a while so that we can make sure that we move things forward there.

Then one other aspect that I was wondering about is where you've got the rent supplement. I mean, when I look at this, last year our actual was \$14,150,000. This year we're moving it up to \$24,317,000. I'm just wondering: what factor did you use to move that up to meet the present demand that we have?

On the other aspect of lodges and that – and I know that's really not too much in your area – I guess the one thing I look at is that we're talking about who should be in Housing and who isn't and that. With the Evergreen foundation, just to give you an insight there, with the town of Grande Cache just a year and a half ago we built a 30-unit there. Now we're moving into the municipality of Jasper and going to build some designated assisted living there and some lodge units, but this is putting stress on the municipalities because they work it on a per capita rating so that they have to pay for the aspects of the construction. Any operational deficit they also have to feed in that.

What I'm looking at is if there is some way that we can sort of work on these different aspects for these communities. I realize that you say: number one, they have to meet all these factors with a

certain amount of rent for a two-bedroom home, vacancy rate, and a number of other factors. But, you know, these communities are the same as any other booming community. It's booming in their light. So I'm just wondering how we're going to move forward on that.

With the town of Edson we have more land, and I'm just thinking that we should drill down farther when we're talking to this. You know, some of these municipalities have got some good land. We should work on partnering with the municipalities, with the government of Alberta, and with contractors so that we can bring down the price so it makes it feasible for these contractors to go and build an apartment block or townhouses and still make it feasible for people in the low-income bracket to be able to afford to build these houses.

I really look at the aspect of a co-operative type of scenario because I think that really works well. When the people buy it, they can move in, and then they have to keep it up to a standard so that we make sure that we keep it that way.

With those few questions, I'll take my seat and look for some answers.

The Deputy Chair: The hon. minister.

Mr. Danyluk: Thank you very much, Mr. Chairman. I can say to the hon. member that the \$44 million federal program that he was talking about did end. The money and the funding of that program were used up. We did have \$176 million of old money, that was budgeted previously and that was used as well, which we budgeted again, plus \$96 million. So that, I hope, answers that question.

But I need to say to the hon. member that when we talk about the challenges of – and I'll use his term – the hospitality communities, Mr. Chairman, I understand those challenges very much. In fact, I had meetings with Canmore and Banff and Jasper and . . .

Mr. Strang: You were in Jasper, and you never invited me?

Mr. Danyluk: Well, I'm just kind of surprised that you weren't there, but I think that you were busy. There were other ministers and MLAs that were there. I'm not exactly sure why you weren't, and I want to apologize.

I will say at the same time that what did take place is that I previously met with the mayors of Canmore and Banff. I think the best analogy that was used was that they have a town of 10,000 people, and at any one given time, especially in the summertime, they could have 40,000 or 50,000 people. So in those communities they need to have the infrastructure, the capacity of the infrastructure, the sewer lines and the waterlines and the roads, to accommodate those 50,000 people. Yet what does take place in our distribution of funds – and some of them are per capita – is that that per capita is very much unfair as far as support goes.

So I'd like to inform the hon. member that what has taken place is that we have made that commitment that we are relooking at those needs. To the group that came to see myself along with the minister of infrastructure – and I'm trying to remember who all was there – I made the commitment that we will look at their challenges and try to address them. Like I said before, this municipal sustainability initiative needs to be tweaked because that is how we make a better program.

Mr. Chairman, if I could talk a little bit about the \$16 million that is being funded for aboriginal housing, in the housing task force it was asked if this government would match that funding. Well, what happened is that we didn't per se match it with \$16 million. I believe that we matched it with a lot more money because we – I and our ministry – believe that we shouldn't segregate anyone from our community as far as support, so any individual, whether they be

aboriginal or whoever they may be, should have accessibility to affordable housing. We didn't want to make that criterion. The federal government made that criterion for transferring funds to us. We accepted that funding, we accepted that criterion, but our funding doesn't have that criterion. It is for anyone that is in need.

I need to mention as well the rent supplement. You asked the question about the \$14 million in '05-06. Well, we had the \$14 million. We added \$19 million plus \$24 million plus \$14 million. I believe that right now, hon. member, we're at \$38.3 million for rent supplement. You know, that's gone up by, I would suggest to you, three times. But not only that, hon. member, we have also told municipalities that are in very high growth areas that they could use some of their funding for immediate concerns that would be rent supplement, so it also is there for support.

8:40

Mr. Chair, the final comments in regard to partnering with the municipalities and the provincial government and contractors and industry and the need to co-operate. I want to say that that is exactly where we are going and need to go. We need to co-operate with industry. We need to co-operate with municipalities. Municipalities because they know where their challenges and needs are. Industry because industry, in order to survive, needs to be able to have housing. If we can support industry and municipalities and the private enterprise to make affordable housing for individuals that need housing, I think we're winning, and I think that's very critical.

Mr. Chairman, when we speak about co-operation, as I said before, the housing aspect and the minister's sustainability initiative very much revolve around the communication between our government, the federal government, the municipalities, industry, and private enterprise. We as individuals, we as municipalities cannot step away from the responsibility. We cannot step away and say that it is not our problem or not our concern.

The hon. Member for Airdrie-Chestermere made a comment as she talked about the role of government. Well, I think that as we look at municipalities and look at housing, the role of government is to provide sustainability for municipalities. It is also to provide predictability. But we need to make sure that we not completely eliminate, because we'll never do that, but that we decrease the duplication, that we plan together, and that we remember that we if are an urban and a rural municipality, an urban and a rural community, we can have that identity at the localized level at the same time that we really are one community.

I said this afternoon, Mr. Chairman, that we go to the same churches, we watch the same hockey games, we shop at the same stores, yet at the municipal level we sometimes want to build silos or want to build stovepipes in the same house. We are one community, and we need to work together. I think there are so many success stories that are happening and that can happen. We need to take that same philosophy into housing because we need to work together. I think that we have great opportunities to support each other as Albertans.

The Deputy Chair: The hon. Member for Leduc-Beaumont-Devon.

Mr. Rogers: Thank you, Mr. Chairman. Mr. Minister, I would like to thank you for the strong commitment that you and your ministry have made to enhancing the sustainability of municipal government in Alberta. Particularly in these times of explosive growth in our communities, I would like to commend you on your response in the report to the minister's council.

As a former mayor and president of the Alberta Urban Municipalities Association and, Mr. Chairman, someone who has spent a lot of

time in this building prior to being elected as an MLA, pressing the point on these very issues, I have to say that I'm a little disappointed with some of the criticism that has been lobbed against you and this government at a time when, I would submit, support for municipalities has never been greater.

I wonder if you can elaborate further on your goals for some of the recent new funding announced for municipalities and how you see these funds meeting the growth pressures that the municipal leaders themselves have communicated to us. I would say that it relates because in your estimates on page 246, under Local Government Services, you're showing a significant increase – certainly this isn't relative to the millions of dollars that we're committing under some of the other initiatives – going from \$106,000,000 last year to \$415,000,000 this year, and I'm wondering if you might elaborate on those two points, Mr. Minister.

Thank you.

The Deputy Chair: The hon. minister.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. I'm sorry; I'm still trying to find the page. What was the page?

Mr. Rogers: Page 246.

Mr. Danyluk: Let me answer your first question about the roles and how they are going to meet the growth pressures. This will be the quick answer: \$1.4 billion added to municipalities helps to alleviate the growth pressures. I mean, \$1.4 billion is a lot of money. That's the short answer.

The long answer, of course, is that when we look at trying to alleviate growth pressures, it's very necessary that we look at working together and the communication, making sure that we don't have duplication. Those are little things.

The second one is the working together, the working and planning together to make sure that we put ice arenas in strategic places, whether they be in an urban or rural community, to make sure that both communities utilize them, whether it be big or small communities. It's making sure that we share in libraries and that their serviceability is accessible to urbans and rurals or to different communities. It is making sure that when we look at support for our communities and some of their operating costs, we look at community initiatives that are sustainable. Mr. Chairman, in short, it very much means that we have to talk to each other, and that communication alone means and goes a long way to the solutions of meeting those growth pressures.

Now, I can go into what I said before, and I guess I kind of don't want to do too much duplication. But when we look at growth pressures for housing and providing municipalities with support, I look at Calgary at \$77 million and I look at Edmonton at \$45 million and those individual communities deciding how they can address the growth pressures in housing and how they can get private enterprise involved and how they can get industry involved and how they may want to be involved to address the growth pressures in housing and how they could work together when we support the homeless, when we support the transitional housing. It all adds up, and it is all a balanced solution. When we look at the MSI and we talk about the core capital funding – you know, they can do whatever they feel is right with their 80 per cent of funding.

8:50

But for 20 per cent really the minimum that they have to do is talk to each other and say to the adjoining municipality: we are building a road here, and the reason we're building a road here is because we

need to have access to your community. The rural community will say: "Well, that's great idea. We're going to build a road that's going to join here. You know what? We can save ourselves some money." This has happened in communities, where one community builds an access road out of their community, and it's here, and the other one builds an access road into their community which is supposed to join, and it's not joining. Why? Only because they're not speaking with each other. So that is the main issue.

The community capital is just to make sure that when community projects are planned, we understand what the community is. We have a situation in some municipalities – and I want to use a smaller municipality, and maybe what I should do is use my municipality of Lac La Biche, which has just voted for amalgamation, and it made sense. We have a town that has 2,700 people. It's basically locked by approximately 3,000 people from the county that are five miles away from the town or against the town, and they're separate municipalities. There are maybe 2,000 people that are in the surrounding area of the county. That makes sense for those communities to get together, talk about structures, talk about facilities, talk about how they can work together for the betterment of one community.

Finally, page 246, where it talks about local government services. I'm not sure exactly what the question was.

The Deputy Chair: Hon. Member for Leduc-Beaumont-Devon, do you just want to clarify what your question was?

Mr. Rogers: Thank you, Mr. Chairman. I'm very pleased to clarify. My question was just relative to the significant growth in that line item from one year to the other, going from \$106 million to \$415 million. I'm wondering if you might share with us some of the assistance that might be provided to municipalities out of that local government services budget?

Mr. Danyluk: Okay. It is completely the municipal sustainability initiative. There was 100 and some million dollars there. Basically, \$300 million was added plus some fluctuation. That's where that funding is. If you want me to go into greater detail, I would be glad to, but I think that's all right.

Thank you very much, Mr. Chairman, and I thank the hon. member.

The Deputy Chair: The hon. Member for Battle River-Wainwright.

Mr. Griffiths: Thank you, Mr. Chair. I have a few questions about the business plan and some general questions that I hope the minister is able to respond to. One of them was kindly asked by the previous member, so I won't have to go over it.

Strategic business plan 2, financially sustainable and accountable municipalities, specifically strategy 2.1, to assist the local government sector to meet the financial reporting and accountability requirements contained in the legislation and regulations. Now, I'm curious because I've had many calls from municipalities within my constituency, and a lot of them are concerned – I can't remember the terminology they used – with the obligations that they're going to have to meet in three years. Will they have to now account for all of the inventory and depreciate it and put money away against the depreciation?

I know that most of the municipalities are concerned because they're not quite sure what the implications are. They're concerned because right now they're already taxed – stressed would probably be the more appropriate word – to meet many of their obligations for infrastructure for their communities, and they're worried that if they

have to bank money to offset depreciation of assets, that will even further limit their ability to provide the services that are necessary in their community. So I'm wondering if the minister can comment on how the municipalities will address that and what your department can specifically do to help municipalities address that.

Now, some of the general questions I had. I wonder if the minister has considered or addressed, because I didn't see anything specific in the business plan, encouraging municipalities, specifically large cities, to develop more smart growth plans – developing more LRT systems, bus systems, better transportation systems – encouraging cities and even smaller centres that will eventually reach the same situation to grow up rather than grow out.

We all well know that it costs about the same amount of money to dig a trench to put water and sewer in the ground. All that really varies is the size of the pipe that needs to be put in there. If you build a city street that only houses 80 people, the cost of putting that infrastructure in is going to be a lot higher per capita than if you had 800 people living on the same block and needed larger water and sewer and structural infrastructure. So I'm wondering if there's something that the minister's department is going to be working on in this year and through this business plan to help cities develop more of a smart growth plan.

I know that the minister's department has made recommendations and addressed the housing situation, but from what I've seen, quite a bit of that mostly addresses the high-growth areas and the desperate need for housing. There are a lot of smaller communities in rural Alberta that face another unique challenge, and that's just having any available housing, not just affordable housing. There are communities, one in particular in my constituency, Edgerton, although the same applies to Chauvin and Castor and Coronation and Consort and Heisler – if they do attract some young family to move into that community, oftentimes there's no place for that family to live, and they have to wait a year for a house to be built. If there was something within the Affordable Housing Task Force or something the minister could do to help address the transitional housing for those small communities so that a young family that moves in would have . . .

Do you want me to stop and then get back up and ask more questions?

Mr. Danyluk: No, no. I just want to make sure that I have enough time to answer you.

Mr. Griffiths: Okay.

. . . some transitional housing. The community could access some funds to build a house so that if a young family came in, they could move into it and rent it perhaps from the municipality for a year until their house got built. I mean, again, one of the challenges that a lot of small communities face is: where are the families supposed to live even if there is a job available for them in that small community?

I know that there was some discussion about intermunicipal governance and planning and that it's part of the business plan. I didn't see anything about incentives and encouraging municipalities to work together, but we know that there are going to be a lot of challenges coming up between small towns or medium-sized towns and counties and MDs. The challenge I find, particularly in my constituency – and I'm sure it's a common plight around rural Alberta – is that a lot of the rural municipalities, the MDs and the counties, actually are doing fairly well with cash. Because they have the linear assessments, they have a lot more tax revenue coming in. In fact, one of the municipalities in this province, I heard, was almost about to rebate the entire tax portion that was paid for the year because they didn't need the money while many of the small

towns we have are feeling a real crunch. I know that the minister understands this. They don't have a lot of flexibility and extra room in order to provide services.

So now we're starting to see some disputes between municipalities where a lot of the county people are utilizing the services and rec facilities that are in the town, but many communities feel that they don't provide the same proportionate off-set in pay in order to make sure that service can be provided. I think we're going to find this year that we're going to have more and more disputes, and I'm wondering if there is something for incentives to encourage municipalities to work together or disincentives to encourage them not to work independently and ignore each other. Intermunicipal governance planning and management works but only if the municipalities have some sort of inclination that they'll start off on the right foot.

Another comment that I wanted to make was that I worry about the municipal sustainability proposal. I honestly believe in my heart that every single Albertan in this province is taxed enough by municipal, provincial, and federal governments, and it's not a question of whether or not municipalities have or should have greater access to taxing authorities but whether or not the tax dollars that are collected are utilized appropriately and distributed appropriately between the three levels of government to make sure that everyone has the opportunity to provide services. So I'm wondering if you can comment on that.

9:00

Finally, I've said this to the previous minister, and I've said it in Public Accounts when I served as the vice-chair: I believe performance measures are critical to make sure that a department runs effectively. You can have satisfaction surveys, and, I mean, most departments do it. It's an easy measure to use satisfaction surveys. How many clients are happy? I even see in your business plan that there are some outcome measures: you know, how many have gone through the program, or how many have qualified, or what's the output?

But I'm wondering about the outcome. Quite frankly, I would love to see within this business plan an outcome measure of how communities are doing so that we can show or evaluate whether or not the rural development strategy is working or our municipal sustainability plan is working, to show that communities are actually improving, that they're becoming greener, that they're growing up, that their infrastructure costs per capita are going down, that they're attracting more businesses, that the housing costs are going down. Those sorts of outcome measures, minister, are incredibly important, and I'd like to hear your comments on improving the performance measures in your department.

Thank you.

The Deputy Chair: The hon. minister.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. If I can, I'm going to go a little bit, maybe, backwards. We very much have looked at the performance measures. I think that is very important because, you know, I mean, to write performance measures into our plans, into our visions, into our mission statements, we do need to have outcomes. We need to have the guidance. Have we succeeded? Are we putting funding in the right areas? Are the individuals or municipalities that we have supported being successful? So, you know, we've looked at it. We've said that we're changing. We've changed some. We're going to change others. That's an excellent point, and I really thank you for bringing it up.

The second-last comment that you talked about, that everyone is

taxed enough. You know what? You're absolutely right. I heard the hon. Member for Cardston-Taber-Warner just pounding the desk when: everyone is taxed enough. But you know, at question period I heard him over and over asking the minister of municipal affairs how we can support his constituency. Mr. Chairman, the situation is that the demands are what guide what taxation is. Are we taxed enough? Yes, we are, but it all is relative to what we as individuals, not necessarily as municipalities but as individuals, want. We put the demands on our politicians, and our politicians, as we know around this table, try to do the best job we can in that support.

Mr. Chairman, I'm going to address the tangible capital assets, and that is, without a doubt, a challenge. We follow the Canadian Institute of Chartered Accountants. They set forward the guidelines, and I believe we have three years. Is that right? Three or four years? [interjection] Till 2009 to conform to Canadian standards. So our ministry has put a half a million dollars in support for municipalities. We have had and are having seminars, and we've had meetings on how we can help municipalities not only understand but support each other because at the end of the day somehow we have to have some unity, some standardization.

Trying to figure out how we are going to assess, really assess, pipe underground, linear potential of gravel pits: this is not an easy task. I don't believe that each municipality needs to reinvent the wheel. We need to do some co-ordination because if we try to reinvent the wheel in regard to how we're going to deal with the issue, then we're going to have 360 different assessments. I think we need to co-operate together.

You know, your discussion about the development of growth plans. I want to make a couple of comments. This is very much in conjunction with the work also of land use. We need to work with the land-use – what is it? – framework. And we need to look at how we can save our soil. We need to look at how – it's communication again, you know, where there's this discussion. We have situations in municipalities where we have municipalities that want to develop land, want to develop or have developments where they have two-acre and three-acre and four-acre parcels, and we're just spreading out.

You know, sometimes we boast of having the biggest land mass municipality in Canada. I don't really think that's something we should be very proud of. I think, you know, we need to work at how we can create better densities. We've come from the five units per acre. We've increased it to seven, eight, nine. There are even some examples in Calgary that did a great job in looking at 11 units per acre. We need to look at that density, and we need to increase that density. So I would again say: a very good point.

The housing comment for small municipalities that have that ability to attract but really have no ability to start the project. Well, Mr. Chairman, I'd like to inform the hon. member that we have looked at that, and we have put money aside. We have put \$68 million aside for those such projects for small municipalities to be able to apply for so that they would be able to address those needs. I'm not exactly sure how successful, but we know from our previous experience that municipalities find innovative ways, and those municipalities have those concerns. So I hope that that is addressed.

Okay. One question you asked is about the municipalities that are having difficulties, the small municipalities that we talk about in rural Alberta where we have an urban municipality and a rural municipality, and the urban municipality has facilities that they use and the rurals use. What happens is: 60 per cent of the utilization takes place by the urban and 40 from outside, and they have maybe a million dollars' deficit in operating, and the rural community gives them just a little bit of support. Mr. Chairman, in our co-operation

that's something that we need to address, and those are some of the things that we're very much trying to address.

I know in the core capital it's for them to talk about where they're going, but – you know what? – if we get them at the table, maybe some of them will say: "You know what? We need to work together on this community initiative, and let us support that community, and let's get together." You know, we've had some great stories where municipalities have told me that 20-some municipalities got together, and they said: "You know what? We're going to pool all our community capital, and we're going to put it to a cause with a committee." What a great idea. Getting together and looking at what's necessary for the community.

As for the discrepancy for small communities as well, there was \$12 million that was taken out of the municipalities' sustainability fund, that was put aside, that was used for addressing the small communities, the communities that have mill rates of 30-some or have mill rates that – I mean, we have some municipalities that have an equalized assessment mill rate of three. We have some that have one of 30-some and 20-some. So we've used that funding. For those individuals we have taken that funding away from – I won't say taken away. That's not the right saying. We've taken \$12 million and set it aside and given it to municipalities that are struggling.

9:10

Is it enough? We're not sure. Are we working towards a more complete focus? Yes, we are, because we're meeting with municipalities and associations and the minister's council to try to address those needs.

I hope that that answers some of the questions that you had, and thank you very much for them.

Thank you.

The Deputy Chair: Any others?

Hon. members, we will now proceed with Health and Wellness.

Health and Wellness

Mr. Hancock: Well, Mr. Chairman, I'm sure that colleagues have heard my introductory remarks, and if they weren't able to be present for them, they must have read them in the *Hansard*. I'm happy to open myself to any questions that people might have.

The Deputy Chair: The hon. Member for Airdrie-Chestermere.

Ms Haley: Thank you very much, Mr. Chairman. I have a few questions for the hon. minister. I'd like to begin by talking about physician services. In this year's budget estimates the price is \$2.4 billion. It's \$400 million more this year. I'm wondering if the minister could enlighten us as to what it will be next year. What type of an impact does he see it having on the nurses' negotiations, that will be beginning right away?

I'd also like to know if he could tell me how many doctors we actually have now. How many are moving here from other parts of Canada or the United States? Are doctors actually returning from the U.S.? We did lose quite a few for a period of time. I'm wondering what our balancing numbers are like now, minister.

I'd also like to know how many medical students we have and how many of our Alberta students are taking their medical training outside of our country because they couldn't get into medical school here. What are we doing to facilitate their ability to come back?

I wanted to mention that in Australia, apparently, they nationalized physician services in such a way that the criteria for doctors are

the same throughout their country as opposed to different provinces being able to have separate physician councils that determine who gets a licence and whether or not they've met the criteria. I'm wondering if you have been working at all with the federal minister and other ministers across Canada to smooth that process out so that doctors that are fully trained and returning here from other countries could fit into our medical system with a little bit more ease.

I want to talk about the regional health authorities. Their mental health and cancer are now at \$6.6 billion dollars, which is \$600 million more than last year. I'd like to know if the minister can tell me if we've made any headway at all in outcome measurement with regard to the health care system. Specifically, minister: what do they do with the money? I ask this because in the years that I was on the board for the Calgary General hospital, the Alberta health care association, and the Canadian Hospital Association, we had a system, particularly here in Alberta, where in order to comply with an acute-care funding formula, health care facilities had to report to the department of health on a monthly basis the procedures that they had performed. When all of that data was accumulated at the end of the year, it would determine what the health care funding for that particular facility would be the following year.

I know it wasn't a perfect system. But at that time, I believe, it was possible for the minister of health to be aware of how many appendicitis cases had been dealt with throughout the province, how many hip or knee surgeries had been done, just general information so you would know, kind of, where we're at inside the health care system as far as funding goes, what it would cost on a per-unit basis. Does it cost the same amount in Calgary to do a hip replacement as it does in Edmonton, for example? I'm wondering if you have that type of data. If not, will you be making any attempt to try and accumulate that kind of data so that when we're putting an increase into health care, we have a very clear understanding of where it's going and what the people of the province could expect to get out of that?

You know, at that time we were spending about \$4 billion on health care. This year's budget, including the infrastructure needs, is around \$12 billion. I'm not sure that the system is serving the needs any better today than they were 12 years ago or 14 years ago. So I'd like your views on that and how we're going to improve the system, Minister.

I also wanted to ask you if you could give us an update on the cancer prevention fund. I know that we set aside money, a \$500 million fund, on the basis that we would be able to help the research group with \$25 million a year, that they were to match. I've not heard anything since, Minister, so if you could give us an indication of whether that organization is now kind of up and running. If they're raising money, are they able to match? What are they doing with those funds?

Long-term care. I wanted to talk about that for just a moment to say that during my time as an MLA long-term care, at least some long-term care organizations, have grown more uncomfortable with their relationship with regional health authorities. They feel that their needs are perhaps a little easily overlooked in light of acute-care funding needs, that perhaps they would be better served if they could be pulled out from underneath the regional health authority. I'd like to know if you've heard that, and if you have, what is your response to that? Is it possible to do something like that, or is that just completely out of the question? Is it something that truly needs to be reviewed with an eye to making sure that their needs are being met as well?

My last question – and you won't be shocked or amazed when you hear this – is about electronic health records and only to say this. Of the last three years, in 2005 we spent \$243 million; in 2006 \$147

million; in 2007 \$102 million. I'm wondering if the minister is prepared to comment on the implementation of that, on how it's coming. What are the regional health authorities spending on electronic health care records? While I'm confident that it is the right direction to go, Minister, I just want to know if we can honestly as a government say that we know where all that money is being allocated. Is it doing what it was intended to do? What was it intended to do? Can any of that great technology that's being implemented be used to get you and the government and the people of the province a little better information on the number of services that are actually being done on a timely basis so that it's not three-year-old data or four-year-old data but something far more recent so that we know where the money is going?

On health care premiums, Minister, I just wanted to ask this question. Have you given any thought at all to replacing the premium with moving it onto, for example, an income tax form so that it's perhaps a more meaningful way of people relating to the health care system as opposed to the premium? I am not suggesting for one second that health care should be in anybody's mind free, because it isn't. It's the most expensive thing we do. In the last 10 years it's gone from 27 per cent of our budget to close to 40 per cent of our budget, and there's no end in sight on that type of an increase.

It's overwhelming other program areas, so there needs to be, in my mind, a tie-back to a health care premium or a health care item on an income tax form that helps people to understand the magnitude of the cost. Tie it to – I don't know – 10 per cent of the total health care cost or tie it to physician fees, but tie it to something meaningful so that people would understand what it is they're actually paying for, a way to help them understand what they're getting in return for that payment.

So any comments you have I'd be glad to hear, Minister. Thank you.

The Deputy Chair: The hon. Minister of Health and Wellness.

Mr. Hancock: Thank you, Mr. Chairman. Some tough questions. On physician services to start with, the physician services budget for this year is \$2.4 billion, precisely \$2,431,139,000, and that would go up to \$2,477,611,000 next year and to \$2,525,013,000 the year after, so it increases. Of course, the hon. member will know that we've just signed the latest reopener agreement, and as a result of signing that agreement, there are a number of pieces that are in that compensation package. Two billion, seventy-eight million of that compensation package relates to physician fees. That is an increase from \$1,768,300,000 last year, or a 17.6 per cent increase, and that really not only encompasses the 4 and a half per cent increase in fees in each year over two years but also incorporates the volume increase. That's the direct physician fee area. That's the old model, and that's the model we're trying to move away from in so many areas; for example, with primary care networks and alternative payment plans and those sorts of things. But we're still in that model for the bulk of service delivery.

Of course, then we have in that global number about \$80 million for on-call services to enhance the fees that are paid so that doctors actually will provide the on-call that's necessary.

9:20

Thirty-four million dollars for the physician office system program. This is one of the pieces that would tie into your last question with respect to electronic health records. This is the place where some of the costs of electronic health records are buried. What that program provides is some support to encourage physicians with the transition to an electronic office and attachment to the

electronic health record. You know, they may be going along merrily with a paper-based system and say: "Why do I want to change? It's going to cost me money." So built into the trilateral agreement and now continued is the physician office assistance program, where we hope to be able to get 100 per cent of physicians' offices online with the electronic health record within a reasonable period of time. We've actually had fairly decent success. About 60 per cent are on. This is not a program that should be a forever program. It's a program which should fall off once the conversion has been there because it really is about the conversion, not about maintaining the office costs of doctors forever.

Primary care: \$92 million. That's helping us with the conversion from the fee-for-service to a primary care model and eventually in some cases to rostering, moving that way.

Clinical stabilization is another interesting piece of the package at \$38 million. The purpose of the clinical stabilization was to recognize that doctors get a fee for service, and they don't have the opportunity to increase their fees, so the only way they can increase their revenue is by seeing more patients. Of course, if we're really talking about primary care, we want them to see their patients longer, not see more patients. If you're talking about family physicians, whether it's in downtown Calgary or other places, costs have gone up, and we're losing family physicians, particularly losing them from areas where they can't sustain the costs. The clinical stabilization program is intended to be directed to help support doctors in primary care primarily although there could be other specialties where we need specific support.

Then, of course, the academic alternate relationship plan and the rural physician action plan encompass the balance of that budget, but I thought it was useful to sort of outline that total. As I said, it totals \$2.43 billion this year and will rise over the course of the next two years.

The impact on nursing. I would think it should be very clear to everyone that there's a very significant difference between the doctors' budget and the nurses' budget, and that's not because doctors are more important than nurses. That's because they get paid differently. Nurses are by and large on a union-negotiated agreement, a collective agreement, and they're employed. That's a very significant payment process than the business operation of doctors on a fee-for-service basis. So if you're looking at an apples-to-apples comparison, the increase in physicians' fees of 4 and a half per cent year over year is really the measure one should look at. Then even looking at that, you have to look at physicians who are dealing with escalating costs of utilities, escalating costs of rent, escalating costs of office operation that they have to take care of within the context of their 4 and a half per cent increase.

From my perspective, that's the comparison. I wouldn't want to go too much further into it because negotiations are under way with nurses and other health care professionals. But for anyone to say, "Well, the doctors got a 17.6 per cent increase in their budget, and therefore nurses should get a 17.6 per cent increase in their budget," they would be missing the point that there are a lot of other things built into that in terms of how we're changing the nature of the relationship, changing the nature of the payment structure, supporting some otherwise uneconomic situations to encourage doctors to stay in either a resource community or in an area where their costs have gone up dramatically and those sorts of issues.

How many doctors do we have? I don't know the answer to that off the top of my head. We talk about being 1,100 short, and I should have the number. We have now, I think, 135 spaces in each of the U of A and the U of C to train more doctors, 255 spaces at Alberta's two medical schools now for doctors, a total of 4,500 spaces for health care programs across the province. There has been

a significant ramping up of that. We've expanded them by more than 4,500 spaces since 2000, so there's been a significant increase.

There are still not enough spaces, as the hon. member mentioned, to admit all the qualified Alberta students who would like to be doctors. I don't have a way of quantifying the number, but we do have a number of doctors, and Advanced Education might be able to get that number for us based on who we support in student loan programs to study abroad. I know that in my own constituency I could identify at least 10 people who are abroad taking medicine. Not only are they going abroad to take medicine, not being able to do it here, at a much more significant cost to themselves, but the tragedy of it is that we don't have a good way of getting them back home.

First of all, once you graduate in a foreign medical school, I would say that perhaps not enough homework is done in the first place to determine whether it's a good school that they're going to, whether their credentials will be recognized back home. We have some work to do to make sure that there's easy access to that kind of information for students who do go abroad. Secondly, we need the residency program in place so that they can come back and get a residency here because if they take their residency in some other jurisdiction, the chances are that they'll stay and practise in that jurisdiction. We know that people who have been educated and get their residencies here stay here.

So that's one of the challenges that we have to try and meet in the workforce strategy that's coming forward. We expanded the spaces for international medical graduates to, I think, 48 residency spaces in the last year, and that was a good start. That has taken us outside the mix of the Canadian residency matching program because we've offered 48 specific spots for international medical graduates. That's a place where we have stepped up, but there's more to do. That's one of the places where we can actually get some of the people that we need. If we can expand the residencies and the mentoring programs and those areas, we can get some of the people we need rather more quickly than even by ramping up the training programs.

We also have to work with the colleges. I'm in the process of establishing a meeting with the colleges. I've met with the College of Physicians and Surgeons' executive director and president. I've also met with the deans of medicine to talk about getting together. We're going to bring them together to talk about how we can do a better job of recognizing credentials, of creating pathways and providing professional credentials to foreign medical graduates, and of getting rid of the barriers because it seems like every time we knock down one barrier, another one appears. We haven't quite overcome that. So I've made the commitment – and I have the commitment from them – to sit down and actually deal with those. [Mr. Hancock's speaking time expired]

I'll have to deal with the rest of your questions in a moment.

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

Dr. Brown: Thank you, Mr. Chairman. I have a few areas that I would like to address with the hon. minister. I do apologize if it seems somewhat disjointed. I was expecting that this portion of the Committee of Supply would be taking place tomorrow afternoon, so my notes aren't as organized as they would have been had it proceeded at its original time.

I would like to ask the hon. minister about some of the issues relating to Calgary's health care funding. I believe that the budget for 2006-2007 amounted to a 7.5 per cent increase over last year's base funding although when one considers the in-year operational allocation, it was 9.3 per cent, I think, that the figure worked out to be. The question that I would start with is related to the global

population-based funding formula, which, as I understand it, allocates funding based on the population demographics, which reflect things like age and gender and socioeconomic criteria. I gather that it is based on some empirical data. What I would like to know from the minister is what empirical data that is based on, how current that data is, whether or not we could have some access to the basis for that data, and whether or not the data is based on the actual intake costs to the health care system of each of those representative demographic components or populations.

9:30

As an example of the effect of this global population-based funding formula, as I understand it, it's not fully implemented and there are what I would call some fudge factors, which are one-time adjustments and growth provisions. If that global funding formula were properly and fully applied, it would result in the Calgary health region receiving an amount of a hundred million dollars or more compared to, as I said, what it actually receives.

My understanding based on the information that I've been given by the Calgary health region is that the average age of residents, in fact, is nearly identical, yet the Calgary health region in the year 2004-2005 reached a population of 1.2 million, and it received, as I said, a hundred million dollars less than the Capital health region with a population of a million. I understand also that this disparity in the per capita funding between Calgary and the Capital health region is actually increasing and that in the past year the Capital health region funding has gone up to \$1,310 per capita while Calgary's has only gone up to \$1,187. So the disparity seems to be increasing.

The second issue that I would like to raise with the minister is the issue of long-term care. As I understand it, Calgary health region is expecting the demographics to require approximately 125 additional care beds per year in order to meet the needs of its expanding seniors demographic. This current lack of adequate long-term care capacity in the city of Calgary is one of the contributors to the significant problems that that region is facing in terms of its flow through from the emergency departments because they don't have the capacity in long-term care, a result of which more people are getting shuffled off into the emergency departments when they needn't be.

The third issue that I would like to raise is the issue of cancer care in the Calgary region. The minister is certainly aware that the Tom Baker cancer centre in Calgary is not in any way an equivalent facility to the Cross Cancer Institute in Edmonton. It's not a complete hospital. The Baker centre has no beds to treat patients who require hospital admission; rather, it uses up capacity in the Foothills medical centre. Ultimately, there is a requirement for an additional cancer care facility, whether that be as a stand-alone facility or expanding the capacity at Foothills. I wonder whether the minister could elaborate on what plans his department has with respect to providing that additional needed cancer care capacity in the city; also whether or not he could comment on the necessity to avoid duplication of staff and services in the event that it is decided to support two separate facilities.

Another issue of concern in the city of Calgary is mental health funding. I've mentioned this to the minister on prior occasions. The Calgary health region traditionally receives only 20 per cent of mental health funding. That's meant to serve over 35 per cent of the provincial population. My understanding is that the mental health facilities which are located in Edmonton and Ponoka are funded through mental health funding which is allocated outside of the population-based funding formula. This would allow both Capital health and the David Thompson health region to direct fewer funds to support mental health services than Calgary and the other health

regions that are required to use in-patient beds and other resources for their mental health services. It's my understanding that only a small number of the patients from the Calgary area are cared for in the two facilities that I mentioned.

The Claresholm facility is part of the Calgary health region, but it is a very small facility, and it's by no means appropriate in many instances to expect patients from the city of Calgary to travel down to Claresholm to receive their care. The growing focus of moving from institutional to community care is certainly not supported by the present funding model. As I said, there is considerable inequity in the funding at the present time. In the 2006-2007 budget, as I understand it, the Calgary health region is receiving \$58.1 million for mental health funding, and Capital health, by comparison, is receiving \$105 million.

Another issue which has been brought to my attention is the lack of surgical infrastructure in Calgary in the face of rapidly increasing waiting lists for surgery. In 2002 there were just over 15,000 patients waiting for surgery in Calgary. This had grown in 2006 to almost 21,000 patients waiting for surgeries. The Calgary health region has indicated that their ability to recruit surgeons is constrained by the fact that they don't have enough operating room space to offer them access to in order to decrease the waiting times for people waiting for surgical care. My understanding is that there are some new surgical facilities that are presently planned as part of the Foothills hospital expansion, but it's also my understanding that of the 24 operating rooms which are going to be shelled out within that structure, only eight of those would be completed.

The Deputy Chair: Hon. minister.

Mr. Hancock: Well, thank you, Mr. Chairman. Again some very good questions.

I do have a couple of questions that were left from the last member that I could just touch on very quickly and briefly. RHA outcome measurements are very important. One of the things that the member will be aware of is that one of the first priorities that I've dealt with is from sitting down with the boards and talking about accountability and board governance. We're putting in place structures with respect to the board governance, but one of the next pieces is: how do we make sure that we're operating in the context of a system, and what accountability measures, what reporting measures need to be in place?

I've met with the Auditor General as well to make sure that we have some consistency in terms of our expectations with respect to reporting. I believe that that's very important, that there be reporting on outcomes and outcome measurements and that we have a consistent reporting framework so that we can do those comparisons across the province, look for where the best practices are and where the benchmarks are, and then have performance expectations with respect to meeting those benchmarks.

9:40

The cancer legacy fund provides for about \$25 million a year. There's initially some good things; for example, a recently announced colorectal screening program. Those sorts of things will help us to reduce the incidence of cancer or catch things early and be able to deal with reducing the drain on the health care system and, of course, the devastation to quality of life that happens when we don't deal with it. So cancer research is very important, how we avoid cancers is very important, but catching it early is extremely important. I think that's one of the key focuses that we could learn from there.

Long-term care. I've had some preliminary discussions with the

Minister of Seniors and Community Supports. I think it's very important that we identify a way of dealing with both the housing component and the health component that go into the continuum of care, whether a person is in their own home and needing home care or through whatever form of assisted living that they have until they get into what we would normally call long-term care or extended care. I think it's very important.

We have had concerns from providers that talk about the unfairness of having to compete against the same people that are regulating them and paying them. They're concerns with respect to whether they're being dealt with fairly in their budget. I think that's a fair topic for discussion, and I think we need to look at how we do that.

As I say, I raised some angst early in the system, with people now saying: are you going to move long-term care out of the health authorities? My response has been that we need to have a discussion about where long-term care should be but, more importantly, about how we do the continuum of care and how we pay for the health support to seniors in their choice of living accommodation or lifestyle to support the quality of life. We know that health status is improved if people can be as independent as possible as long as possible. That's a discussion we need to have. It comes right out of the Broda report. It's something that we've struggled with but that I think we need to grasp.

The electronic health record is, in my view, one of the most important innovations and backbones with respect to change in the system, but you're right: we need to know where the money is going and that we're getting good value for our money. I, for one, having been watching this for a number of years, was surprised to come into the portfolio and discover that we were developing three health records: a Capital one, a Calgary one, and RSHIP for the rural areas. I'm somewhat comforted, after looking into it, that each of them is building a system which will encourage participation and use from the people in their regions and that a portal and a hub are being built which connects them to make sure that it will be a seamless provincial health record, but I think that's something that we need to be on top of.

I'm very concerned about the cost. Particularly, some of the rural health authorities that are involved in RSHIP are reporting pressures on their budget as a result of the electronic health record expenditures. We need to be monitoring that and making sure that we're not getting ahead of ourselves. Yes, we want to have all Albertans on the health record by 2008, and we're on track to have pharmacies and labs and diagnostics on those records in substantial amounts and, as I mentioned, doctors' offices tied in. That's very important, but we have to have very clear control of the standards to make sure that they're all building on a compatible platform and that they're adding things that are necessary.

Now, you can see that they've gone a lot further in some of the areas like the Calgary regional health authority than you might need to do in some of the rural health authorities. For example, the bedside package that they've added to their model which they've developed and which works, from what I've seen, very effectively, would be an exotic add-on for many of the RSHIP people. So there are differences in terms of what's being spent on it.

That, I hope, deals with the others. If I've missed some, I'll come back to them.

Now, with respect to the questions from Calgary-Nose Hill on the global funding formula. There's actually a book, which I will send to the hon. member, which outlines how the funding formula is applied. I've promised to deliver that. I haven't done that yet, but I'll get that to you. It does indeed show the way the per capita rates are calculated, the population process. In region 3, for example,

with the 2007-2008 projected population of 1,274,796 people, the net per capita rate, rounded, is \$1,319. In region 6, which is the Capital region, with 1,070,650 people projected, the per capita rate is, indeed, \$1,476. So there is, in fact, a difference of somewhat in excess of a hundred dollars per capita, if you just look at the per capita rate. The reality, as the hon. member acknowledged, is that the methodology is based on a per capita for patients at different ages and stages, so to speak.

The calculation of capitation funding rates assigns health care expenditures to individual demographic groups. The first thing they do is collect the comprehensive RHA patient activity data, and then they calculate a cost per demographic group. Data coverage of regional health services is relatively comprehensive, but there are a few areas of gaps that they have. The acute in-patient care numbers, the acute ambulatory care numbers, the long-term care numbers, the home care numbers, the community lab numbers, the Health Link numbers: all of that data is calculated and then extrapolated into demographic groups. Relative weight costs are added to patient activities to determine expenditure and relative resource weights attached to each of the activity records.

Then the acute hospital in-patient care, acute ambulatory care: they all have a weighted formula attached to them. Then you take it and apply it, scaling it to the pool on the budget size. This isn't actually a funding formula. It's an allocation formula. In other words, you could take all of the costs and put them against the demographics and drive a number, and that number could be higher than we budget. If so, it has to be scaled to the budget. So it's an allocation of the budget dollars.

Then you take the funding formula and you take a look at a number of different categories of people: under one year of age, one to four years of age, five to nine years of age, 10 to 14 years of age, et cetera, male or female; so the whole categorization. Then you look at so-called regular funding, the premium support funding; that is, who is being supported? Who has premium support in the Alberta health care insurance premium plan? Aboriginal: there's a weighted average there because of the higher incidence and utilization of the system. Those who are on income support. So that drives out to approximately 90 different categories of funding that go into the model. Then you apply the capitation rates to each region's projected population, and that drives out the funding formula portion of the budget.

Now, that's one portion of the budget. On that side the Calgary regional health authority would have received \$1,763,008,571, and Capital \$1,654,157,390. Then you apply the import/export ratios. So each of those health authorities serve broader populations than just their own. The reality is that the Capital health authority serves all of northern Alberta for some services and further into the territories. But for the Alberta people that they serve . . . [Mr. Hancock's speaking time expired] Aw, gee, I had so much more to say.

The Deputy Chair: The hon. member for Whitecourt-Ste. Anne.

Mr. VanderBurg: Thank you, Mr. Chairman. Two points that I want to talk about: dialysis and health care cards. You know, Whitecourt-Ste. Anne is presently being served by two great health regions, Capital health care and Aspen, and there will be a new opportunity for improved dialysis for the citizens of the constituency. You know, so many of our community members have been travelling at times three days a week. I know the ones that I talk to on a pretty regular basis travel Mondays, Wednesdays, and Fridays from the western region of the constituency to Edmonton, and these are folks that, you know, aren't in great health. It's quite a job, three

times a week travelling back and forth on winter roads, icy roads, to get their four or five hours three times a week hooked on the dialysis machine.

The new opportunity we will have with this new mobile unit, that will be operating three days a week in my constituency and two days a week in West Yellowhead, will provide great access to our citizens. I think that this project will only provide an opportunity for us to learn more about doing things on a mobile basis, and I encourage the minister to follow very closely that progress on the portable dialysis so that he may use that model in other jurisdictions where, other MLAs tell me, similar problems occur.

9:50

The second issue is the health care cards. I'm wondering if you have worked with the Minister of Service Alberta to provide a better model, a more efficient model of delivering health care cards to Albertans. If people come to my constituency, if they move from Meadow Lake to Whitecourt to work in the pulp mill, the first thing they do is register their car, and they get new licence plates. They get a new driver's licence and new identification cards, but they can't get a health care card at their local registry office. I just don't know why we can't do that one-window approach and service all Albertans through a model that's worked very well.

I know that we're running close to the time. Firstly, I'd like to thank you and your folks for providing the insight to have the portable dialysis machine for my constituents. But I would like to know if you've worked collaboratively with the Minister of Service Alberta to streamline the health care card system.

The Deputy Chair: The hon. Minister of Health and Wellness.

Mr. Hancock: Thank you, Mr. Chairman. Thank you, first of all, for the comments with respect to dialysis. I think that the mobile dialysis units are going to be a great boon to people because travelling to have dialysis every second day is just not a great way to have a quality of life. So the new mobile unit that will serve Whitecourt and the Edson-Hinton area I think will be exceptionally good, and I hope that there will be an opportunity to provide that kind of service to other areas. Certainly, we've been dealing with the hon. Member for Bonnyville-Cold Lake with respect to people in his area that have need for dialysis and how we can provide that in that area, and the Capital health authority has been doing their best to try and make that work. Mobile dialysis seems to me to make a lot of sense.

The health card. I think we need to look as we go forward at the whole issue of having a health card. Quite frankly, some years ago when the new driver's licence came in, I looked at the opportunities to perhaps have a smart card or one card that would serve all purposes in terms of identification. I still think there could be opportunities in that area, although I have to admit that that hasn't been at the top of my agenda yet in this ministry.

So I hope that deals with some of those concerns.

If I may, I'd like to go back to Calgary-Nose Hill and some of the concerns raised there with respect to the funding formula. I just would indicate on the import/export side that the Calgary health authority gained \$56,373,000 on import; the Capital health authority, \$192,000,000 on import. So that's one of the areas where there's a significant difference between the services provided by the two health regions to people outside their health regions and the compensation they get for that.

Now, there is a factor called a cost adjustment factor. There are lots of technical things that go into the cost adjustment factor. Calgary gets an additional \$41.7 million on that, and Capital gets

\$56 million on that, so a slight difference on the cost adjustment side. Again, in the urban centres the cost adjustment factor is primarily due to the cost of the teaching hospitals.

The mental health funding was raised. We have put in place a new mental health funding formula that's population based this year. So some of the anomalies of the past would be accommodated as a result of the new mental health population-based funding formula. Now, it's not totally there yet because we did have to put in place a no-loss provision. So both Capital and Calgary have contributed to the no-loss provision in a significant amount, Calgary quite significantly more than Capital. Calgary contributed \$11.9 million to the no-loss provision, whereas Capital contributed \$1.8 million to the no-loss provision.

As the hon. member noted and from earlier discussions that we had, one of the reasons for that difference otherwise in mental health funding is due to major facilities, particularly the Centennial, or the Ponoka hospital as it used to be known, and the Alberta Hospital Edmonton. Those are not facilities which just serve the local population. Those serve a much broader population, a forensic unit in Edmonton, for example. But we have moved to do the mental health funding on a more population-based manner. Then there's targeted funding, et cetera. So I hope that gives a better insight, but I will provide the hon. member with the booklet because it is instructional reading.

In terms of long-term care one of our objectives, obviously, is to expand long-term care capacity so that we can make sure that acute-care beds are used for acute-care purposes, and that's nothing new. That has been, again, since the Broda report. Expansion of the capacity in the long-term care system has been a really important part of how we deal with some of the other urgencies that we have at the front end.

On cancer care the hon. member might be pleased to know that I met recently with both the Calgary regional health authority and Cancer Board representatives in a joint meeting to talk about exactly that issue of how we do cancer care delivery in the Calgary health region and southern Alberta, and I've asked them to work together to come back with a delivery model that each of them can see their role in and what we need to cite in a southern Alberta context. One of the models the member will know and the one that the Cancer Board is promoting is the development of a new cancer facility on the west campus at the University of Calgary so that it has the research capacities and the tie-in to the university research capabilities. That's what needs to be determined as to whether that's the appropriate site and configuration and size and those sorts of issues. If we build that, it'll be a major facility. So we need to know that we're building the cancer care of the future, not the cancer care of the past.

The surgery issue was also raised, and it's an important one. What I can say is that there are number of major construction projects happening in the Calgary health facilities. Significant capital dollars have been provided to build those, and we'll be continuing to work with them to ensure that they can use those facilities to the fullest capacity. Obviously, there are issues with respect to capital dollars and how they're allocated. The new south Calgary hospital will help them with their bed capacity as well as their surgical and ambulatory care capacity that they need.

The Deputy Chair: Any others? Hon. Member for Cardston-Taber-Warner, you have about one minute.

Mr. Hinman: Excellent. I'll ask one or two questions then. I guess that my first one would be the accreditation of foreign doctors. I see nothing new in there. I'm wondering if the minister is looking at

putting forward indemnification for teaching facilities in the province so that they can and will accredit foreign doctors. My understanding – and correct me if I'm wrong – is that currently if they were to accredit a foreign doctor, there is no indemnification and they're putting their facility at risk, whereas they are indemnified with the ones that they've trained themselves.

Also, looking at supplementing specialists who take the time to teach or help accredit foreign doctors, are you looking at putting any compensation in there for those members that have come over and want to do that? Yet the specialists say: well, I'm not going to take time out when it costs me a lot of money.

Again, we've had a lot of talk on health care cards. I think it's important. My question is: what are we doing to reduce the amount of fraud with health care cards?

I'd also like to ask the question that, again, premiums have not been eliminated. I'm very disappointed. I appreciate the Member for Airdrie-Chestermere bringing up the question of changing it. If, in fact, we need to raise the revenue, perhaps we should relate it to our provincial premium.

User fees for adults . . .

10:00

The Deputy Chair: I hesitate to interrupt the hon. Member for Cardston-Taber-Warner, but pursuant to Standing Order 59.02(9)(b) the Committee of Supply shall now rise and report progress.

[Mr. Shariff in the chair]

Dr. Brown: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions for the departments of Treasury Board, Health and Wellness, and Municipal Affairs and Housing relating to the 2007-08 government estimates for the general revenue fund and lottery fund for the fiscal year ending March 31, 2008, reports progress, and requests leave to sit again.

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

Hon. Members: Agreed.

The Acting Speaker: Opposed? So ordered.

The hon. Government House Leader.

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

The Acting Speaker: Hon. members, before I call for a vote on that motion, I just want to remind members that tomorrow morning there will be people in the Assembly. I believe that the Speaker is hosting a group here, so everyone is advised to make sure that the laptops and any other things that they have on their tables are locked or put in the drawers.

[Motion carried; at 10:02 p.m. the Assembly adjourned to Wednesday at 1 p.m.]